

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

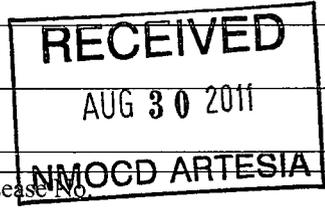
Form C-141
Revised October 10, 2003

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

Release Notification and Corrective Action

NMLB/125240199 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 Rodke 'AOY' #1 | API Number 30-015-28404 | Facility Type Pumping Unit |
| Surface Owner Fee | Mineral Owner Fee | Lease No. NMOCD ARTESIA |



LOCATION OF RELEASE

| Unit Letter | Section | Township | Range | Feet from the | North/South Line | Feet from the | East/West Line | County |
|-------------|---------|----------|-------|---------------|------------------|---------------|----------------|--------|
| C | 21 | 19S | 25E | 660 | North | 660 | East | Eddy |

Latitude 32.65177 Longitude 104.48283

NATURE OF RELEASE

| | | |
|--|--|--|
| Type of Release Crude Oil | Volume of Release 15 B/O | Volume Recovered 8 B/O |
| Source of Release Pumping Unit | Date and Hour of Occurrence 8/26/2011 AM | Date and Hour of Discovery 8/26/2011 AM |
| Was Immediate Notice Given? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Required | If YES, To Whom? N/A | |
| By Whom? N/A | Date and Hour N/A | |
| 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 small hole developed in the flow line. Upon discovery of leak, well was shut in and flow line was isolated. | | |

Describe Area Affected and Cleanup Action Taken.*
An approximate area of 20' X 20'. Vacuum truck called to pick up remaining oil, 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 130', Section 21-T19S-R25E, 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: Jeremy Haass | Approved by District Supervisor: | |
| Title: Environmental Regulatory Agent | Approval Date: SEP 09 2011 | Expiration Date: |
| E-mail Address: jhaass@yatespetroleum.com | Conditions of Approval: Remediation per OCD Rules & Guidelines. SUBMIT REMEDIATION PROPOSAL NOT LATER THAN: | Attached <input type="checkbox"/> |
| Date: Monday, August 29, 2011 Phone: 575-748-1471 | 2RP-882 | |

* Attach Additional Sheets If Necessary

10/9/2011