

MAR 05 2015

Form C-141
Revised October 10, 2003

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

RECEIVED

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. 575-748-4147 |
| Facility Name Sara AHA #1 Battery | API Number 30-015-23890 | Facility Type Battery |

| | | |
|----------------------|----------------------|-----------|
| Surface Owner Fee | Mineral Owner Fee | Lease No. |
|----------------------|----------------------|-----------|

LOCATION OF RELEASE

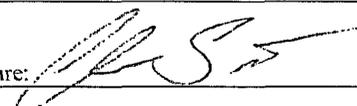
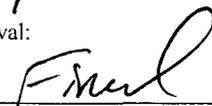
| Unit Letter | Section | Township | Range | Feet from the | North/South Line | Feet from the | East/West Line | County |
|-------------|---------|----------|-------|---------------|------------------|---------------|----------------|--------|
| I | 11 | 20S | 24E | 1980' | South | 660' | East | Eddy |

Latitude 32.58629 Longitude -104.55159

NATURE OF RELEASE

| | | |
|--|--|---|
| Type of Release Produced Water | Volume of Release 16 B/PW | Volume Recovered 11 B/PW |
| Source of Release Crude oil tank and produced water tank | Date and Hour of Occurrence 6/16/2014; AM | Date and Hour of Discovery 6/16/2014; AM |
| Was Immediate Notice Given? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Required | If YES, To Whom? N/A | |
| By Whom? N/A | Date and Hour N/A | |
| 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.* There was a failure of a produced water flow line causing a release of produced water. Line was closed and vacuum truck called. | | |
| Describe Area Affected and Cleanup Action Taken.* An approximate area of 350' X 10' was affected outside of the bermed battery. An approximate area of 100' X 60' and 115' X 5' was affected within the bermed battery. Vacuum trucks were called to remove standing fluid. 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 0) a Final Report, C-141 will be submitted to the OCD requesting closure. If the analytical results are above the RRAL's a work plan will be submitted to the OCD. Depth to Ground Water: >100' (approximately 170', Section 11, T20S-R24E, per Trend Map), Wellhead Protection Area: No, Distance to Surface Water Body: >1000', SITE RANKING IS 0. Based on completion of Work Plan (scope of work, analytical data, release sketch enclosed with Work Plan) dated 9/26/2014 and approved 10/9/2014 by NMOCD for 2RP-2363, Yates Petroleum 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

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|--|--|-----------------------------------|
| Signature:  | Approved by District Supervisor:  | |
| Printed Name: Chase Settle | Approval Date: <u>3/9/15</u> | Expiration Date: <u>N/A</u> |
| Title: Environmental Regulatory Agent | Conditions of Approval:  | |
| E-mail Address: CSettle@yatespetroleum.com | 2RP-2363 | Attached <input type="checkbox"/> |
| Date: Thursday, March 05, 2015 | Phone: 575-748-4171 | |