

NM OIL CONSERVATION
ARTESIA DISTRICT

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

FEB 23 2016

Form C-141
Revised August 8, 2011

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

RECEIVED by appropriate District Office in accordance with 19.15.29 NMAC.

Release Notification and Corrective Action

NAB 10051036909

| | | | | | |
|---|--|--------------------------|--------------------------|--|--|
| Name of Company Yates Petroleum Corporation | | 25575 | OPERATOR | <input checked="" type="checkbox"/> Initial Report | <input checked="" type="checkbox"/> Final Report |
| Address 104 S. 4 th Street, Artesia, NM 88210 | | Contact Chase Settle | | | |
| Facility Name Julie #2 Battery | | <i>(ROY AET #1)</i> | Facility Type Battery | | |
| Surface Owner Private | | Mineral Owner Private | | API No. 30-015-25905 | |

LOCATION OF RELEASE

| Unit Letter | Section | Township | Range | Feet from the | North/South Line | Feet from the | East/West Line | County |
|-------------|---------|----------|-------|---------------|------------------|---------------|----------------|--------|
| N | 8 | 19S | 25E | 660' | South | 1980' | West | Eddy |

Latitude 32.67042 Longitude -104.50895

NATURE OF RELEASE

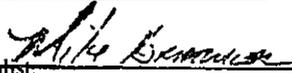
| | | |
|--|--|--|
| Type of Release Crude Oil | Volume of Release 65 B/O | Volume Recovered 65 B/O |
| Source of Release Casing failure and production tanks overflowed | Date and Hour of Occurrence 2/14/2016; 9:00 a.m. | Date and Hour of Discovery 2/14/2016; 9:00 a.m. |
| Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required | If YES, To Whom? Mike Bratcher, Heather Patterson | |
| By Whom? Amber Griffin | Date and Hour 2/14/2016; 3:29 p.m. | |
| 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.*
Fill valve left open on a full crude oil tank, caused crude oil tank to overflow.

Describe Area Affected and Cleanup Action Taken.* An approximate area of 100' X 30' was impacted within the steel containment of the battery. All released crude oil was recovered by vacuum truck(s). Due to the steel containment collecting all released crude oil and allowing for all the released crude oil to be recovered, a C-141 Initial/Final is submitted to the OCD requesting closure. Depth to Ground Water: >100' (approximately 105', Section 8, T19S-R25E, per Trend Map), Wellhead Protection Area: No, Distance to Surface Water Body: >1000', SITE RANKING IS 0. 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 | Signed By:  | |
| Title: NM Environmental Regulatory Agent | Approval Date: 2/25/16 | Expiration Date: N/A |
| E-mail Address: csettle@yatespetroleum.com | Conditions of Approval: FINAL | Attached <input type="checkbox"/> |
| Date: 02/23/2016 | Phone: 575-748-4171 | |

2RP-3561