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

1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico Energy Minerals and Natural Resources

Received 12/10/15 NMOCD Artesia Form C-141 Revised August 8, 2011

Oil Conservation Division

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

1220 South St. Francis Dr. Santa Fe, NM 87505

Release Notification and Corrective Action **OPERATOR** ☐ Initial Report Final Report Name of Company OGRID Number Contact Yates Petroleum Corporation 25575 Chase Settle Address Telephone No. 104 S. 4th Street 575-748-1471 Facility Name Facility Type Lost Tank AIS State #3 Battery Battery Surface Owner Mineral Owner API No. State State 30-015-26586 LOCATION OF RELEASE East/West Line Unit Letter Section Township Feet from the North/South Line Feet from the Range County N 36 21S 31E 660 South 1980 West Eddy Latitude 32.42943 Longitude 103.73303 NATURE OF RELEASE Type of Release Volume of Release Volume Recovered Crude Oil & Produced Water 5 B/O & 25 B/PW 5 B/O & 25 B/PW Source of Release Date and Hour of Occurrence Date and Hour of Discovery Separator 7/21/2015; AM 7/21/2015; AM Was Immediate Notice Given? If YES, To Whom? Mike Bratcher, Heather Patterson, Ian Dolly, Mathew Hagman, Mark Naranjo & Dana Strang By Whom? Date and Hour Robert Asher/Yates Petroleum Corporation 7/22/2015; 12:46 P.M. (Email) 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.* A dump valve on a separator was stuck open, causing the release. Vacuum truck(s) and roustabout crews were called. Describe Area Affected and Cleanup Action Taken.* An approximate area of 50'X 50' was affected within the unlined/bermed battery. The valves were closed and all of the crude oil and produced water was recovered (100%). A roustabout crew was called to make repairs on the separator. Impacted soils will be excavated /hauled to a NMOCD approved facility. Depth to Ground Water: > 100' (approximately 110', per ChevronTexaco Trend Map), Wellhead Protection Area: No, Distance to Surface Water Body: >1000', SITE RANKING IS 0. Based on completion of the NMOCD approved work plan, Yates Petroleum 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: 12/14/2015 N/A Title: NM Environmental Regulatory Settle **Expiration Date:** E-mail Address: CSettle@yatespetroleum.com Conditions of Approval: Attached **FINAL** Phone: 575-748-4171 2RP-Date: December 10, 2015

^{*} Attach Additional Sheets If Necessary