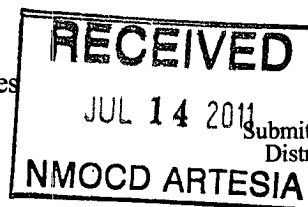


District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

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

n/MLB/1122436063

OPERATOR

☒ Initial Report ☒ Final Report

Name of Company Yates Petroleum Corporation	OGRID Number 25575	Contact Jeremy Haass
Address 104 S. 4 TH Street		Telephone No. 575-748-1471
Facility Name Dayton FP Battery	API Number 30-015-21738	Facility Type Battery

Surface Owner Fee	Mineral Owner	Lease No.
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LOCATION OF RELEASE

Unit Letter	Section 21	Township 18S	Range 26E	Feet from the	North/South Line	Feet from the	East/West Line	County Eddy
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Latitude 32.73417 Longitude 104.38341

NATURE OF RELEASE

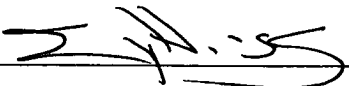
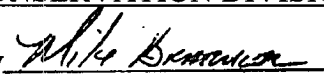

Type of Release Produced Water	Volume of Release 5 B/PW	Volume Recovered 4 B/PW
Source of Release Water line valve	Date and Hour of Occurrence 7/11/2011; 08:40 AM	Date and Hour of Discovery 7/11/2011; 08:45 AM
Was Immediate Notice Given? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Required	If YES, To Whom? N/A	
By Whom? N/A	Date and Hour N/A	
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 split in valve box inside a tin horn. Cause was deterioration. Impacted soil was removed and hauled off to approved disposal.

Describe Area Affected and Cleanup Action Taken.*
An approximate area of 10' X 12'. The valve was replaced, 4 of the 5 bbls of produced water was recovered. **Depth to Ground Water: >100'** (approximately 140', Section 21, T18S-R26E, per NMOSE), Wellhead Protection Area: No, Distance to Surface Water Body: >1000', SITE RANKING IS 0. Based on depth to ground water and the amount of water recovered, 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 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: Jeremy Haass	Signed By  Approved by District Supervisor:	
Title: Environmental Regulatory Agent	Approval Date: AUG 12 2011	Expiration Date: NA
E-mail Address: jhaass@yatespetroleum.com	Conditions of Approval: NA 2RP-836 	Attached <input type="checkbox"/>
Date: Thursday, July 14, 2011	Phone: 575-748-4311	

* Attach Additional Sheets If Necessary