

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

**Release Notification and Corrective Action**

nMLB1114046571

**OPERATOR**

Initial Report  Final Report

Name of Company Yates Petroleum Corporation	OGRID Number 25575	Contact Robert Asher
Address 105 South 4th Street, Artesia, NM 88210	Telephone No. 575-748-1471	
Facility Name Serrano Federal #1	API Number 30-015-28166	Facility Type Battery

Surface Owner Federal	Mineral Owner Federal	Lease No. NM-92748
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**LOCATION OF RELEASE**

Unit Letter M	Section 11	Township 19S	Range 25E	Feet from the 660	North/South Line South	Feet from the 660	East/West Line West	County Eddy
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Latitude 32.67000 Longitude 104.46139

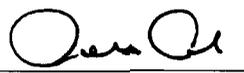
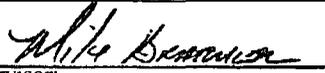
**NATURE OF RELEASE**

Type of Release Crude Oil/Produced Water Mix	Volume of Release 150 B/O & PW Mix	Volume Recovered 130 B/O & PW Mix
Source of Release Produced water tank	Date and Hour of Occurrence 5/3/2011 AM	Date and Hour of Discovery 5/3/2011 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, District II	
By Whom? Robert Asher/Yates Petroleum Corporation	Date and Hour 5/3/2010; PM (E-mail)	<b>RECEIVED</b>  JUN 23 2011  NMOCD ARTESIA
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 transfer pump air locked, causing produced to overflow from water leg and hatch of tank. Vacuum truck called.

Describe Area Affected and Cleanup Action Taken.\*  
Area approximately 30' X 75' all contained inside berm, vacuum truck picked up remaining oil and produced water. Impacted soils to be excavated and hauled to an NMOCD approved facility. Initial vertical and horizontal delineation samples will be taken and analysis ran for TPH & BTEX (chlorides for documentation). Analytical results will determine if closure can be requested or a work plan will be submitted. **Depth to Ground Water: 50-99' (80' per N.M. Office of the State Engineer), Wellhead Protection Area: No, Distance to Surface Water Body: >1000', SITE RANKING IS 10. Based on analytical results and impacted soils excavated/hauled, 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: 	<b>OIL CONSERVATION DIVISION</b>	
Printed Name: Robert Asher	Signed By  Approved by District Supervisor:	
Title: Environmental Regulatory Agent	Approval Date: <b>AUG 11 2011</b>	Expiration Date: <b>NA</b>
E-mail Address: boba@yatespetroleum.com	Conditions of Approval: <b>NA Final</b>	Attached <input type="checkbox"/>
Date: Thursday, June 23, 2011 Phone: 575-748-4217	2RP-785	

\* Attach Additional Sheets If Necessary