Revised October 10, 2003

Form C-141

District ! 1625 N. French Dr., Hobbs, NM 88240 District II 1301 W. Orand Avenue, Artesia, NM 88210 1000 Rin Brazos Ruad, Aztoc, NM 87410 District IV

Date: June 19, 2006

* Attach Additional Sheets If Necessary

State of New Mexico Energy Minerals and Natural Resources

Oil Conservation Division

Submit 2 Copies to appropriate District Office in accordance

1220 South St. Francis Dr. with Rule 116 on back side of form Santa Fe. NM 87505 1220 S. St. Francis Dr., Santa Fc, NM 87505 Release Notification and Corrective Action 30-015-25732 Initial Report Final Report OPERATOR nMLBD623749099 OGRID Number Contact Name of Company YATES PETROLEUM CORPORATION SHERRY BONHAM 25575 Telephono No. Address 105 S 4TH STREET 505,748,1471 Facility Type API Number **Pacility Name** 30-015-25732 BATTERY PARISH IV BATTERY (NDDUP 078) Lease No. Mineral Owner Surface Owner FEDERAL **FEDERAL** LOCATION OF RELEASE East/West Line Fect from the County Feet from the North/South Line Township Range Section Unit Letter EDDY EAST SOUTH 1980 25E 1980 19 198 K 32.64447 Longitude 104.5214 Latitude NATURE OF RELEASE Volume Recovered Volume of Release Type of Release 15 B/PW 20 B/PW PRODUCED WATER Date and Hour of Discovery Date and Hour of Occurrence Source of Release 6/5/06 11:00 AM 6/5/06 AM WATER LINE LEAK If YES, To Whom? Was Immediate Notice Given? ☐ Yes ☐ No ☒ Not Required Date and Hour By Whom? N/A N/A If YES, Volume Impacting the Watercourse. Was a Watercourse Reached? ☐ Yes ⊠ No If a Watercourse was Impacted, Describe Fully.* N/A Describe Cause of Problem and Remedial Action Taken.* BROKEN CONNECTION ON WATER LINE. CLOSED LINE AND REPAIRED BROKEN CONNECTION. Describe Area Affected and Cleanup Action Taken.* AN APPROXIMATE 120 SQUARE FOOT AREA WITHIN THE BERM WAS IMPACTED. VACUUM TRUCK CALLED IN TO RECOVER FLUIDS. NO ADDITIONAL ACTION NECESSARY. SITE RANKING O FINAL REPORT. I hereby certify that the information given above is true and complete to the heat 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 murked as "Final Report" does not relieve the operator of liability should their operations have fulled to adequately investigate and remediate contomination 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 TIM GUM Signatur Approved by District Supervisor: by MB Printed Name: Shorry Bonham Expiration Date: Approval Date: & Title: Environmental Regulatory Agent Traince Conditions of Approval: E-mail Address: sherryb@ypcnm.com Attached

Phono: \$05,748.1471