RECEIVED District I State of New Me Energy Minerals and Natur By JKeyes at 3:20 pm, Apr 11, 2016 1625 N. French Dr., Hobbs, NM 88240 District II 811 S. First St., Artesia, NM 88210 District III Subn **Oil Conservation Division** 1000 Rio Brazos Road, Aztec, NM 87410 APPROVED 1220 South St. Francis Dr. District IV 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 Amber Griffin Address Telephone No. 104 S. 4th Street 575-748-1471 Facility Name Facility Type Bilbrey SWD #1 Salt Water Disposal Surface Owner Mineral Owner API No. Federal Federal 30-025-27620 LOCATION OF RELEASE Section Unit Letter Township Feet from the North/South Line Feet from the East/West Line Range County В 5 22S 32E North 660 1980 East Lea Latitude 32.42597 Longitude 103.69426 NATURE OF RELEASE Type of Release Volume of Release Volume Recovered Produced Water 20 B/PW 18 B/PW Source of Release Date and Hour of Occurrence Date and Hour of Discovery Discharge line on water pump 6/2/2015; AM 6/2/2015; AM Was Immediate Notice Given? If YES, To Whom? Yes No X Not Required N/A By Whom? N/A Date and Hour N/A 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.* The water pump discharge line ruptured, causing the release. Vacuum truck(s) and roustabout crews were called. Describe Area Affected and Cleanup Action Taken.* This release occurred on top of the 4/1/2015 (1RP-3606) release. An approximate area of 40' X 30' was affected within the berm and an approximate area of 0.0253 acres was affected outside of the berm. Most of the fluid was contained in the berm, with some overspray on the northwest side. The wells were shut in and vacuum trucks were called to recover the spill. The current tanks are going to be moved to a different part of the production pad to help with clean-up of this site. Once tanks are moved, 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 200-225', Section 5, T22S-R32E, per Trend Map), Wellhead Protection Area: No, Distance to Surface Water Body: >1000', SITE RANKING IS 0. Yates Petroleum requests closure based off all work being completed as per NMOCD approved work plan. 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: Jam Huye Approved by Environmental Specialist: Printed Name: Amber Griffin 111 Title: NM Environmental Regulatory Agent **Expiration Date:** Approval Date: E-mail Address: agriffin@yatespetroleum.com Conditions of Approval: Attached \Box 111 Date: March 9, 2016 Phone: 575-748-4111 1RP-3669

* Attach Additional Sheets If Necessary