District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 S. 1 Street, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV

Date: Tuesday, March 06, 2012

Phone: 575-748-4111

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

1220 S. St. Francis Dr., Santa Fe, NM 87505 Santa Fe, NM 87505 NMLB11255 55543 **Release Notification and Corrective Action OPERATOR** Initial Report Final Report OGRID Number Contact Name of Company Yates Petroleum Corporation 25575 Amber Cannon Address Telephone No. 105 S. 4TH Street 575-748-1471 Facility Type Facility Name API Number Deeter ADV #1 30-015-25638 Battery Mineral Owner Lease No. Surface Owner Fee LOCATION OF RELEASE North/South Line Feet from the Feet from the East/West Line Unit Letter Section Township Range County 27 18S 26E 560 South 990 West Eddy M Latitude 32.71305 Longitude 104.37481 NATURE OF RELEASE Volume of Release Volume Recovered Type of Release Crude Oil 167 B/O Date and Hour of Occurrence Source of Release Date and Hour of Discovery Hole in swedge on back on tank 8/31/2011; AM 8/31/2011; AM Was Immediate Notice Given? If YES, To Whom? ☑ Yes ☐ No ☐ Not Required Mike Bratcher/NMOCD II By Whom? Date and Hour Robert Asher/Yates Petroleum Corporation 8/31/2011; PM (E-mail) If YES, Volume Impacting the Watercourse. Was a Watercourse Reached? ☐ Yes ☒ No If a Watercourse was Impacted, Describe Fully.* Describe Cause of Problem and Remedial Action Taken.* A hole/split in a 4" by 3" swedge on back of oil tank caused the spill. The well was shut off and the two oil tanks and gun barrel have been disconnected from service. Describe Area Affected and Cleanup Action Taken.* An approximate area of 9' X 30' (on production pad inside the unlined berm). Both oil tanks and the gun barrel will be removed from the affected area so that impacted soils can be excavated from the location. All impacted soils will be taken to a NMOCD approved 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' (75', Section 27, T18S-R26E, NMOSE), Wellhead Protection Area: No, Distance to Surface Water Body: > 1000', SITE RANKING IS 10. Based on delineation samples and approval of work by OCD personnel, Yates Petroleum request 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 annm Signature: Approved by District Sime Printed Name: Amber Cannon Approval Date: 1 2 2012 Expiration Date: NA Title: Environmental Regulatory Agent Conditions of Approval: NA E-mail Address: acannon@yatespetroleum.com Attached

2RP-895