

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

Form C-141
Revised October 10, 2003

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Submit 2 Copies to appropriate
District Office in accordance
with Rule 116 on back
side of form

Release Notification and Corrective Action

NAKMO 1109451363

OPERATOR

Initial Report Final Report

| | | |
|--|-------------------------------|--------------------------|
| Name of Company Yates Petroleum Corporation | OGRID Number 25575 | Contact Robert Asher |
| Address 105 South 4th Street, Artesia, NM 88210 | Telephone No. 575-748-1471 | |
| Facility Name Unocal AH U Federal #1 | API Number 30-015-26698 | Facility Type Battery |

| | | |
|--------------------------|--------------------------|-----------------------|
| Surface Owner Federal | Mineral Owner Federal | Lease No. NM-43556 |
|--------------------------|--------------------------|-----------------------|

LOCATION OF RELEASE

| | | | | | | | | |
|------------------|--------------|-----------------|--------------|----------------------|---------------------------|-----------------------|------------------------|----------------|
| Unit Letter B | Section 1 | Township 22S | Range 31E | Feet from the 660 | North/South Line North | Feet from the 1980 | East/West Line East | County Eddy |
|------------------|--------------|-----------------|--------------|----------------------|---------------------------|-----------------------|------------------------|----------------|

Latitude 32.42585 Longitude 103.72889

NATURE OF RELEASE

| | | |
|--|---|--|
| Type of Release Produced Water | Volume of Release 50 B/PW | Volume Recovered 0 B/PW |
| Source of Release Water Line | Date and Hour of Occurrence 8/21/2009 AM | Date and Hour of Discovery 8/21/2009 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 II | |
| By Whom? Robert Asher/YPC Environmental | Date and Hour 8/24/2009 AM, (voicemail and e-mail) | |
| 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.*

Higher pressure and increased volumes of produced water being rerouted from shut down SWD in Lea County, caused water line rupture, (this release occurred 0.4 miles south of the YPC's Unocal AH U Federal #1 Battery). Vacuum truck called.

Describe Area Affected and Cleanup Action Taken.*

Area approximately 35' X 15', vacuum truck did not pick up any produced water, impacted soils to be excavated and hauled to an approved NMOCD facility. Vertical and horizontal delineation samples will be taken and analysis ran for TPH & BTEX (chlorides results for documentation, YPC will delineate to try and show decreasing levels of chlorides). If initial analytical results for TPH & BTEX are under RRAL's a Final Report, C-141 will be submitted to the OCD requesting closure. **Depth to Ground Water: >100' (approximately 448' per New Mexico Office of the State Engineer), Wellhead Protection Area: No, Distance to Surface Water Body: >1000'. SITE RANKING IS 0.**

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: *Robert Asher*

Printed Name: Robert Asher

Title: Environmental Regulator Agent

E-mail Address: boba@yatespetroleum.com

Date: Tuesday, August 25, 2009 Phone: 575-748-4217

OIL CONSERVATION DIVISION

Approved by District Supervisor: *Mike Bratcher*

Approval Date: 4/4/11 Expiration Date:

Conditions of Approval: Attached

REMEDATION per OCD Rules and
Guidelines. SUBMIT REMEDIATION
PROPOSAL BY:

2 RP-699

5/4/11

* Attach Additional Sheets If Necessary

