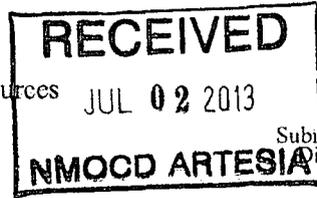


District I  
1625 N. French Dr., Hobbs, NM 88240  
District II  
1301 W. Grand Avenue, Artesia, NM 88210  
District III  
1000 Rio Brazos Road, Aztec, NM 87410  
District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505

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**

nJMW1319238930

**OPERATOR**

Initial Report  Final Report

Name of Company Yates Petroleum Corporation	OGRID Number 25575	Contact Amber Cannon
Address 105 S. 4 <sup>TH</sup> Street	API Number 30-015-32003	Telephone No. 575-748-1471
Facility Name Lucy ALC State #7	Facility Type Well	

Surface Owner State:	Mineral Owner State:	Lease No. V-3850
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**LOCATION OF RELEASE**

Unit Letter B	Section 34	Township 21S	Range 31E	Feet from the 660'	North/South Line North	Feet from the 2005'	East/West Line East	County Eddy
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Latitude 32.44029 Longitude 103.76314

**NATURE OF RELEASE**

Type of Release Produced Water; Crude Oil	Volume of Release 10 B/PW; 5 B/O	Volume Recovered 0 B/PW; 0 B/O
Source of Release Poly flow line	Date and Hour of Occurrence 6/28/2013; AM	Date and Hour of Discovery 6/28/2013, AM
Was Immediate Notice Given? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Required	If YES, To Whom? N/A	
By Whom? N/A	Date and Hour N/A	
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.\*  
A poly flow line ruptured releasing a produced water/crude oil mixture. Well was turned off, casing and tubing pressure were shut in, inlet valve at knockout was closed, foreman was called and roustabouts were dispatched to repair the poly line.

Describe Area Affected and Cleanup Action Taken.\*  
The flow line ruptured along the lease road (on the east side of the road) between the Lucy ALC State #7 and Lucy ALC State #4. Initial vertical and horizontal delineation samples were taken and sent to a NMOCD approved facility. A crew will be called to do clean-up of the area once analytical results are received, and all excavated soils will be disposed of at an approved NMOCD facility. **Depth to Ground Water: >100' (approximately 125', Section 34, T21S-R31E, per 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: <i>Amber Cannon</i>	<b>OIL CONSERVATION DIVISION</b>	
Printed Name: Amber Cannon	Approved by District Supervisor:	Signed By: <i>Mike Benjamin</i>
Title: Environmental Regulatory Agent	Approval Date: <b>JUL 11 2013</b>	Expiration Date:
E-mail Address: acannon@yatespetroleum.com	Conditions of Approval: Remediation per OCD Rule & Guidelines. <b>SUBMIT REMEDIATION PROPOSAL NO LATER THAN:</b>	Attached <input type="checkbox"/>
Date: Tuesday, July 02, 2013 Phone: 575-748-4111	<b>August 11, 2013</b>	

\* Attach Additional Sheets If Necessary

2RP-1712