

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

Form C-141
Revised October 10, 2003

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

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

nMLB1205447578

| | | |
|--|-------------------------------|--------------------------|
| Name of Company Yates Petroleum Corporation | OGRID Number 25575 | Contact Amber Cannon |
| Address 105 S. 4 TH Street | Telephone No. 575-748-1471 | |
| Facility Name Loving AIB State #1 | API Number 30-015-22889 | Facility Type Battery |
| | Order Number 2RP- | |

| | | |
|----------------------|------------------------|---------------------|
| Surface Owner Fee | Mineral Owner State | Lease No. V-3346 |
|----------------------|------------------------|---------------------|

LOCATION OF RELEASE

| | | | | | | | | |
|------------------|---------------|-----------------|--------------|-----------------------|---------------------------|-----------------------|------------------------|----------------|
| Unit Letter G | Section 16 | Township 23S | Range 28E | Feet from the 1550 | North/South Line North | Feet from the 1780 | East/West Line East | County Eddy |
|------------------|---------------|-----------------|--------------|-----------------------|---------------------------|-----------------------|------------------------|----------------|

NATURE OF RELEASE

| | | |
|--|--|---|
| Type of Release Produced Water | Volume of Release 590 B/PW; <1 B/O | Volume Recovered 520 B/PW; <1 B/O |
| Source of Release Water pump | Date and Hour of Occurrence 2/17/2012 | Date and Hour of Discovery 2/17/2012 |
| Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required | If YES, To Whom? Mike Bratcher – NMOCD/Artesia | |
| By Whom? Amber Cannon – Yates Petroleum Corporation | Date and Hour 2/17/2012, AM (Via voicemail and Email) | |
| Was a Watercourse Reached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | If YES, Volume Impacting the Watercourse N/A | |

NMOCD ARTESIA
 FEB 21 2012
RECEIVED

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

Describe Cause of Problem and Remedial Action Taken.*
On 2/17/2012 the air eliminator on top of the water pump failed. This allowed water to flow through the pump and out of it onto the ground. The valve to the air eliminator was shut and a vacuum truck was called to pick up released water.

Describe Area Affected and Cleanup Action Taken.*
An approximate area of 96' X 32' (inside the lined/bermed battery), 100' x 100' (on wellpad) and 2' x 40' (off of well pad). The release took place inside of a bermed/lined tank battery, an unlined/bermed well pad, and also an area off the wellpad due to a berm drain valve being mistakenly left open (valve was closed upon discovery of it being opened). Release inside the lined/bermed battery was recovered by vacuum truck. All other impacted soils will be excavated and disposed of at an NMOCD approved facility. Vertical and horizontal delineation samples will be taken and analysis ran for TPH & BTEX (Chlorides for reference). **Depth to Ground Water: <100' (approx. 55', per New Mexico Office of the State Engineer); Wellhead Protection Area: No; Distance to Surface Water Body: >1000'; SITE RANKING IS 20.**

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: <i>Amber Cannon</i> | OIL CONSERVATION DIVISION | |
| Printed Name: Amber Cannon | Signed By <i>Mike Bratcher</i> Approved by District Supervisor. | |
| Title: Environmental Regulatory Agent Trainee | Approval Date: FEB 23 2012 | Expiration Date: |
| E-mail Address: <i>acannon@yatespetroleum.com</i> | Conditions of Approval: Remediation per OCD Rules & Guidelines. SUBMIT REMEDIATION PROPOSAL NOT LATER THAN: | Attached <input type="checkbox"/> |

* Attach Additional Sheets If Necessary

3/23/2012

2RP-1040

Bratcher, Mike, EMNRD

From: Amber Cannon [ACannon@yatespetroleum.com]
Sent: Friday, February 17, 2012 8:21 AM
To: Bratcher, Mike, EMNRD
Cc: Bob Asher; Lisa Norton; Jerry Fanning; Amanda Trujillo; Jeremy Haass
Subject: Release (Loving AIB State #1 Battery)

Mike,

Yates Petroleum Corporation is reporting a release at the following location.

Loving AIB State #1 Battery
30-015-22889
Section 16, T23S-R28E
Eddy County, New Mexico

Date/Time of Release: 2/17/2012

Released: Approximately 150 B/PW
Recovered: Not known at this time
Release was from the water tank, no further details.

A C-141 Report will be submitted with complete information.

Thank you.

Amber Cannon
Environmental Regulatory Agent
acannon@yatespetroleum.com
575-748-4111 (Office)
575-513-8799 (Cell)



New Mexico Office of the State Engineer

Wells with Well Log Information

(quarters are 1=NW 2=NE 3=SW 4=SE)

(quarters are smallest to largest) (NAD83 UTM in meters)

(in feet)

| POD Number | Sub basin | Use | County | Source | q q q | | | X | Y | Start Date | Finish Date | Log File Date | Depth | | | | |
|----------------|-----------|-----|--------|---------|--------|-----|-----|----|-----|------------|-------------|---------------|------------|------------|------------|-----|----|
| | | | | | 6416 4 | Sec | Tws | | | | | | Rng | Well | Water | | |
| <u>C 00311</u> | C | DOM | ED | Shallow | 4 | 2 | 1 | 16 | 23S | 28E | 585353 | 3575152* | 06/23/1952 | 07/05/1952 | 07/17/1952 | 163 | 55 |
| <u>C 00520</u> | C | DOM | ED | Shallow | 1 | 1 | 3 | 16 | 23S | 28E | 584754 | 3574538* | 01/12/1954 | 01/19/1954 | 03/22/1954 | 115 | 33 |
| <u>C 00521</u> | C | STK | ED | Shallow | 1 | 1 | 3 | 16 | 23S | 28E | 584754 | 3574538* | 01/03/1954 | 01/12/1954 | 03/22/1954 | 218 | 33 |

Record Count: 3

PLSS Search:

Section(s): 16

Township: 23S

Range: 28E

TM location was derived from PLSS - see Help

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