Revised October 10, 2003

Form C-141

District I 1625 N. French Dr., Hobbs, NM 88240 District II 1301 W. Grund Avenue, Artesia, NM 88210 District III 1000 Rio Brazos Roud, Aziec, NM 81410 District IV 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 with Rule 116 on back

1220 S St Finneis Dr., Santa Fe, NM 87505 side of form 30-005-63684 Release Notification and Corrective Action OPERATOR nMLB 0914637432 Initial Report Final Report Name of Company OGRID Number Contact 25575 Robert Asher Yates Petroleum Corporation Telephone No. Address 104 S. 4TH Street 505-748-1471 Facility Name API Number Facility Type 30-005-63684 Bollin State Unit #1 Battery Mineral Owner Surface Owner Lease No. VA-2055 State State LOCATION OF RELEASE Unit Letter Section Township Runge Feet from the North/South Line Feet from the East/West Line County 1500 South 1500 East Chaves 16 98 27E Latitude 33.52916 Longitude 104.19436 NATURE OF RELEASE Volume of Release Volume Recovered type of Release 186 B/O 140 B/O Source of Release Date and Hour of Occurrence Date and Hour of Discovery Circulating Pump 4/23/2009 - PM 4-/24/2008 - AM Was Immediate Notice Given? If YES, To Whom? Mike Bratcher/NMOCD (voicemail and e-mail, 4/24/2009) Date and Hour By Whom? Robert Asher/YPC Environmental 4/24/2009 - AM 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.* Oil released from circulating pump that was stolen off of location, a valve from production tank was opened after pump was removed. Vacuum truck called. Describe Area Affected and Cleanup Action Taken.* An approximate area of 70° X(30° (all inside bermed battery). Vacuum truck picked up remaining oil. Vertical and horizontal delineation samples have been taken and analyses run for TPH & BTEX. Based on results, Yates will remove 12" of impacted soil and take to an OCD approved facility. Vertical and horizontal defineation samples will be taken and analyses run for TPH & BTEX to verify that excavation area is below RRAL's for the site ranking. Depth to Ground Water: >50.99' (approximately 70' per trend map), 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 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 limbility should their operations have failed to adequately investigate and remediate contomination 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 DiSign 60 Byis A Printed Name: Robert Asher MAY 2 6 2009 NIA Expiration Date: Title: Environmental Regulatory Agent Approval Date: Conditions of Approval REMEAIA TICK PER E-mail Address; boha@yatespetroleum.com Attached [NMOCH RUCES & GUDECINES

Attach Additional Sheets If Necessary

Date: Friday, May 01, 2009

Phone: 505-748-4217

2RP-3/2

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

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

MAY 26 2009

| 1220 S. St. Francis Dr., Santa Fe, NM 87505 | | | í | Santa Fe, NM 87505 | | | | | | | | side of form |
|---|--|--|---|--|--|---|--|--|--|---|--|--|
| 30-005- | 63684 | | Rele | ease Notific | catio | n and Co | rrective A | ction | | | | |
| nMcB0919 | 4637432 | 2 | OPERA | | | TOR Initial Repo | | | | | \boxtimes | Final Report |
| Name of Co Yates Petro | ompany | | OGRID Number 25575 | | | Contact Robert Ash | | | | | | |
| Address 104 S. 4 TH S | | | | | | Telephone No. 505-748-1471 | | | | | | |
| Facility Name Boffin State Unit #1 | | | 1 | | | Facility Typ Battery | e | | | | | |
| Surface Ow State | ner | | Mineral Owner State | | | Lease No. VA-2055 | | | | | | |
| | | | | LOCA | ATIO | N OF REI | LEASE | | | | | |
| Unit Letter J | Section 16 | Township 9S | Range 27E | Feet from the 1500 | North | South Line | Feet from the 1500 | | est Line ast | County Chaves | | |
| | <u> </u> | | | Latitude 33. | 52916 | _Longitude | 104.19436 | I | | <u> </u> | | |
| , | | | | NAT | URE | OF RELI | EASE | | | | | |
| Type of Release Oil | | | | | | Volume of Release Volume Recovered 186 B/O 140 B/O | | | | Recovered | | |
| Source of Release | | | | | | Date and H | Date and Hour of Occurrence Date and Hour of Discove | | | | | y |
| Circulating Pump Was Immediate Notice Given? ✓ Yes ☐ No ☐ Not Require | | | | | | 4/23/2009 - PM 4-/24/2008 - AM If YES. To Whom? Mike Bratcher/NMOCD (voicemail and e-mail. 4/24/2009) | | | | | | |
| By Whom? | | | | | | Date and Hour | | | | | | |
| Robert Asher/YPC Environmental` Was a Watercourse Reached? | | | | | | 4/24/2009 - AM If YES, Volume Impacting the Watercourse. | | | | | | |
| ☐ Yes ☑ No If a Watercourse was Impacted, Describe Fully.* | | | | | | N/A | | | | | | |
| N/A | | | | | | | · | ······································ | | | | |
| | | em and Remed ting pump that | | Taken.* en off of location, | a valve | from product | ion tank was oper | ned after | pump wa | s removed. | Vacuu | ım truck |
| Describe Area An approxima been taken an and horizonta Depth to Gro SITE RANK requests clos | ate area of 7 d analyses r l delineation ound Water ING IS 10. ure. | 0' X 30' (all in the state of t | inside berr 2 BTEX. I be taken pproxima pacted so | med battery). Vac Based on results, ' and analyses run i tely 70' per trend bils excavated/ren | Yates v for TPI d map) moved, | vill remove 12 H & BTEX to , Wellhead Prenclosed ana | " of impacted soi verify that excava rotection Area: N lytical results be | l and take ation area No, Dista low RRA | to an OC is below nce to Su.L's, Yat | CD approved RRAL's fourface Water es Petroleu | d facilit r the sit er Body m Cor | ty. Vertical te ranking. y: >1000', poration |
| regulations al public health should their o | l operators a or the environ perations ha ment. In ad | are required to conment. The a live failed to ad dittion, NMO | report and acceptance dequately CD accept | is true and compled/or file certain ree of a C-141 report investigate and retance of a C-141 r | elease n rt by the emediat | otifications an e NMOCD ma e contamination | d perform correct rked as "Final Re on that pose a thre | tive action eport" doe eat to grou | ns for rele s not reli ind water | eases which eve the ope surface wa | may en rator of ater, hu | ndanger f liability ıman health |
| Signature: Oul G. | | | | | | Approved by District Supervisidal & Basense a | | | | | | |
| Printed Name: Robert Asher | | | | | | Signed by 7 1/7 / 20-mouth | | | | | | |
| Title: Environmental Regulatory Agent | | | | | | Approval Date | | Ex | piration I | Date: H | /- | |
| E-mail Address: boba@yatespetroleum.com | | | | | | Conditions of Approval: As agreed, a Attached Attached | | | | | | |

* Attach Additional Sheets If Necessary

Date: Tuesday, May 26, 2009

Phone: 505-748-4217

area from to remstallitang equipment 2RP-312