

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

nmlb/1034046865

OPERATOR

☒ Initial Report ☒ Final Report

Name of Company Yates Petroleum Corporation	OGRID Number 25575	Contact Robert Asher
Address 104 S. 4 TH Street	Telephone No. 575-748-1471	
Facility Name Ohkay BHH State #1	API Number 30-015-34551	Facility Type Battery
Surface Owner State	Mineral Owner State	Lease No. VO-6711

LOCATION OF RELEASE

Unit Letter D	Section 6	Township 25S	Range 30E	Feet from the 330	North/South Line North	Feet from the 330	East/West Line West	County Eddy
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Latitude 32.16551 Longitude 103.92801

NATURE OF RELEASE

Type of Release Oil & Produced Water	Volume of Release 30 B/O & 120 B/PW	Volume Recovered 0 B/O & 50 B/PW
Source of Release Knockout or heater treater & produced water tanks	Date and Hour of Occurrence 11/11/2010 AM	Date and Hour of Discovery 11/11/2010 AM
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 District II	RECEIVED NOV 23 2010 NMOCD ARTESIA
By Whom? Jerry Fanning Jr./YPC Environmental	Date and Hour 11/11/2010 AM, Voicemail & E-mail	
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		

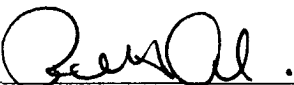
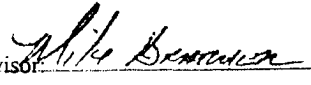
Describe Cause of Problem and Remedial Action Taken.*

Exact cause unknown, suspected that the site glass on knockout broke or fire tube in heater leaked oil that caught on fire. Extensive damage to production equipment and produced water tanks, fire put out by local fire department. Vacuum truck called.

Describe Area Affected and Cleanup Action Taken.*

An approximate area of 30' X 250' inside lined, bermed battery. Remaining produced water picked up, no oil to recover because of fire. Damaged equipment to be removed and damaged liner on west end of battery to be replaced. Vertical and horizontal delineation samples were taken (11/17/2010) and analysis ran for TPH & BTEX (chlorides for reference). **Depth to Ground Water: >100' (approximately 350'), Wellhead Protection Area: No, Distance to Surface Water Body: 200' or more, but less than 1000', SITE RANKING IS 10. Based on enclosed analytical results (TPH & BTEX are below RRAL's for a site ranking of 10) and the damaged liner to be replaced or repaired, Yates Petroleum Corporation is requesting 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.

Signature: 	OIL CONSERVATION DIVISION	
Printed Name: Robert Asher	Approved by District Supervisor: 	
Title: Environmental Regulatory Agent	Approval Date: DEC 06 2010	Expiration Date: <i>Nil</i>
E-mail Address: boba@yatespetroleum.com	Conditions of Approval: <i>Nil - Final</i>	Attached <input type="checkbox"/>
Date: Tuesday, November 23, 2010	Phone: 575-748-4217	2RP-491

* Attach Additional Sheets If Necessary

2RP-491