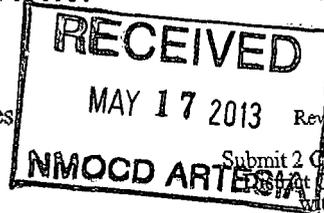


District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

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

njmw 1314852909

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 Lechuza BQC Federal #1-H	API Number 30-015-38522	Facility Type Battery

Surface Owner State	Mineral Owner State	Lease No. VO-7290
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LOCATION OF RELEASE

Unit Letter A	Section 35	Township 26S	Range 28E	Feet from the 480	North/South Line North	Feet from the 100	East/West Line East	County Eddy
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Latitude 32.00513 Longitude 104.04950

NATURE OF RELEASE

Type of Release Produced Water	Volume of Release 28 B/PW	Volume Recovered 25 B/PW
Source of Release Water Leg	Date and Hour of Occurrence 5/1/2013; AM	Date and Hour of Discovery 5/1/2013; 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/NMOC District II	
By Whom? Robert Asher/Yates Petroleum Corporation	Date and Hour 5/2/2013; 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.*
Transfer pump failure, allowed produced water to come out of water leg. Vacuum truck called.

Describe Area Affected and Cleanup Action Taken.*
An approximate area of 6' X 60' (inside bermed and lined battery). Ninety (90%) of released produced water recovered (3 B/PW entrained in gravel, will evaporate off). Depth to Ground Water: 50-99' (70', Chevron/Texaco Trend Map), Wellhead Protection Area: No, Distance to Surface Water Body: > 1000', SITE RANKING IS 10. Based on 90% produced water recovered and battery is lined, 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 NMOC 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 NMOC 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, NMOC 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: Signed By	
Title: NM Environmental Regulatory Supervisor	Approval Date: MAY 28 2013	Expiration Date:
E-mail Address: boba@yatespetroleum.com	Conditions of Approval:	Attached <input type="checkbox"/>
Date: Friday, May 17, 2013 Phone: 575-748-4021	2RP-	

* Attach Additional Sheets If Necessary

2RP-1662



FACSIMILE TRANSMITTAL SHEET

FROM: Robert Asher	TO: Mike Bratcher/NMOCD II
DATE: Friday, May 17, 2013	FAX NUMBER: 9-748-9720
TOTAL NO. OF PAGES INCLUDING COVER: 2	RE: Lechuza BQC Federal Com. #1-H
NOTES:	COMMENTS:

URGENT FOR REVIEW PLEASE COMMENT PLEASE REPLY PLEASE RECYCLE

NOTES/COMMENTS:

INITIAL & FINAL REPORT.

Report for 5/1/2013 release.

If you have any questions, contact me at 575-748-4217.

Thank you.

Robert Asher

NM Environmental Regulatory Supervisor