

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

HOBBS OCD State of New Mexico
Energy Minerals and Natural Resources
AUG 02 2011 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

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 TH Street	Telephone No. 575-748-1471	
Facility Name Merle State Unit #3	API Number 30-025-37545	Facility Type Well
Surface Owner State	Mineral Owner State	Lease No. VA-1944

LOCATION OF RELEASE

Unit Letter p	Section 14	Township 10S	Range 34E	Feet from the 990	North/South Line South	Feet from the 990	East/West Line East	County Lea
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Latitude 33.44253 Longitude 103.42887

NATURE OF RELEASE

Type of Release Crude Oil & Produced Water	Volume of Release 45 B/O 10 B/PW	Volume Recovered 30 B/O
Source of Release Heater Treater	Date and Hour of Occurrence 7/18/2011 AM	Date and Hour of Discovery 7/18/2011 AM
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? Maxey Brown, NMOCD	
By Whom? Robert Asher, Yates Petroleum Corporation	Date and Hour 7/19/2011 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.* Hole in the Fire Tube in the North Heater Treater Isolated Heater Treater.		

Describe Area Affected and Cleanup Action Taken *
An approximate area of 110' X 10', all on well pad. 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: 50-99' (approximately 50', Section 14-T10S-R34E, per New Mexico Chevron Texaco Trend Map), Wellhead Protection Area: No, Distance to Surface Water Body: >1000', SITE RANKING IS 10.**

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:	4/02/12 Accepted for Record Only
Title: Environmental Regulatory Agent	Approval Date:	Expiration Date:
E-mail Address: jhaass@yatespetroleum.com	Conditions of Approval:	Attached <input type="checkbox"/>
Date: Friday, July 29, 2011 Phone: 575-748-1471	2RP-	IRP-4-12-2792

* Attach Additional Sheets If Necessary

APR 02 2012