

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

nmLB1126431709

OPERATOR

☒ Initial Report ☐ Final Report

Name of Company Yates Petroleum Corporation	OGRID Number 25575	Contact Robert Asher
Address 104 S. 4 TH Street		Telephone No. 575-748-1471
Facility Name Knoll AOK Federal #1	API Number 30-015-28127	Facility Type Battery/Production Pad

Surface Owner Federal	Mineral Owner Federal	Lease No. NM-85891
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LOCATION OF RELEASE

Unit Letter G	Section 3	Township 24S	Range 29E	Feet from the 1980	North/South Line North	Feet from the 1980	East/West Line East	County Eddy
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Latitude 32.24842 Longitude 103.96990

NATURE OF RELEASE

Type of Release Crude Oil & Produced Water	Volume of Release 3 B/O & 1100 B/PW	Volume Recovered 3 B/O & 1040 B/PW
Source of Release Water pump discharge line	Date and Hour of Occurrence 8/31/2011 AM	Date and Hour of Discovery 8/31/2011 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/NMOCD II	
By Whom? Robert Asher/Yates Petroleum Corporation	Date and Hour 9/1/2011 PM	
Was a Watercourse Reached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, Volume Impacting the Watercourse. N/A	

RECEIVED

SEP 13 2011

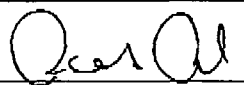

NMOCD-ARTESIA

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

Describe Cause of Problem and Remedial Action Taken.*
Poly line failure between pump and shutoff valve. Vacuum truck and roustabout crew called.

Describe Area Affected and Cleanup Action Taken.*
An approximate area of 100' X 200' on production pad, release contained within bermed/lined battery, but volume was more than containment capacity, 60 B/PW overflowed onto production pad, soaking into caliche pad. Vacuum truck recovered remaining oil or produced water. Pump turned off and leak isolated, crew repaired line. Impacted soils excavated and hauled to OCD approved facility. Vertical and horizontal delineation samples will be taken and analysis ran for TPH & BTEX (Chloride delineation for documentation). If initial analytical results for TPH & BTEX are under RRAL's a Final Report, C-141 will be submitted to the OCD requesting closure. If the analytical results are above the RRAL a work plan will be submitted to the OCD. **Depth to Ground Water: 50-99' (approximately 80', per ChevronTexaco Trend Map), Wellhead Protection Area: No, Distance to Surface Water Body: >1000', SITE RANKING IS 10.**

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: Robert Asher	Approved by District Supervisor: 	
Title: Senior Environmental Regulatory Agent	Approval Date: SEP 21 2011	Expiration Date:
E-mail Address: boba@yatespetroleum.com	Conditions of Approval:	Attached <input type="checkbox"/>
Date: Tuesday, September 13, 2011 Phone: 575-748-4217	Remediation per OCD Rules & Guidelines. SUBMIT REMEDIATION PROPOSAL NOT LATER THAN:	

10/21/2011

2RA-905

Bratcher, Mike, EMNRD

From: Bob Asher [BobA@yatespetroleum.com]
Sent: Thursday, September 01, 2011 4:57 PM
To: Bratcher, Mike, EMNRD
Cc: '(james_amos@nm.blm.gov)'; Lisa Norton; Amanda Trujillo; Amber Cannon; Jeremy Haass; Jerry Fanning
Subject: Release (Knoll AOK Federal #1)

Mike,

Yates Petroleum Corporation is reporting a release at the following location.

Knoll AOK Federal #1
30-015-28127
Section 3, T24S-R29E
Eddy County, New Mexico

Date/Time of Release: 8/31/2011; AM

Released: Approximately 3 B/O & 1100 B/PW
Recovered: Approximately 3 B/O & 1040 B/PW

Release was contained within a lined/bermed battery, but volume was more than containment capacity, 60 B/PW overflowed onto production pad, soaking into caliche pad.
Release was caused from a failed 3" ploy line from the check valve of the discharge pump and a shut off valve in the tinhorn.

A C-141 Report will be submitted with complete information.

Thank you.

Robert Asher
Senior Environmental Regulatory Agent
Yates Petroleum Corporation
575-748-4217 (Direct)
575-365-4021 (Cell)
boba@yatespetroleum.com