

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

HOBBS OCD

Form C-141
Revised October 10, 2003

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

OCT 14 2011 Submit 2 Copies to appropriate District Office in accordance with Rule 116 on back side of form

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Release Notification and Corrective Action

OPERATOR

Initial Report Final Report

Name of Company Yates Petroleum Corporation	OGRID Number 25575	Contact Jeremy Haass
Address 104 S. 4 th Street		Telephone No. 575-748-1471
Facility Name Lotus 'ALT' State #3	API Number 30-025-36005	Facility Type Pumping Unit

Surface Owner State	Mineral Owner State	Lease No. V-2443
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LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
C	32	22S	32E	660	North	1980	West	Lea

Latitude 32.35323 Longitude 103.69841

NATURE OF RELEASE

Type of Release Crude Oil, Produced Water	Volume of Release 7 B/O, 53 B/PW	Volume Recovered 0 B/O, 0 B/PW
Source of Release Poly Line	Date and Hour of Occurrence 8/17/2011 AM	Date and Hour of Discovery 8/17/2011 AM
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? Maxey G. Brown, NMOCD1	
By Whom? Jeremy Haass, Yates Petroleum Corporation	Date and Hour 8/18/2011 AM (email)	
Was a Watercourse Reached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, Volume Impacting the Watercourse. N/A	

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If a Watercourse was Impacted, Describe Fully.*
N/A

Describe Cause of Problem and Remedial Action Taken.*
A weak spot on the poly flow line from the well to the battery popped. Leak was isolated and crew was called out to fix line. Called backhoe and dump truck in to pick up affected soil.

Describe Area Affected and Cleanup Action Taken.*
An approximate area of 25' X 80', all on well pad. Impacted soils were cleaned up and taken to an NMOCD approved facility. Vertical and horizontal delineation samples were taken and analysis ran for TPH & BTEX. Third party analytical results for TPH & BTEX showed the site is well under RRAL's. Depth to Ground Water: >100' (approximately 325', Section 32-T22S-R32E, per Trend Map), Wellhead Protection Area: No, Distance to Surface Water Body: >1000', SITE RANKING IS 0. Based on spill occurring and staying on location plus depth to ground water being 325', impacted soils excavated/hailed 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: Jeremy Haass	Approved by District Supervisor: 	
Title: Environmental Regulatory Agent	Approval Date: 10-19-11	Expiration Date: —
E-mail Address: jhaass@yatespetroleum.com	Conditions of Approval:	Attached <input type="checkbox"/>
Date: Tuesday, October 11, 2011 Phone: 575-748-1471	218/9	IRP-3378

* Attach Additional Sheets If Necessary

OCT 17 2011

origin 25575
PTO 1428 740497
PTO 1428 740657