

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

OPERATOR

☐ Initial Report ☒ Final Report

Name of Company Yates Petroleum Corporation	OGRID Number 25575	Contact Chase Settle
Address 104 S. 4 TH Street		Telephone No. 575-748-4171
Facility Name Red Raider BKS State #1	API Number 30-025-29141	Facility Type Battery

RECEIVED

By OCD District 1 at 2:56 pm, Aug 05, 2015

Surface Owner State	Mineral Owner State	Lease No. VB-0651
------------------------	------------------------	----------------------

LOCATION OF RELEASE

Unit Letter J	Section 25	Township 24S	Range 33E	Feet from the 1980'	North/South Line South	Feet from the 1980'	East/West Line East	County Lea
------------------	---------------	-----------------	--------------	------------------------	---------------------------	------------------------	------------------------	---------------

Latitude 32.18654 Longitude -103.52337

NATURE OF RELEASE

Type of Release Produced Water	Volume of Release 130 B/PW	Volume Recovered 0 B/PW
Source of Release Illegal dumping from unknown company/person.	Date and Hour of Occurrence 01/23/2014; AM	Date and Hour of Discovery 01/23/2014; PM
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? Geoffrey Leking	
By Whom? Robert Asher	Date and Hour 01/24/2014; PM	
Was a Watercourse Reached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, Volume Impacting the Watercourse. N/A	

APPROVED

By OCD District 1 at 2:56 pm, Aug 05, 2015

If a Watercourse was Impacted, Describe Fully.*
N/A

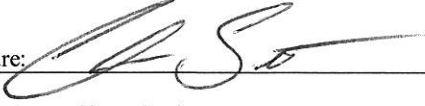

Describe Cause of Problem and Remedial Action Taken.*

An unknown truck illegally dumped a full load of Produced Water off the West side of the battery location.

Describe Area Affected and Cleanup Action Taken.*

An approximate area of 234' X 56' was affected on the West side of the location, and an area approximately 480' X 15' Southeast of the location. 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 a work plan will be submitted to the OCD. TPH & BTEX analytical results are under RRAL's (site ranking is 0). **Depth to Ground Water: >100' (150', Section 25, T24S-R33E, Trend Map), Wellhead Protection Area: No, Distance to Surface Water Body: > 1000', SITE RANKING IS 0. Based on analytical results, depth to groundwater, Yates Petroleum Corporation requests closure.**

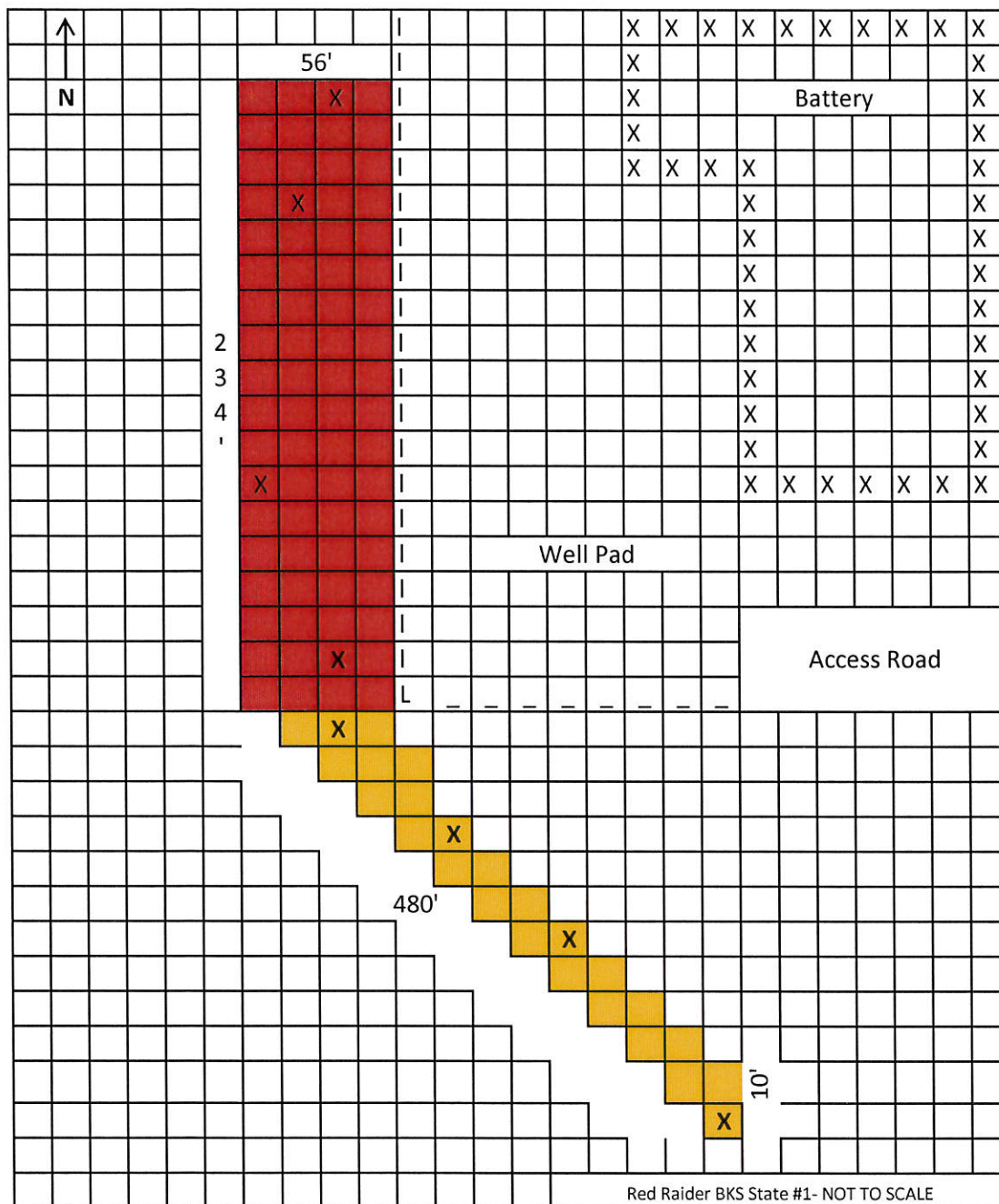
I hereby certify that the information given above is true and complete to the best of my knowledge and understand that pursuant to NMOCD rules and regulations all operators are required to report and/or file certain release notifications and perform corrective actions for releases which may endanger 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.

Signature: 	OIL CONSERVATION DIVISION	
Printed Name: Chase Settle	Approved by District Supervisor 	
Title: NM Environmental Regulatory Agent	Approval Date: 08/05/2015	Expiration Date: ///
E-mail Address: csettle@yatespetroleum.com	Conditions of Approval:	Attached <input type="checkbox"/>
Date: Tuesday, February 11, 2014 Phone: 575-748-4171	2RP- 1RP 3787	

* Attach Additional Sheets If Necessary

pJXK1521753680

nJXK1521753429



Release Area
 X S1 Samples
 Release Area
 X S2 Samples

Analytical Report-H400295 (Cardinal)	Sample Area	Sample Date	Sample Type	Depth	BTEX	GRO	DRO	Chlorides
S1 1'	Release Area	1/29/2014	Hand Auger	1'	<0.3	<10.0	63.2	768
S1 2'	Release Area	1/29/2014	Hand Auger	2'	<0.3	<10.0	10.8	128
S1 3'	Release Area	1/29/2014	Hand Auger	3'	<0.3	<10.0	<10.0	192
S2 1'	Release Area	1/29/2014	Hand Auger	1'	<0.3	<10.0	<10.0	400
S2 2'	Release Area	1/29/2014	Hand Auger	2'	<0.3	<10.0	<10.0	336
S2 3'	Release Area	1/29/2014	Hand Auger	3'	<0.3	<10.0	<10.0	496

Site Ranking is 0. DTGW >100' (approx. 150', Section 25, T24S-R33E, Trend Map). All results ppm, Chloride samples for documentation. Released: 130 B/PW; Recovered: 0 B/PW Date:1/23/2014

February 07, 2014

CHASE SETTLE

YATES PETROLEUM CORPORATION

105 S 4th Street

Artesia, NM 88210

RE: RED RAIDER BKS STATE #1

Enclosed are the results of analyses for samples received by the laboratory on 01/30/14 11:06.

Cardinal Laboratories is accredited through Texas NELAP under certificate number T104704398-13-5. Accreditation applies to drinking water, non-potable water and solid and chemical materials. All accredited analytes are denoted by an asterisk (*). For a complete list of accredited analytes and matrices visit the TCEQ website at www.tceq.texas.gov/field/qa/lab_accred_certif.html.

Cardinal Laboratories is accredited through the State of Colorado Department of Public Health and Environment for:

Method EPA 552.2	Haloacetic Acids (HAA-5)
Method EPA 524.2	Total Trihalomethanes (TTHM)
Method EPA 524.4	Regulated VOCs (V1, V2, V3)

Accreditation applies to public drinking water matrices.

This report meets NELAP requirements and is made up of a cover page, analytical results, and a copy of the original chain-of-custody. If you have any questions concerning this report, please feel free to contact me.

Sincerely,



Celey D. Keene

Lab Director/Quality Manager

Analytical Results For:

 YATES PETROLEUM CORPORATION
 CHASE SETTLE
 105 S 4th Street
 Artesia NM, 88210
 Fax To: (505) 748-4635

Received:	01/30/2014	Sampling Date:	01/29/2014
Reported:	02/07/2014	Sampling Type:	Soil
Project Name:	RED RAIDER BKS STATE #1	Sampling Condition:	Cool & Intact
Project Number:	NOT GIVEN	Sample Received By:	Kathy Perez
Project Location:	RED RAIDER BKS STATE #1		

Sample ID: S1 1' (H400295-01)

BTX 8021B		mg/kg		Analyzed By: MS					
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Benzene*	<0.050	0.050	02/05/2014	ND	2.30	115	2.00	1.86	
Toluene*	<0.050	0.050	02/05/2014	ND	2.23	112	2.00	1.91	
Ethylbenzene*	<0.050	0.050	02/05/2014	ND	2.21	111	2.00	2.01	
Total Xylenes*	<0.150	0.150	02/05/2014	ND	6.38	106	6.00	1.74	
Total BTX	<0.300	0.300	02/05/2014	ND					

Surrogate: 4-Bromofluorobenzene (PIL) 118 % 89.4-126

Chloride, SM4500Cl-B		mg/kg		Analyzed By: AP					
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Chloride	768	16.0	02/07/2014	ND	400	100	400	3.92	

TPH 8015M		mg/kg		Analyzed By: ms					
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
GRO C6-C10	<10.0	10.0	02/06/2014	ND	205	102	200	8.13	
DRO >C10-C28	63.2	10.0	02/06/2014	ND	197	98.5	200	11.2	

Surrogate: 1-Chlorooctane 93.0 % 65.2-140

Surrogate: 1-Chlorooctadecane 105 % 63.6-154

Cardinal Laboratories

*=Accredited Analyte

PLEASE NOTE: Liability and Damages. Cardinal's liability and client's exclusive remedy for any claim arising, whether based in contract or tort, shall be limited to the amount paid by client for analyses. All claims, including those for negligence and any other cause whatsoever shall be deemed waived unless made in writing and received by Cardinal within thirty (30) days after completion of the applicable service. In no event shall Cardinal be liable for incidental or consequential damages, including, without limitation, business interruptions, loss of use, or loss of profits incurred by client, its subsidiaries, affiliates or successors arising out of or related to the performance of the services hereunder by Cardinal, regardless of whether such claim is based upon any of the above stated reasons or otherwise. Results relate only to the samples identified above. This report shall not be reproduced except in full with written approval of Cardinal Laboratories.



Celey D. Keene, Lab Director/Quality Manager

Analytical Results For:

 YATES PETROLEUM CORPORATION
 CHASE SETTLE
 105 S 4th Street
 Artesia NM, 88210
 Fax To: (505) 748-4635

Received:	01/30/2014	Sampling Date:	01/29/2014
Reported:	02/07/2014	Sampling Type:	Soil
Project Name:	RED RAIDER BKS STATE #1	Sampling Condition:	Cool & Intact
Project Number:	NOT GIVEN	Sample Received By:	Kathy Perez
Project Location:	RED RAIDER BKS STATE #1		

Sample ID: S1 2' (H400295-02)

BTX 8021B		mg/kg		Analyzed By: MS					
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Benzene*	<0.050	0.050	02/05/2014	ND	2.30	115	2.00	1.86	
Toluene*	<0.050	0.050	02/05/2014	ND	2.23	112	2.00	1.91	
Ethylbenzene*	<0.050	0.050	02/05/2014	ND	2.21	111	2.00	2.01	
Total Xylenes*	<0.150	0.150	02/05/2014	ND	6.38	106	6.00	1.74	
Total BTX	<0.300	0.300	02/05/2014	ND					

Surrogate: 4-Bromofluorobenzene (PIL) 118 % 89.4-126

Chloride, SM4500Cl-B		mg/kg		Analyzed By: AP					
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Chloride	128	16.0	02/07/2014	ND	400	100	400	3.92	

TPH 8015M		mg/kg		Analyzed By: ms					
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
GRO C6-C10	<10.0	10.0	02/06/2014	ND	205	102	200	8.13	
DRO >C10-C28	10.8	10.0	02/06/2014	ND	197	98.5	200	11.2	

Surrogate: 1-Chlorooctane 97.6 % 65.2-140

Surrogate: 1-Chlorooctadecane 106 % 63.6-154

Cardinal Laboratories

*=Accredited Analyte

PLEASE NOTE: Liability and Damages. Cardinal's liability and client's exclusive remedy for any claim arising, whether based in contract or tort, shall be limited to the amount paid by client for analyses. All claims, including those for negligence and any other cause whatsoever shall be deemed waived unless made in writing and received by Cardinal within thirty (30) days after completion of the applicable service. In no event shall Cardinal be liable for incidental or consequential damages, including, without limitation, business interruptions, loss of use, or loss of profits incurred by client, its subsidiaries, affiliates or successors arising out of or related to the performance of the services hereunder by Cardinal, regardless of whether such claim is based upon any of the above stated reasons or otherwise. Results relate only to the samples identified above. This report shall not be reproduced except in full with written approval of Cardinal Laboratories.



Celey D. Keene, Lab Director/Quality Manager

Analytical Results For:

 YATES PETROLEUM CORPORATION
 CHASE SETTLE
 105 S 4th Street
 Artesia NM, 88210
 Fax To: (505) 748-4635

Received:	01/30/2014	Sampling Date:	01/29/2014
Reported:	02/07/2014	Sampling Type:	Soil
Project Name:	RED RAIDER BKS STATE #1	Sampling Condition:	Cool & Intact
Project Number:	NOT GIVEN	Sample Received By:	Kathy Perez
Project Location:	RED RAIDER BKS STATE #1		

Sample ID: S1 3' (H400295-03)

BTEX 8021B			mg/kg		Analyzed By: MS				
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Benzene*	<0.050	0.050	02/05/2014	ND	2.30	115	2.00	1.86	
Toluene*	<0.050	0.050	02/05/2014	ND	2.23	112	2.00	1.91	
Ethylbenzene*	<0.050	0.050	02/05/2014	ND	2.21	111	2.00	2.01	
Total Xylenes*	<0.150	0.150	02/05/2014	ND	6.38	106	6.00	1.74	
Total BTEX	<0.300	0.300	02/05/2014	ND					

Surrogate: 4-Bromofluorobenzene (PIE) 116 % 89.4-126

Chloride, SM4500Cl-B			mg/kg		Analyzed By: AP				
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Chloride	192	16.0	02/07/2014	ND	400	100	400	3.92	

TPH 8015M			mg/kg		Analyzed By: ms				
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
GRO C6-C10	<10.0	10.0	02/06/2014	ND	205	102	200	8.13	
DRO >C10-C28	<10.0	10.0	02/06/2014	ND	197	98.5	200	11.2	

Surrogate: 1-Chlorooctane 88.9 % 65.2-140

Surrogate: 1-Chlorooctadecane 95.3 % 63.6-154

Cardinal Laboratories

*=Accredited Analyte

PLEASE NOTE: Liability and Damages. Cardinal's liability and client's exclusive remedy for any claim arising, whether based in contract or tort, shall be limited to the amount paid by client for analyses. All claims, including those for negligence and any other cause whatsoever shall be deemed waived unless made in writing and received by Cardinal within thirty (30) days after completion of the applicable service. In no event shall Cardinal be liable for incidental or consequential damages, including, without limitation, business interruptions, loss of use, or loss of profits incurred by client, its subsidiaries, affiliates or successors arising out of or related to the performance of the services hereunder by Cardinal, regardless of whether such claim is based upon any of the above stated reasons or otherwise. Results relate only to the samples identified above. This report shall not be reproduced except in full with written approval of Cardinal Laboratories.



Celey D. Keene, Lab Director/Quality Manager

Analytical Results For:

 YATES PETROLEUM CORPORATION
 CHASE SETTLE
 105 S 4th Street
 Artesia NM, 88210
 Fax To: (505) 748-4635

Received:	01/30/2014	Sampling Date:	01/29/2014
Reported:	02/07/2014	Sampling Type:	Soil
Project Name:	RED RAIDER BKS STATE #1	Sampling Condition:	Cool & Intact
Project Number:	NOT GIVEN	Sample Received By:	Kathy Perez
Project Location:	RED RAIDER BKS STATE #1		

Sample ID: S2 1' (H400295-04)

BTX 8021B			mg/kg		Analyzed By: MS				
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Benzene*	<0.050	0.050	02/05/2014	ND	2.30	115	2.00	1.86	
Toluene*	<0.050	0.050	02/05/2014	ND	2.23	112	2.00	1.91	
Ethylbenzene*	<0.050	0.050	02/05/2014	ND	2.21	111	2.00	2.01	
Total Xylenes*	<0.150	0.150	02/05/2014	ND	6.38	106	6.00	1.74	
Total BTX	<0.300	0.300	02/05/2014	ND					

Surrogate: 4-Bromofluorobenzene (PIL) 114 % 89.4-126

Chloride, SM4500Cl-B			mg/kg		Analyzed By: AP				
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Chloride	400	16.0	02/07/2014	ND	400	100	400	3.92	

TPH 8015M			mg/kg		Analyzed By: ms				
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
GRO C6-C10	<10.0	10.0	02/06/2014	ND	205	102	200	8.13	
DRO >C10-C28	<10.0	10.0	02/06/2014	ND	197	98.5	200	11.2	

Surrogate: 1-Chlorooctane 91.9 % 65.2-140

Surrogate: 1-Chlorooctadecane 95.8 % 63.6-154

Cardinal Laboratories

* = Accredited Analyte

PLEASE NOTE: Liability and Damages. Cardinal's liability and client's exclusive remedy for any claim arising, whether based in contract or tort, shall be limited to the amount paid by client for analyses. All claims, including those for negligence and any other cause whatsoever shall be deemed waived unless made in writing and received by Cardinal within thirty (30) days after completion of the applicable service. In no event shall Cardinal be liable for incidental or consequential damages, including, without limitation, business interruptions, loss of use, or loss of profits incurred by client, its subsidiaries, affiliates or successors arising out of or related to the performance of the services hereunder by Cardinal, regardless of whether such claim is based upon any of the above stated reasons or otherwise. Results relate only to the samples identified above. This report shall not be reproduced except in full with written approval of Cardinal Laboratories.



Celey D. Keene, Lab Director/Quality Manager

Analytical Results For:

 YATES PETROLEUM CORPORATION
 CHASE SETTLE
 105 S 4th Street
 Artesia NM, 88210
 Fax To: (505) 748-4635

Received:	01/30/2014	Sampling Date:	01/29/2014
Reported:	02/07/2014	Sampling Type:	Soil
Project Name:	RED RAIDER BKS STATE #1	Sampling Condition:	Cool & Intact
Project Number:	NOT GIVEN	Sample Received By:	Kathy Perez
Project Location:	RED RAIDER BKS STATE #1		

Sample ID: S2 2' (H400295-05)

BTX 8021B		mg/kg		Analyzed By: MS					
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Benzene*	<0.050	0.050	02/05/2014	ND	2.30	115	2.00	1.86	
Toluene*	<0.050	0.050	02/05/2014	ND	2.23	112	2.00	1.91	
Ethylbenzene*	<0.050	0.050	02/05/2014	ND	2.21	111	2.00	2.01	
Total Xylenes*	<0.150	0.150	02/05/2014	ND	6.38	106	6.00	1.74	
Total BTX	<0.300	0.300	02/05/2014	ND					

Surrogate: 4-Bromofluorobenzene (PID) 115 % 89.4-126

Chloride, SM4500Cl-B		mg/kg		Analyzed By: AP					
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Chloride	336	16.0	02/07/2014	ND	400	100	400	3.92	

TPH 8015M		mg/kg		Analyzed By: ms					
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
GRO C6-C10	<10.0	10.0	02/06/2014	ND	205	102	200	8.13	
DRO >C10-C28	<10.0	10.0	02/06/2014	ND	197	98.5	200	11.2	

Surrogate: 1-Chlorooctane 95.0 % 65.2-140

Surrogate: 1-Chlorooctadecane 98.8 % 63.6-154

Cardinal Laboratories

*=Accredited Analyte

PLEASE NOTE: Liability and Damages. Cardinal's liability and client's exclusive remedy for any claim arising, whether based in contract or tort, shall be limited to the amount paid by client for analyses. All claims, including those for negligence and any other cause whatsoever shall be deemed waived unless made in writing and received by Cardinal within thirty (30) days after completion of the applicable service. In no event shall Cardinal be liable for incidental or consequential damages, including, without limitation, business interruptions, loss of use, or loss of profits incurred by client, its subsidiaries, affiliates or successors arising out of or related to the performance of the services hereunder by Cardinal, regardless of whether such claim is based upon any of the above stated reasons or otherwise. Results relate only to the samples identified above. This report shall not be reproduced except in full with written approval of Cardinal Laboratories.



Celey D. Keene, Lab Director/Quality Manager

Analytical Results For:

 YATES PETROLEUM CORPORATION
 CHASE SETTLE
 105 S 4th Street
 Artesia NM, 88210
 Fax To: (505) 748-4635

Received:	01/30/2014	Sampling Date:	01/29/2014
Reported:	02/07/2014	Sampling Type:	Soil
Project Name:	RED RAIDER BKS STATE #1	Sampling Condition:	Cool & Intact
Project Number:	NOT GIVEN	Sample Received By:	Kathy Perez
Project Location:	RED RAIDER BKS STATE #1		

Sample ID: S2 3' (H400295-06)

BTEX 8021B		mg/kg		Analyzed By: MS					
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Benzene*	<0.050	0.050	02/05/2014	ND	2.30	115	2.00	1.86	
Toluene*	<0.050	0.050	02/05/2014	ND	2.23	112	2.00	1.91	
Ethylbenzene*	<0.050	0.050	02/05/2014	ND	2.21	111	2.00	2.01	
Total Xylenes*	<0.150	0.150	02/05/2014	ND	6.38	106	6.00	1.74	
Total BTEX	<0.300	0.300	02/05/2014	ND					

Surrogate: 4-Bromofluorobenzene (PIE) 114 % 89.4-126

Chloride, SM4500Cl-B		mg/kg		Analyzed By: AP					
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Chloride	496	16.0	02/05/2014	ND	416	104	400	0.00	

TPH 8015M		mg/kg		Analyzed By: ms					
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
GRO C6-C10	<10.0	10.0	02/06/2014	ND	205	102	200	8.13	
DRO >C10-C28	<10.0	10.0	02/06/2014	ND	197	98.5	200	11.2	

Surrogate: 1-Chlorooctane 98.3 % 65.2-140

Surrogate: 1-Chlorooctadecane 103 % 63.6-154

Cardinal Laboratories

*=Accredited Analyte

PLEASE NOTE: Liability and Damages. Cardinal's liability and client's exclusive remedy for any claim arising, whether based in contract or tort, shall be limited to the amount paid by client for analyses. All claims, including those for negligence and any other cause whatsoever shall be deemed waived unless made in writing and received by Cardinal within thirty (30) days after completion of the applicable service. In no event shall Cardinal be liable for incidental or consequential damages, including, without limitation, business interruptions, loss of use, or loss of profits incurred by client, its subsidiaries, affiliates or successors arising out of or related to the performance of the services hereunder by Cardinal, regardless of whether such claim is based upon any of the above stated reasons or otherwise. Results relate only to the samples identified above. This report shall not be reproduced except in full with written approval of Cardinal Laboratories.



Celey D. Keene, Lab Director/Quality Manager

Notes and Definitions

ND	Analyte NOT DETECTED at or above the reporting limit
RPD	Relative Percent Difference
**	Samples not received at proper temperature of 6°C or below.
***	Insufficient time to reach temperature.
-	Chloride by SM4500Cl-B does not require samples be received at or below 6°C Samples reported on an as received basis (wet) unless otherwise noted on report

Cardinal Laboratories

*=Accredited Analyte

PLEASE NOTE: Liability and Damages. Cardinal's liability and client's exclusive remedy for any claim arising, whether based in contract or tort, shall be limited to the amount paid by client for analyses. All claims, including those for negligence and any other cause whatsoever shall be deemed waived unless made in writing and received by Cardinal within thirty (30) days after completion of the applicable service. In no event shall Cardinal be liable for incidental or consequential damages, including, without limitation, business interruptions, loss of use, or loss of profits incurred by client, its subsidiaries, affiliates or successors arising out of or related to the performance of the services hereunder by Cardinal, regardless of whether such claim is based upon any of the above stated reasons or otherwise. Results relate only to the samples identified above. This report shall not be reproduced except in full with written approval of Cardinal Laboratories.



Celey D. Keene, Lab Director/Quality Manager

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

OPERATOR

☒ Initial Report ☐ Final Report

Name of Company Yates Petroleum Corporation	OGRID Number 25575	Contact Chase Settle
Address 104 S. 4 TH Street		Telephone No. 575-748-4171
Facility Name Red Raider BKS State #1	API Number 30-025-29141	Facility Type Battery

Surface Owner State	Mineral Owner State	Lease No. VB-0651
------------------------	------------------------	----------------------

LOCATION OF RELEASE

Unit Letter J	Section 25	Township 24S	Range 33E	Feet from the 1980'	North/South Line South	Feet from the 1980'	East/West Line East	County Lea
------------------	---------------	-----------------	--------------	------------------------	---------------------------	------------------------	------------------------	---------------

Latitude 32.18654 Longitude -103.52337

NATURE OF RELEASE

Type of Release Produced Water	Volume of Release 130 B/PW	Volume Recovered 0 B/PW
Source of Release Illegal dumping from unknown company/person.	Date and Hour of Occurrence 01/23/2014; AM	Date and Hour of Discovery 01/23/2014; PM
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? Geoffrey Leking	
By Whom? Robert Asher	Date and Hour 01/24/2014; 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.*

An unknown truck illegally dumped a full load of Produced Water off the West side of the battery location.

Describe Area Affected and Cleanup Action Taken.*

An approximate area of 234' X 56' was affected on the West side of the location, and an area approximately 480' X 15' Southeast of the location. 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 10) 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' (150', Section 25, T24S-R33E, Trend Map), 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.

Signature: 	OIL CONSERVATION DIVISION	
Printed Name: Chase Settle	Approved by District Supervisor:	
Title: NM Environmental Regulatory Agent	Approval Date:	Expiration Date:
E-mail Address: csettle@yatespetroleum.com	Conditions of Approval:	Attached <input type="checkbox"/>
Date: Friday, January 31, 2014 Phone: 575-748-4171	2RP-	

* Attach Additional Sheets If Necessary

emailed 1-31-14 to G. Leking, cc: B. Asher 2:40 p.m.

Bob Asher

From: Bob Asher
Sent: Friday, January 24, 2014 4:04 PM
To: (GeoffreyR.Leking@state.nm.us)
Cc: Amber Cannon; Chase Settle; Katie Parker; Lupe Carrasco
Subject: Release (Red Raider BKS State #1)

Tracking:	Recipient	Delivery
	(GeoffreyR.Leking@state.nm.us)	
	Amber Cannon	
	Chase Settle	
	Katie Parker	Failed: 1/24/2014 4:04 PM
	Lupe Carrasco	

Yates Petroleum Corporation is reporting a release at the following location (1/23/2014).

Red Raider BKS State #1
30-025-29141
Section 25, T24S-R33E
Lea County, New Mexico

Released: Approximately 130 B/PW; Recovered: 0 B/PW

There was an illegal dumping of produced water discovered off the southwest edge of the production pad. No information on who (operator or trucking company) illegally dumped the produced water.

A Form C-141 Initial will be submitted with complete information.

Thank you.

Robert Asher

NM Environmental Regulatory Supervisor

Yates Petroleum Corporation
105 S. 4th Street
Artesia, NM 88210
575-748-4217 (Office)
575-365-4021 (Cell)

District I

1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720

District II

811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720

District III

1000 Rio Brazos Rd., Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170

District IV

1220 S. St Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3470 Fax: (505) 476-3462

State of New Mexico
Energy, Minerals and Natural
Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505
Change of Operator

Form C-145
August 1, 2011

Permit 207583

Previous Operator Information

OGRID: 25575
Name: YATES PETROLEUM CORPORATION
Address: 105 S 4TH ST
City, State, Zip: ARTESIA, NM 88210

New Operator Information

Effective Date: Effective on the date of approval by the OCD
OGRID: 270329
Name: ENDURANCE RESOURCES LLC
Address: 15455 Dallas Parkway
Suite 1050
City, State, Zip: Addison, TX 75234

I hereby certify that the rules of the Oil Conservation Division have been complied with and that the information on this form and the certified list of wells is true to the best of my knowledge and belief.

Additionally, by signing below, ENDURANCE RESOURCES LLC certifies that it has read and understands the following synopsis of applicable rules.

PREVIOUS OPERATOR certifies that all below-grade tanks constructed and installed prior to June 16, 2008 associated with the selected wells being transferred are either (1) in compliance with 19.15.17 NMAC, (2) have been closed pursuant to 19.15.17.13 NMAC or (3) have been retrofitted to comply with Paragraphs 1 through 4 of 19.15.17.11(l) NMAC.

ENDURANCE RESOURCES LLC understands that the OCD's approval of this operator change:

1. constitutes approval of the transfer of the permit for any permitted pit, below-grade tank or closed-loop system associated with the selected wells; and
2. constitutes approval of the transfer of any below-grade tanks constructed and installed prior to June 16, 2008 associated with the selected wells, regardless of whether the transferor has disclosed the existence of those below-grade tanks to the transferee or to the OCD, and regardless of whether the below-grade tanks are in compliance with 19.15.17 NMAC.

As the operator of record of wells in New Mexico, ENDURANCE RESOURCES LLC agrees to the following statements:

1. I am responsible for ensuring that the wells and related facilities comply with applicable statutes and rules, and am responsible for all regulatory filings with the OCD. I am responsible for knowing all applicable statutes and rules, not just the rules referenced in this list. I understand that the OCD's rules are available on the OCD website under "Rules," and that the Water Quality Control Commission rules are available on the OCD website on the "Publications" page.
2. I understand that if I acquire wells from another operator, the OCD must approve the operator change before I begin operating those wells. See 19.15.9.9.B NMAC. I understand that if I acquire wells or facilities subject to a compliance order addressing inactive wells or environmental cleanup, before the OCD will approve the operator change it may require me to enter into an enforceable agreement to return those wells to compliance. See 19.15.9.9.C(2) NMAC.
3. I must file a monthly C-115 report showing production for each non-plugged well completion for which the OCD has approved an allowable and authorization to transport, and injection for each injection well. See 19.15.7.24 NMAC. I understand that the OCD may cancel my authority to transport from or inject into all the wells I operate if I fail to file C-115 reports. See 19.15.7.24.C NMAC.
4. I understand that New Mexico requires wells that have been inactive for certain time periods to be plugged or placed on approved temporary abandonment. See 19.15.25.8 NMAC. I understand the requirements for plugging and approved temporary abandonment in 19.15.25 NMAC. I understand that I can check my compliance with the basic requirements of 19.15.25.8 NMAC by using the "Inactive Well List" on OCD's website.
5. I must keep current with financial assurances for well plugging. I understand that New Mexico requires each state or fee well that has been inactive for more than two years and has not been plugged and released to be covered by a single-well financial assurance, even if the well is also covered by a blanket financial assurance and even if the well is on approved temporary abandonment status. See 19.15.8.9.C NMAC. I understand that I can check my compliance with the single-well financial assurance requirement by using the "Inactive Well Additional Financial Assurance Report" on the OCD's website.
6. I am responsible for reporting releases as defined by 19.15.29 NMAC. I understand the OCD will look to me as the operator of record to take corrective action for releases at my wells and related facilities, including releases that occurred before I became operator of record.
7. I have read 19.15.5.9 NMAC, commonly known as "Part 5.9," and understand that to be in compliance with its requirements I must have the appropriate financial assurances in place, comply with orders requiring corrective action, pay penalties assessed by the courts or agreed to by me in a settlement agreement, and not have too many wells out of compliance with the inactive well rule (19.15.25.8 NMAC). If I am in violation of Part 5.9, I may not be allowed to drill, acquire or produce any additional wells, and will not be able to obtain any new injection permits. See 19.15.16.19 NMAC, 19.15.26.8 NMAC, 19.15.9.9 NMAC and 19.15.14.10 NMAC. If I am in violation of Part 5.9 the OCD may, after notice and hearing, revoke my existing injection permits. See 19.15.26.8 NMAC.
8. For injection wells, I understand that I must report injection on my monthly C-115 report and must operate my wells in compliance with 19.15.26 NMAC and the terms of my injection permit. I understand that I must conduct mechanical integrity tests on my injection wells at least once every five years. See 19.15.26.11 NMAC. I understand that when there is a continuous one-year period of non-injection into all wells in an injection or storage project or into a saltwater disposal well or special purpose injection well, authority for that injection automatically terminates. See 19.15.26.12 NMAC. I understand that if I transfer operation of an injection well to another operator, the OCD must approve the transfer of authority to inject, and the OCD may require me to demonstrate the well's mechanical integrity prior to approving that transfer. See 19.15.26.15 NMAC.
9. I am responsible for providing the OCD with my current address of record and emergency contact information, and I am responsible for updating that information when it changes. See 19.15.9.8.C NMAC. I understand that I can update that information on the OCD's website under "Electronic Permitting."
10. If I transfer well operations to another operator, the OCD must approve the change before the new operator can begin operations. See 19.15.9.9.B NMAC. I remain responsible for the wells and related facilities and all related regulatory filings until the OCD approves the operator change. I understand that the transfer will not relieve me of responsibility or liability for any act or omission which occurred while I operated the wells and related facilities.

Previous Operator

Signature: Kathy H. Porter
Printed Name: Kathy H. Porter
Title: Attorney-in-Fact
Date: 7/22/15 Phone: 575-748-1471

New Operator

Signature: [Signature]
Printed Name: Donald C. Ritter
Title: CEO
Date: 7/20/2015 Phone: 469-552-3757

NMOCD Approval

Electronic Signature: Paul Kautz, District 1
Date: July 31, 2015

District I

1625 N. French Dr., Hobbs, NM 88240
 Phone:(575) 393-6161 Fax:(575) 393-0720

District II

811 S. First St., Artesia, NM 88210
 Phone:(575) 748-1283 Fax:(575) 748-9720

District III

1000 Rio Brazos Rd., Aztec, NM 87410
 Phone:(505) 334-6178 Fax:(505) 334-6170

District IV

1220 S. St Francis Dr., Santa Fe, NM 87505
 Phone:(505) 476-3470 Fax:(505) 476-3462

**State of New Mexico
 Energy, Minerals and Natural
 Resources
 Oil Conservation Division
 1220 S. St Francis Dr.
 Santa Fe, NM 87505**

Wells Selected for Transfer

Permit 207583
 Permit Status: DRAFT

Wells Selected for Transfer

From:	YATES PETROLEUM CORPORATION	OGRID:	25575
To:	ENDURANCE RESOURCES LLC	OGRID:	270329

OCD District Hobbs

Property	Well	Lease Type	ULSTR	OCD Unit	API	Well Type	Pool ID	Pool Name	Last Prod/Inj	Additional Bonding
38003	RED RAIDER BKS STATE #001	S	J-25-24S-33E	J	30-025-29141	O	96434	RED HILLS;BONE SPRING, NORTH	05/15	0
	RED RAIDER BKS STATE #002H	S	B-25-24S-33E	B	30-025-39716	O	96434	RED HILLS;BONE SPRING, NORTH	05/15	0

Total Additional bond	0
------------------------------	----------