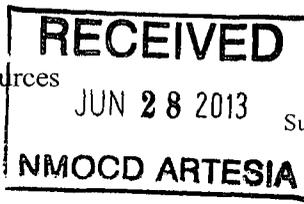


District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

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

nJMW1318449639

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 Big Eddy 79Y SWD | API Number 30-015-23385 | Facility Type SWD |

| | | |
|--------------------------|--------------------------|----------------------|
| Surface Owner Federal | Mineral Owner Federal | Lease No. NM-0486 |
|--------------------------|--------------------------|----------------------|

LOCATION OF RELEASE

| Unit Letter | Section | Township | Range | Feet from the | North/South Line | Feet from the | East/West Line | County |
|-------------|---------|----------|-------|---------------|------------------|---------------|----------------|--------|
| J | 21 | 21S | 28E | 1980 | South | 1930 | East | Eddy |

Latitude 32.46392 Longitude 104.08906

NATURE OF RELEASE

| | | |
|--|--|--|
| Type of Release Produced Water | Volume of Release 335 B/PW | Volume Recovered 346 B/PW |
| Source of Release Lightning Strike | Date and Hour of Occurrence 6/21/2013 AM | Date and Hour of Discovery 6/21/2013 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, NMOCD II | |
| By Whom? Bob Asher, Yates Petroleum Corporation | Date and Hour 6/21/2013 8:00 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.*
Release was caused by a lightning strike that hit the produced water tank. Emergency units were dispatched to control the fire. Vacuum trucks were dispatched to recover standing fluid. The fire and all lost fluid were contained within the bermed battery. The berm was lined and maintained its integrity throughout the incident.

Describe Area Affected and Cleanup Action Taken.*
No soils were affected beyond the secondary containment. The secondary containment constructed for the tank battery was successful in containing all released fluid. Due to the nature of the fire and the damaged equipment, all metal within the berm will be scrapped. Soil and gravel will be removed from the secondary containment and disposed at an NMOCD approved facility. YPC will construct a new facility in place of the old one. **Depth to Ground Water: <100' (approximately 75', Section 21-T21S-R28E, per Trend Map), 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 Bratcher</i> |
| Title: Environmental Regulatory Agent | Approval Date: JUL 03 2013 | Expiration Date: |
| E-mail Address: lcarrasco@yatespetroleum.com | Conditions of Approval: | Attached <input type="checkbox"/> |
| Date: Thursday, June 27, 2013 Phone: 575-748-1471 | 2RP- | |

* Attach Additional Sheets If Necessary

2RP-1707

Bratcher, Mike, EMNRD

From: Bob Asher <BobA@yatespetroleum.com>
Sent: Friday, June 21, 2013 7:59 AM
To: Bratcher, Mike, EMNRD; Dade, Randy, EMNRD; jamos@blm.gov
Cc: Amanda Trujillo; Amber Cannon; Katie Parker; Lupe Carrasco
Subject: Release (Big Eddy 79Y SWD)

Yates Petroleum Corporation is reporting a release at the following location (6/21/2013).

Bid Eddy 79Y SWD
30-015-23385
Section 21, T21S-R28E
Eddy County, New Mexico

Released: Unknown amounts of Produced Water; Recovered: Not known at this time

Lightning struck fiberglass tank. Emergency units called to control/put out fire. Vacuum truck(s) were called to recover water and crews called to dismantle batter. No further information at this time.

A Form C-141 Initial Report will be submitted with complete information.

Thank you.

Robert Asher

NM Environmental Regulatory Supervisor
Yates Petroleum Corporation
105 S. 4th Street
Artesia, NM 88210
575-748-4217 (Office)
575-365-4021 (Cell)

This message may contain confidential information and is intended for the named recipient only. If you are not the intended recipient you are notified that disclosing, copying, distributing or taking any action in reliance on the contents of this information is strictly prohibited. E-mail transmission cannot be guaranteed to be secure or error-free as information could be intercepted, corrupted, lost, destroyed, arrive late or incomplete, or contain viruses. The sender therefore does not accept liability for any errors or omissions in the contents of this message, which arise as a result of e-mail transmission. If verification is required please request a hard-copy version.

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Cc: Amanda Trujillo; Amber Cannon; Katie Parker; Lupe Carrasco
Subject: Release (Big Eddy 79Y SWD)

Follow Up Flag: Follow up
Flag Status: Completed

Yates Petroleum Corporation is reporting a release at the following location (6/21/2013).

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Section 21, T21S-R28E
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Bratcher, Mike, EMNRD

From: Bob Asher <BobA@yatespetroleum.com>
Sent: Friday, June 21, 2013 7:48 AM
To: Bratcher, Mike, EMNRD; Dade, Randy, EMNRD
Cc: Amanda Trujillo; Amber Cannon; Katie Parker; Lupe Carrasco
Subject: Release (Big Eddy 79Y SWD)

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Bid Eddy 79Y SWD
30-015-23385
Section 21, T21S-R28E
Eddy County, New Mexico

Released: Unknown amounts of Produced Water; Recovered: Not known at this time

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A Form C-141 Initial Report will be submitted with complete information.

Thank you.

Robert Asher
NM Environmental Regulatory Supervisor
Yates Petroleum Corporation
105 S. 4th Street
Artesia, NM 88210
575-748-4217 (Office)
575-365-4021 (Cell)

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