

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

nmlb1208651788

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 Glow Worm ALX Federal Battery | API Number 30-015-35313 | Facility Type Battery |

| | | |
|--------------------------|--------------------------|-----------------------|
| Surface Owner Federal | Mineral Owner Federal | Lease No. NM-81953 |
|--------------------------|--------------------------|-----------------------|

LOCATION OF RELEASE

| | | | | | | | | |
|------------------|--------------|-----------------|--------------|---------------|------------------|---------------|----------------|----------------|
| Unit Letter B | Section 4 | Township 23S | Range 31E | Feet from the | North/South Line | Feet from the | East/West Line | County Eddy |
|------------------|--------------|-----------------|--------------|---------------|------------------|---------------|----------------|----------------|

Latitude 32.04040 Longitude 103.20855

NATURE OF RELEASE

| | | |
|--|---|--|
| Type of Release Produced Water | Volume of Release 500 B/PW | Volume Recovered 500 B/PW |
| Source of Release Fiberglass Tank. | Date and Hour of Occurrence 3/8/2012; AM | Date and Hour of Discovery 3/8/2012; 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 | |

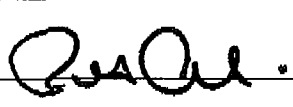
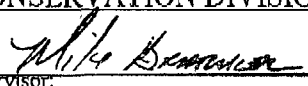

| | |
|---|--|
| By Whom? Robert Asher/Yates Petroleum Corporation | Date and Hour 3/8/2012; AM (Voicemail & e-mail) |
| Was a Watercourse Reached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | If YES, Volume Impacting the Watercourse. N/A |

If a Watercourse was Impacted, Describe Fully.*
N/A

Describe Cause of Problem and Remedial Action Taken.*
Water pump failed to start, causing tank to run over. Vacuum trucks called to the location. Isolated tank, pump started.

Describe Area Affected and Cleanup Action Taken.*
An approximate total areas of 40' X 60'. All released water contained within lined/bermed battery. All released water was recovered. Depth to Ground Water: >100' (354', Section 5, T23S-R31E, per the NMOSE/ISC), Wellhead Protection Area: No, Distance to Surface Water Body: >1000', SITE RANKING IS 0. Based on all recovered amounts of produced water, release within bermed/lined containment area, 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.

| | | |
|---|---|---|
| Signature:  | OIL CONSERVATION DIVISION | |
| Printed Name: Robert Asher | Signed By  Approved by District Supervisor: | |
| Title: Environmental Regulatory Agent | Approval Date: MAR 26 2012 | Expiration Date: N/A |
| E-mail Address: boba@yatespetroleum.com | Conditions of Approval: N/A | Attached <input type="checkbox"/> |
| Date: Friday, March 16, 2012 Phone: 575-748-4217 | 2RP- 1068 |  |

* Attach Additional Sheets If Necessary

2RP-1068

Bratcher, Mike, EMNRD

From: Bob Asher [BobA@yatespetroleum.com]
Sent: Thursday, March 08, 2012 8:12 AM
To: Bratcher, Mike, EMNRD; Dade, Randy, EMNRD; 'BLM (Jim Amos)'
Cc: Amanda Trujillo; Amber Cannon; Jeremy Haass; Jerry Fanning; Lisa Norton
Subject: Release: Glow Worm ALX Federal Battery

Yates Petroleum Corporation is reporting a release at the following location.

Glow Worm ALX Federal Battery
30-015-35313
Section 4, T23S-R31E
Eddy County, New Mexico

Released: 500 B/PW; Recovered: **In Progress; Vacuum Trucks picking up released water, battery is bermed and lined (all produced water contained inside battery).**

Cause of release not known at this time.

A Form C-141 Initial/Final Report will be submitted with complete information.

Thank you.

Robert Asher

Environmental Regulatory Division
Yates Petroleum Corporation
105 South Fourth Street
Artesia, NM 88210
575-748-4217 (Direct)
575-365-4021