District 1 1625 N French Dr, Hobbs, NM 88240 District II 1301 W Grand Avenue, Artesia, NM 88210 District III 1000 Rio Brazos Road, Aztèc, NM 87410 District IV 1220 S St Francis Dr , Santa Fe, NM 87505

Name of Company

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

Form C-141

Revised October 10, 2003

with Rule 116 on back side of form

Release Notification and Corrective Action OPERATOR Initial Report Final Report OGRID Number Contact RECEIVED 25575 Jeremy Haass Telephone No. JUN 01 2012 575-748-1471

Yates Petroleum Corporation Address 104 S. 4TH Street Facility Name API Number Facility Type NMOCD ARTESIA Santa Fe Land SWD #1 30-015-20501 SWD Surface Owner Mineral Owner Lease No. Fee State LOCATION OF RELEASE Feet from the Unit Letter Section Township Range Feet from the North/South Line East/West Line County 17 19S 26E 1980 South 660 East Eddy 1 Latitude 32.65839 Longitude 104.39688 NATURE OF RELEASE Type of Release Volume of Release Volume Recovered Produced Water 10 B/O 0 B/O Source of Release Date and Hour of Occurrence Date and Hour of Discovery 3/19/2012 AM 3/19/2012 AM Tank Was Immediate Notice Given? If YES, To Whom? ☐ Yes ☐ No ☒ Not Required N/A By Whom? Date and Hour N/A N/A 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.* Water pump murphy switch malfunction. Pump was then turned on and monitored while tank was being pumped. Describe Area Affected and Cleanup Action Taken.* An approximate area of 30' X 90', all in berm. 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. Sampling for chlorides will be done for documentation purposes. If initial analytical results for TPH & BTEX are under RRAL's a Final Report, C-141 will be submitted to the OCD requesting closure. If the analytical results are above the RRAL's a work plan will be submitted. Depth to Ground Water: >100' (approximately 116', Section 17-T19S-R26E, per NMOSE), Wellhead Protection Area: No, Distance to Surface Water Body: >1000', SITE RANKING IS 0. Based on impacted soils excavated/hauled, the natural rock barrier, 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: Signed By Approved by District Supervisor: Printed Name: Jeremy Haass Approval Date: 1 2 2012 Expiration Date. Title: Environmental Regulatory Agent Conditions of Approval: N E-mail Address: jhaass@yatespetroleum.com Attached

Attach Additional Sheets If Necessary

Phone: 575-748-1471

Date: Friday, June 01, 2012