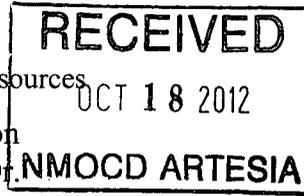


District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

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

FJMW/328229138

Release Notification and Corrective Action

nMLB1224040442

OPERATOR

Initial Report Final Report

Name of Company Yates Petroleum Corporation	OGRID Number 25575	Contact Lupe Carrasco
Address 104 S. 4 TH Street	Telephone No. 575-748-1471	
Facility Name Central Dagger Draw Water Transfer	API Number	Facility Type Water Transfer Station

Surface Owner Fed	Mineral Owner N/A	Lease No. N/A
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LOCATION OF RELEASE

Unit Letter I	Section 3	Township 20S	Range 24E	Feet from the 2080'	North/South Line FSL	Feet from the 660'	East/West Line FEL	County Eddy
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Latitude 32.60096 Longitude 104.56909

NATURE OF RELEASE

Type of Release Produced Water/Oil	Volume of Release 1 B/O, 40 B/PW	Volume Recovered 1 B/O, 30 B/PW
Source of Release Tanks ran over	Date and Hour of Occurrence 7/17/2012 PM	Date and Hour of Discovery 7/17/2012 PM
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? Lupe Carrasco, Yates Petroleum Corporation	Date and Hour 7/18/2012 PM (email)	
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.*
Release was due to the suction side of water pump being plugged. Tanks filled and ran over when pump was unable to move any water. Alarm system on tanks failed to alarm when tanks reached alarm level, also contributing to the discharge.

Describe Area Affected and Cleanup Action Taken.*
An approximate area of 45' X 30'. Impacted soils to be scraped up and taken to an NMOCD approved facility. Vertical and horizontal delineation samples will be taken and analysis ran for TPH & BTEX, Chlorides will be run 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's a work plan will be submitted.
Depth to Ground Water: >100' (approximately 260', Section 3-T20S-R24E, per 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: Lupe Carrasco		Approved by District Supervisor:	
Title: Environmental Regulatory Agent		Approval Date: <u>5/16/14</u>	Expiration Date: <u>NA</u>
E-mail Address: <u>lcarrasco@yatespetroleum.com</u>		Conditions of Approval:	
Date: Thursday, October 18, 2012	Phone: 575-748-1471	2RP- <u>Final</u>	Attached <input type="checkbox"/>

* Attach Additional Sheets If Necessary

2RP-1262