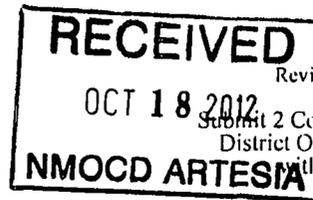


District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

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
OPERATOR

Initial Report Final Report

KMW 1111035693

Name of Company Yates Petroleum Corporation	OGRID Number 25575	Contact Amanda Trujillo
Address 104 S. 4 TH Street	Telephone No. 575-748-1471	
Facility Name Anemone ANE Federal #2	API Number 30-015-27982	Facility Type Gas well
		Order Number 2RP-750

Surface Owner Federal	Mineral Owner Federal	Lease No. NM - 78214
--------------------------	--------------------------	-------------------------

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
D	9	22S	24E	1090	NORTH	840	WEST	EDDY

NATURE OF RELEASE

Type of Release Water and oil	Volume of Release 117 oil 260 PW	Volume Recovered 80 Oil 240 PW
Source of Release Equipment failure on pumps and alarms	Date and Hour of Occurrence 4/15/2011	Date and Hour of Discovery 4/15/2011 - 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? Amanda Trujillo - Yates Petroleum Corporation	Date and Hour 4/15/2011	
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.*
Lost supply pressure to dump on KO for Walt Canyon #6, and sent water to heater treater. Water over came heater and was sent to oil tank. Tank over ran from incoming volume. Alarm system failed. All Fluids were held within the berm. Contributing wells were shut in and vacuum trucks were dispatched to the area to recover standing fluid.

Describe Area Affected and Cleanup Action Taken.*
An approximate size of 40' x 150' was impacted. The impacted area is located around the tanks knockout, heater and between the flowlines. Soil from the pooling areas was excavated and disposed of at an NMOCD approved facility. Vertical and horizontal delineation samples will taken and analysis ran for TPH and BTEX once all contaminated material has been removed. **Depth to Ground Water: >100' (approx. 585', per New Mexico State Engineers Office); Wellhead Protection Area: No; Distance to Surface Water Body: >1000'; SITE RANKING IS 0.**

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:	<u>OIL CONSERVATION DIVISION</u>	
Printed Name: Amanda Trujillo	Approved by District Supervisor:	
Title: Environmental Scientist	Approval Date: 11/6/12	Expiration Date: N/A
E-mail Address: atrujillo@yatespetroleum.com	Conditions of Approval:	Attached <input type="checkbox"/>
Date: Thursday, October 18, 2012	Phone: 575-748-4310	

* Attach Additional Sheets If Necessary

KMW 1111035943

2RP-750