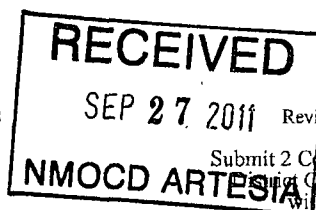


District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brzoz Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

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

Release Notification and Corrective Action

NMLB 112274907

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 NDDUP Unit #23 | API Number 30-015-28424 | Facility Type Well |

| | | |
|------------------------|------------------------|---------------------|
| Surface Owner State | Mineral Owner State | Lease No. LG-864 |
|------------------------|------------------------|---------------------|

LOCATION OF RELEASE

| | | | | | | | | |
|------------------|---------------|-----------------|--------------|------------------------|---------------------------|------------------------|------------------------|----------------|
| Unit Letter K | Section 16 | Township 19S | Range 25E | Feet from the 1780' | North/South Line South | Feet from the 1980' | East/West Line West | County Eddy |
|------------------|---------------|-----------------|--------------|------------------------|---------------------------|------------------------|------------------------|----------------|

Latitude 32.65859 Longitude 104.49138

NATURE OF RELEASE

| | | |
|--|--|--|
| Type of Release Produced Water; Iron Sulfide | Volume of Release 5-10 B/PW; Iron Sulfide | Volume Recovered 0 B/PW; Iron Sulfide |
| Source of Release Tank valve open | Date and Hour of Occurrence 7/11/2011 | Date and Hour of Discovery 7/11/2011 |
| 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.* An operator was moving a rectangle tank and did not check the back valve to ensure that it was closed. When the tank was lifted onto float, 5-10 barrels of produced water ran out of the tank and onto the location. | | |
| Describe Area Affected and Cleanup Action Taken.* An approximate area of 10' X 30' (all released water was contained on the wellpad). A crew was called out to location to excavate the impacted soils. The impacted soil will be taken to a NMOCd approved facility. Depth to Ground Water: 50-99' (approximately 95', Section 16, T19S-R25E, per NMOCd), Wellhead Protection Area: No, Distance to Surface Water Body: >1000', SITE RANKING IS 10. Based on the amount spilled and that impacted soils have been removed, 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. | | |
| Signature: | OIL CONSERVATION DIVISION | |
| Printed Name: Amanda Trujillo | Signed By Approved by District Supervisor: | |
| Title: Environmental Scientist | Approval Date: OCT 04 2011 | Expiration Date: NA |
| E-mail Address: acannon@yatespetroleum.com | Conditions of Approval: NA | Attached <input type="checkbox"/> |
| Date: Tuesday, September 27, 2011 Phone: 575-748-1471 | 2RP- 846 | |

* Attach Additional Sheets If Necessary