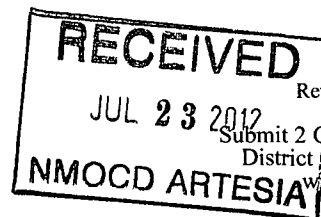


District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

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

nJMW122441921

OPERATOR

☒ Initial Report ☐ Final Report

Name of Company Yates Petroleum Corporation	OGRID Number 25575	Contact Jeremy Haass
Address 104 S. 4 TH Street		Telephone No. 575-748-1471
Facility Name Pinochle 'BNP' State Com #2H	API Number 30-015-38316	Facility Type Pumping Unit

Surface Owner Fee	Mineral Owner State	Lease No. VA-3054
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LOCATION OF RELEASE

Unit Letter D	Section 22	Township 25S	Range 28E	Feet from the 660	North/South Line North	Feet from the 330	East/West Line East	County Eddy
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Latitude 32.12074 Longitude 104.08212

NATURE OF RELEASE


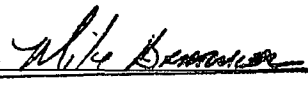
Type of Release Produced Water	Volume of Release 500 B/PW	Volume Recovered 445 B/PW
Source of Release Water pump flow line	Date and Hour of Occurrence 7/17/2012 PM	Date and Hour of Discovery 7/17/2012 PM
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? Mike Bratcher, NMOCD II	
By Whom? Jeremy Haass, Yates Petroleum Corporation	Date and Hour 7/17/2012 PM (email)	
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.*
Flow line from water pump was run over. Closed valve in tin horn that supplied water to line. Called vacuum truck.

Describe Area Affected and Cleanup Action Taken.*
An approximate area of 100' X 40', all on well pad. Vacuum truck called to pick up remaining produced water, 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 65', Section 22-T25S-R28E, 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: AUG 01 2012	Signed By: 
Title: Environmental Regulatory Agent	Approval Date:	Expiration Date:
E-mail Address: jhaass@yatespetroleum.com	Conditions of Approval: Remediation per OCD Rules & Guidelines. SUBMIT REMEDIATION PROPOSAL NOT LATER THAN: <u>9-1-12</u>	Attached <input type="checkbox"/>
Date: Monday, July 23, 2012 Phone: 575-748-1471		

* Attach Additional Sheets If Necessary

2RP-1238