

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

HOBBS OCD

SEP 22 2014

RECEIVED

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 Belco AIA Federal #1	API Number 30-025-26826	Facility Type Battery

Surface Owner Federal	Mineral Owner Federal	Lease No. NM- 63016
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LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
J	14	20S	32E	1980'	South	1980'	East	Lea

Latitude 32.57120 Longitude -103.73433

NATURE OF RELEASE

Type of Release Crude Oil and Produced Water	Volume of Release 10 B/O, 290 B/PW	Volume Recovered 0 B/O, 150 B/PW
Source of Release Failure of a transfer flow line under pressure.	Date and Hour of Occurrence 03/29/2014; AM	Date and Hour of Discovery 03/29/2014; 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, Duncan Whitlock, Jim Amos	
By Whom? Amber Cannon	Date and Hour 03/29/2014; PM	
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.*
A transfer pump was switched on causing the produced water transfer flow line to pressure up and rupture.

Describe Area Affected and Cleanup Action Taken.*
An approximate area of 221' X 77' was affected south of the batteries off the location, and an area approximately 150' X 60' north and east of the batteries was affected on the production pad. Impacted soils will be excavated and hauled to a 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 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' (>76', Section 14, T20S-R32E, no groundwater present above 76' per previous core data 09/17/2007), Wellhead Protection Area: No, Distance to Surface Water Body: > 1000', SITE RANKING IS 10. Based on completion of Work Plan (scope of work, analytical data, release sketch enclosed with Work Plan) dated and approved by NMOCD on 7/8/2014, 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.

Signature: 	OIL CONSERVATION DIVISION	
Printed Name: Chase Settle	Approved by District Supervisor: <i>Environment Specialist</i>	
Title: NM Environmental Regulatory Agent	Approval Date: <i>9-22-14</i>	Expiration Date: <i>—</i>
E-mail Address: csettle@yatespetroleum.com	Conditions of Approval: <i>—</i>	Attached <input type="checkbox"/>
Date: Monday, September 22, 2014 Phone: 575-748-4171	2RP-	<i>IRP-3337</i>

Ogrid 25575
N 70 14 26 S 3 93 60
P 70 14 26 S 3 95 47

SEP 22 2014