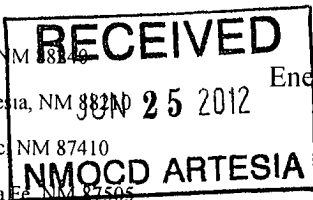


District I  
1625 N French Dr., Hobbs, NM 88240  
District II  
1301 W Grand Avenue, Artesia, NM 88210  
District III  
1000 Rio Brazos Road, Aztec, NM 87410  
District IV  
1220 S St Francis Dr., Santa Fe, NM 87505



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

nJMW1218050566

#### OPERATOR

☒ Initial Report ☐ Final Report

|                                                |                               |                                       |
|------------------------------------------------|-------------------------------|---------------------------------------|
| Name of Company<br>Yates Petroleum Corporation | OGRID Number<br>25575         | Contact<br>Jeremy Haass/Lupe Carrasco |
| Address<br>104 S. 4 <sup>TH</sup> Street       | Telephone No.<br>575-748-1471 |                                       |
| Facility Name<br>Oreck BDO #1                  | API Number<br>30-005-64003    | Facility Type<br>Pumping Unit         |

|                      |                      |                  |
|----------------------|----------------------|------------------|
| Surface Owner<br>Fee | Mineral Owner<br>Fee | Lease No.<br>N/A |
|----------------------|----------------------|------------------|

#### LOCATION OF RELEASE

|                  |               |                 |              |                       |                           |                       |                        |                  |
|------------------|---------------|-----------------|--------------|-----------------------|---------------------------|-----------------------|------------------------|------------------|
| Unit Letter<br>K | Section<br>21 | Township<br>10S | Range<br>26E | Feet from the<br>2150 | North/South Line<br>North | Feet from the<br>1780 | East/West Line<br>East | County<br>Chaves |
|------------------|---------------|-----------------|--------------|-----------------------|---------------------------|-----------------------|------------------------|------------------|

Latitude 33.43223 Longitude 104.29948

#### NATURE OF RELEASE

|                                                                                                                                          |                                                  |                                            |
|------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------|--------------------------------------------|
| Type of Release<br>Produced Water                                                                                                        | Volume of Release<br>40 B/PW                     | Volume Recovered<br>0 B/PW                 |
| Source of Release<br>Poly Flow Line                                                                                                      | Date and Hour of Occurrence<br>6/21/2012 PM      | Date and Hour of Discovery<br>6/21/2012 PM |
| Was Immediate Notice Given?<br><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required | If YES, To Whom?<br>Mike Bratcher, NMOCD II      |                                            |
| By Whom?<br>Robert Asher, Yates Petroleum Corporation                                                                                    | Date and Hour<br>6/22/2012 AM (email)            |                                            |
| Was a Watercourse Reached?<br><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No                                        | If YES, Volume Impacting the Watercourse.<br>N/A |                                            |

If a Watercourse was Impacted, Describe Fully.\*

N/A

Describe Cause of Problem and Remedial Action Taken.\*

Poly Line Rupture. Shut in valves upstream and downstream of rupture. Turned off power to well and shut in well.

Describe Area Affected and Cleanup Action Taken.\*

An approximate area of 2' X 200'. Impacted soils to be scraped up and taken to an NMOCD approved facility. Vertical and horizontal delineation samples will be taken and analysis ran for TPH & BTEX. Chlorides will be run for documentation. If initial analytical results for TPH & BTEX are under RRAL's a Final Report, C-141 will be submitted to the OCD requesting closure. If the analytical results are above the RRAL's a work plan will be submitted.

**Depth to Ground Water: <100' (approximately 60', Section 21-T10S-R26E, per NMOSE), 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: Jeremy Haass                      | Approved by District Supervisor | Signed By                                                                                   |
| Title: Environmental Regulatory Agent           | Approval Date: JUN 28 2012      | Expiration Date:                                                                            |
| E-mail Address: jhaass@yatespetroleum.com       | Conditions of Approval:         | Attached <input type="checkbox"/>                                                           |
| Date: Friday, June 22, 2012 Phone: 575-748-1471 | 2RP-1198                        | Remediation per OCD Rules & Guidelines. SUBMIT REMEDIATION PROPOSAL NOT LATER THAN: 7-28-17 |

Attach Additional Sheets If Necessary

7/28/12