

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

Form C-141  
Revised October 10, 2003

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

Submit 2 Copies to appropriate  
District Office in accordance  
with Rule 116 on back  
side of form

Release Notification and Corrective Action  
OPERATOR

Initial Report  Final Report

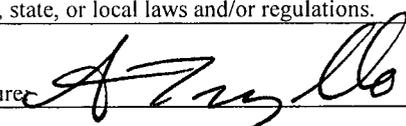
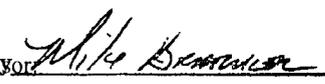
*NKMW 110157946*

Name of Company Yates Petroleum Corporation	OGRID Number 25575	Contact Amanda Trujillo
Address 104 S. 4 <sup>TH</sup> Street	Telephone No. 575-748-1471	
Facility Name Koonunga Hill BGX Federal #1	API Number 30-015-34380	Facility Type Gas well
		Order Number 2RP- <b>735</b>
Surface Owner Federal	Mineral Owner Federal	Lease No. NM - 103594

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
E	19	22S	25E	1838	NORTH	1072	WEST	EDDY

NATURE OF RELEASE

Type of Release WATER	Volume of Release 75	Volume Recovered 70
Source of Release 4" Check Valve froze and broke during the thaw out process.	Date and Hour of Occurrence 2/10/2011	Date and Hour of Discovery 2/10/2011 - 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/Artesia	
By Whom? Amanda Trujillo - Yates Petroleum Corporation	Date and Hour 02/11/2011 am	
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.* Discharge waterline froze, causing a release of produced water. Release was held inside lined berm. Vacuum truck was dispatched to pick up standing fluids		
Describe Area Affected and Cleanup Action Taken.* An approximate size of 20' x 20' was impacted. Release was held inside lined berm. Vacuum truck was dispatched to pick up standing fluids. Contaminated gravel was removed and replaced. <b>Depth to Ground Water: &gt;50' (approx. 65', per New Mexico State Engineers office); Wellhead Protection Area: No; Distance to Surface Water Body: &gt;1000'; SITE RANKING IS 10. Based on site ground water quality and enclosed analytical results.</b>		
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: 	<b>OIL CONSERVATION DIVISION</b>	
Printed Name: Amanda Trujillo	Approved by District Supervisor: 	
Title: Environmental Scientist	Approval Date: <b>MAR 26 2012</b>	Expiration Date:
E-mail Address: atrujillo@yatespetroleum.com	Conditions of Approval:	Attached <input type="checkbox"/>
Date: Wednesday, March 16, 2011	Phone: 575-748-4310	

\* Attach Additional Sheets If Necessary