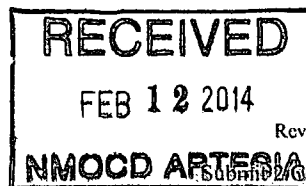


District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

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 Llama ALL Federal #1 Battery | API Number 30-015-28093 | Facility Type Battery |

| | | |
|--------------------------|--------------------------|-----------------------|
| Surface Owner Federal | Mineral Owner Federal | Lease No. NM-81952 |
|--------------------------|--------------------------|-----------------------|

LOCATION OF RELEASE

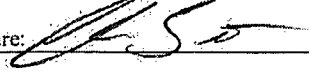
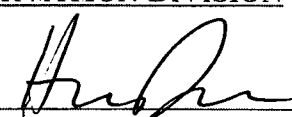
| | | | | | | | | |
|------------------|--------------|-----------------|--------------|-----------------------|---------------------------|-----------------------|------------------------|----------------|
| Unit Letter M | Section 7 | Township 22S | Range 31E | Feet from the 330' | North/South Line South | Feet from the 950' | East/West Line West | County Eddy |
|------------------|--------------|-----------------|--------------|-----------------------|---------------------------|-----------------------|------------------------|----------------|

Latitude 32.39957 Longitude -103.82199

NATURE OF RELEASE

| | | |
|--|---|--|
| Type of Release Crude Oil/ Produced Water | Volume of Release 20 B/O 10 B/PW | Volume Recovered 0 B/O 0 B/PW |
| Source of Release Rupture of flow line | Date and Hour of Occurrence 01/04/2014; PM | Date and Hour of Discovery 01/04/2014; PM |
| Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required | If YES, To Whom? Mike Bratcher, Randy Dade, Jim Amos | |
| By Whom? Robert Asher | Date and Hour 01/05/2014 7:41 am | |
| 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: Steel flow line developed a leak releasing crude oil and produced water, new connection and line were installed to alleviate the problem. | | |
| Describe Area Affected and Cleanup Action Taken: Release affected approximately 5' of the berm and an area outside of the berm flowing NW of the location. The outside area affected is 50' N of the berm, along a line 110' W, then follow a line 60' S, then a line 75' SE back to the berm at a point approximately 5 feet from the NW corner of the berm. The affected berm is to be excavated and removed, along with the area off of location to be excavated and back dragged. 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). Impacted soils were excavated and hauled to a NMOCD approved facility. Depth to Ground Water: >100' (approximately 150', Section 7, T22S-R31E, per Trend Map), Wellhead Protection Area: No, Distance to Surface Water Body: > 1000', SITE RANKING IS 0. Based on analytical results, impacted soils excavated and 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. | | |

OIL CONSERVATION DIVISION

| | | |
|--|--|-----------------------------------|
| Signature:  | Approved by District Supervisor:  | |
| Printed Name: Chase Settle | Approval Date: 9/9/14 | Expiration Date: NA |
| Title: NM Environmental Regulatory Agent | Conditions of Approval: | Attached <input type="checkbox"/> |
| E-mail Address: csettle@yatespetroleum.com | 2RP-2158 Final | |
| Date: Tuesday, February 11, 2014 | Phone: 575-748-4171 | |