

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

NMLB/1023/25538

OPERATOR

☐ Initial Report ☒ Final Report

| | | |
|--|-------------------------------|---------------------------------|
| 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 Louise AYI #1 | API Number 30-015-31625 | Facility Type gas well |
| | | Order Number 2RP- 428 |

| | | |
|----------------------|----------------------|---------------------|
| Surface Owner fee | Mineral Owner fee | Lease No. 025575 |
|----------------------|----------------------|---------------------|

LOCATION OF RELEASE

| | | | | | | | | |
|------------------|---------------|-----------------|--------------|-----------------------|---------------------------|----------------------|------------------------|----------------|
| Unit Letter I | Section 25 | Township 21S | Range 26E | Feet from the 1859 | North/South Line South | Feet from the 660 | East/West Line East | County Eddy |
|------------------|---------------|-----------------|--------------|-----------------------|---------------------------|----------------------|------------------------|----------------|

NATURE OF RELEASE

| | | |
|--|---|--|
| Type of Release Condensate | Volume of Release 170 bbl | Volume Recovered 12 bbl |
| Source of Release Hole in bottom of tank | Date and Hour of Occurrence August 16, 2010 | Date and Hour of Discovery August 16, 2010 1:30 |
| 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 08/16/2010 pm | |
| 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 | | |

RECEIVED

MAR 11 2011

NMOCD ARTESIA

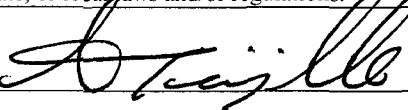
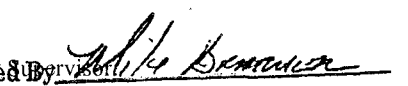

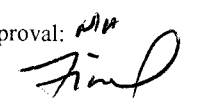
Describe Cause of Problem and Remedial Action Taken.*

A storage tank containing condensate developed a hole in the bottom, fluid leaked out of this hole. A vacuum truck was called to pick up standing fluids. The battery was lined.

Describe Area Affected and Cleanup Action Taken.*

An approximate size of 100' x 25' was impacted. The impacted area is located around the tanks within the berm. Soil from the pooling areas will be excavated and disposed of at an NMOCD approved facility. Crews excavating contaminated soils will place directly onto plastic. Vertical and horizontal delineation samples will be taken and analysis run for TPH and BTEX once all contaminated material has been removed. **Depth to Ground Water: <50' (approx. 32', per New Mexico Office of the State Engineer); Wellhead Protection Area: No; Distance to Surface Water Body: >1000'; SITE RANKING IS 20. Based on site ground water quality and enclosed analytical results.**

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: Amanda Trujillo | Approved by  | |
| Title: Environmental Scientist | Approval Date: MAR 14 2011 | Expiration Date:  |
| E-mail Address: atrujillo@yatespetroleum.com | Conditions of Approval:  | Attached <input type="checkbox"/> |
| Date: Monday, February 28, 2011 | Phone: 575-748-4310 | |

* Attach Additional Sheets If Necessary

2RP-428