

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

RECEIVED

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 <sup>TH</sup> 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

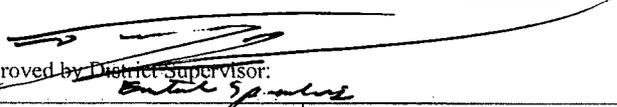
Type of Release Crude Oil, Produced Water	Volume of Release 7 B/O, 53 B/PW	Volume Recovered 0 B/O, 0 B/PW
Source of Release Poly Line	Date and Hour of Occurrence 8/17/2011 AM	Date and Hour of Discovery 8/17/2011 AM
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? Maxey G. Brown, NMOCD.I	
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	

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'. 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. 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 325', Section 32-T22S-R32E, per Trend Map), 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: 	<b>OIL CONSERVATION DIVISION</b>	
Printed Name: Jeremy Haass	Approved by District Supervisor: 	
Title: Environmental Regulatory Agent	Approval Date: 10-14-14	Expiration Date: 12-14-14
E-mail Address: jhaass@yatespetroleum.com	Conditions of Approval: State Supplemental Delante & Associates, Inc per Maxey G. Brown. Submit Final C-141 by 12-14-14	Attached <input type="checkbox"/> IRA-3378
Date: Thursday, August 18, 2011	Phone: 575-748-1471	

\* Attach Additional Sheets If Necessary

OGRID 25575  
N70 142.8 740497  
P70 142.8 740557

OCT 17