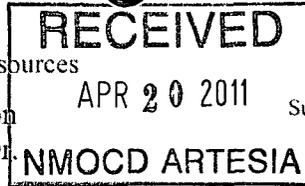


District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505



Form C-141
Revised October 10, 2003

Submit 2 Copies to appropriate
District Office in accordance
with Rule 116 on back
side of form

Release Notification and Corrective Action
OPERATOR

Initial Report Final Report

NKMW 1111036455

Name of Company Yates Petroleum Corporation	OGRID Number 25575	Contact Amanda Trujillo
Address 104 S. 4 TH Street	Telephone No. 575-748-1471	
Facility Name Anemone ANE Federal #2	API Number 30-015-27982	Facility Type Gas well
	Order Number 2RP-	
Surface Owner Federal	Mineral Owner Federal	Lease No. NM - 78214

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
D	9	22S	24E	1090	NORTH	840	WEST	EDDY

Latitude N32.40957 Longitude W104.50867

NATURE OF RELEASE

Type of Release WATER	Volume of Release 780	Volume Recovered 725
Source of Release Knockout side dump failed sent water to low profile tank, tank over ran	Date and Hour of Occurrence 1/20/2011	Date and Hour of Discovery 1/20/2011 - PM
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? Mike Bratcher - NMOCD/Artesia	
By Whom? Bob Asher - Yates Petroleum Corporation	Date and Hour 01/25/2011 pm	
Was a Watercourse Reached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, Volume Impacting the Watercourse. N/A	
If a Watercourse was Impacted, Describe Fully.* N/A		
Describe Cause of Problem and Remedial Action Taken.* All produced water was held in containment berm. Vacuum truck was called to standing fluids. Crew was called to remove contaminated material.		
Describe Area Affected and Cleanup Action Taken.* An approximate size of 40' x 150' was impacted. The impacted area is located around the tanks and between the flow lines. Soil from the pooling areas was excavated and disposed of at an NMOCD approved facility. Vertical and horizontal delineation samples will taken and analysis ran for TPH and BTEX once all contaminated material has been removed. Depth to Ground Water: >100' (approx. 585', per New Mexico State Engineers Office); Wellhead Protection Area: No; Distance to Surface Water Body: >1000'; SITE RANKING IS 0. Based on site ground water quality and enclosed analytical results.		
I hereby certify that the information given above is true and complete to the best of my knowledge and understand that pursuant to NMOCD rules and regulations all operators are required to report and/or file certain release notifications and perform corrective actions for releases which may endanger public health or the environment. The acceptance of a C-141 report by the NMOCD marked as "Final Report" does not relieve the operator of liability should their operations have failed to adequately investigate and remediate contamination that pose a threat to ground water, surface water, human health or the environment. In addition, NMOCD acceptance of a C-141 report does not relieve the operator of responsibility for compliance with any other federal, state, or local laws and/or regulations.		

Signature:
Printed Name: Amanda Trujillo
Title: Environmental Scientist
E-mail Address: atrujillo@yatespetroleum.com
Date: Thursday, March 10, 2011 Phone: 575-748-4310

OIL CONSERVATION DIVISION	
Approved by District Supervisor:	Signed By:
Approval Date: <u>4/20/11</u>	Expiration Date:
Conditions of Approval: Remediation per OCD Rules & Guidelines. SUBMIT REMEDIATION PROPOSAL NOT LATER THAN: <u>5/20/11</u>	Attached <input type="checkbox"/>

* Attach Additional Sheets If Necessary

Testing required for
chlorides and/or any
potential contaminant

2RP-751