

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources
Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

RECEIVED

JUL - 7 2006

Form C-141
Revised October 10, 2003

Submit 2 Copies to appropriate
District Office in accordance
with Rule 116 on back
side of form

30-015-34603

Release Notification and Corrective Action

n MLB0623737180

OPERATOR

☐ Initial Report ☒ Final Report

Name of Company Yates Petroleum Corporation	Contact Mike Stubblefield
Address 105 South 4 th Street, Artesia, N.M. 88210	Telephone No. 505-7484500 505-513-1712
Facility Name Magellon Federal Unit #1	Facility Type Drilling well

Surface Owner Federal	Mineral Owner	Lease No.
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LOCATION OF RELEASE

Unit Letter I	Section 5	Township 25s	Range 27e	Feet from the 1650'	North/South Line FSL	Feet from the 660'	East/West Line FEL	County Eddy
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Latitude 32.15632 Longitude 104.20563

NATURE OF RELEASE

Type of Release Brine water.	Volume of Release 6 bbls	Volume Recovered 0
Source of Release UTI Rig #514 steel drilling pit.	Date and Hour of Occurrence 07/01/06 am.	Date and Hour of Discovery Same
Was Immediate Notice Given? Yes No X Not Required	If YES, To Whom?	
By Whom?	Date and Hour	
Was a Watercourse Reached? <input type="checkbox"/> Yes X No	If YES, Volume Impacting the Watercourse.	

If a Watercourse was Impacted, Describe Fully.

Describe Cause of Problem and Remedial Action Taken.*

While moving Patterson-UTI rig #514 off of the Magellon Federal Unit #1. A release of brine water was found .75 miles from the Magellon Federal Unit #1. The release area was in the pasture land next to the lease road. The brine waters in this release came from a steel pit being hauled, that is used in the closed loop system of the drilling rig.

Describe Area Affected and Cleanup Action Taken.*

The impacted soils were excavated and placed in the drilling reserve pit at the Magellon Federal Unit #1. Remediation actions complete. Please grant closure for this release.

Depth to ground water <50', Wellhead protection area > 1000', Distance to surface water body > 1000' Site ranking 20.

I hereby certify that the information given above is true and complete to the best of my knowledge and understand that pursuant to NMOCD rules and regulations all operators are required to report and/or file certain release notifications and perform corrective actions for releases which may endanger public health or the environment. The acceptance of a C-141 report by the NMOCD marked as "Final Report" does not relieve the operator of liability should their operations have failed to adequately investigate and remediate contamination that pose a threat to ground water, surface water, human health or the environment. In addition, NMOCD acceptance of a C-141 report does not relieve the operator of responsibility for compliance with any other federal, state, or local laws and/or regulations.

Signature: <i>Mike Stubblefield</i>	OIL CONSERVATION DIVISION	
Printed Name: Mike Stubblefield	TIM GUM by MB <i>Mike Stubblefield</i>	
Title: Environmental Regulatory Agent	Approved by District Supervisor:	Approval Date: 8/17/06 Expiration Date:
E-mail Address: mikes@ypcnm.com	Conditions of Approval:	Attached <input type="checkbox"/>
Date: 7/5/2006	Cel. 505-513-1712 Phone: 505-748-4500	

* Attach Additional Sheets If Necessary