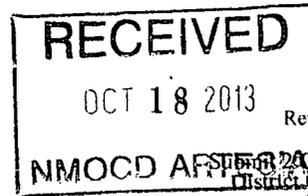


District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

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

njmw1319238930 OPERATOR Initial report Final Report

Name of Company Yates Petroleum Corporation	OGRID Number 25575	Contact Amber Cannon
Address 105 S. 4 TH Street	Telephone No. 575-748-1471	
Facility Name Lucy ALC State #7	API Number 30-015-32003	Facility Type Well
Surface Owner: State	Mineral Owner: State	Lease No. V-3850

LOCATION OF RELEASE

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

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. Yates Petroleum requests closure based off impacted soils (represented by analytical results) being excavated and disposed of at a NMOCD approved facility. Excavation was backfilled with clean-like materials.

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>	OIL CONSERVATION DIVISION	
Printed Name: Amber Cannon	Approved by District Supervisor: <i>[Signature]</i>	
Title: Environmental Regulatory Agent	Approval Date: <i>10/22/2013</i>	Expiration Date: <i>N/A</i>
E-mail Address: <i>acannon@yatespetroleum.com</i>	Conditions of Approval: <i>Fines</i>	Attached <input type="checkbox"/>
Date: Friday, October 18, 2013 Phone: 575-748-4111	2RP- <i>1712</i>	

* Attach Additional Sheets If Necessary