FEB - 6 2009

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

|                                                                                                                                                                                                                                                                                             |              | <del></del>                          |             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |             | - ~                                       |                     |          |               |                     |              | - <del>''- ''- ''- ''</del> |
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| . /                                                                                                                                                                                                                                                                                         |              | . /                                  | Rel         | ease Notifi                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | icatio      | on and Co                                 | orrective A         | ction    | l             |                     |              |                             |
| nKmw 1109452838                                                                                                                                                                                                                                                                             |              |                                      |             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |             | <b>OPERATOR</b> X Initial                 |                     |          |               |                     | Report       | Final Report                |
| Name of Company Yates Petroleum Corporation                                                                                                                                                                                                                                                 |              |                                      |             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |             | Contact Mike Stubblefield                 |                     |          |               |                     |              |                             |
| Address 105 South 4th Street, Artesia, N.M. 88210                                                                                                                                                                                                                                           |              |                                      |             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |             | Telephone No. 505-748-4500 505-513-1712   |                     |          |               |                     |              |                             |
| Facility Name Wright JA #5 #3 30-015-24939                                                                                                                                                                                                                                                  |              |                                      |             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |             | Facility Type Producing Oil well.         |                     |          |               |                     |              |                             |
| Surface Owner Fee Mineral Owner                                                                                                                                                                                                                                                             |              |                                      |             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |             | . Lease No.                               |                     |          |               |                     | <del> </del> | ····                        |
|                                                                                                                                                                                                                                                                                             |              |                                      |             | LOC                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | ATIC        | ON OF RE                                  | LEASE               |          |               |                     |              |                             |
| Unit Letter                                                                                                                                                                                                                                                                                 | Section      | Township                             | Range       | Feet from the                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |             | h/South Line                              | Feet from the       | East/    | West Line     | County              | <del> </del> |                             |
| F                                                                                                                                                                                                                                                                                           | 34           | 18s                                  | 26e         | 1650'                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | FNL         |                                           | 2310'               | FWL      | FWL           |                     |              |                             |
|                                                                                                                                                                                                                                                                                             | . <b>i</b>   | <u> </u>                             | 1           | <u>'</u> I                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | <br>Latitud | le Longit                                 | ude                 |          |               |                     |              |                             |
| NATURE OF RELEASE                                                                                                                                                                                                                                                                           |              |                                      |             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |             |                                           |                     |          |               |                     |              |                             |
| Type of Relea                                                                                                                                                                                                                                                                               | se Hydroca   | Volume of Release   Volume Recovered |             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |             |                                           | _ <u> </u>          |          |               |                     |              |                             |
| Type of Release Hydrocarbon & Produced water.                                                                                                                                                                                                                                               |              |                                      |             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |             | 2 bbls Hydrocarbon &                      |                     |          | 1             | 0 bbls Hydrocarbon  |              |                             |
|                                                                                                                                                                                                                                                                                             |              |                                      |             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |             | 4 bbls Produced water. 0 b                |                     |          |               | bls Produced Water. |              |                             |
| Source of Release. Flowline.                                                                                                                                                                                                                                                                |              |                                      |             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |             | 1                                         |                     |          | Date and same | Hour of I           | Discovery    |                             |
| Was Immediate Notice Given?                                                                                                                                                                                                                                                                 |              |                                      |             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |             | If YES, To Whom?                          |                     |          |               |                     |              |                             |
| Yes No X Not Required                                                                                                                                                                                                                                                                       |              |                                      |             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |             | 1 125, 10 1110                            |                     |          |               |                     |              | *                           |
| By Whom?                                                                                                                                                                                                                                                                                    |              |                                      |             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |             | Date and Hour                             |                     |          |               |                     | <u> </u>     |                             |
| Was a Watercourse Reached?                                                                                                                                                                                                                                                                  |              |                                      |             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |             | If YES, Volume Impacting the Watercourse. |                     |          |               |                     |              |                             |
|                                                                                                                                                                                                                                                                                             |              |                                      |             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |             |                                           | *****               |          |               |                     |              |                             |
| 11 a Watercou                                                                                                                                                                                                                                                                               | rse was Imp  | acted, Describe                      | e Fully.*   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |             |                                           |                     |          |               |                     |              |                             |
|                                                                                                                                                                                                                                                                                             |              |                                      |             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |             |                                           |                     |          |               |                     |              | i                           |
| ļ                                                                                                                                                                                                                                                                                           |              |                                      |             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |             |                                           |                     |          |               |                     |              |                             |
| Describe Cause of Problem and Remedial Action Taken.*                                                                                                                                                                                                                                       |              |                                      |             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |             |                                           |                     |          |               | <del> </del>        |              |                             |
| Scale plugged the 2" polyline causing the line to rupture. The release occurred on location 10' north of the pumping unit. A section of the p                                                                                                                                               |              |                                      |             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |             |                                           |                     |          |               |                     | oly was re   | moved from                  |
| service the line was repaired and then placed back into service.                                                                                                                                                                                                                            |              |                                      |             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |             |                                           |                     |          |               |                     |              |                             |
| Describe Area Affected and Cleanup Action Taken.                                                                                                                                                                                                                                            |              |                                      |             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |             |                                           |                     |          |               |                     | İ            |                             |
|                                                                                                                                                                                                                                                                                             |              |                                      |             | th of the wellhead                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |             |                                           |                     |          |               |                     |              |                             |
|                                                                                                                                                                                                                                                                                             |              |                                      |             | d to be 25'x15'. The lytical from the expension of the ex |             |                                           |                     |          |               |                     |              |                             |
|                                                                                                                                                                                                                                                                                             |              |                                      |             | e analyzed using                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |             |                                           |                     |          |               |                     |              |                             |
| l                                                                                                                                                                                                                                                                                           |              |                                      |             | ne excavated area                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |             | ied back to grad                          | le using clean soil | . A fina | l C-141 forn  | n will the          | n be submi   | tted to the                 |
|                                                                                                                                                                                                                                                                                             |              |                                      |             | curred on 1/18/200<br>clihead protection                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |             | - 1000'. Distanc                          | e to surface water  | body ->  | > 1000° site  | ranking :           | core - 10    | ļ                           |
| Site ranking Depth to ground water - 50'-100', Wellhead protection area -> 1000', Distance to surface water body -> 1000' site ranking score. I hereby certify that the information given above is true and complete to the best of my knowledge and understand that pursuant to NMOCD rule |              |                                      |             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |             |                                           |                     |          |               |                     |              | l regulations               |
| all operators are required to report and/or file certain release notifications and perform corrective actions for releases which may endanger put                                                                                                                                           |              |                                      |             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |             |                                           |                     |          |               |                     |              |                             |
| environment. The acceptance of a C-141 report by the NMOCD marked as "Final Report" does not relieve the operator of liability should failed to adequately investigate and remediate contamination that pose a threat to ground water, surface water, human health or the environment.      |              |                                      |             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |             |                                           |                     |          |               |                     |              |                             |
| NMOCD acco                                                                                                                                                                                                                                                                                  | eptance of a | C-141 report d                       | oes not rel | ieve the operator                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | of respo    | onsibility for co                         | mpliance with any   | other fe | deral, state, | or local l          | aws and/or   | regulations.                |
| Signature:                                                                                                                                                                                                                                                                                  |              | · .                                  |             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | •           |                                           | OIL CON             |          |               |                     |              | <u> </u>                    |
| mighstellfield                                                                                                                                                                                                                                                                              |              |                                      |             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |             |                                           |                     |          |               |                     |              |                             |
| Printed Name: Mike Stubblefield                                                                                                                                                                                                                                                             |              |                                      |             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |             | Approved by District Bison Mile Brance    |                     |          |               |                     | ·            |                             |
|                                                                                                                                                                                                                                                                                             |              |                                      |             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |             | 1/1/                                      |                     |          |               |                     |              |                             |
| Title: Environmental Regulatory Agent                                                                                                                                                                                                                                                       |              |                                      |             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |             | Approval Dat                              | e: <i>4/4/</i>      | //       | Expiration    | Date:               |              |                             |
| E-mail Address: mikes@ypcnm.com                                                                                                                                                                                                                                                             |              |                                      |             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |             | Conditions of Approval:                   |                     |          |               |                     | hed 🗌        |                             |
| Date: 2/6/2009 Phone: 505-748-4500                                                                                                                                                                                                                                                          |              |                                      |             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |             | REMEDIATION per OCD Rules and             |                     |          |               |                     |              |                             |
|                                                                                                                                                                                                                                                                                             |              |                                      |             | nded C-141 forr                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | n for C     |                                           | s. <u>SUBMIT RE</u> |          |               | L                   | - n .Λ       | ~ A /                       |
|                                                                                                                                                                                                                                                                                             |              |                                      | ,           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |             | PROPOSA                                   |                     |          | _             | 1                   | RP-          | '/U/                        |

5/4/11