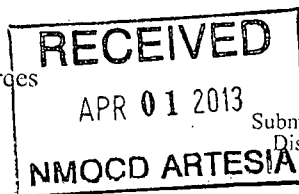


District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

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



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

JMW 1310131572

OPERATOR

☒ Initial Report ☒ Final Report

Name of Company Yates Petroleum Corporation	OGRID Number 25575	Contact Lupe Carrasco
Address 104 S. 4 TH Street		Telephone No. 575-748-1471
Facility Name Mucho Luck 'BBW' Federal Com #2H	API Number 30-015-39348	Facility Type Battery

Surface Owner Federal	Mineral Owner Federal	Lease No. NM-101584
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LOCATION OF RELEASE

Unit Letter P	Section 27	Township 16S	Range 27E	Feet from the 1100	North/South Line South	Feet from the 330	East/West Line East	County Eddy
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Latitude 32.8893400 Longitude 104.2587000

NATURE OF RELEASE

Type of Release Produced Water	Volume of Release 120 B/PW	Volume Recovered 117 B/PW
Source of Release Tank	Date and Hour of Occurrence 3/24/2013 PM	Date and Hour of Discovery 3/24/2013 PM
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 II	
By Whom? Lupe Carrasco, Yates Petroleum Corporation	Date and Hour 3/24/2013 PM (email)	
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.*

Release was from a water leg on a produced water tank that broke due to high winds. All produced water contained within lined/bermed battery. Vacuum trucks called to recover produced water.

Describe Area Affected and Cleanup Action Taken.*

An approximate area of 6' X 250'. All released produced water contained within lined/bermed battery. Liner intact and all standing fluid recovered with remaining fluid entrained in gravel. Gravel to be removed, disposed at an OCD approved site, and replaced. **Depth to Ground Water: <100'**

(approximately 70', Section 27-T16S-R27E, per NMOSE), Wellhead Protection Area: No, Distance to Surface Water Body: >1000', SITE RANKING IS 20. Based on recovered amounts of produced water, release within lined/bermed containment area, disposal of impacted gravel at an OCD approved site, 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: <u>Lupe Carrasco</u>	OIL CONSERVATION DIVISION	
Printed Name: Lupe Carrasco	Signed By: <u>Mike Bratcher</u> Approved by District Supervisor:	
Title: Environmental Regulatory Agent	Approval Date: APR 17 2013	Expiration Date: <u>N/A</u>
E-mail Address: <u>lcarrasco@yatespetroleum.com</u>	Conditions of Approval: <u>MH</u>	Attached <input type="checkbox"/>
Date: Monday, April 01, 2013 Phone: 575-748-1471	2RP- <u>1601</u>	<u>Final</u>

* Attach Additional Sheets If Necessary

NOTE: Site Ranking is 10 for this site