

District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 S. 1st Street, 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 | | <input checked="" type="checkbox"/> Initial Report | <input type="checkbox"/> Final Report |
| Name of Company Yates Petroleum Corporation | OGRID Number 25575 | Contact Amber Cannon | |
| Address 105 S. 4 TH Street | | Telephone No. 575-748-1471 | |
| Facility Name Hawkins GY #1 Battery | API Number 30-015-21940 | Facility Type Battery | |
| Surface Owner Fee | Mineral Owner Fee | Lease No. | |

LOCATION OF RELEASE

| Unit Letter | Section | Township | Range | Feet from the | North/South Line | Feet from the | East/West Line | County |
|-------------|---------|----------|-------|---------------|------------------|---------------|----------------|--------|
| C | 27 | 18S | 26E | 430 | North | 1830 | West | Eddy |

Latitude 32.72486 Longitude 104.37212

NATURE OF RELEASE

| | | |
|--|--|--|
| Type of Release Produced Water / Gas | Volume of Release 7 B/PW; 8 MCF | Volume Recovered 6 B/PW |
| Source of Release Gas/Water flow lines | Date and Hour of Occurrence 1/30/2012 | Date and Hour of Discovery 1/30/2012 |
| Was Immediate Notice Given? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Required | If YES, To Whom? N/A | <div style="border: 2px solid black; padding: 5px; text-align: center;">RECEIVED FEB 01 2012 NMOCD ARTESIA</div> |
| By Whom? N/A | Date and Hour N/A | |
| 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.* Gas and water flow lines were leaking. Wells, tubing and casing were shut off. A vacuum truck was called to recover released water. Flow lines were repaired. | | |
| Describe Area Affected and Cleanup Action Taken.* An approximate area of 30' X 10' (SW corner of battery). Impacted soils have been excavated and hauled to an approved NMOCD disposal facility. Vertical and horizontal delineation samples will be taken and analysis ran for TPH & BTEX (chlorides for documentation). If initial analytical results for TPH & BTEX are under RRAL's (site ranking is 10) 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: 50-99' (85', Section 27, T18S-R26E, NMOSE), Wellhead Protection Area: No, 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. | | |

| | | | |
|--|--|---|-----------------------------------|
| Signature: <u>Amber Cannon</u> | | OIL CONSERVATION DIVISION | |
| Printed Name: Amber Cannon | | Approved by <u>Signed By [Signature]</u> | |
| Title: Senior Environmental Regulatory Agent | | Approval Date: FEB 14 2012 | Expiration Date: |
| E-mail Address: <u>acannon@yatespetroleum.com</u> | | Conditions of Approval: Remediation per OCD Rules & Guidelines. SUBMIT REMEDIATION PROPOSAL NOT LATER THAN: | Attached <input type="checkbox"/> |
| Date: Wednesday, February 01, 2012 Phone: 575-748-4111 | | | |

* Attach Additional Sheets If Necessary

PROPOSAL NOT LATER THAN:

3/14/2012

2RP-1016