

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

DEC 19 2011

Form C-141
Revised October 10, 2003

Submit 2 Copies to appropriate District Office in accordance with Rule 116 on back side of form
NMOCD ARTESIA

Release Notification and Corrective ActionnMLB1135535450**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 Koonunga Hill BGX Federal #1 Water Line	API Number 30-015-26914	Facility Type Water Line 30-015-34380

Surface Owner Federal	Mineral Owner Federal	Lease No.
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LOCATION OF RELEASE

Unit Letter F	Section 13	Township 22S	Range 25E	Feet from the	North/South Line	Feet from the	East/West Line	County Eddy
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Latitude 32.37993 Longitude 104.43952**NATURE OF RELEASE**

Type of Release Produced Water	Volume of Release 30 B/PW	Volume Recovered 15 B/PW
Source of Release Water Line	Date and Hour of Occurrence 12/7/2011 - AM	Date and Hour of Discovery 12/7/2011 - 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 (email)	
By Whom? Robert Asher/Yates Petroleum Corporation	Date and Hour 12/8/2011 - 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


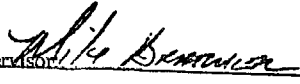
Describe Cause of Problem and Remedial Action Taken.*

Water line froze due to cold weather, line split causing release.

Describe Area Affected and Cleanup Action Taken.*

An approximate area of 300' x 2', the release occurred approximately 1.5 miles northwest of the Koonunga Hill BGX Federal #1 location. The impacted soils to be sprayed with Microblaze. Initial vertical and horizontal delineation samples with in the impacted area will be taken and analysis ran for TPH & BTEX (chlorides for reference). 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: >100'** (approximately 213', Section 24, T22S-R24E, NMOSE), Wellhead Protection Area: No, Distance to Surface Water Body: >1000', SITE RANKING IS 0.

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  Signed By: Mike Bratcher	
Title: Senior Environmental Regulatory Agent	Approval Date: DEC 21 2011	Expiration Date:
E-mail Address: boba@yatespetroleum.com	Conditions of Approval: Remediation per OCD Rules & Guidelines. SUBMIT REMEDIATION PROPOSAL NOT LATER THAN: 1/21/2012	
Date: Monday, December 19, 2011 Phone: 575-748-4217	Attached <input type="checkbox"/>	

* Attach Additional Sheets If Necessary

2RA-986

Bratcher, Mike, EMNRD

From: Bob Asher [BobA@yatespetroleum.com]
Sent: Thursday, December 08, 2011 9:21 AM
To: Bratcher, Mike, EMNRD
Cc: Jerry Fanning
Subject: Release (Koonunga Hill BGX Federal #1)

Yates Petroleum Corporation is reporting a release at the following.

Koonunga Hill BGX Federal #1

30-015-34380

The release occurred on the main water line (line froze and split); the release point is approximately 1.5 miles northwest of the Koonunga Hill BGX Federal #1.

Release Point:

Section 13, T22S-R24E

N32.39417

W104.45619

Eddy County, New Mexico

Released: 30 B/PW; Recovered: 15 B/PW

The wells were shut in, the line was repaired. Initial samples will be taken to determine any further remedial actions. A Form C-141 Initial Report will be submitted.

If you have any questions, please contact me.

Thank you.

Robert Asher

Senior Environmental Regulatory Agent

Yates Petroleum Corporation

105 S. Fourth Street

Artesia, NM 88210

575-748-4217 (Direct)

575-365-4021 (Cell)