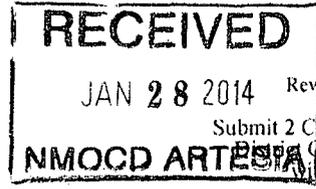


District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

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
Office in accordance
with Rule 116 on back
side of form

Release Notification and Corrective Action

nHMP 1409130181

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 Hanagan APL Federal Com #3-H	API Number 30-015-39801	Facility Type Battery
Surface Owner Federal	Mineral Owner Federal	Lease No. NM-62211

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
M	31	19S	30E	660	South	180	West	Eddy

Latitude 32.61140 Longitude -104.01875

NATURE OF RELEASE

Type of Release Brine Water	Volume of Release 75 B/BW	Volume Recovered 55 B/BW
Source of Release Drilling operations	Date and Hour of Occurrence 01/16/2014; AM	Date and Hour of Discovery 01/16/2014; AM
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 01/17/2014; 8:58 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.*
During drilling operations an air pocket caused a release of brine water by forcing the fluid back up the drill stem. Crews used squeegees to push fluid to the nearest flow ditches to the well cellar in order to collect the brine water and transport back to pits.

Describe Area Affected and Cleanup Action Taken.*
An approximate area of 95' X 55' around the drill stem. 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: 50-99' (70', Section 31, T19S-R30E, Chevron Texaco Trend Map), Wellhead Protection Area: No, Distance to Surface Water Body: > 1000', SITE RANKING IS 10.**

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 Supervisor	Approval Date: <u>4-1-14</u>	Expiration Date: <u>NA</u>
E-mail Address: <u>csettle@yatespetroleum.com</u>	Conditions of Approval: Remediation per OCD Rule & Guidelines. SUBMIT REMEDIATION PROPOSAL NO LATER THAN:	Attached <input type="checkbox"/>

Date: Tuesday, January 28, 2014 Phone: 575-748-4171

* Attach Additional Sheets If Necessary

PROPOSAL NO LATER THAN:
5-1-14

2RP-2239

Bratcher, Mike, EMNRD

From: Chase Settle <CSettle@yatespetroleum.com>
Sent: Tuesday, January 28, 2014 1:10 PM
To: Bratcher, Mike, EMNRD; Duncan Whitlock (dwhitloc@blm.gov)
Cc: Bob Asher; jamos@blm.gov
Subject: Hanagan APL Federal Com. #3-H C141
Attachments: C141 Hanagan APL Fed Com #3-H (1-28-14 Initial).pdf

Mr. Bratcher,

Please find attached the C141 Initial for the release mentioned below.

Hanagan APL Federal Com. #3-H
30-015-39801
Section 31, T19S-R30E
Eddy County, New Mexico

Released: Approximately 75 B/Brine Water; Recovered: 55 B/Brine Water

Thanks,

Chase Settle

Environmental Regulatory Agent
Yates Petroleum Corporation
105 S. 4th Street
Artesia, NM 88210
575-748-4171 (Office)
575-703-6537 (Cell)

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.

Bratcher, Mike, EMNRD

From: Bob Asher <BobA@yatespetroleum.com>
Sent: Friday, January 17, 2014 8:58 AM
To: Bratcher, Mike, EMNRD; Dade, Randy, EMNRD; jamos@blm.gov
Cc: Amber Cannon; Chase Settle; Katie Parker; Lupe Carrasco
Subject: Release (Hanagan APL Federal Com. #3-H)

Yates Petroleum Corporation is reporting a release at the following location (1/16/2014).

Hanagan APL Federal Com. #3-H
30-015-39801
Section 31, T19S-R30E
Eddy County, New Mexico

Released: Approximately 75 B/Brine Water; Recovered: 55 B/Brine Water

Release of brine water occurred during drilling operations. Vacuum truck(s) were called.

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)

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.
