

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

JUL 13 2009

Form C-141
Revised October 10, 2003

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

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

Release Notification and Corrective Action

ASEB 0900535437

OPERATOR

☐ Initial Report ☒ Final Report

Name of Company Yates Petroleum Corporation	OGRID Number 25575	Contact Robert Asher
Address 104 S. 4 TH Street		Telephone No. 505-748-1471
Facility Name Blast BLA Federal #1	API Number 30-015-36136	Facility Type Drilling Pad

Surface Owner Federal	Mineral Owner Federal	Lease No. NM-100549
--------------------------	--------------------------	------------------------

LOCATION OF RELEASE

Unit Letter J	Section 17	Township 26S	Range 27E	Feet from the 1980'	North/South Line South	Feet from the 1650'	East/West Line East	County Eddy
------------------	---------------	-----------------	--------------	------------------------	---------------------------	------------------------	------------------------	----------------

Latitude 32.04040 Longitude 104.20855

NATURE OF RELEASE

Type of Release Drilling Mud	Volume of Release 50 B/DM	Volume Recovered 35 B/DM
Source of Release Steel Pit Closed Loop System	Date and Hour of Occurrence 12/9/2008; AM	Date and Hour of Discovery 12/9/2008; AM
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? Mike Bratcher/NMOCD	
By Whom? Mike Stubblefield/Yates Petroleum Corporation	Date and Hour 12/9/2008; AM	
Was a Watercourse Reached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, Volume Impacting the Watercourse. N/A	
If a Watercourse was Impacted, Describe Fully.* N/A		

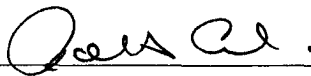
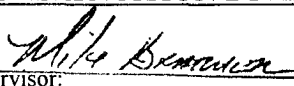
Describe Cause of Problem and Remedial Action Taken.*

During drilling operations the steel pit closed loop system over flowed. A vacuum truck was immediately called to the location. The free standing mud were recovered & then placed back into the closed loop system. A backhoe was called to the location and recovered 90% of the released mud and taken to an NMOCD approved facility. The drilling crew also recovered mud using shovels.

Describe Area Affected and Cleanup Action Taken.*

An approximate area of 30' X 20'. Vertical and horizontal delineation samples will be taken and analysis ran for TPH & BTEX. Chlorides will be documented. **Depth to Ground Water: 50-99', Wellhead Protection Area: No, Distance to Surface Water Body: >1000', SITE RANKING IS 10.** Based on recovered amounts of drilling mud, soils excavated/removed and enclosed analytical results, Yates Petroleum Corporation requests closure.

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: 	OIL CONSERVATION DIVISION	
Printed Name: Robert Asher	Signed By  Approved by District Supervisor:	
Title: Environmental Regulatory Agent	Approval Date: JUL 15 2009	Expiration Date: N/A
E-mail Address: boba@yatespetroleum.com	Conditions of Approval: N/A	Attached <input type="checkbox"/>
Date: Thursday, July 09, 2009 Phone: 505-748-4217	2RP-289	

* Attach Additional Sheets If Necessary