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

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

1220 S. St. Francis Dr., Santa Fe, NM 87505 Release Notification and Corrective Action **OPERATOR** nMLB 1211657104 M Initial Report Final Report OGRID Number Name of Company Contact Robert Asher Yates Petroleum Corporation 25575 Telephone No. Address 105 S. 4TH Street. 575-748-1471 API Number Facility Type Facility Name 30-015-22755 Battery Waldrip JY #1 Battery Mineral Owner Surface Owner Lease No. Fee LOCATION OF RELEASE Feet from the North/South Line | Feet from the East/West Line Unit Letter Section Township Range County 26E 34 188 Eddy L Latitude 32.70327 Longitude 104.37686 NATURE OF RELEASE Type of Release Volume of Release Volume Recovered Produced Water 19 B/PW 19 B/PW Source of Release Date and Hour of Occurrence Date and Hour of Discovery Produced Water Tank 4/13/2012; AM 4/13/2012: AM Was Immediate Notice Given? If YES, To Whom? ☐ Yes ☐ No ☒ Not Required N/A RECEIVED By Whom? Date and Hour N/A N/A APR*16 2012 If YES, Volume Impacting the Watercourse. Was a Watercourse Reached? ☐ Yes ☐ No If a Watercourse was Impacted, Describe Fully.* NMOCD ARTESIA N/A Describe Cause of Problem and Remedial Action Taken.* Fuse on water pump blew keeping pump from turning on at the appropriate level. This caused the water tank to run over. Vacuum truck called, Describe Area Affected and Cleanup Action Taken.* An approximate area of 15' X 25' (inside bermed and lined battery). All released produced water recovered, fuse replaced in water pump. Depth to Ground Water: >100' (168', Section 34, T18S-R26E, NMOSE), Wellhead Protection Area: No, Distance to Surface Water Body; > 1000', SITE RANKING IS 0. Based on all water being recovered and battery is lined, 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. OIL CONSERVATION DIVISION Signature: Signed By Approved by District Supervisor Printed Name: Robert Asher APR 2 5 2012 Title: Senior Environmental Regulatory Agent Approval Date: Expiration Date: E-mail Address: boba@yatespetroleum.com Conditions of Approval: Attached |

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* Attach Additional Sheets If Necessary

Phone: 575-748-4021

Date: Monday, April 16, 2012

2RA-1109