

District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 S. First St., 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

NM OIL CONSERVATION

ARTESIA DISTRICT

NOV 03 2014

Form C-141
Revised August 8, 2011

Submit 1 Copy to appropriate District Office in accordance with '19.15.29 NMAC.

RECEIVED

Release Notification and Corrective Action

NAB1430737555

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. 575-748-4111 | |
| Facility Name Loving AIB State #2 | Facility Type Well head/Pump Jack | |
| Surface Owner Fee | Mineral Owner State | API No. 30-015-26497 |

LOCATION OF RELEASE

| Unit Letter | Section | Township | Range | Feet from the | North/South Line | Feet from the | East/West Line | County |
|-------------|---------|----------|-------|---------------|------------------|---------------|----------------|--------|
| J | 16 | 23S | 28E | 2080 | South | 2040 | East | Eddy |

Latitude 32.3036 Longitude 104.08998

NATURE OF RELEASE

| | | |
|--|---|--|
| Type of Release Crude Oil & Produced Water | Volume of Release 7 B/O & 8 B/PW | Volume Recovered 6 B/O & 7 B/PW |
| Source of Release Pumping Tee Flange | Date and Hour of Occurrence 10/24/2014; AM | Date and Hour of Discovery 10/24/2014; 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? Robert Asher/Yates Petroleum Corporation | Date and Hour 10/25/2014; AM (Email) | |
| Was a Watercourse Reached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | If YES, Volume Impacting the Watercourse. | |

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

Describe Cause of Problem and Remedial Action Taken.*
A hole in the B-1 flange caused the release. The leak was stopped; vacuum truck(s) and roustabout crew were called.

Describe Area Affected and Cleanup Action Taken.*
An approximate area of 20' x 30'. The area affected was on the production pad around the wellhead area. The leak was stopped, the pumping tee flange was repaired, and a vacuum truck recovered most of the release. Impacted soils on the production pad will be scraped and soils will be hauled to a NMOCD approved facility. Vertical and horizontal delineation samples will be taken and analysis ran for TPH & BTEX (chlorides for documentation).
Depth to Ground Water: <50' (approximately 35', per ChevronTexaco Trend Map), 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.

OIL CONSERVATION DIVISION

| | | |
|--|--|----------------------------|
| Signature: <i>Amber Cannon</i> | Approved by Environmental Specialist: <i>[Signature]</i> | |
| Printed Name: Amber Cannon | Approval Date: <i>11/3/14</i> | Expiration Date: <i>NA</i> |
| Title: NM Environmental Regulatory Agent | Conditions of Approval: | |
| E-mail Address: acannon@yatespetroleum.com | Attached <input type="checkbox"/> | |
| Date: October 30, 2014 | Phone: 575-748-4111 | |

Remediation per O.C.D. Rules & Guidelines
SUBMIT REMEDIATION PROPOSAL NO

LATER THAN: 12/4/14

*Emailed to NMOCD II ON 10-30-14
Copied to Produc/Master File 10-30-14
977*

2RP-2570

Patterson, Heather, EMNRD

From: Tanna Adams <TCAAdams@yatespetroleum.com>
Sent: Monday, November 03, 2014 8:49 AM
To: Patterson, Heather, EMNRD; Bratcher, Mike, EMNRD
Cc: Bob Asher; Amber Cannon
Subject: RE: Loving AIB State #2 C141
Attachments: Loving AIB State #2.pdf

Ms. Patterson,

My apologies! Attached is the signed C141 Initial for the Loving AIB State #2.

Thank you,
Tanna Adams

From: Patterson, Heather, EMNRD [<mailto:Heather.Patterson@state.nm.us>]
Sent: Monday, November 03, 2014 7:02 AM
To: Tanna Adams; Bratcher, Mike, EMNRD
Cc: Bob Asher; Amber Cannon
Subject: RE: Loving AIB State #2 C141

Ms. Adams,

The attached C-141 has not been signed yet. Can you please resend a signed version?
Thanks,

Heather Patterson
Environmental Specialist
NMOCD District II
(575)748-1283 ext.101

From: Tanna Adams [<mailto:TCAAdams@yatespetroleum.com>]
Sent: Thursday, October 30, 2014 3:50 PM
To: Bratcher, Mike, EMNRD
Cc: Bob Asher; Amber Cannon; Patterson, Heather, EMNRD
Subject: Loving AIB State #2 C141

Mr. Bratcher,

Please find attached the signed C141 Initial for the below listed location:

Loving AIB State #2
30-015-26497
Section 16, T23S-R28E
2080 FSL & 2040 FEL
Eddy County, New Mexico

Thank you,

Tanna Adams

Yates Petroleum Corporation

Environmental Tech

Environmental Department

TCAdams@yatespetroleum.com

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Patterson, Heather, EMNRD

From: Bob Asher <BobA@yatespetroleum.com>
Sent: Friday, October 24, 2014 3:56 PM
To: Bratcher, Mike, EMNRD; Patterson, Heather, EMNRD; Dade, Randy, EMNRD
Cc: Amber Cannon; Chase Settle; Katie Parker; Manuel Gonzalez; Tanna Adams
Subject: Release Notification (Loving AIB State #2)

Yates Petroleum Corporation is reporting a release at the following location (10/24/2014; 10:00 AM).

Loving AIB State #2
30-015-26497
Section 16, T23S-R28E
Eddy County, New Mexico

Released: approximately 30 B/PW; Recovered: In progress

Cause of release was from a hole in the pumping tee. Vacuum truck(s) called and in process of recovering release produced water. A Form C-141 with full detailed information will be submitted.

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)

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