

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

RECEIVED

APR 03 2013

Form C-141
Revised October 10, 2003

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

Release Notification and Corrective Action

OPERATOR

☐ Initial Report ☒ Final Report

| | | |
|--|----------------------------|-------------------------------|
| Name of Company Yates Petroleum Corporation | OGRID Number 25575 | Contact Amanda Trujillo |
| Address 104 S. 4 TH Street | | Telephone No. 575-748-1471 |
| Facility Name Roy AET #2 Battery | API Number 30-015-26297 | Facility Type Battery |
| | | Order Number 2RP- |

| | | |
|----------------------|----------------------|-----------|
| Surface Owner Fee | Mineral Owner FEE | Lease No. |
|----------------------|----------------------|-----------|

LOCATION OF RELEASE

| | | | | | | | | |
|------------------|--------------|-----------------|--------------|----------------------|---------------------------|----------------------|------------------------|----------------|
| Unit Letter M | Section 8 | Township 19S | Range 25E | Feet from the 710 | North/South Line South | Feet from the 710 | East/West Line West | County EDDY |
|------------------|--------------|-----------------|--------------|----------------------|---------------------------|----------------------|------------------------|----------------|

NATURE OF RELEASE

| | | |
|--|--|--|
| Type of Release Oil | Volume of Release 30 bbls oil | Volume Recovered 20 bbls oil |
| Source of Release Tank Over Flow | Date and Hour of Occurrence 10:00 am 12/18/2012 | Date and Hour of Discovery 10.00 am 12/18/2012 - PM |
| Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required | If YES, To Whom? Mike Bratcher - NMOCD/Artesia | |
| By Whom? Amanda Trujillo - Yates Petroleum Corporation | Date and Hour 12/18/2012 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

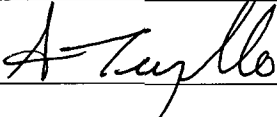
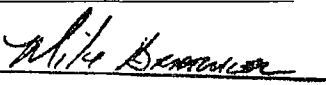

Describe Cause of Problem and Remedial Action Taken.*

Water leg on the heater treater plugged up causing water level in heater treater to build up and dump through the oil side of the treater in to the oil tanks causing them to overflow.

Describe Area Affected and Cleanup Action Taken.*

An approximate size of 40' x 15' was impacted. The impacted area is located in front of the tanks. All released material was contained within the berm. Soil from the pooling areas was excavated and disposed of at an NMOCD approved facility. Vertical and horizontal delineation samples taken and analyzed for TPH and BTEX. **Depth to Ground Water: >100' (approx. 125', per New Mexico ChevronTexaco Trend Map); Wellhead Protection Area: No; Distance to Surface Water Body: >1000'; SITE RANKING IS 0.**

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: Amanda Trujillo | Signed By  Approved by District Supervisor: | |
| Title: Environmental Scientist | Approval Date: APR 03 2013 | Expiration Date: NA |
| E-mail Address: atrujillo@yatespetroleum.com | Conditions of Approval:  | Attached <input type="checkbox"/> |
| Date: Friday, March 22, 2013 | Phone: 575-748-4310 | |

* Attach Additional Sheets If Necessary