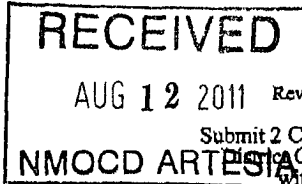


District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

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 Yates Petroleum Corporation | OGRID Number 25575 | Contact Robert Asher |
| Address 104 S. 4 TH Street | API Number 30-015-26914 | Telephone No. 575-748-1471 |
| Facility Name Foster AN Battery | | Facility Type Battery |

| | | |
|----------------------|--------------------------|-----------|
| Surface Owner Fec | Mineral Owner Federal | Lease No. |
|----------------------|--------------------------|-----------|

LOCATION OF RELEASE

| | | | | | | | | |
|------------------|--------------|-----------------|--------------|----------------------|---------------------------|----------------------|------------------------|----------------|
| Unit Letter A | Section 1 | Township 20S | Range 24E | Feet from the 660 | North/South Line North | Feet from the 660 | East/West Line East | County Eddy |
|------------------|--------------|-----------------|--------------|----------------------|---------------------------|----------------------|------------------------|----------------|

Latitude 32.60817 Longitude 104.53428

NATURE OF RELEASE

| | | |
|--|---|---|
| Type of Release Produced Water | Volume of Release 180 B/PW | Volume Recovered 180 B/PW |
| Source of Release Water Pump | Date and Hour of Occurrence 8/4/2011 - PM | Date and Hour of Discovery 8/4/2011 - PM |
| 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 II (E-mail) | |
| By Whom? Bob Asher, Yates Petroleum Corporation | Date and Hour 8/5/2011 - 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 | | |

Describe Cause of Problem and Remedial Action Taken.*
Water pump air locked. Called vacuum truck.

Describe Area Affected and Cleanup Action Taken.*

An approximate area of 30' X 20'. The water leg on tank was piped to south end of lined containment area, as of 8/8/2011 the water leg has been piped to a 210 bbl slop tank. Vacuum truck picked up all produced water. Depth to Ground Water: >100', Wellhead Protection Area: No, Distance to Surface Water Body: >1000', SITE RANKING IS 0. Based on all produced water contained and recovered, Yates Petroleum Corporation requests closure.

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: Robert Asher | Signed By | |
| Title: Senior Environmental Regulatory Agent | Approved by District Supervisor: | |
| E-mail Address: boba@yatespetroleum.com | Approval Date: AUG 25 2011 | |
| Date: Friday, August 12, 2011 Phone: 575-748-4217 | Conditions of Approval: | |
| | Remediation per OCD Rules & Guidelines. SUBMIT REMEDIATION PROPOSAL NOT LATER THAN: 9/25/2011 | |
| | Attached <input type="checkbox"/> | |

* Attach Additional Sheets If Necessary

Remediation per OCD Rules & Guidelines. SUBMIT REMEDIATION PROPOSAL NOT LATER THAN: 9/25/2011

2RP: 864
Approved as Final
ME