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	RECEIVED JUL 1.8 2012 Submit 2 Copies to appropriate District Office in accordance NMOCD ARTESIA th Rule 116 on back side of form				
Release Notification and Corrective Action						

OPERATOR Initial Report Final Report Name of Company OGRID Number Contact Yates Petroleum Corporation Lupe Carrasco 25575 Telephone No. Address 104 S. 4TH Street 575-748-1471 Facility Type Facility Name API Number Oreck BDO #1 Pumping Unit 30-005-64003 Lease No.

Surface Owner Mineral Owner N/A Fee Fee

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the 2150	North/South Line	Feet from the	East/West Line	County
K	21	10S	26E		North	1780	East	Chaves

Latitude <u>33.43223</u> Longitude <u>104.29948</u>

NATURE OF RELEASE

Type of Release	Volume of Release	Volume Recovered					
Produced Water	40 B/PW	0 B/PW					
Source of Release	Date and Hour of Occurrence	Date and Hour of Discovery					
Poly Flow Line	6/21/2012 PM	6/21/2012 PM					
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	6/22/2012 AM (email)						
Was a Watercourse Reached?	If YES, Volume Impacting the Watercourse.						
🗌 Yes 🛛 No	N/A						
If a Watercourse was Impacted, Describe Fully.*							
N/A							
Describe Cause of Problem and Remedial Action Taken.*							
Poly Line Rupture. Shut in valves upstream and downstream of rupture. Turned off power to well and shut in well.							
Describe Area Affected and Cleanup Action Taken.*							
An approximate area of 2' X 200'. Impacted soils to be scraped up and ta							
will be taken and analysis ran for TPH & BTEX, Chlorides will be run fo							
a Final Report, C-141 will be submitted to the OCD requesting closure. I							
initial scrap consisted of a depth of a 1' across impacted area. S1 area wa							
60', Section 21-T10S-R26E, per 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 t							
regulations all operators are required to report and/or file certain release r							
public health or the environment. The acceptance of a C-141 report by th							
should their operations have failed to adequately investigate and remediat							
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.							
\sim	<u>OIL CONSERV</u>	ATION DIVISION					
Signature: Carrage							
	/						
Printed Name: Lupe Carrasco	Approved by District Supervisor:	I. Min					
Title: Environmental Regulatory Agent	Approval Date: 5/1//	Expiration Date: MA					
The Environmental Regulatory Agent	Approvar Date. Offer 1						
E-mail Address: lcarrasco@yatespetroleum.com	Conditions of Approval:						
L-man Address. Icanascolegyalcspelloleum.com		Attached					
Date: Monday, July 16, 2012 Phone: 575-748-1471	2RP-						
Attach Additional Sheets If Necessary	214 - Jula						
Attach Additional Sheets II Necessary		2RP-1198					