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 Fc, NM 87505

State of New Mexico Energy Minerals and Natural Resources

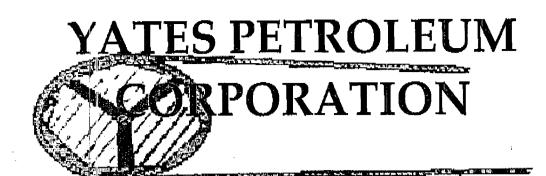
S ENGINEERING

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												
NKMW 1109440928 OPERATOR Initial Report Final Re										Final Report		
Name of Company							Contact					
Yates Petroleum Corporation 25575 Address						Robert Asher Telephone No.						
104 S. 4 TH Street						505-748-1471						
Facility Name API Number						Facility Type						
Graham AKB State #4 30-015-31605						Flowline						
Surface Owner Minera)wner	jei			Lease No.			
State				State		V-2705						
LOCATION OF RELEASE												
Unit Letter			Feet from the	Feet from the East/West Lit 1650' West			County Eddy					
G	2	21 S	31E	1980'	'	Vorth	1020	\ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \	CSI	Eddy		
	1			Yatituda 22	42221	Longitude	103.74403	!	*****			
Latitude_32.42221 Longitude_103.74493												
NATURE OF RELEASE Volume of Release Volume Recovered												
Type of Release Oil & Produced Water						Volume of Release						
Source of Re					four of Occurrence			Hour of Di	scovery	,		
Flowline Was Immedi	ana Nigelaa (~:		7/18/2009; AM 7/18/2009; AM If YES, To Whom?								
was immedi	tte Nobce (31VC117	equired									
By Whom?				Date and Hour								
N/A						N/A						
Was a Water	course Rea	ched?		If YES, Volume Impacting the Watercourse. N/A								
If a Watercon	If a Watercourse was Impacted, Describe Fully.*											
Describe Cause of Problem and Remedial Action Taken.*												
	Flowline ruptured (this release occurred between the Graham AKB State #4 and the Graham AKB State #3 off of the east side of the lease road). Shut well down, isolated line, called for a backhoe and cleanup crew.											
Describe Arc	a Affected	and Cleanup	Action Tal	cn.*		ad/bouled to	on NIMACO fooil	! litu Van	etation con	oved/wach	ad with	Micrhloze
An approximate area of 50° X 50°. Repaired line. Impacted soils excavated/hauled to an NMOCD facility. Vegetation sprayed/washed with Microbiaze. Vertical/horizontal delineation samples will be taken and analysis ran for TPH/BTEX. Delineation for chlorides will be performed for documentation and											rentation and	
to show decreasing levels if polisible. If initial analytical results for TPH/BTEX are under RRAL's a Final Report, C-141 will be submitted to the OCD												
requesting closure. Depth to Ground Water: >100' (approx. 448', per the NM Office of the State Engineer), Wellhead Protection Area: No, Distance to Surface Water Budy: >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.												
rodorar, state, or rodar tawa andror regulations.						OIL CONSERVATION DIVISION						
Signatura (2014 () Q.												
Signature:						Approved by District Supervisor						
Printed Name: Robert Asher						Signed By M1/4 Danisher						
Title: Environmental Regulatory Agent						Approval Da	te: 4/4/	/// E	Expiration	Date:		
E-mail Address: boba@yatespetrolcum.com						Conditions of Approval:						
Date: Thursday, July 30, 2009 Phone: 505-748-4217						REMEDIATION per OCD Rules and						
Attach Addi				Guidelines. SUBMIT REMEDIATION 2RP. 694								
			•				POSAL BY:	, ,			21	1 * W77
5/4/11_												

Environmental Regulatory Department



FACSIMILE TRANSMITTAL SHEET									
то: Mike Bratcher	ғком: Robert Asher								
fax number: 9-748-972()	DATE: Thursday, July 30, 2009								
COMPANY: NMOCD	total no. of pages including cover:								
RE: NOTES/COMMENTS: C-141; Graham AKB State #4 Initial Report (7/18/2009 Release)									
☐ URGENT ☑ FOR REVIEW	☐ PLEASE COMMENT ☐ PLEASE REPLY ☐ PLEASE RECYCLE								
ADDITIONAL NOTES & COMMENTS:									
Call me if you have any questions, 575-748-4217.									
Thank you.									
Robert Asher									