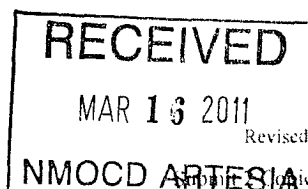


District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

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

Applicant provides to appropriate District Office in accordance with Rule 116 on back side of form

| | | | | |
|--|-------------------------------|----------------------------|--|---------------------------------------|
| Release Notification and Corrective Action OPERATOR | | | <input checked="" type="checkbox"/> Initial Report | <input type="checkbox"/> Final Report |
| Name of Company Yates Petroleum Corporation | OGRID Number 25575 | Contact Amanda Trujillo | | |
| Address 104 S. 4 TH Street | Telephone No. 575-748-1471 | | | |
| Facility Name Saguaro AGS Federal #4 | API Number 30-015-26420 | Facility Type Battery | Order Number 2RP- 738 | |
| Surface Owner Federal | Mineral Owner Federal | Lease No. NM - 043625 | | |

LOCATION OF RELEASE

| Unit Letter | Section | Township | Range | Feet from the | North/South Line | Feet from the | East/West Line | County |
|-------------|---------|----------|-------|---------------|------------------|---------------|----------------|--------|
| J | 14 | 20S | 24E | 1980 | SOUTH | 1980 | East | EDDY |

Latitude N33.13240 Longitude W104.13323

NATURE OF RELEASE

| | | |
|--|--|--|
| Type of Release WATER <u>Produced Water</u> | Volume of Release 25 | Volume Recovered 20 |
| Source of Release Frozen discharge line broke | Date and Hour of Occurrence 2/07/2011 | Date and Hour of Discovery 2/07/2011 - PM |
| 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/Artesia | |
| By Whom? Amanda Trujillo - Yates Petroleum Corporation | Date and Hour 02/07/2011 pm | |
| 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.* Frozen discharge line broke, causing water from main water line to flow into battery. The release was contained within the firewalls. Valves were shut off and vacuum truck was called. | | |
| Describe Area Affected and Cleanup Action Taken.* An approximate size of 40' x 25' was impacted. The impacted area is located around the tanks within the firewall. Soil from the pooling areas was excavated and disposed of at an NMOCD approved facility. Vertical and horizontal delineation samples will be taken and analysis run for TPH and BTEX once all contaminated material has been removed. Depth to Ground Water: >50' (approx. 80', per New Mexico State Engineers office); Wellhead Protection Area: No; Distance to Surface Water Body: >1000'; SITE RANKING IS 10. Based on site ground water quality and enclosed analytical results. | | |
| 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: Amanda Trujillo | Signed By Approved by District Supervisor: | |
| Title: Environmental Scientist | Approval Date: <u>4/11/2011</u> | Expiration Date: |
| E-mail Address: atrujillo@yatespetroleum.com | Conditions of Approval: | Attached <input type="checkbox"/> |
| Date: Tuesday, March 15, 2011 Phone: 575-748-4310 | Remediation per OCD Rules & Guidelines. SUBMIT REMEDIATION PROPOSAL NOT LATER THAN: <u>5/11/2011</u> | |

* Attach Additional Sheets If Necessary



No analytical or water quality data was included with this submittal