

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

30-015-28166
nkmw0236134679

OPERATOR

Initial Report Final Report

| | | |
|--|-----------------------|-------------------------------|
| Name of Company Yates Petroleum Corporation | OGRID Number 25575 | Contact Robert Asher |
| Address 105 South 4th Street, Artesia, NM 88210 | | Telephone No. 505-748-1471 |
| Facility Name Serrano Federal Battery | API Number | Facility Type Battery |

| | | |
|--------------------------|--------------------------|-----------------------|
| Surface Owner Federal | Mineral Owner Federal | Lease No. NM-92748 |
|--------------------------|--------------------------|-----------------------|

LOCATION OF RELEASE

| | | | | | | | | |
|------------------|---------------|-----------------|--------------|----------------------|---------------------------|----------------------|------------------------|----------------|
| Unit Letter M | Section 11 | Township 19S | Range 25E | Feet from the 660 | North/South Line South | Feet from the 660 | East/West Line West | County Eddy |
|------------------|---------------|-----------------|--------------|----------------------|---------------------------|----------------------|------------------------|----------------|

Latitude 32.67000 Longitude 104.46139

NATURE OF RELEASE

| | | |
|--|---|---|
| Type of Release Crude Oil & Produced Water | Volume of Release 5 B/O & 95 B/PW | Volume Recovered 4 B/O & 86 B/PW |
| Source of Release Water tank | Date and Hour of Occurrence 6/1/2007 AM | Date and Hour of Discovery 6/1/2007 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 District 2 | |
| By Whom? Sherry Bonham | Date and Hour 6/4/2007 PM | |
| 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.* Loss of electrical service to water transfer pump. Water tank ran over. | | |

Describe Area Affected and Cleanup Action Taken.*
Area approximately 10' X 100' all contained inside berm, shut wells in, restored electrical power, vacuum truck picked up fluids, vertical and horizontal delineation will be made and corrective action taken. **Depth to Ground Water: 50-99', Wellhead Protection Area: No, Distance to Surface Water Body: >1000', SITE RANKING IS 10.**

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: <u>3/8/2008</u> | Expiration Date: |
| E-mail Address: boba@ypcnm.com | Conditions of Approval: <u>Remediation per NMOCD Rules & Guidelines</u> | Attached <input type="checkbox"/> |
| Date: Friday, June 15, 2007 | Phone: 505-748-4217 | |

* Attach Additional Sheets If Necessary

JRP-110