

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

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 Humidor BMO State Cor. #3	API Number 30-015-23599	Facility Type Battery

Surface Owner State	Mineral Owner State	Lease No. V-5866
------------------------	------------------------	---------------------


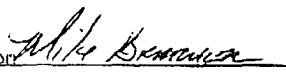
LOCATION OF RELEASE

Unit Letter E	Section 14	Township 24S	Range 27	Feet from the 1980	North/South Line North	Feet from the 960	East/West Line West	County Eddy
------------------	---------------	-----------------	-------------	-----------------------	---------------------------	----------------------	------------------------	----------------

Latitude 32.21937 Longitude 104.16614

NATURE OF RELEASE

Type of Release Produced Water	Volume of Release 20 B/PW	Volume Recovered 18 B/PW
Source of Release Water tank	Date and Hour of Occurrence 1/7/2011; PM	Date and Hour of Discovery 1/7/2011; PM
Was Immediate Notice Given? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Required	If YES, To Whom? N/A	
By Whom? N/A	Date and Hour N/A	
Was a Watercourse Reached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, Volume Impacting the Watercourse. N/A	
If a Watercourse was Impacted, Describe Fully.* N/A		
Describe Cause of Problem and Remedial Action Taken.* A check valve on water line failed back flowing water into water tank causing it to run over. The well was shut in, valve replaced and a vacuum truck was called to the location.		
Describe Area Affected and Cleanup Action Taken.* An approximate area of 20' X 30' all within lined/bermed battery. Vacuum truck recovered produced water (remaining water trapped within gravel material, will dry and evaporate off). Depth to Ground Water: < 50' (approximately 31' per NMOSE*), Wellhead Protection Area: No, Distance to Surface Water Body: >1000'. SITE RANKING IS 20. Based on amounts of recoverable produced water and battery lined, 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: 	OIL CONSERVATION DIVISION	
Printed Name: Robert Asher	Approved by District Supervisor 	
Title: Environmental Regulatory Agent	Approval Date: <u>3/2/11</u>	Expiration Date:
E-mail Address: boba@yatespetroleum.com	Conditions of Approval: <u>N/A</u>	Attached <input type="checkbox"/>
Date: Wednesday, January 19, 2011	Phone: 575-748-4217	2RP- <u>Final</u>

* Attach Additional Sheets If Necessary

2RP-577