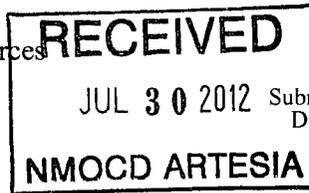


District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

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

7MLB 11222 36644

OPERATOR

Initial Report Final Report

Name of Company Yates Petroleum Corporation	OGRID Number 25575	Contact Robert Asher
Address 105 S. 4 TH Street	Telephone No. 575-748-1471	
Facility Name Perdomo BMP State Com. #1	API Number 30-015-36499	Facility Type Water Line

Surface Owner State	Mineral Owner State	Lease No. VB-827 & VO-5867
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LOCATION OF RELEASE

Unit Letter L	Section 24	Township 24S	Range 27E	Feet from the 1650	North/South Line South	Feet from the 660	East/West Line West	County Eddy
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Latitude 32.20029 Longitude 104.15024

NATURE OF RELEASE

Type of Release Produced Water	Volume of Release 100 B/PW	Volume Recovered 90 B/PW
Source of Release Poly line	Date and Hour of Occurrence 6/9/2011; PM	Date and Hour of Discovery 6/9/2011; PM
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? Bob Asher/Yates Petroleum Corporation	Date and Hour 6/10/2011; AM	
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.*

8" poly line ruptured on a welded fuse, possibly due to an increase in main line pressure. Valves were isolated on the main waterline. Vacuum truck called.

Describe Area Affected and Cleanup Action Taken.*

An approximate area of 20' X 300' (Cigarillo SWD main line, approximately 0.4 miles west of Perdomo Battery). Remaining produced water recovered. 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' (70', Section 22, T24S-R27E, NMOSE), Wellhead Protection Area: No, Distance to Surface Water Body: > 1000', SITE RANKING IS 10. Based on enclosed analytical reports, impacted soils excavated/hailed, Yates Petroleum Corporation 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: 	OIL CONSERVATION DIVISION	
Printed Name: Robert Asher	Approved by District Supervisor	
Title: Environmental Regulatory Agent	Approval Date: JUL 31 2012	Expiration Date: <i>N/A</i>
E-mail Address: boba@yatespetroleum.com	Conditions of Approval: <i>N/A</i>	Attached <input type="checkbox"/>
Date: Monday, July 30, 2012 Phone: 575-748-4021	2RP- <i>820</i>	

* Attach Additional Sheets If Necessary