

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Bruzos 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

in KMW 1035742614

OPERATOR

☒ Initial Report ☐ Final Report

| | | |
|------------------------------------------------|-------------------------------|--------------------------|
| Name of Company Yates Petroleum Corporation | OGRID Number 25575 | Contact Robert Asher |
| Address 104 S. 4 TH Street | Telephone No. 575-748-1471 | |
| Facility Name Laney AGJ Federal Com. #1 | API Number 30-015-26091 | Facility Type Battery |
| Surface Owner Fee | Mineral Owner Federal | Lease No. NM-18481 |

LOCATION OF RELEASE

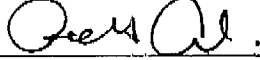
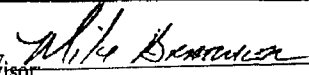
| Unit Letter | Section | Township | Range | Feet from the | North/South Line | Feet from the | East/West Line | County |
|-------------|---------|----------|-------|---------------|------------------|---------------|----------------|--------|
| K | 11 | 18S | 24E | 1980 | South | 1980 | West | Eddy |

Latitude 32.74642 Longitude 104.54369

NATURE OF RELEASE

| | | |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------|---------------------------------------------|
| Type of Release Oil & Produced Water | Volume of Release 128 B/O & 5 B/PW | Volume Recovered 0 B/O & 0 B/PW |
| Source of Release Production tank | Date and Hour of Occurrence 5/19/2010, AM | Date and Hour of Discovery 5/19/2010, 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? Robert Asher/YPC Environmental | Date and Hour 5/19/2010, PM (voicemail & e-mail) | |
| 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.* Hole in bottom of production tank. | | |
| Describe Area Affected and Cleanup Action Taken.* An approximate area of 15' X 15'. No oil or produced water to recover. Production tank to be pulled and vertical/horizontal delineation to determine extent of impacted soils. Vertical and horizontal delineation samples will be taken and analysis ran for TPH & BTEX. If initial analytical results for TPH & BTEX are under RRAL's a Final Report, C-141 will be submitted to the OCD requesting closure. If the analytical results are above the RRAL a work plan will be submitted to the OCD. Depth to Ground Water: >100' (approx. 350', Section 11, T18S-R24E, per New Mexico Office of the State Engineer), 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. | | |

OIL CONSERVATION DIVISION

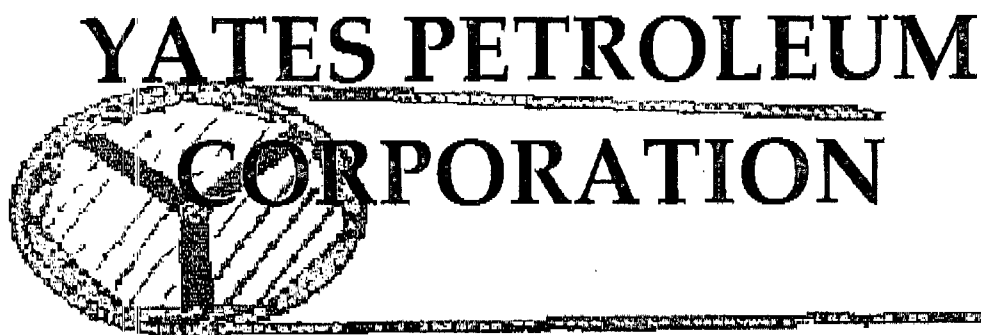
| | | |
|------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------|-----------------------------------|
| Signature:  | Signed By:  | |
| Printed Name: Robert Asher | Approved by District Supervisor: | |
| Title: Environmental Regulatory Agent | Approval Date: <u>5/11/11</u> | Expiration Date: |
| E-mail Address: boba@yatespetroleum.com | Conditions of Approval: REMEDATION per OCD Rules and Guidelines. SUBMIT REMEDIATION | Attached <input type="checkbox"/> |
| Date: Tuesday, May 25, 2010 Phone: 575-748-4217 | | |

* Attach Additional Sheets If Necessary

PROPOSAL BY:

2/11/11

2RP 534



FACSIMILE TRANSMITTAL SHEET

| | |
|----------------------------------|-------------------------------------|
| TO: | FROM: |
| Mike Bratther | Robert Asher |
| FAX NUMBER: | DATE: |
| 9-748-9720 | Tuesday, May 25, 2010 |
| COMPANY: | TOTAL NO. OF PAGES INCLUDING COVER: |
| NMOCD | 2 |
| RE: | NOTES/COMMENTS: |
| C-141; Laney AGJ Federal Com. #1 | Initial Report (5/19/2010 Release) |

☐ URGENT ☒ FOR REVIEW ☐ PLEASE COMMENT ☐ PLEASE REPLY ☐ PLEASE RECYCLE

ADDITIONAL NOTES & COMMENTS:

Call me if you have any questions, 575-748-4217.

Thank you.

Robert Asher

Environmental Regulatory Department