

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

OCT 29 2007
OCD-ARTESIA

Form C-141
Revised October 10, 2003

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

Release Notification and Corrective Action

30.015.30222

OPERATOR

X 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 Little Box Canyon Aox #2	Facility Type Gas well

Surface Owner Federal	Mineral Owner	Lease No.
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30-015-30222

LOCATION OF RELEASE

Unit Letter	Section 7	Township 21s	Range 22e	Feet from the 1980'	North/South Line FNL	Feet from the 1190'	East/West Line FWL	County Eddy
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Latitude 32.49428 Longitude 104.74469

NATURE OF RELEASE

Type of Release Produced Water	Volume of Release 20 bbls Produced Water	Volume Recovered 0
Source of Release Stock tank	Date and Hour of Occurrence 10/17/07 8:00am	Date and Hour of Discovery 10/17/07 8:00am
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.*
The stock tank developed a hole.

Describe Area Affected and Cleanup Action Taken.*

The impacted area was the bermed area of the tank battery. Soil samples will be taken for analytical from the impacted area. Soil samples will be sent to a second party lab & analysis ran for TPH, B-tex & chlorides. If the initial analytical results find the TPH & B-tex to be over the RRAL. A work plan will be submitted to OCD for the correction of the hydrocarbons. When Analytical results reflect the TPH & B-tex to be under the RRAL. The Chlorides will be documented. A final C-141 form will be submitted to the OCD requesting closure for the release that occurred on 10/17/2007.

Depth to ground water > 100', Wellhead protection area > 1000', Distance to surface water body > 1000' Site ranking 0.

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		Approved by District Supervisor: <i>[Signature]</i>	
Title: Environmental Regulatory Agent		Approval Date: NOV 1 2007	Expiration Date:
E-mail Address: mikes@ypcnm.com		Conditions of Approval: SEE Attached	Attached <input checked="" type="checkbox"/>
Date: 10/29/2007 Phone: 505-748-4500			

* Attach Additional Sheets if Necessary

Guye, Gerry, EMNRD

From: Guye, Gerry, EMNRD
Sent: Thursday, November 01, 2007 10:13 AM
To: 'mikes@ypcnm.com'
Subject: Little Box Canyon AOX #2 (30.015.30222)

Mike

This office is in receipt of your C-141 on the produced water release, at this facility.

NMOCD Rule 19.15.3.116 states in part ... "The responsible person must complete **division approved corrective action** for releases which endanger public health or the environment. Releases will be addressed in accordance with a remediation plan submitted to and approved by the division or with an abatement plan submitted in accordance with Section 19 of 19.15.1 NMAC."

Information and tools for proper corrective action may be found in the Environmental Handbook on our web site www.emnrd.state.nm.us/ocd under the heading publications.

Remediation requirements may be subject to other federal, state and local laws or regulations.

Within 30 days, **on or before November 30, 2007**, completion of a remediation plan should be finalized and submitted to the Division, summarizing all actions taken to mitigate environmental damage and the required analytical data related to the leak, spill or release, for approval.

Please be advised that NMOCD acceptance and/or approval of documents or work plans 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 and/or approval of documents or work plans do not relieve the operator of responsibility for compliance with any other federal, state, local laws and/or regulations.

If I may be of further service or if you have any questions please feel free to contact me.

Gerry Guye

Compliance Officer

NMOCD - Artesia

Office (505)748-1283x105

Mobile (505)626-0843

E-Mail: gerry.guye@state.nm.us

11/1/2007