

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

RECEIVED
MAR 16 2011
NMOCD ARTESIA

Form C-141
Revised October 10, 2003
Submit 2 Copies to appropriate office in accordance with Rule 116 on back side of form

nkmw 1110157946

Release Notification and Corrective Action OPERATOR

Initial Report Final Report

Name of Company Yates Petroleum Corporation	OGRID Number 25575	Contact Amanda Trujillo
Address 104 S. 4 TH Street		Telephone No. 575-748-1471
Facility Name Koonunga Hill BGX Federal #1	API Number 30-015-34380	Facility Type Gas well
		Order Number 2RP- 735

Surface Owner Federal	Mineral Owner Federal	Lease No. NM - 103594
--------------------------	--------------------------	--------------------------

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
E	19	22S	25E	1838	NORTH	1072	WEST	EDDY

NATURE OF RELEASE

Type of Release WATER <i>Produced Water</i>	Volume of Release 75	Volume Recovered 70
Source of Release 4" Check Valve froze and broke during the thaw out process.	Date and Hour of Occurrence 2/10/2011	Date and Hour of Discovery 2/10/2011 - 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/Artesia	
By Whom? Amanda Trujillo - Yates Petroleum Corporation	Date and Hour 02/11/2011 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.* Discharge waterline froze, causing a release of produced water. Release was held inside lined berm. Vacuum truck was dispatched to pick up standing fluids.		
Describe Area Affected and Cleanup Action Taken.* An approximate size of 20' x 20' was impacted. Release was held inside lined berm. Vacuum truck was dispatched to pick up standing fluids. Contaminated gravel was removed and replaced. Depth to Ground Water: >50' (approx. 65', per New Mexico State Engineers office); Wellhead Protection Area: No; Distance to Surface Water Body: >1000'; SITE RANKING IS 10. Based on site ground water quality and enclosed analytical results. <i>(*)</i>		
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>A Trujillo</i>	OIL CONSERVATION DIVISION Accepted for record NMOCD	
Printed Name: Amanda Trujillo	Approved by District Supervisor: <i>4/11/2011</i>	
Title: Environmental Scientist	Approval Date:	Expiration Date:
E-mail Address: atrujillo@yatespetroleum.com	Conditions of Approval: <i>See email</i>	Attached <input checked="" type="checkbox"/>
Date: Wednesday, March 16, 2011	Phone: 575-748-4310	

* Attach Additional Sheets If Necessary

()* No analytical or water quality data was included with this submittal

Release # 2 of 2