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

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

State of New Mexico Energy Minerals and Natural Resources

AUG 28 2012

RECEIVED

Form C-141 Revised October 10, 2003

NMOCD ARTES Aid 2 Copies to appropriate with Rule 116 on back side of form

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

| nJMW1225550869 Release Notification and Corrective Action Initial Report Final Report | | |
|------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------|--|
| Name of Company OGRID Number | | |
| Yates Petroleum Corporation 25575 | Amanda Trujillo | |
| Address | Telephone No. | |
| 104 S. 4 ¹¹¹ Street API Number | 575-748-1471 | |
| Amole AMM State #4 30-015-28542 | Facility Type Order Number Well 2RP- | |
| 741101C FAVING STATE #4 50-013-263-42 | Well ZRF- | |
| Surface Owner Mineral Ow | \$ · · · · · · · · · · · · · · · · · · · | |
| State State | LG - 864 | |
| LOCATION OF RELEASE | | |
| | orth/South Line Feet from the East/West Line County | |
| 1 16 19S 25E 1980 | South 660 East EDDY | |
| | RE OF RELEASE | |
| Type of Release | Volume of Release Volume Recovered | |
| Oil and Produced Water Source of Release | 7 bbls Oil 10 bbls PW 0 Date and Hour of Occurrence Date and Hour of Discovery | |
| Broken Flowline | 8/23/2012 - PM 8/23/2012 - PM | |
| Was Immediate Notice Given? | If YES, To Whom? | |
| | red Mike Bratcher - NMOCD/Artesia | |
| By Whom? | Date and Hour | |
| Amanda Trujillo – Yates Petroleum Corporation | 8/28/2012 pm | |
| Was a Watercourse Reached? Yes ⊠ No | If YES, Volume Impacting the Watercourse. N/A | |
| If a Watercourse was Impacted, Describe Fully.* | | |
| Describe Cause of Problem and Remedial Action Taken.* | | |
| Describe Area Affected and Cleanup Action Taken.* | in and repairs made. Vacuum truck was dispatched to control meident | |
| | ocated South of the well on the edge of the well pad. Soil from the pooling areas w | |
| excavated and placed in plastic and will be disposed of at an NMOC | approved facility. Vertical and horizontal delineation samples will taken and | |
| | een removed. Depth to Ground Water: >50' (approx. 95', per New Mexico State | |
| Engineers Office); Wellhead Protection Area: No; Distance to Su | face Water Body: >1000'; SITE RANKING IS 10. to the best of my knowledge and understand that pursuant to NMOCD rules and | |
| | se notifications and perform corrective actions for releases which may endanger | |
| -public-health or-the environment. The acceptance of a C-141 report l | the NMOCD marked as "Final Report" does not relieve the operator of liability | |
| | diate contamination that pose a threat to ground water, surface water, human health | |
| for the environment. In addition, NMOCD acceptance of a C-141 rep federal, state, or local laws and/or regulations. | rt does not relieve the operator of responsibility for compliance with any other | |
| reactal, state, or rogic laws and/or regulations. | OIL CONSERVATION DIVISION | |
| | OIL CONSERVATION DIVISION | |
| Signature: Tuylo | | |
| Printed Name, Amanda Trujillo | Approved by District Supervisor. Signed By Mily Branch | |
| Title, Environmental Scientist | Approval Date: SEP 1 1 2012 Expitation Date. | |
| E-mail Address: atrujillo@vatespetroleum com | Conditions of Approval | |
| Date: Tuesday, August 28, 2012 Phone: 575-748-4310 | Attached | |
| Attach Additional Sheets If Necessary | Remediation per OCD Rules & 2RP-1282 | |

Remediation per OCD Rules & **Guidelines. SUBMIT REMEDIATION** PROPOSAL NOT LATER THAN: October 11, 2012

Bratcher, Mike, EMNRD

From: Amanda Trujillo <atrujillo@yatespetroleum.com>

Sent: Tuesday, August 28, 2012 3:26 PM

To: Bob Asher; Jerry Fanning; Bratcher, Mike, EMNRD

Subject: (Release) Amole AMM #4 **Attachments:** Amole AMM #4 (8-23-12).pdf

Mr. Bratcher:

Yates Petroleum reports a release at the following location:

Amole AMM State #4 Section 16, Township 19 South, Range 25 East Eddy County

Date of Release: 08-23-2012

Approximately 7 barrels of oil and 10 barrels produced water were released 0 barrels recovered

Cause of release has been isolated and repairs have been made

Site will be evaluated and a work plan for remediation will be submitted for consideration.

If you should have any questions please feel free to contact me at the number below.

Thank you,

Amanda N. Trujillo
Environmental Scientist
Yates Petroleum Corporation
Office 575-748-4310
Cell 575-703-6537
Email atrujillo@yatespetroleum.com

This message may contain confidential information and is intended for the named recipient only. If you are not the intended recipient you are notified that disclosing, copying, distributing or taking any action in reliance on the contents of this information is strictly prohibited. E-mail transmission cannot be guaranteed to be secure or error-free as information could be intercepted, corrupted, lost, destroyed, arrive late or incomplete, or contain viruses. The sender therefore does not accept liability for any errors or omissions in the contents of this message, which arise as a result of e-mail transmission. If verification is required please request a hard-copy version.