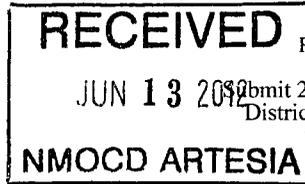


District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 S 1st Street, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

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

nmlb12045 #1954 OPERATOR Initial Report Final Report

Name of Company Yates Petroleum Corporation	OGRID Number 25575	Contact Amber Cannon
Address 105 S. 4 TH Street	Telephone No. 575-748-1471	
Facility Name Hawkins GY #1 Battery	API Number 30-015-21940	Facility Type Battery

Surface Owner Fee	Mineral Owner Fee	Lease No.
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LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
C	27	18S	26E	430	North	1830	West	Eddy

Latitude 32.72486 Longitude 104.37212

NATURE OF RELEASE

Type of Release Produced Water / Gas	Volume of Release 7 B/PW; 8 MCF	Volume Recovered 6 B/PW
Source of Release Gas/Water flow lines	Date and Hour of Occurrence 1/30/2012	Date and Hour of Discovery 1/30/2012
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.*
Gas and water flow lines were leaking. Wells, tubing and casing were shut off. A vacuum truck was called to recover released water. Flow lines were repaired.

Describe Area Affected and Cleanup Action Taken.*
An approximate area of 30' X 10' (SW corner of battery). Impacted soils have been excavated and hauled to an approved NMOCD disposal facility. Vertical and horizontal delineation samples will be taken and analysis ran for TPH & BTEX (chlorides for documentation). If initial analytical results for TPH & BTEX are under RRAL's (site ranking is 10) a Final Report, C-141 will be submitted to the OCD requesting closure. If the analytical results are above the RRAL a work plan will be submitted to the OCD. **Depth to Ground Water: 50-99' (85', Section 27, T18S-R26E, NMOSE), Wellhead Protection Area: No, Distance to Surface Water Body: > 1000', SITE RANKING IS 10. Based on impacted soils being excavated and hauled to a NMOCD approved facility and analytical results, 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	Approved by District Supervisor: <i>Mike Beaman</i>	
Title: Senior Environmental Regulatory Agent	Approval Date: JUL 17 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: Tuesday, June 12, 2012 Phone: 575-748-4111	<i>Final</i>	

* Attach Additional Sheets If Necessary