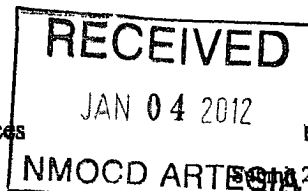


District I  
1625 N. French Dr., Hobbs, NM 88240  
District II  
1301 W. Grand Avenue, Artesia, NM 88210  
District III  
1000 Rio Brazos Road, Aztec, NM 87410  
District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505

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

### Release Notification and Corrective Action

NMLB/1204633695

#### OPERATOR

☒ Initial Report ☒ Final Report

Name of Company Yates Petroleum Corporation	OGRID Number 25575	Contact Robert Asher
Address 104 S. 4 <sup>TH</sup> Street	Telephone No. 575-748-1471	
Facility Name Koonunga Hill BGX Federal #1 Water Line	API Number 30-015-26914	Facility Type Water Line

Surface Owner Federal	Mineral Owner Federal	Lease No.
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#### LOCATION OF RELEASE

Unit Letter F	Section 13	Township 22S	Range 25E	Feet from the	North/South Line	Feet from the	East/West Line	County Eddy
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Latitude 32.37993 Longitude 104.43952

#### NATURE OF RELEASE

Type of Release Produced Water	Volume of Release 5 B/PW	Volume Recovered 0 B/PW
Source of Release Water Line	Date and Hour of Occurrence 12/28/2011 - AM	Date and Hour of Discovery 12/28/2011 - AM
Was Immediate Notice Given? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Required	If YES, To Whom? N/A	
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.* Water line froze due to cold weather, clamp leaked on water line from 12/7/2011 release causing current release. Water line to be repaired with new section of pipe.		
Describe Area Affected and Cleanup Action Taken.* An approximate area of 10' x 10', the release occurred approximately 1.5 miles northwest of the Koonunga Hill BGX Federal #1 location (same spot on water line from 12/7/2011 release). The impacted soils scraped up/hailed to an NMOC D approved facility. Depth to Ground Water: >100' (approximately 213', Section 24, T22S-R24E, NMOSE), Wellhead Protection Area: No, Distance to Surface Water Body: >1000', SITE RANKING IS 0. Based on impacted soils scraped/hailed, small amount released and remaining impacted release area remediation addressed with 12/19/2011 Form C-141 Initial Report, 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 Approved by District Supervisor	
Title: Senior Environmental Regulatory Agent	Approval Date: FEB 15 2012	Expiration Date: N/A
E-mail Address: boba@yatespetroleum.com	Conditions of Approval: N/A 	Attached <input type="checkbox"/>
Date: Wednesday, January 04, 2012	Phone: 575-748-4217	2RP-1020

\* Attach Additional Sheets If Necessary