

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

|  |                                     |                               |
|--|-------------------------------------|-------------------------------|
| Name of Company<br>Yates Petroleum Corporation | OGRID Number<br>25575               | Contact<br>Robert Asher       |
| Address<br>104 S. 4 <sup>TH</sup> Street       | API Number<br>30-025-37438<br>26591 | Telephone No.<br>505-748-1471 |
| Facility Name<br>Sombrero MS State #1          | Facility Type<br>Battery            |                               |
| Surface Owner<br>State                         | Mineral Owner<br>State              | Lease No.<br>LG-3819          |

LOCATION OF RELEASE

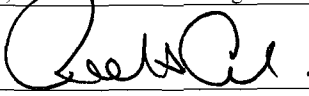
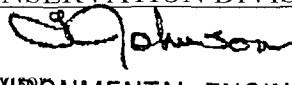
|                  |               |                 |              |                       |                           |                       |                        |               |
|------------------|---------------|-----------------|--------------|-----------------------|---------------------------|-----------------------|------------------------|---------------|
| Unit Letter<br>C | Section<br>22 | Township<br>16S | Range<br>33E | Feet from the<br>1650 | North/South Line<br>South | Feet from the<br>1650 | East/West Line<br>East | County<br>Lea |
|------------------|---------------|-----------------|--------------|-----------------------|---------------------------|-----------------------|------------------------|---------------|

Latitude 33.44098 Longitude 103.58810

NATURE OF RELEASE

|  |  |   |
|--|--|---|
| Type of Release<br>Crude Oil   | Volume of Release<br>20 B/O                  | Volume Recovered<br>5 B/O                   |
| Source of Release<br>Produced Tank   | Date and Hour of Occurrence<br>12/26/2007 AM | Date and Hour of Discovery<br>12/26/2007 AM |
| Was Immediate Notice Given?<br><input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Required   | If YES, To Whom?<br>N/A                      |   |
| By Whom?<br>N/A  | Date and Hour<br>N/A                         |   |
| Was a Watercourse Reached?<br><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No  | If YES, Volume Impacted<br>N/A               |   |
| If a Watercourse was Impacted, Describe Fully *<br>N/A   |  |   |
| Describe Cause of Problem and Remedial Action Taken.*<br>Production tank had hole in bottom tank Backhoe crew and vacuum truck called  |  |   |
| Describe Area Affected and Cleanup Action Taken *<br>An approximate area of 6' X 30'. Oil released contained within berm. Vacuum truck picked up oil; contaminated soils were excavated, hauled to an OCD approved facility. New tank set. <b>Depth to Ground Water: &gt; 100' (approx. 135'); Wellhead Protection Area: No; Distance to Surface Water Body: &gt;1000'; SITE RANKING IS ZERO (0). Based on amounts released/recovered and soils excavated, site ranking of zero, Yates Petroleum Corporation requests closure.</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:  | OIL CONSERVATION DIVISION<br><br>Approved by District Supervisor |                                   |
| Printed Name: Robert Asher   | ENVIRONMENTAL ENGINEER  |                                   |
| Title: Environmental Regulatory Agent  | Approval Date: 1.8.08   | Expiration Date: _____            |
| E-mail Address: boba@ypcnm.com   | Conditions of Approval:   | Attached <input type="checkbox"/> |
| Date: Wednesday, January 02, 2008  | Phone: 505-748-4217   |                                   |

\* Attach Additional Sheets If Necessary

RP# 1703