ARTESIA DISTRICT District I 1625 N. French Dr., Hobbs, NM 88240 State of New Mexico Form C-141 OCT 0-3 2014 Energy Minerals and Natural Resources Revised August 8, 2011 District II 811 S. First St., Artesia, NM 88210 Submit 1 Copy to appropriate District Office in District III Oil Conservation Division RECEIVE prdance with 19.15.29 NMAC. 1000 Rio Brazos Road, Aztec, NM 87410 1220 South St. Francis Dr. District IV 1220 S. St. Francis Dr., Santa Fe, NM 87505 Santa Fe, NM 87505 **Release Notification and Corrective Action OPERATOR** Initial Report Final Report OGRID Number Name of Company Contact Yates Petroleum Corporation Robert Asher 25575 Telephone No. Address 104 S. 4th Street 575-748-1471 Facility Type Facility Name Jester BFJ Federal #1 Battery Surface Owner Mineral Owner API No. Federal Federal 30-015-34275 LOCATION OF RELEASE Feet from the North/South Line East/West Line Unit Letter Section Township Range Feet from the County 12 24S 29Ē 630 South 2310 West Eddy Ν Latitude 32.22643 Longitude 103.93865 NATURE OF RELEASE Volume Recovered Type of Release Volume of Release Crude Oil 11 B/O 11 B/O Date and Hour of Occurrence Source of Release Date and Hour of Discovery 3 inch circulating line 9/25/2014: AM 9/25/2014; AM If YES, To Whom? Was Immediate Notice Given? Yes No X Not Required N/N By Whom? Date and Hour N/A N/A Was a Watercourse Reached? If YES, Volume Impacting the Watercourse. Yes 🛛 No If a Watercourse was Impacted, Describe Fully.* Describe Cause of Problem and Remedial Action Taken.* The release was caused by a hole in the 3 inch circulating line. Vacuum truck(s) and roustabout crew called. Describe Area Affected and Cleanup Action Taken.* An approximate area of 10' X 80'. The release was stopped and the line was repaired. All released crude oil was recovered using a vacuum truck. Depth to Ground Water: >100' (approximately 100-125', per Chevron Texaco Trend Map), Wellhead Protection Area: No. Distance to Surface Water Body: >1000', SITE RANKING IS 0. Based on the battery being lined/bermed and all crude oil recovered, 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 Environmental Speci Printed Name: Robert Asher Title: NM Environmental Regulatory Supervisor Approval Date: /0 Expiration Date: A WIA E-mail Address: boba@yatespetroleum.com Conditions of Approval: Attached Date: October 3, 2014 Phone: 575-748-4217 2RP-* Attach Additional Sheets If Necessary 1.RP-2531

NM OIL CONSERVATION