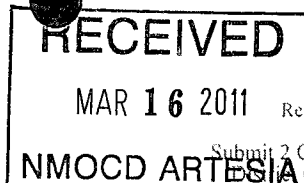


District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

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

nkMW 1110156731				Release Notification and Corrective Action			
OPERATOR				<input checked="" type="checkbox"/> Initial Report <input checked="" type="checkbox"/> 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 Koonunga Hill BGX Federal #1		API Number 30-015-34380		Facility Type Gas well		Order Number 2RP- 734	
Surface Owner Federal		Mineral Owner Federal		Lease No. NM - 103594			

LOCATION OF RELEASE								
Unit Letter E	Section 19	Township 22S	Range 25E	Feet from the 1838	North/South Line NORTH	Feet from the 1072	East/West Line WEST	County EDDY

NATURE OF RELEASE		
Type of Release WATER Produced Water	Volume of Release 50	Volume Recovered 45
Source of Release 4" Check Valve froze and broke during the thaw out process.	Date and Hour of Occurrence 2/07/2011	Date and Hour of Discovery 2/07/2011 - 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 - NMOC D/Artesia	
By Whom? Amanda Trujillo - Yates Petroleum Corporation	Date and Hour 02/09/2011 am	
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.* 4" Check Valve froze and broke during the thaw out process. Release was held inside lined berm. Vacuum truck was dispatched to pick up standing fluids.		
Describe Area Affected and Cleanup Action Taken.* An approximate size of 20' x 20' was impacted. Release was held inside lined berm. Vacuum truck was dispatched to pick up standing fluids. Depth to Ground Water: >50' (approx. 65', per New Mexico State Engineers office); Wellhead Protection Area: No; Distance to Surface Water Body: >1000'; SITE RANKING IS 10. 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 NMOC D 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 NMOC D 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, NMOC D 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		Accepted for record NMOC D	
Title: Environmental Scientist		Approved by District Supervisor: 4/11/2011	
E-mail Address: atrujillo@yatespetroleum.com		Approval Date: _____ Expiration Date: _____	
Date: Wednesday, March 16, 2011 Phone: 575-748-4310		Conditions of Approval: See email Attached <input checked="" type="checkbox"/>	

* Attach Additional Sheets If Necessary

☒ No analytical or water quality data was included with this submittal

Release #102