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

Form C-141 Revised October 10, 2003

Oil Conservation Division 1220 South St. Francis Dr. Santa Fe. NM 87505

SEP 19 ZUUT

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

Release Notification and Corrective Action 30-015-02182 OPERATOR Initial Report Name of Company John A. Yates Jr O. 1 Prod Telephone No 505-748 Address P.O. Box 900 Artesia, Um Facility Name 5tate 8 #4 Surface Owner Mineral Owner Lease No API# 30-015-02182 LOCATION OF RELEASE Feet from the North/South Line Umt Letter Feet from the East West Line Section Township *239*0 South 28 E Longitude Latitude NATURE OF RELEASE Volume of Release 43 Barrolls Volume Recovered O-Date and Hour of Occurrence 17 Date and Hour of Discovery 1-12-D7 Type of Release 10:30 Source of Release If YES, To Whom? am Was Immediate Notice Given⁹ Artesia OCD - Tim Cum Date and Hour 9-18-07 11:55 AM Yes 🔲 No 🔲 Not Required Chararria By Whom? If YES, Volume Impacting the Watercourse Yes No If a Watercourse was Impacted, Describe Fully Describe Cause of Problem and Remedial Action Taken*

Nipple between tank & value on tank load line bosted. Will be ighted. Describe Area Affected and Cleanup Action Taken.* Oil will be dug out a removed. New dist will be brought in. 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 hability 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 Supervisor: Printed Name SFP 1 9 200 Expiration Date. Conditions of Approval Attached X

^{*} Attach Additional Sheets If Necessary

Guye, Gerry, EMNRD

From: Guye, Gerry, EMNRD

Sent: Wednesday, September 19, 2007 11:11 AM

To: 'dan@abopet.com'

Subject: Release Notification State B #4

This office is in receipt of your C-141 on the oil and produced water release, at this facility.

NMOCD Rule 19.15.3.116 states in part ..."The responsible person must complete division approved corrective action for releases which endanger public health or the environment. Releases will be addressed in accordance with a remediation plan submitted to and approved by the division or with an abatement plan submitted in accordance with Section 19 of 19.15.1 NMAC."

Information and tools for proper corrective action may be found in the Environmental Handbook on our web site www.emnrd.state.nm.us/ocd under the heading publications.

Remediation requirements may be subject to other federal, state and local laws or regulations.

Within 30 days, on or before October 18, 2007, completion of corrective activities should be finalized and a final report summarizing all actions taken to mitigate environmental damage related to the leak, spill or release will be provided to OCD for approval.

Please be advised that NMOCD acceptance and/or approval of documents or work plans 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 and/or approval of documents or work plans do not relieve the operator of responsibility for compliance with any other federal, state, local laws and/or regulations.

If I may be of further service or if you have any questions please feel free to contact me.

Gerry Guye Compliance Officer NMOCD District II, Artesia (505) 748-1283 ext 105 Cell (505) 626-0843

E-mail: gerry.guye@state.nm.us