

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

Form C-141
Revised October 10, 2003

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Submit 2 Copies to appropriate
District Office in accordance
with Rule 116 on back
side of form

Release Notification and Corrective Action

NM MW 1035731740

OPERATOR

Initial Report Final Report

Name of Company Yates Petroleum Corporation	OGRID Number 25575	Contact Robert Asher
Address 105 South 4th Street, Artesia, NM 88210	API Number 30-015-28166	Telephone No. 575-748-1471
Facility Name Serrano Federal #1	Facility Type Battery	
Surface Owner Federal	Mineral Owner Federal	Lease No. NM-92748

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
M	11	19S	25E	660	South	660	West	Eddy

Latitude 32.67000 Longitude 104.46139

NATURE OF RELEASE

Type of Release Crude Oil/Produced Water Mix	Volume of Release 50 B/O & PW Mix	Volume Recovered 39 B/O & PW Mix
Source of Release Knockout	Date and Hour of Occurrence 6/2/2010 AM	Date and Hour of Discovery 6/2/2010 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, District II	
By Whom? Amanda Trujillo/Yates Petroleum Corporation	Date and Hour 6/9/2010 - 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 water side nipple of knockout. Vacuum truck and roustabout crew called.		
Describe Area Affected and Cleanup Action Taken.* Area approximately 130' X 10' all contained inside berm, knockout was isolated and repaired, vacuum truck picked up remaining oil and produced water. Vertical and horizontal delineation samples will be taken and analysis ran for TPH & BTEX (chlorides for documentation). Analytical results will determine next actions, same area was being addressed for release that occurred on 11/20/2008, work plan was submitted (1/23/2009), will either address release (6/2/2010) area under that work plan or submit new work plan. Depth to Ground Water: 50-99' (80' per N.M. Office of the State Engineer), Wellhead Protection Area: N/A, Distance to Surface Water Body: >1000'. SITE RANKING IS 10.		
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:	Approved by District Supervisor	
Printed Name: Robert Asher	Approval Date: <u>3/8/2011</u>	Expiration Date:
Title: Environmental Regulatory Agent	Conditions of Approval: <u>Remediation per NMOCD Rules & Guidelines</u>	
E-mail Address: boba@yatespetroleum.com	Attached <input type="checkbox"/>	
Date: Wednesday, June 16, 2010	Phone: 575-748-4217	

* Attach Additional Sheets If Necessary

2RP-529