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

Submit 2 Copies to appropriate District Office in accordance

Attached

with Rule 116 on back side of form

Revised October 10, 2003

Form C-141

Release Notification and Corrective Action OPERATOR Initial Report NMLB 1/3/145/30 Final Report Name of Company OGRID Number Contact Amber Cannon Yates Petroleum Corporation 25575 Address Telephone No. 105 S. 4TH Street 575-748-1471 Facility Name API Number Facility Type Zingaro ANG Federal #1 30-015-27934 Battery Surface Owner Mineral Owner Lease No. Federal Federal NM-92742 **LOCATION OF RELEASE** Unit Letter Section Feet from the North/South Line Feet from the East/West Line County Township Range Н 22S 23E 2182 North 872 East Eddy **Latitude** 32.42166 **Longitude** 104.54764 NATURE OF RELEASE Type of Release Volume of Release Volume Recovered Gas 100 MCF 0 MCF recovered Date and Hour of Occurrence Source of Release Date and Hour of Discovery 10/28/2011: AM Flow line 10/28/2011; AM Was Immediate Notice Given? If YES, To Whom? ☐ Yes ☐ No ☒ Not Required By Whom? Date and Hour N/A Was a Watercourse Reached? If YES, Volume Impacting the Watercourse. ☐ Yes ☒ No FEB 0 1 2012 If a Watercourse was Impacted, Describe Fully.* Describe Cause of Problem and Remedial Action Taken.* NMOCD ARTESIA A flow line leaked due to corrosion in the line. Describe Area Affected and Cleanup Action Taken.* An approximate area of 4' X 4'. Impacted soils will be excavated and taken to an NMOCD approved disposal facility. Vertical and horizontal delineation samples will be taken and analysis ran for TPH & BTEX. 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' (Approx. 75', Section 1, T22S-R23E, Trend Map), Wellhead Protection Area: No, Distance to Surface Water Body: > 1000', SITE RANKING IS 10. Based sample results, impacted soils removed and disposed at an NMOCD approved facility, 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 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. OIL CONSERVATION DIVISION Signature: Approved by District Superv Printed Name: Amber Cannon FEB 2 1 2012 Expiration Date: Title: Senior Environmental Regulatory Agent Approval Date: Conditions of Approval: NA E-mail Address: acannon@yatespetroleum.com

2RP- 952

Phone: 575-748-4111

Date: Tuesday, January 31, 2012

^{*} Attach Additional Sheets If Necessary