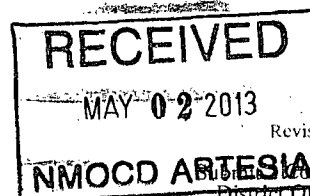


District I  
1625 N. French Dr., Hobbs, NM 88240  
District II  
1301 W. Grand Avenue, Artesia, NM 88210  
District III  
1000 Rio Brazos Road, Aztec, NM 87410  
District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505

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

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

Release Notification and Corrective Action

nJMW1312735817

OPERATOR

☒ Initial Report ☐ Final Report

|  |                            |                               |
|--|----------------------------|-------------------------------|
| Name of Company<br>Yates Petroleum Corporation | OGRID Number<br>25575      | Contact<br>Amber Cannon       |
| Address<br>105 S. 4 <sup>TH</sup> Street       | API Number<br>30-015-26549 | Telephone No.<br>575-748-1471 |
| Facility Name<br>Martha AIK Federal #1         |                            | Facility Type<br>Battery      |

|                          |                          |                       |
|--------------------------|--------------------------|-----------------------|
| Surface Owner<br>Federal | Mineral Owner<br>Federal | Lease No.<br>NM-65417 |
|--------------------------|--------------------------|-----------------------|

LOCATION OF RELEASE

|                  |               |                 |              |                       |                           |                       |                        |                |
|------------------|---------------|-----------------|--------------|-----------------------|---------------------------|-----------------------|------------------------|----------------|
| Unit Letter<br>P | Section<br>11 | Township<br>22S | Range<br>31E | Feet from the<br>330' | North/South Line<br>South | Feet from the<br>430' | East/West Line<br>East | County<br>Eddy |
|------------------|---------------|-----------------|--------------|-----------------------|---------------------------|-----------------------|------------------------|----------------|

Latitude 32.39966 Longitude 103.74086

NATURE OF RELEASE

|  |  |   |
|--|--|---|
| Type of Release<br>Produced Water; Crude Oil   | Volume of Release<br>250 B/PW; 1 B/O             | Volume Recovered<br>0 B/PW; 0 B/O           |
| Source of Release<br>Water transfer line   | Date and Hour of Occurrence<br>4/27/2013; AM     | Date and Hour of Discovery<br>4/27/2013, AM |
| Was Immediate Notice Given?<br><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required | If YES, To Whom?<br>Mike Bratcher/NMOCD II       |   |
| By Whom?<br>Robert Asher/Yates Petroleum Corporation   | Date and Hour<br>4/29/2013; AM                   |   |
| Was a Watercourse Reached?<br><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No  | If YES, Volume Impacting the Watercourse.<br>N/A |   |

If a Watercourse was Impacted, Describe Fully.\*  
N/A

Describe Cause of Problem and Remedial Action Taken.\*  
A water transfer line south of the berm ruptured due to pressure.

Describe Area Affected and Cleanup Action Taken.\*

An approximate area of 20' X 350' (release occurred outside of the unlined bermed battery south of the tanks). All wells were turned off, tank valves were shut, personnel ensured that no leaks continued and the line was repaired. A crew will be called to do initial clean-up of the area, and all excavated soils will be disposed of at an approved NMOCD facility. Vertical and horizontal delineation samples will be taken and sent to a NMOCD approved facility.  
**Depth to Ground Water: >100' (approximately 150', Section 11, T22S-R31E, per Trend Map), Wellhead Protection Area: No, Distance to Surface Water Body: >1000', SITE RANKING IS 0.**

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: <u>Amber Cannon</u>                   | OIL CONSERVATION DIVISION  |                                   |
| Printed Name: Amber Cannon                       | Approved by District Supervisor: <u>Mike Bratcher</u>  | Signed By: <u>Mike Bratcher</u>   |
| Title: Environmental Regulatory Agent            | Approval Date: <u>MAY 07 2013</u>  | Expiration Date:                  |
| E-mail Address: acannon@yatespetroleum.com       | Conditions of Approval:<br>Remediation per OCD Rule &<br>Guidelines. <b>SUBMIT REMEDIATION</b> | Attached <input type="checkbox"/> |
| Date: Thursday, May 02, 2013 Phone: 575-748-4111 | PROPOSAL NO LATER THAN:<br><u>June 7, 2013</u>   |                                   |

\* Attach Additional Sheets If Necessary

2RP-1643