Form C-141

District I 1625 A. French Dr., Hobbs, NM 88240 District II 130 W. Grand Avenue, Artesia, NM 88210 District II 1000 Rio Brazos Road, Aztec, NM 87410 District IV

* Attach Additional Sheets If Necessary

State of New Mexico Energy Minerals and Natural Resources

Oil Conservation Division 1220 South St. Francis Dr. Santa Fe. NM 87505 Revised October 10, 2003 Submit 2 Copies to appropriate District Office in accordance with Rule 116 on back

side of form 1220 S. St. Francis Dr., Santa Fe, NM 87505 Santa Fe, NM 87505 Release Notification and Corrective Action **OPERATOR** Initial Report Final Report OGRID Number Contact Name of Company Robert Asher Yates Petroleum Corporation 25575 Telephone No. Address 575-748-1471 105 South 4th Street, Artesia, NM 88210 Facility Type API Number Facility Name Battery Unocal AH U Federal #1 30-015-26698 Lease No. Surface Owner Mineral Owner NM-43556 Federal Federal LOCATION OF RELEASE North/South Line Feet from the East/West Line County Feet from the Unit Letter Section Township Range 1980 East Eddy North 31E 660 22|5Latitude 32.42585 Longitude 103.72889 NATURE OF RELEASE Volume Recovered Volume of Release Type of Release 2 B/O & 150 B/PW 0 B/O & 0 B/PW Produced Water Date and Hour of Discovery Date and Hour of Occurrence Source of Release 8/23/2009 AM 8/23/2009 AM Water Line Was Immediate Notice Given? If YES, To Whom? Mike Bratcher/NMOCD !! Yes No Not Required Date and Hour By Whom? Robert Asher/YPC Environmental 8/28/2009 AM, (voicemail & e-mail) Was a Watercourse Reached? If YES, Volume Impacting the Watercourse. ☐ Yes ☒ No If a Watercourse was Impacted, Describe Fully.* Describe Cause of Problem and Remedial Action Taken.* Higher pressure and increased volumes of produced water being rerouted from shut down SWD in Lea County, caused water line rupture, (this release occurred 0.4 miles south of the YPC's Unocal AH U Federal #1 Battery). Vacuum truck called. Describe Area Affected and Cleanup Action Taken.* Area approximately 30° X 40°, vacuum truck did not pick up any produced water or oil, impacted soils to be excavated and hauled to an approved NMOCD facility. Vertical and horizontal delineation samples will be taken and analysis ran for TPH & BTEX (chlorides results for documentation, YPC will delineate to try and show decreasing levels of chlorides). If initial analytical results for TPH & BTEX are under RRAL's a Final Report, C-141 will be submitted to the OCD requesting closure. Depth to Ground Water: >100' (approximately 448' 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 recluired 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 Distribus Mer Pisor: Printed Name: Robert Asher Approval Date: **Expiration Date:** Title: Environmental Regulatory Agent E-mail Address: boba@yatesp@troleum.com Conditions of Approval: Attached | REMEDIATION per OCD Rules and Phone: 575-748-4217 Date: Friday, August 28, 2009

Guidelines. SUBMIT REMEDIATION

5/5/11

PROPOSAL BY: