

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

Form C-141
Revised October 10, 2003

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

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

Release Notification and Corrective Action

nMLB12/5938834

OPERATOR

Initial Report Final Report

| | | | |
|--|----------------------------|-------------------------------|------------------------------------|
| Name of Company Yates Petroleum Corporation | OGRID Number 25575 | Contact Jeremy Haass | RECEIVED JUN 01 2012 |
| Address 104 S. 4 TH Street | | Telephone No. 575-748-1471 | |
| Facility Name Boyd X State Com #12 | API Number 30-015-28738 | Facility Type Battery | NMOCD ARTESIA |

| | | |
|------------------------|----------------------|------------------|
| Surface Owner State | Mineral Owner Fee | Lease No. N/A |
|------------------------|----------------------|------------------|

LOCATION OF RELEASE

| | | | | | | | | |
|------------------|---------------|-----------------|--------------|-----------------------|---------------------------|----------------------|------------------------|----------------|
| Unit Letter H | Section 16 | Township 19S | Range 25E | Feet from the 1880 | North/South Line North | Feet from the 660 | East/West Line East | County Eddy |
|------------------|---------------|-----------------|--------------|-----------------------|---------------------------|----------------------|------------------------|----------------|

Latitude 32.66296 Longitude 104.48282

NATURE OF RELEASE

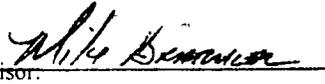
| | | |
|--|--|--|
| Type of Release Crude Oil | Volume of Release 53 B/O | Volume Recovered 0 B/O |
| Source of Release Tank | Date and Hour of Occurrence 5/29/2012 AM | Date and Hour of Discovery 5/29/2012 AM |
| Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required | If YES, To Whom? Mike Bratcher, NMOCD II | |
| By Whom? Robert Asher, Yates Petroleum Corporation | Date and Hour 5/30/2011 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.*
Roll line nipple cracked. Called supervisor, called vacuum truck, and called crew to steam and clean tank for removal.

Describe Area Affected and Cleanup Action Taken.*
An approximate area of 5' X 5', all in battery. 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 95', Section 16-T19S-R25E, per NMOSE), 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 | Signed By:  Approved by District Supervisor. | |
| Title: Environmental Regulatory Agent | Approval Date: JUN 07 2012 | Expiration Date: |
| E-mail Address: jhaass@yatespetroleum.com | Conditions of Approval: | Attached <input type="checkbox"/> |
| Date: Friday, June 01, 2012 Phone: 575-748-1471 | Remediation per OCD Rules & Guidelines. SUBMIT REMEDIATION PROPOSAL/NOT LATER THAN: | |

Attach Additional Sheets If Necessary

7/7/2012

21P-1158

Bratcher, Mike, EMNRD

From: Bob Asher [BobA@yatespetroleum.com]
Sent: Wednesday, May 30, 2012 3:24 PM
To: Bratcher, Mike, EMNRD; Dade, Randy, EMNRD
Cc: Amanda Trujillo; Amber Cannon; Jeremy Haass; Jerry Fanning; Lisa Norton
Subject: Release (Boyd X State Com. #12 Battery)

Yates Petroleum Corporation is reporting a release at the following location (5/30/2012).

Boyd X State Com. #12 Battery
30-015-28738
Section 16, T19S-R25E
Eddy County, New Mexico

Released: Approximately 53B/O; Recovered: Unknown at this time

It is suspected that there is a hole in the tank bottom causing the release. Remaining oil is removed by a vacuum truck. The battery is bermed and the oil is contained inside berm.

A Form C-141 Initial Report will be submitted with complete information.

Thank you.

Robert Asher

Environmental Regulatory Division
Yates Petroleum Corporation
105 South Fourth Street
Artesia, NM 88210
575-748-4217 (Direct)
575-365-4021 (Cell)