

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

2MLB080603981

OPERATOR

☒ Initial Report ☒ Final Report

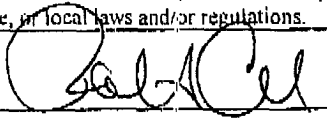
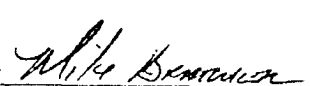

| | | |
|--|----------------------------|-------------------------------|
| Name of Company Yates Petroleum Corporation | OGRID Number 25575 | Contact Robert Asher |
| Address 105 South 4th Street, Artesia, NM 88210 | | Telephone No. 505-748-1471 |
| Facility Name Martha AIK Federal #5 | API Number 30-015-26908 | Facility Type Battery |
| Surface Owner Federal | Mineral Owner Federal | Lease No. NM-65417 |

LOCATION OF RELEASE

| | | | | | | | | |
|------------------|---------------|-----------------|--------------|-----------------------|---------------------------|----------------------|------------------------|----------------|
| Unit Letter H | Section 11 | Township 22S | Range 31E | Feet from the 1980 | North/South Line North | Feet from the 330 | East/West Line East | County Eddy |
|------------------|---------------|-----------------|--------------|-----------------------|---------------------------|----------------------|------------------------|----------------|

Latitude 32.40774 Longitude 103.74055

NATURE OF RELEASE

| | | |
|--|---|--|
| Type of Release Crude Oil & Produced Water | Volume of Release 5 B/O & 5 B/PW | Volume Recovered 0 B/O & 0 B/PW |
| Source of Release Flow Line | Date and Hour of Occurrence 2/13/2008 AM | Date and Hour of Discovery 2/13/2008 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 flow line at knockout unit. Vacuum truck and backhoe crew called. | | |
| Describe Area Affected and Cleanup Action Taken.* Area approximately 35' X 15' all contained inside berm, no oil or produced water to pick up, backline excavated soils/taken to OCD approved facility. Depth to Ground Water: >100' (approx. 125'), Wellhead Protection Area: No, Distance to Surface Water Body: >1000', SITE RANKING IS 0. Based on site ranking and contaminated soils removed, 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 | TIM GUM by MB Approved by District Supervisor Signed By  | |
| Title: Environmental Regulatory Agent | Approval Date: FEB 29 2008 | Expiration Date: NA |
| E-mail Address: boba@ypcnm.com | Conditions of Approval:  | Attached <input type="checkbox"/> |
| Date: Thursday, February 28, 2008 | Phone: 505-748-4217 | |

* Attach Additional Sheets If Necessary

2RP-139