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

Date: Wednesday, October 13, 2010

* Attach Additional Sheets If Necessary

State of New Mexico Energy Minerals and Natural Resources

OCT 14 2010

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Form C-141 Revised October 10, 2003

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

NMOCD ARTES AC Office in accordance with Rule 116 on back side of form

Release Notification and Corrective Action NMB/03/337060 **OPERATOR** Initial Report Final Report OGRID Number Name of Company Contact Yates Petroleum Corporation 25575 Amanda Trujillo Address Telephone No. 104 S. 4TH Street 575-748-1471 Facility Name API Number Facility Type Order Number Anadarko Pardue ANQ Battery 30-015-22212 Gas well 2RP-468 Surface Owner Mineral Owner Lease No. Federal Federal LOCATION OF RELEASE Unit Letter Section Township Range Feet from the North/South Line Feet from the East/West Line County 218 24E 2310 1980 F 27 North Wcst Eddy NATURE OF RELEASE Type of Release Volume of Release Volume Recovered 18 bbl Source of Release Date and Hour of Occurrence Date and Hour of Discovery 9/7/2010 Valve not fully closed 9/7/2010 - PM Was Immediate Notice Given? If YES, To Whom? Mike Bratcher - NMOCD/Artesia By Whom? Date and Hour · Amanda Trujillo - Yates Petroleum Corporation 09/10/2010 pm Was a Watercourse Reached? If YES, Volume Impacting the Watercourse. ☐ Yes ⊠ No If a Watercourse was Impacted, Describe Fully.* N/A Describe Cause of Problem and Remedial Action Taken.* Circulating pump failed and catch valve ran over because valve was not fully closed. Fluid circulated back through valve. A vacuum truck was called to pick up standing fluids. A clean up crew was then dispatched to remove all visibly contaminated material. Describe Area Affected and Cleanup Action Taken.* An approximate size of 21' x 10' was impacted. The impacted area is located near the last oil tank. Soil from the pooling areas was excavated and disposed of at an NMOCD approved facility. Crew excavated contaminated soils; soils were placed directly onto plastic. Vertical and horizontal delineation samples will taken and analysis ran for TPH and BTEX once a contaminated material has been removed. Chlorides sampling available upon request. Depth to Ground Water: >100' (approx. 100', per New Mexico Office of the State Engineer); Wellhead Protection Area: No; Distance to Surface Water Body: >1000'; SITE RANKING IS 0. Based on site ground water quality and enclosed analytical results. - No Analy fice School le 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 District Supervisor Printed Name: Amanda Trujillo Approval Date NOV 0 9 2010 Expiration Date: Title: Environmental Scientist E-mail Address: atrujillo@yatespetroleum.com Conditions of Approval: Attached REMEDIATION per OCD Rules and

Phone: 575-748-4310

Delineation for BTEX,

TAH & Chloride required

Guidelines. SUBMIT REMEDIATION

2RP-468