

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

AKMLW 1102539479

OPERATOR		<input checked="" type="checkbox"/> Initial Report	<input type="checkbox"/> 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 Dagger Draw Water System	API Number 30-015-28898	Facility Type Water Line	
Surface Owner Fee	Mineral Owner State	Lease No.	


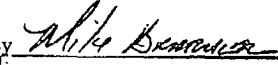
LOCATION OF RELEASE

Unit Letter A	Section 11	Township 19S	Range 25E	Feet from the	North/South Line	Feet from the	East/West Line	County Eddy
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Latitude 32.67963 Longitude 104.44838

NATURE OF RELEASE

Type of Release Oil & Produced Water	Volume of Release 800 B/O & B/PW	Volume Recovered 300 B/O & B/PW
Source of Release Water line	Date and Hour of Occurrence 1/5/2011; PM	Date and Hour of Discovery 1/5/2011; 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? Robert Asher/Yates Petroleum Corporation	Date and Hour 1/10/2011 (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.* Break in 12" to 10" poly reducer, causing release. Vacuum truck called, pipe line crew dispatched.		
Describe Area Affected and Cleanup Action Taken.* An approximate area of 150' X 300'. Water line release point is located approximately 0.5 miles northeast of the Arrow ARW Federal Cor. #1. Vertical and horizontal delineation samples will be taken and analysis ran for TPH & BTEX (Chlorides will be documented). A work plan or corrective action plan will be submitted. Depth to Ground Water: 50-99' (approximately 70' per the Chevron/Texaco trend map), Wellhead Protection Area: No, Distance to Surface Water Body: >1000', SITE RANKING IS 10.		
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: <u>3/2/11</u>	Expiration Date:
E-mail Address: boba@yatespetroleum.com	Conditions of Approval:	Attached <input type="checkbox"/>
Date: Tuesday, January 18, 2011 Phone: 575-748-4217	Remediation per OCD Rules & Guidelines. SUBMIT REMEDIATION PROPOSAL NOT LATER THAN: <u>4/21/11</u>	

* Attach Additional Sheets If Necessary

JRP 576