District I 1625 N. French Dr., Hobbs, NM 88240 District II 1301 W. Grand Avenue, Artesia, NM 88210 District III 1000 Rio Brazos Road, Aztéc, NM 87410

1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico Energy Minerals and Natural Resources

JUN 1 8 2014

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Form C-141 Revised October 10, 2003

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

NMOCD ARTES up in t 2 Copies to appropriate with Rule 116 on back

side of form

Release Notification and Corrective Action nHmp 1417637439 **OPERATOR** Initial Report Final Report OGRID Number Contact Yates Petroleum Corporation 25575 Robert Asher-Address Telephone No. 104 S. 4TH Street 575-748-4217 Facility Type Facility Name API Number Anthill AAK State SWD #5 30-015-41691 Battery Surface Owner Mineral Owner Lease No. LG-2041 State State LOCATION OF RELEASE Unit Letter Township Feet from the North/South Line Feet from the East/West Line County Section Range 20S 29F 1320 South 1320 West Eddy ·K Latitude 32.59864 Longitude 104.04946 NATURE OF RELEASE Volume of Release Type of Release Volume Recovered Produced water 21 B/W 21. B/W Source of Release Date and Hour of Occurrence Date and Hour of Discovery 6/9/2014; AM 6/9/2014; AM Production tank (s) If YES, To Whom? Was Immediate Notice Given? ☐ Yes ☐ No ☒ Not Required N/A By Whom? Date and Hour N/A N/A Was a Watercourse Reached? If YES, Volume Impacting the Watercourse. Yes No N/A If a Watercourse was Impacted, Describe Fully.* Describe Cause of Problem and Remedial Action Taken.* A loss of electricity to on site equipment due to lightning caused the release. Vacuum truck(s) were called. Describe Area Affected and Cleanup Action Taken.* An approximate area of 35°X 12' was affected within the lined/bermed battery. Vacuum truck(s) were called to pick up produced water (21 B/PW), 100% of the release was recovered. Depth to Ground Water: 50-90' (approximately 75', Section 2, T20S-R29E, per ChevronTexaco Trend Map), Wellhead Protection Area: No, Distance to Surface Water Body: > 1000', SITE RANKING IS 10. Based on the battery being lined/bermed and all produced water recovered, Yates Petroleum Corporation requests closure. 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. OIL CONSERVATION DIVISION Signature: Approved by District Supervisor: Printed Name: Robert Asher Title: NM Environmental Regulatory Supervisor Approval Date: Expiration Date: E-mail Address: boba@yatespetroleum.com Conditions of Approval: Attached.

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* Attach Additional Sheets If Necessary

Phone: 575-748-4171

Date: Wednesday, June 18, 2014

2RP-2356