

RECEIVED MAY 10 2010

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

1MLB1022134929

OPERATOR

☒ Initial Report ☐ Final Report

| | | |
|--|-------------------------------|----------------------------|
| Name of Company Yates Petroleum Corporation | OGRID Number 25575 | Contact Amanda Trujillo |
| Address 104 S. 4 TH Street | Telephone No. 575-748-1471 | |
| Facility Name Federal CW-B #4 | API Number 30-015-23200 | Facility Type Oil well |
| | | Order Number 2RP- |

| | | |
|--------------------------|--------------------------|------------------------|
| Surface Owner Federal | Mineral Owner Federal | Lease No. NM-439491 |
|--------------------------|--------------------------|------------------------|

LOCATION OF RELEASE

| | | | | | | | | |
|------------------|--------------|-----------------|--------------|-----------------------|---------------------------|----------------------|------------------------|----------------|
| Unit Letter L | Section I | Township 19S | Range 24E | Feet from the 1650 | North/South Line South | Feet from the 990 | East/West Line West | County Eddy |
|------------------|--------------|-----------------|--------------|-----------------------|---------------------------|----------------------|------------------------|----------------|

Latitude N33.13240 Longitude W104 13323

NATURE OF RELEASE

| | | |
|--|---|---|
| Type of Release oil | Volume of Release unknown | Volume Recovered 0 |
| Source of Release Flowline | Date and Hour of Occurrence unknown | Date and Hour of Discovery 04/26/2010 - PM |
| 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? Amanda Trujillo - Yates Petroleum Corporation | Date and Hour 04/26/2010 pm | |
| 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.*

Flow line developed a leak. Once discovered the well was shut in. Necessary repairs were made. Contaminated soil was excavated and hauled to appropriate facility.

Describe Area Affected and Cleanup Action Taken.*

An approximate size of 30' x 30' was impacted. The impacted area is located approximately 200 feet east of well in pasture. Soil from the pooling areas was excavated and disposed of at an NMOCD approved facility. Crew excavated contaminated soils; soils were placed directly into waiting trucks. Vertical and horizontal delineation samples will taken and analysis ran for TPH, BTEX and Chlorides once all contaminated material has been removed.

Depth to Ground Water: <100' (approx. 297', per New Mexico Office of the State Engineer); Wellhead Protection Area: No; Distance to Surface Water Body: >1000'; SITE RANKING IS 0. Based on site ground water quality and enclosed analytical results.

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>A Trujillo</i> | OIL CONSERVATION DIVISION | |
| Printed Name: Amanda Trujillo | Approved by <i>Mike Bratcher</i> | |
| Title: Environmental Scientist | Approval Date: AUG 09 2010 | Expiration Date: |
| E-mail Address: atrujillo@yatespetroleum.com | Conditions of Approval: | Attached <input checked="" type="checkbox"/> |
| Date: Monday, May 10, 2010 Phone: 575-748-4310 | REMEDATION per OCD Rules and Guidelines. SUBMIT REMEDIATION PROPOSAL BY: 8-23-2010 | |

* Attach Additional Sheets If Necessary

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PMLB1022135562

2RP-425