District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 S. First St., Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV

Date: 02/26/2016

State of New Mexico Energy Minerals and Natural Resources

NMOCD Artesia

Received 2/26/2016

Form C-141 Revised August 8, 2011

Submit 1 Copy to appropriate District Office in accordance with 19.15.29 NMAC.

Oil Conservation Division 1220 South St. Francis Dr. Santa Fe, NM 87505

1220 S. St. Francis Dr., Santa Fe, NM 87505 Santa Fe, NM 87505 Release Notification and Corrective Action OPERATOR Initial Report Final Report Name of Company Contact Yates Petroleum Corporation Chase Settle Address Telephone No. 104 S. 4th Street, Artesia, NM 88210 575-748-4171 Facility Name Facility Type State CO SWD System (West of Sagauro #4 Battery) Pipeline Surface Owner Mineral Owner API No. Fee 30-015-26420 LOCATION OF RELEASE Unit Letter Section Township Range Feet from the North/South Line | Feet from the East/West Line County N 20S 24E Eddy Latitude 32.56852 Longitude -104.56191 NATURE OF RELEASE Type of Release Volume of Release Volume Recovered Produced Water and Crude Oil Mix Unknown Source of Release Date and Hour of Occurrence Date and Hour of Discovery 12 inch poly produced water line 1/29/2015; a.m. 1/29/2015; a.m. Was Immediate Notice Given? If YES, To Whom? ☑ Yes □ No □ Not Required Mike Bratcher, Heather Patterson, Randy Dade By Whom? Date and Hour Bob Asher 1/30/2015; 2:28 p.m. 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.* During the course of pipeline maintenance, contamination was discovered on the end of a 12" poly produced water line. Describe Area Affected and Cleanup Action Taken.* An approximate area of 50' X 50' was affected around the 12" poly produced water line. Impacted soils will be excavated and hauled to a NMOCD approved facility. Vertical and horizontal delineation samples will be taken and analysis ran for TPH & BTEX (chlorides for documentation). If initial analytical results for TPH & BTEX are under RRAL's (site ranking is 0) a Final Report, C-141 will be submitted to the OCD requesting closure. If the analytical results are above the RRAL's a work plan will be submitted to the OCD. Depth to Ground Water: >100' (approximately 230', Section 14, T20S-R24E, per Trend Map), Wellhead Protection Area: No, Distance to Surface Water Body: >1000', SITE RANKING IS 0. Based on completion of Work Plan (scope of work, analytical data, and release sketch enclosed with Work Plan) dated July 29, 2015 and approved August 5, 2015, 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. OIL CONSERVATION DIVISION Signature. Approved by Environmental Specialist: Printed Name: Chase Settle Approval Date: 9/9/2016 N/A Title: NM Environmental Regulatory Agent Expiration Date: E-mail Address: csettle@yatespetroleum.com Conditions of Approval: Attached **FINAL**

Phone: 575-748-4171