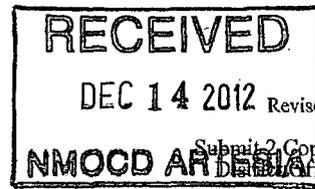


District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 S. 1st Street, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

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

Release Notification and Corrective Action

nJM 1300849841

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 Cotton MX Federal #1	API Number 30-015-23315	Facility Type Battery/SWD

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

Unit Letter C	Section 14	Township 19S	Range 25E	Feet from the 810	North/South Line North	Feet from the 2180	East/West Line West	County Eddy
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Latitude 32.7378 Longitude 104.38757

NATURE OF RELEASE

Type of Release Produced Water	Volume of Release 5 B/PW	Volume Recovered 3 B/PW
Source of Release Catch tank	Date and Hour of Occurrence 12/5/2012	Date and Hour of Discovery 12/11/2012
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.*
Plunger packing on pump gave out causing discharge to overrun catch tank. The majority of the release was contained within a lined berm. Less than 1 barrel leaked out. The impacted soils were excavated and taken to a NMOCD approved facility.

Describe Area Affected and Cleanup Action Taken.*
An approximate area of 10' X 15'. The spill occurred from a catch tank that is inside a bermed/lined. The majority of the liquid was contained within the lined berm, but a small amount did run over into the unlined area. These impacted soils were excavated and disposed of at an NMOCD approved facility.
Depth to Ground Water: 50-99' (80', Section 15, T19S-R25E, NMOSE), Wellhead Protection Area: No, Distance to Surface Water Body: > 1000', SITE RANKING IS 10. Based on the amount released, amounts recovered, that most of the release was in a lined berm and impacted soil being disposed of at an NMOCD approved facility, Yates Petroleum is requesting 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:	Signed By: <i>Mike Beaudin</i>
Title: Senior Environmental Regulatory Agent	Approval Date: JAN 08 2013	Expiration Date:
E-mail Address: acannon@yatespetroleum.com	Conditions of Approval:	Attached <input type="checkbox"/>
Date: Friday, December 14, 2012 Phone: 575-748-4111		

* Attach Additional Sheets If Necessary

Remediation per OCD Rules & Guidelines. **SUBMIT REMEDIATION PROPOSAL NOT LATER THAN:**

February 8, 2013

2RP-1485

Bratcher, Mike, EMNRD

From: Amber Cannon <ACannon@yatespetroleum.com>
Sent: Friday, December 14, 2012 9:54 AM
To: Bratcher, Mike, EMNRD
Cc: Bob Asher
Subject: Cotton MX Federal #1
Attachments: CottonMXSWD1_C141_120512 Initial & Final.pdf

Mike,

Please find attached an Initial/Final C-141 for a release that occurred at the Cotton MX Federal #1.

Thanks,

Amber Cannon

Environmental Regulatory Agent
Yates Petroleum Corporation
Office: (575) 748-4111
Cell: (575)-513-8799