

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

HOBBS OCD
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 August 8, 2011

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

Release Notification and Corrective Action

OPERATOR

Initial Report Final Report

| | |
|--|-------------------------------|
| Name of Company Yates Petroleum Corporation | Contact Robert Asher |
| Address 104 S. 4 th Street | Telephone No. 575-748-4171 |
| Facility Name Reba BNU State Com. #5 | Facility Type Battery |

| | | |
|------------------------|------------------------|-------------------------|
| Surface Owner State | Mineral Owner State | API No. 30-015-31243 |
|------------------------|------------------------|-------------------------|

LOCATION OF RELEASE

| | | | | | | | | |
|------------------|---------------|-----------------|--------------|-----------------------|---------------------------|-----------------------|------------------------|---------------|
| Unit Letter K | Section 32 | Township 11S | Range 35E | Feet from the 2300 | North/South Line South | Feet from the 1650 | East/West Line West | County Lea |
|------------------|---------------|-----------------|--------------|-----------------------|---------------------------|-----------------------|------------------------|---------------|

Latitude 33.32106 Longitude 103.43264

NATURE OF RELEASE

| | | |
|--|--|---|
| Type of Release Oil | Volume of Release 30 B/O | Volume Recovered 25 B/O |
| Source of Release Produced tank | Date and Hour of Occurrence 10/3/2014; PM | Date and Hour of Discovery 10/3/2014; PM |
| Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required | If YES, To Whom? Tomas Oberding/NMOCD I | |
| By Whom? Robert Asher/Yates Petroleum Corporation | Date and Hour 10/3/2014; PM (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.*

Describe Cause of Problem and Remedial Action Taken.*

Hole discovered in production tank. Vacuum truck(s) called.

An approximate area of 30' X 100' (inside bermed and lined battery). Remaining oil (83%) was recovered. The 5 bbls of oil was entrained within the gravel, gravel and oil removed, taken to an NMOCD facility for disposal, gravel in lined battery replace. **Depth to Ground Water: <50' (approximately 35', per the ChevronTexaco Trend Map. Wellhead Protection Area: No, Distance to Surface Water Body: > 1000', SITE RANKING IS 20. Based on the amounts of oil recovered, unrecoverable oil disposed and battery lined, 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.

OIL CONSERVATION DIVISION

| | | |
|--|--|--|
| Signature:  | Approved by Environmental Specialist:  | |
| Printed Name: Robert Asher | Approval Date: <u>11-7-14</u> | Expiration Date: <u>—</u> |
| Title: NM Environmental Regulatory Supervisor | Conditions of Approval: <u>2RP</u> | Attached <input type="checkbox"/> <u>1RP-3713</u> |
| E-mail Address: boba@yatespetroleum.com | Date: November 7, 2014 | Phone: 575-748-4217 |

* Attach Additional Sheets If Necessary

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