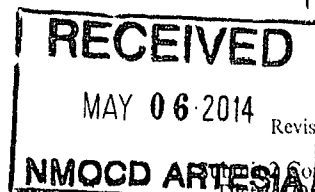


District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

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

Release Notification and Corrective Action

HMP1413235805

OPERATOR

☒ Initial Report ☐ Final Report

| | | |
|--|-------------------------------|--------------------------|
| Name of Company Yates Petroleum Corporation | OGRID Number 25575 | Contact Chase Settle |
| Address 104 S. 4 TH Street | Telephone No. 575-748-4171 | |
| Facility Name Mimosa Federal SWD #4 | API Number 30-015-26950 | Facility Type Battery |

| | | |
|--------------------------|--------------------------|-----------------------|
| Surface Owner Federal | Mineral Owner Federal | Lease No. NM-36935 |
|--------------------------|--------------------------|-----------------------|

LOCATION OF RELEASE

| Unit Letter | Section | Township | Range | Feet from the | North/South Line | Feet from the | East/West Line | County |
|-------------|---------|----------|-------|---------------|------------------|---------------|----------------|--------|
| N | 4 | 20S | 24E | 660' | South | 1980' | West | Eddy |

Latitude 32.59735 Longitude 104.59513

NATURE OF RELEASE

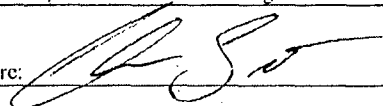

| | | |
|--|---|--|
| Type of Release Produced Water | Volume of Release 35 B/PW | Volume Recovered 15 B/PW |
| Source of Release Broken water leg | Date and Hour of Occurrence 4/28/2014; 9:00 AM | Date and Hour of Discovery 4/28/2014; 9:00 AM |
| Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required | If YES, To Whom? Mike Bratcher/NMOCD II | |
| By Whom? Robert Asher/Yates Petroleum Corporation | Date and Hour 4/29/2014; 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.*
Water leg on tank broke due to wind.

Describe Area Affected and Cleanup Action Taken.*

An approximate area of 169' X 64' was impacted within the bermed battery. The valve was shut off and vacuum trucks were called to clean up the spill. Impacted soils will be excavated and hauled to a NMOCD approved facility. Depth to Ground Water: >100' (approximately 360', Section 4, T20S-R24E, 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.

| | | |
|--|--|-----------------------------------|
| Signature:  | OIL CONSERVATION DIVISION | |
| Printed Name: Chase Settle | Approved by District Supervisor:  | |
| Title: Environmental Regulatory Agent | Approval Date: 5/12/14 | Expiration Date: NA |
| E-mail Address: CSettle@yatespetroleum.com | Conditions of Approval: | Attached <input type="checkbox"/> |
| Date: Tuesday, May 06, 2014 Phone: 575-748-4171 | Remediation per OCD Rule & Guidelines, & like approval by BLM. SUBMIT REMEDIATION PROPOSAL NO LATER THAN: 6/12/14 | |

* Attach Additional Sheets If Necessary

2RP-2292