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APR 14 2014

NMOCD ARTESIA

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

nHMP1410431814

OPERATOR Initial Report Final Report

Name of Company Yates Petroleum Corporation	OGRID Number 25575	Contact Amber Cannon
Address 104 S. 4 TH Street	Telephone No. 575-748-1471	
Facility Name Dagger ZW Battery Pipeline	API Number 30-015-25787	Facility Type Water Transfer Pipeline
Surface Owner Fee	Mineral Owner	Lease No.

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
	31	19S	25E					Eddy

Latitude ___ Longitude ___

NATURE OF RELEASE

Type of Release Produced Water/Crude Oil	Volume of Release Unknown B/PW, Unknown B/O	Volume Recovered 880 B/PW, 30 B/O
Source of Release Pipeline	Date and Hour of Occurrence 4/2/2014 - AM	Date and Hour of Discovery 4/2/2014 - 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/NMOCD II	
By Whom? Amber Cannon/Yates Petroleum Corporation	Date and Hour 4/3/2014 (E-mail)	
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.*
Battery and wells that were previously shut-in were turned back on for production. As a result, produced water and crude oil made its way through the pipeline and released into the area that had started being excavated from 3/29/2014 release. Vacuum truck(s) called to recover releases liquids. Backhoe crew was already on location excavating impacted soils from 3/29/2014 release.

Describe Area Affected and Cleanup Action Taken.*
An approximate area of 400' X 200'. Battery and wells tied into pipeline were shut-in. A "T" was found on the pipeline and crews capped it off. Impacted soils being excavated and scraped from release area and being hauled to an NMOCD approved facility. 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. Depth to Ground Water: >100' (228' ChevronTexaco Trend Map), Wellhead Protection Area: No, Distance to Surface Water Body: >1000', SITE RANKING IS 0.

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	Approved by District Supervisor: <i>[Signature]</i>	
Title: Environmental Regulatory Agent	Approval Date: <i>4/14/14</i>	Expiration Date: <i>NA</i>
E-mail Address: <i>acannon@yatespetroleum.com</i>	Conditions of Approval: Remediation per OCD Rule & Guidelines. SUBMIT REMEDIATION	Attached <input type="checkbox"/>
Date: Friday, April 11, 2014 Phone: 575-748-1471	PROPOSAL NO LATER THAN: <i>5/14/14</i>	

2RP-2258

Bratcher, Mike, EMNRD

From: Amber Cannon <ACannon@yatespetroleum.com>
Sent: Thursday, April 03, 2014 7:29 AM
To: Bratcher, Mike, EMNRD; Patterson, Heather, EMNRD; Dade, Randy, EMNRD
Cc: Bob Asher; Katie Parker; Chase Settle
Subject: Release (Section 19, T19S-R25E) - 4/2/2014

Yates Petroleum Corporation is reporting a release at the following location (4/2/2014).

Section 19, T19S-R25E
Eddy County, New Mexico

Released: Unknown; Recovered: Unknown at this time.

Cause of release is from the same line as the release reported on 3/29/2014. The Production department turned wells in the area back on causing produced water and oil to spill from the line. All water and oil was contained within holes that had already been dug at the release location. Vacuum trucks were called to recover fluids. At this time the release has not been designated with a water system name or API Number.

Complete information will be submitted in a Form C-141.

Thank you.

Amber Cannon

Environmental Regulatory Agent
Yates Petroleum Corporation
Office: (575) 748-4111
Cell: (575) 513-8799

Patterson, Heather, EMNRD

From: Amber Cannon <ACannon@yatespetroleum.com>
Sent: Friday, April 11, 2014 4:24 PM
To: Bratcher, Mike, EMNRD; Patterson, Heather, EMNRD
Cc: Bob Asher
Subject: RE: Release (Section 19, T19S-R25E) - 4/2/2014
Attachments: Dagger ZW Pipeline_C141_040214 Initial.pdf

Please find attached the initial C-141 for the below release.

I corrected the section to 31 on the 141.

Thanks,
Amber

From: Amber Cannon
Sent: Thursday, April 03, 2014 7:29 AM
To: Bratcher, Mike, EMNRD; Heather Patterson; Dade, Randy, EMNRD (Randy.Dade@state.nm.us)
Cc: Bob Asher; Katie Parker ; Chase Settle
Subject: Release (Section 19, T19S-R25E) - 4/2/2014

Yates Petroleum Corporation is reporting a release at the following location (4/2/2014).

Section 19, T19S-R25E
Eddy County, New Mexico

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Complete information will be submitted in a Form C-141.

Thank you.

Amber Cannon

Environmental Regulatory Agent
Yates Petroleum Corporation
Office: (575) 748-4111
Cell: (575) 513-8799

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