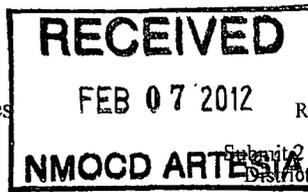


District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

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

Release Notification and Corrective Action

NMLB/122740839

OPERATOR

Initial Report Final Report

Name of Company Yates Petroleum Corporation	OGRID Number 25575	Contact Amber Cannon
Address 105 S. 4 TH Street	API Number 30-015-26549	Telephone No. 575-748-1471
Facility Name Martha AIK Federal #1		Facility Type Battery

Surface Owner Federal	Mineral Owner Federal	Lease No. NM-65417
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LOCATION OF RELEASE

Unit Letter P	Section 11	Township 22S	Range 31E	Feet from the 330'	North/South Line South	Feet from the 430'	East/West Line East	County Eddy
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Latitude 32.39966 Longitude 103.74086

NATURE OF RELEASE

Type of Release Produced Water; Crude Oil	Volume of Release 30 B/PW; 5 B/O	Volume Recovered 0 B/PW; 5 B/O
Source of Release Knockout gasket	Date and Hour of Occurrence 7/8/2011; AM	Date and Hour of Discovery 7/8/2011; 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 II	
By Whom? Robert Asher/Yates Petroleum Corporation	Date and Hour 7/8/2011, PM	
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 gasket on a knockout blew out causing oil and water to spill. The well and the knockout were shut in.

Describe Area Affected and Cleanup Action Taken.*
An approximate area of 40' X 15' (all released water was contained in bermed battery). A vacuum truck was called to recover fluids and a roustabout crew was called to fix the gasket and clean-up the impacted area. **Depth to Ground Water: >100' (approximately 150', Section 11, T22S-R31E, per Trend Map), Wellhead Protection Area: No, Distance to Surface Water Body: >1000', SITE RANKING IS 0. Based on analytical results and impacted soils excavated Yates Petroleum 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: <i>Amber Cannon</i>	OIL CONSERVATION DIVISION	
Printed Name: Amber Cannon	Signed By <i>Mike Bratcher</i> Approved by District Supervisor:	
Title: Environmental Regulatory Agent	Approval Date: FEB 14 2012	Expiration Date: <i>N/A</i>
E-mail Address: <i>acannon@yatespetroleum.com</i>	Conditions of Approval: <i>N/A</i>	Attached <input type="checkbox"/>
Date: Wednesday, February 01, 2012	Phone: 575-748-4111	2RP-845 <i>Final</i>

* Attach Additional Sheets If Necessary