

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

RECEIVED

SEP 24 2010

HOBBSOC

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

OPERATOR

☒ Initial Report ☐ Final Report

Name of Company Yates Petroleum Corporation	OGRID Number 25575	Contact Robert Asher
Address 104 S. 4 TH Street		Telephone No. 575-748-1471
Facility Name Kiwi AKX State Battery	API Number 30-025-31576	Facility Type Battery

Surface Owner State	Mineral Owner State	Lease No. VB-134
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LOCATION OF RELEASE

Unit Letter I	Section 16	Township 22S	Range 32E	Feet from the 2310	North/South Line South	Feet from the 990	East/West Line East	County Lea
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Latitude 33.39066 Longitude 103.67376

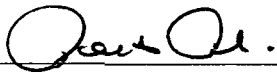
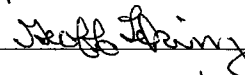
NATURE OF RELEASE

Type of Release Oil & Produced Water	Volume of Release 2 B/O & 50 B/PW	Volume Recovered 1 B/O & 15 B/PW
Source of Release Sight glass on knockout	Date and Hour of Occurrence 9/11/2010 AM	Date and Hour of Discovery 9/11/2010 AM
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? Larry Hill/NMOCD I (e-mail & voicemail)	
By Whom? Robert Asher/Yates Petroleum Corporation	Date and Hour 9/13/2010 PM	
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.*
Sight glass on knockout broke causing release Vacuum truck and backhoe called.

Describe Area Affected and Cleanup Action Taken.*
An approximate area of 20' X 70'. Sight glass replaced. Oil & produced water contained within berm, battery lined with 20 mil liner. Vacuum truck recovered oil & produced water, remaining oil and produced water suspended within impacted gravel, gravel being removed and hauled to an OCD approved facility. Liner will be inspected before new gravel replaced and closure requested. **Depth to Ground Water: > 100' (340', Section 14, T22S-R23E, NMOSE); 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: 	OIL CONSERVATION DIVISION	
Printed Name: Robert Asher	ENV SPECIALIST Approved by District Supervisor: 	
Title Environmental Regulatory Agent	Approval Date: 9/24/10	Expiration Date: 11/24/10
E-mail Address: boba@yatespetroleum.com	Conditions of Approval:	Attached <input type="checkbox"/>
Date: Thursday, September 23, 2010 Phone 575-748-4217	IRP- 3-12-2789	

* Attach Additional Sheets If Necessary

APR 02 2012