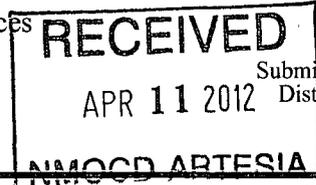


District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

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

Release Notification and Corrective Action

OPERATOR

Initial Report Final Report

nMUS/205441784

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 Loving AIB State #1	API Number 30-015-22889	Facility Type Battery
		Order Number 2RP-1039
Surface Owner Fee	Mineral Owner State	Lease No. V-3346

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
G	16	23S	28E	1550	North	1780	East	Eddy

NATURE OF RELEASE

Type of Release Produced Water	Volume of Release Approx. 5 B/PW	Volume Recovered 0 B/PW
Source of Release 3" poly line	Date and Hour of Occurrence 2/14/2012	Date and Hour of Discovery 2/14/2012
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.*

On 2/14/2012 the location experienced an equipment failure. A water truck was unloading water when a 3" poly line that was fused broke. A valve to the chemical injection line was shut off.

Describe Area Affected and Cleanup Action Taken.*

An approximate area of 30' X 3'. The impacted area flow paths ran east/southeast of the tin horn. Soil from the pooling areas will be excavated and disposed of at an NMOCD approved facility. Vertical and horizontal delineation samples will be taken and analysis ran for TPH & BTEX (Chlorides for reference). **Depth to Ground Water: <100' (approx. 55', per New Mexico Office of the State Engineer); Wellhead Protection Area: No; Distance to Surface Water Body: >1000'; SITE RANKING IS 20. Based on release amounts, impacted soils excavated and hauled to NMOCD approved facility and analytical results, 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: <i>Amber Cannon</i>	OIL CONSERVATION DIVISION	
Printed Name: Amber Cannon	Signed By <i>M. L. [Signature]</i> Approved by District Supervisor	
Title: Environmental Regulatory Agent	Approval Date: MAY 08 2012	Expiration Date: <i>N/A</i>
E-mail Address: <i>acannon@yatespetroleum.com</i>	Conditions of Approval: <i>n/a</i>	Attached <input type="checkbox"/>
Date: Wednesday, April 11, 2012	Phone: 575-748-4111	

* Attach Additional Sheets If Necessary

2RP-1039