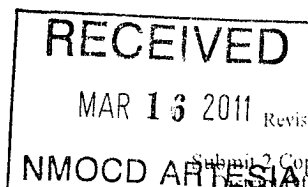


District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources

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



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			<input checked="" type="checkbox"/> Initial Report	<input checked="" type="checkbox"/> Final Report
Name of Company Yates Petroleum Corporation	OGRID Number 25575	Contact Amanda Trujillo		
Address 104 S. 4 TH Street	Telephone No. 575-748-1471			
Facility Name Koonunga Hill BGX Federal #1 Pipeline	API Number	Facility Type pipeline	Order Number 2RP- 736	
Surface Owner Federal	Mineral Owner Federal	Lease No.		

30-015-34380

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
E	19	22S	25E	1838	NORTH	1072	WEST	EDDY

NATURE OF RELEASE

Type of Release WATER <i>Produced Water</i>	Volume of Release 75	Volume Recovered 0
Source of Release Cold weather caused 6" zaplock waterline to freeze.	Date and Hour of Occurrence 2/10/2011	Date and Hour of Discovery 2/10/2011 - 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 - NMOC D/Artesia	
By Whom? Amanda Trujillo - Yates Petroleum Corporation	Date and Hour 02/11/2011 am	
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.*

Discharge waterline froze, causing a release of produced water. Release was held inside lined berm. Vacuum truck was dispatched to pick up standing liquids.

Describe Area Affected and Cleanup Action Taken.*

An approximate length of line is 7 miles. Cold weather caused 6" zaplock waterline to freeze. The line pulled apart in 22 places. The line was shut down at the time. It is calculated that approximately 2-3 bbls was released at each spot. Depth to Ground Water: >100' (approx. 100', per New Mexico Chevron/Texaco Trend Map); Wellhead Protection Area: No; Distance to Surface Water Body: >1000'; SITE RANKING IS 0. Based on site ground water quality and enclosed analytical results.

I hereby certify that the information given above is true and complete to the best of my knowledge and understand that pursuant to NMOC D 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 NMOC D 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, NMOC D 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: <i>A Trujillo</i>	OIL CONSERVATION DIVISION Accepted for record NMOC D	
Printed Name: Amanda Trujillo	Approved by District Supervisor: <i>4/11/2011</i>	
Title: Environmental Scientist	Approval Date:	Expiration Date:
E-mail Address: atrujillo@yatespetroleum.com	Conditions of Approval: <i>See email</i>	Attached <input checked="" type="checkbox"/>
Date: Wednesday, March 16, 2011	Phone: 575-748-4310	

* Attach Additional Sheets If Necessary



No analytical or water quality data was included with this submittal

Remediation per OCD Rules & Guidelines. SUBMIT REMEDIATION PROPOSAL NOT LATER THAN: *5/11/2011*

ACCEPTED AS INITIAL REPORT ONLY.
ANALYTICAL DATA AND REMEDIATION PROPOSAL REQUIRED

1

Bratcher, Mike, EMNRD

From: Bratcher, Mike, EMNRD
Sent: Thursday, March 17, 2011 3:52 PM
To: 'Amanda Trujillo'
Subject: RE: C-141 submittals

Amanda,

I can work with this, but I have some questions.

On the Koonunga Hills Pipeline release, this is probably a cut & paste or template error, but on the C-141, under Cause, you have listed that the release was held inside a lined berm. As I understand from the rest of the information, this was a cumulative 75 bbl release coming from 22 release points over a 7 mile stretch of pipeline. Please resubmit a corrected copy.

Where does this line begin and terminate?

Has BLM requested Yates to provide notification of releases on Fed properties?

When submitting C-141s, you have listed after the site ranking, "Based on site ground water quality and enclosed analytical results." Could you explain what you are referring to with this statement?

With the two releases on the Koonunga Hill BGX Fed #1 site, there was 5 bbls unaccounted for with each release. The C-141 for the 2/10/11 release indicates the gravel was replaced. Was the liner integrity checked? If it was, please send an addendum to the C-141 stating the condition of the liner and what the suspected or known 10 bbl loss of fluid would be attributed to.

Thanks,

MIKE BRATCHER

NMOCD District 2
1301 W. Grand Ave.
Artesia, NM 88210
575-748-1283 Ext.108
575-626-0857
mike.bratcher@state.nm.us

AS OF 4/11/2011 NO RESPONSE
HAS BEEN RECIEVED

From: Amanda Trujillo [<mailto:atrujillo@yatespetroleum.com>]
Sent: Wednesday, March 16, 2011 4:02 PM
To: Bratcher, Mike, EMNRD
Subject: RE: C-141 submittals

Mike;

Attached are the C-141s plus a few more. Would you rather have me send these in separate emails for your documentation supposes?

- OhKay SWD #3 Release date 2/17/11

- Konnunga Hills BGX Fed #1 Release dates (2 releases) 2/7/11 and 2/10/11
 1. I am requesting closure on the Koonunga Hill spills. Attached are two Initial/Final C-141s. Both releases occurred in a lined berm
 2. There are is an additional C-141 for the pipeline
- Saguaro AGS #4 Reported 2/7/11
- Osprey BPS St #1-H Reported 2/4/11
 1. I am requesting closure on the Osprey#1-H spills. Attached are two Initial/Final C-141s. Both releases occurred in a lined berm

Amanda N. Trujillo
 Environmental Scientist
 Yates Petroleum Corporation
 Office 575-748-4310
 Cell 575-703-6537
 Email atrujillo@yatespetroleum.com

-----Original Message-----

From: Bratcher, Mike, EMNRD [<mailto:mike.bratcher@state.nm.us>]
Sent: Monday, March 14, 2011 10:28 AM
To: Amanda Trujillo
Subject: C-141 submittals

Amanda,

I guess this is my day to bug you. I am checking on C-141 Initial Report for the following reported releases:

- OhKay SWD #3 Release date 2/17/11
- Konnunga Hills BGX Fed #1 Release dates (2 releases) 2/7/11 and 2/10/11
- Saguaro AGS #4 Reported 2/7/11
- Osprey BPS St #1-H Reported 2/4/11

Thanks,

Mike Bratcher
 NMOCD DISTRICT 2
 1301 W. GRAND AVE.
 ARTESIA, NM 88210
 575-748-1283 EXT.108
mike.bratcher@state.nm.us