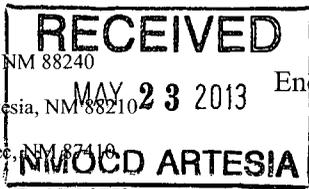


District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87416
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505



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 1315048005

OPERATOR

Initial Report Final Report

Name of Company Yates Petroleum Corporation	OGRID Number 25575	Contact Lupe Carrasco
Address 104 S. 4 TH Street	Telephone No. 575-748-1471	
Facility Name Penasco Water Line(near Kent BSK #1H)	API Number 30-015-40161	Facility Type Water Line

Surface Owner Fee	Mineral Owner Fee	Lease No. N/A
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LOCATION OF RELEASE

Unit Letter P	Section 20	Township 18S	Range 26E	Feet from the 400	North/South Line South	Feet from the 330	East/West Line East	County Eddy
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Latitude 32.72988 Longitude 104.39539

NATURE OF RELEASE

Type of Release Produced Water	Volume of Release 15 B/PW	Volume Recovered 8 B/PW
Source of Release Break in water line	Date and Hour of Occurrence 5/15/2013 PM	Date and Hour of Discovery 5/15/2013 PM
Was Immediate Notice Given? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Required	If YES, To Whom?	
By Whom?	Date and Hour	
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.*

Water line break due to normal wear and age of line, in addition to expansion and contraction of the line due to cool nights and warm days. Line isolated and shut in. Vacuum truck dispatched to recover fluid. Crew called to repair line and scape impacted area.

Describe Area Affected and Cleanup Action Taken.*

An approximate area of 8' X 50' was impacted. Impacted soil to be scraped and disposed at an NMOCD approved facility. Vertical and horizontal delineation samples will be taken and analysis ran for TPH & BTEX, Chlorides will be run for documentation. 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: >100' (approximately 125', Section 20-T18S-R26E, per NMOSE), Wellhead Protection Area: No, Distance to Surface Water Body: >1000', SITE RANKING IS 0.**

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>Lupe Carrasco</i>	OIL CONSERVATION DIVISION	
Printed Name: Lupe Carrasco	Approved by District Supervisor:	Signed By: <i>Mike Carrasco</i>
Title: Environmental Regulatory Agent	Approval Date: MAY 30 2013	Expiration Date:
E-mail Address: lcarrasco@yatespetroleum.com	Conditions of Approval: Remediation per OCD Rule & Guidelines. SUBMIT REMEDIATION	Attached <input type="checkbox"/>
Date: Tuesday, May 21, 2013 Phone: 575-748-1471	PROPOSAL NO LATER THAN:	

June 30, 2013 *2RP-1667*

* Attach Additional Sheets If Necessary