

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

Form C-141
Revised October 10, 2003

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

Release Notification and Corrective Action

2 KMW 1102532654

OPERATOR

☐ Initial Report ☒ Final Report

| | | |
|--|-------------------------------|-------------------------------|
| Name of Company Yates Petroleum Corporation | OGRID Number 25575 | Contact Robert Asher |
| Address 104 S. 4 TH Street | Telephone No. 575-748-1471 | |
| Facility Name Gem Dandy BCG State Com. #1 | API Number 30-015-32666 | Facility Type Pumping Unit |

| | | |
|----------------------|------------------------|----------------------|
| Surface Owner Fee | Mineral Owner State | Lease No. VA-1750 |
|----------------------|------------------------|----------------------|

LOCATION OF RELEASE

| | | | | | | | | |
|------------------|---------------|-----------------|--------------|-----------------------|---------------------------|----------------------|------------------------|----------------|
| Unit Letter L | Section 35 | Township 16S | Range 27E | Feet from the 1980 | North/South Line South | Feet from the 660 | East/West Line West | County Eddy |
|------------------|---------------|-----------------|--------------|-----------------------|---------------------------|----------------------|------------------------|----------------|

Latitude 32.87691 Longitude 104.25475

NATURE OF RELEASE

| | | |
|--|--|---|
| Type of Release Crude Oil | Volume of Release 30 B/O | Volume Recovered 25 B/O |
| Source of Release Pumping Unit | Date and Hour of Occurrence 1/4/2011 AM | Date and Hour of Discovery 1/4/2011 AM |
| Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required | If YES, To Whom? Mike Bratcher, NMOCD II | Was Immediate Notice Given? N/A |
| By Whom? Robert Asher, Yates Petroleum Corporation | Date and Hour 1/4/2011 AM (telephone & email) | By Whom? Robert Asher, Yates Petroleum Corporation |
| Was a Watercourse Reached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | If YES, Volume Impacting the Watercourse. N/A | Was a Watercourse Reached? N/A |

| | |
|--|---|
| If a Watercourse was Impacted, Describe Fully.* N/A | RECEIVED MAR 07 2011 NMOCD ARTESIA |
| Describe Cause of Problem and Remedial Action Taken.* Tubing valve on well left shut. Well shut off, called vacuum truck and closed packing rams. | |

Describe Area Affected and Cleanup Action Taken.*
An approximate area of 10' X 70', all on well pad. Vacuum truck called to pick up remaining oil, impacted soils to be scraped up and taken to an NMOCD approved facility. Vertical and horizontal delineation samples will be taken and analysis ran for TPH & BTEX. If initial analytical results for TPH & BTEX are under RRAL's a Final Report, C-141 will be submitted to the OCD requesting closure. **Depth to Ground Water: 50-99' (approximately 70', Section 27-T16S-R27E, per NMOSE), Wellhead Protection Area: No, Distance to Surface Water Body: >1000', SITE RANKING IS 10. Based on recovered amounts of oil, impacted soils excavated/hailed and enclosed analytical results, 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.

| | | |
|---------------------------------------|--|-----------------------------------|
| Signature: <i>Robert Asher</i> | OIL CONSERVATION DIVISION | |
| Printed Name: Robert Asher | Approved by District Supervisor <i>Mike Bratcher</i> | |
| Title: Environmental Regulatory Agent | Approval Date: <i>3/10/2011</i> | Expiration Date: <i>N/A</i> |
| E-mail Address: boba@ypcnm.com | Conditions of Approval: <i>N/A</i> | Attached <input type="checkbox"/> |
| Date: Friday, March 04, 2011 | Phone: 575-748-1471 | 2RP-575 <i>Final</i> |

* Attach Additional Sheets If Necessary