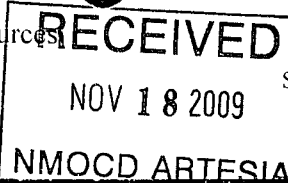


District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

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

AKmw 1109444 774

Release Notification and Corrective Action
OPERATOR

☒ Initial Report ☐ Final Report

Name of Company Yates Petroleum Corporation	OGRID Number 25575	Contact Amanda Trujillo
Address 104 S. 4 TH Street	Telephone No. 575-748-1471	
Facility Name Greewood BD State #2	API Number 30-015-23011	Facility Type Battery
		Order Number 2RP-
Surface Owner State	Mineral Owner State	Lease No. OG-783

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
E	6	19S	25E	2310	North	990	West	Eddy

Latitude N33.13240 Longitude W104 13323

NATURE OF RELEASE

Type of Release Condensate	Volume of Release Less the 5 barrels	Volume Recovered 0
Source of Release Well header	Date and Hour of Occurrence 9/22/09 am	Date and Hour of Discovery 9/22/09 am
Was Immediate Notice Given? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Required	If YES, To Whom? Mike Bratcher - NMOCD/Artesia	
By Whom? Amanda Trujillo - Yates Petroleum Corporation	Date and Hour 11/12/2009 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.* On 9/22/09 a crack in the bottom of a check valve released crude oil and produced water. It was an un-reportable quantity; however an internal report was generated. A series of small un-reportable spills have occurred over time at this location. During general housekeeping procedures removal of contaminated material will removed and disposed of at an NMOCD approved facility.		
Describe Area Affected and Cleanup Action Taken.* The area is 15' x 15'. A dozer will scrape up the contaminated material and dispose of it at an approved facility. Soil will be tested for TPH, BTEX and Chlorides. Depth to Ground Water: >100' (approx. 300', per New Mexico Office of the State Engineer); Wellhead Protection Area: No; Distance to Surface Water Body: >1000'; SITE RANKING IS 0. Based on site ground water quality and enclosed analytical results.		
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: <i>A Trujillo</i>	OIL CONSERVATION DIVISION	
Printed Name: Amanda Trujillo	Approved by District Supervisor: <i>Mike Bratcher</i> Signed By	
Title: Environmental Scientist	Approval Date: <i>4/4/11</i>	Expiration Date:
E-mail Address: atrujillo@yatespetroleum.com	Conditions of Approval:	Attached <input type="checkbox"/>
Date: Monday, November 16, 2009 Phone: 575-748-4310	REMEDATION per OCD Rules and Guidelines. <u>SUBMIT REMEDIATION</u> PROPOSAL BY: <i>5/4/11</i>	

* Attach Additional Sheets If Necessary

2RP-695



NEW MEXICO ENERGY, MINERALS and
NATURAL RESOURCES DEPARTMENT

RON
WADE

JERRY F.
BOB A.

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

Response Required – Deadline Enclosed

Field Inspection Program

"Preserving the Integrity of Our Environment"

30-Oct-09

LOV NO. 09-02-104

YATES PETROLEUM CORPORATION

105 S 4TH ST

ARTESIA NM 88210

LETTER OF VIOLATION - Inspection

Dear Operator:

The following inspection(s) indicate that the well, equipment, location or operational status of the well(s) failed to meet standards of the New Mexico Oil Conservation Division as described in the detail section below. To comply with standards imposed by Rules and Regulations of the Division, corrective action must be taken immediately and the situation brought into compliance. The detail section indicates preliminary findings and/or probable nature of the violation. This determination is based on an inspection of your well or facility by an inspector employed by the Oil Conservation Division on the date(s) indicated.

Please notify the proper district office of the Division, in writing, of the date corrective actions are scheduled to be made so that arrangements can be made to reinspect the well and/or facility.

INSPECTION DETAIL SECTION

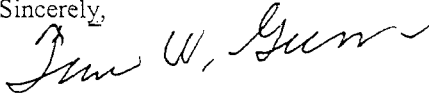
GREASEWOOD BD STATE No.002				E-6-19S-25E	30-015-23011-00-00	
Inspection Date	Type Inspection	Inspector	Violation?	*Significant Non-Compliance?	Corrective Action Due By:	Inspection No.
10/29/2009	Routine/Periodic	Tim Gum	Yes	No	11/30/2009	iTWG0930348717
Comments on Inspection:		Oil contamination from recent flowline release north of battery. Violation of Rule 19.15.29. NMAC. Corrective action to be taken 1.) submit a Foorm C-141 along with a plan of remediation to address all visible staining at the noted area. 2.) send to attention Tim W. Gum.				
		Corrective action to be taken by 11/30/09.				

NOV 04 2009

PRODUCTION DEPARTMENT
RECEIVED

In the event that a satisfactory response is not received to this letter of direction by the "Corrective Action Due By:" date shown above, further enforcement will occur. Such enforcement may include this office applying to the Division for an order summoning you to a hearing before a Division Examiner in Santa Fe to show cause why you should not be ordered to permanently plug and abandon this well. Such a hearing may result in imposition of CIVIL PENALTIES for your violation of OCD rules.

Sincerely,



Artesia OCD District Office

Note: Information in Detail Section comes directly from field inspector data entries - not all blanks will contain data.

*Significant Non-Compliance events are reported directly to the EPA, Region VI, Dallas, Texas.