

District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 S. 1st Street, 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

MAR 26 2012

NMOCD ARTESIA

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

nMLB 1208755888

OPERATOR

☒ Initial Report ☐ Final Report

| | | |
|--|----------------------------|-------------------------------|
| Name of Company Yates Petroleum Corporation | OGRID Number 25575 | Contact Amber Cannon |
| Address 105 S. 4 TH Street | | Telephone No. 575-748-1471 |
| Facility Name Compromise SWD #1 | API Number 30-015-25665 | Facility Type Battery |

| | | |
|--------------------------|--------------------------|-----------------------|
| Surface Owner Federal | Mineral Owner Federal | Lease No. NM-65392 |
|--------------------------|--------------------------|-----------------------|

LOCATION OF RELEASE

| | | | | | | | | |
|------------------|---------------|-----------------|--------------|-----------------------|---------------------------|----------------------|------------------------|----------------|
| Unit Letter H | Section 30 | Township 18S | Range 27E | Feet from the 1980 | North/South Line North | Feet from the 800 | East/West Line East | County Eddy |
|------------------|---------------|-----------------|--------------|-----------------------|---------------------------|----------------------|------------------------|----------------|

Latitude 32.72051 Longitude 104.31146

NATURE OF RELEASE

| | | |
|--|--|---|
| Type of Release Produced water | Volume of Release 10 B/PW | Volume Recovered 8 B/PW |
| Source of Release Valve | Date and Hour of Occurrence 3/16/2012; AM | Date and Hour of Discovery 3/16/2012; 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.*
A 3" check valve failed causing a discharge of produced water.

Describe Area Affected and Cleanup Action Taken.*
An approximate area of 15' X 30'. Impacted soils will be excavated and disposed of at an 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 20) 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' (35'), Wellhead Protection Area: No, Distance to Surface Water Body: > 1000', SITE RANKING IS 20.

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: <u>Amber Cannon</u> | OIL CONSERVATION DIVISION | |
| Printed Name: Amber Cannon | Signed By <u>Mike Brannon</u> Approved by District Supervisor: | |
| Title: Environmental Regulatory Agent | Approval Date: MAR 27 2012 | Expiration Date: |
| E-mail Address: <u>acannon@yatespetroleum.com</u> | Conditions of Approval: Remediation per OCD Rules & Guidelines. SUBMIT REMEDIATION PROPOSAL NOT LATER THAN: | Attached <input type="checkbox"/> |
| Date: Monday, March 26, 2012 Phone: 575-748-4111 | | |

* Attach Additional Sheets If Necessary

4/27/2012

2RP-1078

Bratcher, Mike, EMNRD

From: Amber Cannon [ACannon@yatespetroleum.com]
Sent: Monday, March 26, 2012 8:55 AM
To: Bratcher, Mike, EMNRD
Cc: Bob Asher
Subject: Compromise SWD #1
Attachments: Compromise SWD #1 Initial.pdf

Mike,

Please find attached an Initial C-141 for the above mentioned facility.

Thanks

Amber Cannon

Environmental Regulatory Agent
Yates Petroleum Corporation
Office: (575) 748-4111
Cell: (575)-513-8799