

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

30-015-21821

Release Notification and Corrective Action

NMCLB0913140672

OPERATOR

☒ Initial Report ☐ Final Report

| | | |
|--|-------------------------------|-------------------------------|
| Name of Company Yates Petroleum Corporation | OGRID Number 25575 | Contact Robert Asher |
| Address 104 S. 4 TH Street | Telephone No. 575-748-1471 | |
| Facility Name J Lazy J #13 | API Number 30-015-21821 | Facility Type Pumping Unit |
| | | Order Number 2RP- |
| Surface Owner Fee | Mineral Owner Fee | Lease No. |

LOCATION OF RELEASE

| | | | | | | | | |
|------------------|---------------|-----------------|--------------|-----------------------|---------------------------|-----------------------|------------------------|----------------|
| Unit Letter G | Section 22 | Township 17N | Range 25E | Feet from the 1980 | North/South Line North | Feet from the 1980 | East/West Line East | County Eddy |
|------------------|---------------|-----------------|--------------|-----------------------|---------------------------|-----------------------|------------------------|----------------|

Latitude 32.82264 Longitude 104.47029

NATURE OF RELEASE

| | | |
|--|---|--|
| Type of Release Oil & Produced Water | Volume of Release Unknown amounts of Oil & PW | Volume Recovered 0 B/O & 0 B/PW |
| Source of Release Flow line | Date and Hour of Occurrence Unknown | Date and Hour of Discovery 1/12/2009 - AM |
| 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? Robert Asher - Yates Petroleum Corporation | Date and Hour 1/13/2009, Voicemail & e-mail | |
| 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.*


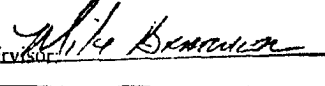
Excel had power failure at a sub station, causing loss of power to transfer pump and tank to run over. Called for vacuum trucks.

Describe Area Affected and Cleanup Action Taken.*

An approximate area of 50' X 150'. Crew excavated contaminated soils, soils place on plastic and bermed. Vertical and horizontal delineation samples have taken and analysis ran for TPH & BTEX (Chlorides for reference). Further vertical and horizontal delineation samples will be taken and analysis will be ran for TPH & BTEX (Chlorides for reference). 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, a work plan will be submitted to the OCD. **Depth to Ground Water: >100' (approx. 200', per New Mexico Office of the State Engineer); 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.

OIL CONSERVATION DIVISION

| | | |
|--|--|-----------------------------------|
| Signature:  | Approved by  | |
| Printed Name: Robert Asher | Approval Date: MAY 11 2009 | |
| Title: Environmental Regulatory Agent | Expiration Date: | Attached <input type="checkbox"/> |
| E-mail Address: boba@ypcnm.com | Conditions of Approval: REMEDIATION ACT NMOCD Rules & Guidelines | |
| Date: Monday, January 19, 2009 | Phone: 575-748-4217 | |

* Attach Additional Sheets If Necessary

2RP-303

PMLB0913141607