

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

JAN 1 2007
RECEIVED
OCD - ARTESIA

Release Notification and Corrective Action

OPERATOR

Initial Report Final Report

| | | |
|--|-------------------------------|--------------------------|
| Name of Company YATES PETROLEUM CORPORATION | OGRID Number 25575 | Contact SHERRY BONHAM |
| Address 105 S 4 TH STREET | Telephone No. 505.748.1471 | |
| Facility Name HORNBAKER BA 1 BATTERY | API Number 30-015-20015 | Facility Type BATTERY |

| | | |
|----------------------|----------------------|-----------|
| Surface Owner FEE | Mineral Owner FEE | Lease No. |
|----------------------|----------------------|-----------|

LOCATION OF RELEASE

| Unit Letter | Section | Township | Range | Feet from the | North/South Line | Feet from the | East/West Line | County |
|-------------|---------|----------|-------|---------------|------------------|---------------|----------------|--------|
| G | 25 | 18S | 25E | 1900 | NORTH | 1650 | EAST | EDDY |

Latitude 32.72094 Longitude 104.43452

NATURE OF RELEASE

| | | |
|--|--|--|
| Type of Release CRUDE OIL AND PRODUCED WATER | Volume of Release 10 B/O; 5 B/PW | Volume Recovered 5 B/O; 1 B/PW |
| Source of Release TANK | Date and Hour of Occurrence 9/13/06 AM | Date and Hour of Discovery 9/13/06 AM |
| 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.*
HOLE IN TANK. EMPTIED AND CLEANED TANK.

Describe Area Affected and Cleanup Action Taken.*
AN APPROXIMATE 20' X 30' AREA IMPACTED. ALL FLUIDS WERE CONTAINED WITHIN BERMED AREA. VACUUM TRUCK AND CREW CALLED IN. VACUUMED TANK AND STANDING FLUIDS.

Site Ranking: 0
ALL REMEDIATION ACTIONS AS PER WORK PLAN COMPLETE. REQUESTING CLOSURE. FINAL REPORT.

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>Sherry Bonham</i> | OIL CONSERVATION DIVISION | |
| Printed Name: Sherry Bonham | Approved by District Supervisor: <i>[Signature]</i> | |
| Title: Environmental Regulatory Agent | Approval Date: <u>9/30/10</u> | Expiration Date: <u>N/A</u> |
| E-mail Address: sherryb@ypcnm.com | Conditions of Approval: | |
| Date: January 22, 2007 Phone: 505.748.1471 | Attached <input type="checkbox"/> | |

Incorrectly categorized as site ranking 0. Should be 10. cleaned to site ranking 10 standards. OK to close

* Attach Additional Sheets If Necessary