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

Attach Additional Sheets If Necessary

State of New Mexico

Energy Minerals and Natural Resources JUN 20 2013

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Form C-141 Revised October 10, 2003

Oil Conservation Division 1220 South St. Francis Dr. NMOCD ARTES! A District Office in accordance with Rule 116 on back

1220 S. St. Francis Dr., Santa Fe, NM 87505 side of form Santa Fe, NM 87505 **Release Notification and Corrective Action OPERATOR** Initial Report Final Report OGRID Number Contact Name of Company Yates Petroleum Corporation Lupe Carrasco 25575 Address Telephone No. 104 S. 4TH Street 575-748-1471 Facility Name **API Number** Facility Type Dayton FP Battery 30-015-21738 Battery Surface Owner Mineral Owner Lease No. Fee LOCATION OF RELEASE Unit Letter Feet from the North/South Line Section Township Range Feet from the East/West Line County 21 18S 26E Eddy Latitude 32.73417 Longitude 104.38341 NATURE OF RELEASE Type of Release Volume of Release Volume Recovered Produced Water 20 B/PW 10 B/PW Date and Hour of Occurrence Source of Release Date and Hour of Discovery Water Line 6/18/2013 AM 6/18/2013 AM Was Immediate Notice Given? If YES, To Whom? ☐ Yes ☐ No ☒ Not Required By Whom? Date and Hour Was a Watercourse Reached? If YES, Volume Impacting the Watercourse. ☐ Yes 🛛 No If a Watercourse was Impacted, Describe Fully.* N/A Describe Cause of Problem and Remedial Action Taken.* Release was caused by a break in a 6 inch water line due to age of line. Line was shut in and a vacuum truck was dispatched to recover standing fluid. Crews were called in to repair the line. and the second of the second o Describe Area Affected and Cleanup Action Taken.* An approximate area of 20' X3 0'. Impacted soils to be scraped up and taken to an NMOCD approved facility. Vertical and horizontal delineation samples will be taken and analysis ran for TPH & BTEX, Chlorides will be run for documentation. If initial analytical results for TPH & BTEX are under RRAL's a Final Report, C-141 will be submitted to the OCD requesting closure. If the analytical results are above the RRAL's a work plan will be submitted. Depth to Ground Water: >100' (approximately 140', Section 21-T18S-R26E, per NMOSE), Wellhead Protection Area: No, Distance to Surface Water Body: >1000', SITE RANKING IS 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. OIL CONSERVATION DIVISION Signature; Approved by District Supervisor: Printed Name: Lupe Carrasco Approval Date: 2 6 2013 Title: Environmental Regulatory Agent **Expiration Date:** E-mail Address: lcarrasco@vatespetroleum.com Conditions of Approval: Attached | Remediation per OCD Rule & Date: Thursday, June 20, 2013 Phone: 575-748-1471 Guidelines. SUBMIT REMEDIATION

PROPOSAL NO LATER THAN: