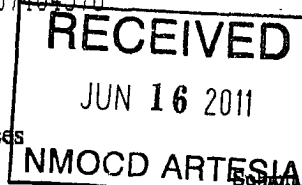


District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

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

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

Release Notification and Corrective Action

nmlb 1122148873

OPERATOR

☒ Initial Report ☐ Final Report

Name of Company Yates Petroleum Corporation	OGRID Number 25575	Contact Robert Asher
Address 105 S. 4 TH Street	API Number 30-015-33999	Telephone No. 575-748-1471
Facility Name Cohiba BPY State #1	Facility Type Water Line	
Surface Owner State	Mineral Owner State	Lease No. VO-5769

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
D	1	25S	27E	660	North	660	West	Eddy

Latitude 32.16468 Longitude 104.15004

NATURE OF RELEASE

Type of Release Produced Water	Volume of Release 5 B/PW	Volume Recovered 4 B/PW
Source of Release Poly line Riser	Date and Hour of Occurrence 6/8/2011; PM	Date and Hour of Discovery 6/8/2011; 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 II	
By Whom? Bob Asher/Yates Petroleum Corporation	Date and Hour 6/8/2011; 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.*

2" poly line riser ruptured possibly due to an increase in main line pressure. Valves were isolated on both sides of main waterline. Vacuum truck called.

Describe Area Affected and Cleanup Action Taken.*

An approximate area of 10' X 30' (on edge of production pad). Remaining produced water recovered. Vertical and horizontal delineation samples will be taken and analysis ran for TPH & BTEX (chlorides for documentation). If initial analytical results for TPH & BTEX are under RRAL's (site ranking is 10) a Final Report, C-141 will be submitted to the OCD requesting closure. If the analytical results are above the RRAL a work plan will be submitted to the OCD. Depth to Ground Water: 50-99' (70', Section 22, T24S-R27E, NMOSE), Wellhead Protection Area: No, Distance to Surface Water Body: > 1000', SITE RANKING IS 10.

I hereby certify that the information given above is true and complete to the best of my knowledge and understand that pursuant to NMOCD rules and regulations all operators are required to report and/or file certain release notifications and perform corrective actions for releases which may endanger public health or the environment. The acceptance of a C-141 report by the NMOCD marked as "Final Report" does not relieve the operator of liability should their operations have failed to adequately investigate and remediate contamination that pose a threat to ground water, surface water, human health or the environment. In addition, NMOCD acceptance of a C-141 report does not relieve the operator of responsibility for compliance with any other federal, state, or local laws and/or regulations.

Signature:	OIL CONSERVATION DIVISION	
Printed Name: Robert Asher	Signed By Approved by District Supervisor:	
Title: Senior Environmental Regulatory Agent	Approval Date: AUG 09 2011	Expiration Date:
E-mail Address: boba@yatespetroleum.com	Conditions of Approval:	Attached <input type="checkbox"/>
Date: Thursday, June 16, 2011 Phone: 575-748-4021	Remediation per OCD Rules & Guidelines. SUBMIT REMEDIATION PROPOSAL NOT LATER THAN: 9/9/2011	

* Attach Additional Sheets If Necessary

2RA-817