

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

HOBBS OCD

DEC 04 2012

RECEIVED

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

Name of Company Yates Petroleum Corporation	OGRID Number 25575	Contact Lupe Carrasco
Address 104 S. 4 TH Street	Telephone No. 575-748-1471	
Facility Name Cleary Federal SWD #2	API Number 30-025-31926	Facility Type Battery

Surface Owner Federal	Mineral Owner Federal	Lease No. NM-86148
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LOCATION OF RELEASE

Unit Letter D	Section 17	Township 22S	Range 32E	Feet from the 330	North/South Line North	Feet from the 330	East/West Line West	County Lea
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Latitude 32.6081700 Longitude 104.53856

NATURE OF RELEASE

Type of Release Crude Oil and Produced Water	Volume of Release 90 B/O; 500 B/PW	Volume Recovered 530 B/O&PW
Source of Release Static Electricity	Date and Hour of Occurrence 11/28/2012 PM	Date and Hour of Discovery 11/28/2012 PM
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? Geoffrey Leking, NMOCD I	
By Whom? Amanda Trujillo, Yates Petroleum Corporation	Date and Hour 11/28/2012 PM (email)	
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

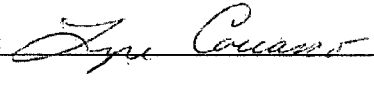

Describe Cause of Problem and Remedial Action Taken.*

A fire was reported by a nearby drilling rig. Emergency crew responded to the scene. Possible static electricity started the fire. The fire and all lost fluid were contained within the berm. The berm was lined and maintained its integrity throughout the incident. Vacuum trucks dispatched to recover standing fluid.

Describe Area Affected and Cleanup Action Taken.*

An approximate area of 30' X 120' was impacted. The secondary containment constructed for the tank battery was successful in containing all released fluid. Due to the nature of the fire and the damaged equipment, all metal within the berm will be scrapped. Soil and gravel will be removed from the secondary containment and disposed of at an NMOCD approved facility. YPC will construct a new facility in place of the old one. Depth to Ground Water: >100' (approximately 240', Section 17-T22S-R32E, per Trend Map), 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: 	OIL CONSERVATION DIVISION 	
Printed Name: Lupe Carrasco	Approved by District Supervisor: Environmental Specialist	
Title: Environmental Regulatory Agent	Approval Date: 12/04/12	Expiration Date: -
E-mail Address: lcarrasco@yatespetroleum.com	Conditions of Approval: -	Attached <input type="checkbox"/>
Date: Tuesday, December 04, 2012	Phone: 575-748-1471	2RP- IRP-12-12-2877

* Attach Additional Sheets If Necessary

DEC 05 2012