

District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 S. First St., 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 6/29/2015

NMOCD Artesia

Form C-141
Revised August 8, 2011

Submit 1 Copy to appropriate District Office in
accordance with 19.15.29 NMAC.

Release Notification and Corrective Action

OPERATOR

☐ Initial Report ☒ Final Report

| | |
|---|-------------------------------|
| Name of Company Yates Petroleum Corporation | Contact Chase Settle |
| Address 104 S. 4 th Street, Artesia, NM 88210 | Telephone No. 575-748-4171 |
| Facility Name Benson Deep BDX Federal Com #1 | Facility Type Battery |

| | | |
|--------------------------|--------------------------|-------------------------|
| Surface Owner Federal | Mineral Owner Federal | API No. 30-015-22793 |
|--------------------------|--------------------------|-------------------------|

LOCATION OF RELEASE

| | | | | | | | | |
|------------------|---------------|-----------------|--------------|-----------------------|---------------------------|------------------------|------------------------|----------------|
| Unit Letter O | Section 33 | Township 18S | Range 30E | Feet from the 660' | North/South Line South | Feet from the 2180' | East/West Line East | County Eddy |
|------------------|---------------|-----------------|--------------|-----------------------|---------------------------|------------------------|------------------------|----------------|

Latitude 32.69853 Longitude -103.97554

NATURE OF RELEASE

| | | |
|--|---|--|
| Type of Release Crude Oil and Fresh Water | Volume of Release 200 B/O; 200 B/FW | Volume Recovered 60 B/O; 170 B/FW |
| Source of Release Casing failure and production tanks overflowed | Date and Hour of Occurrence 1/9/2015; 10:00 a.m. | Date and Hour of Discovery 1/9/2015; 10:00 a.m. |
| Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required | If YES, To Whom? Mike Bratcher, Heather Patterson, Randy Dade, Jim Amos, Duncan Whitlock | |
| By Whom? Bob Asher | Date and Hour 1/9/2015; 4:58 p.m. | |
| 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.*

During completions operations of Yates' Benson Deep BDX Fed. Com #2, the zone of completion was in close proximity of the producing zone of the Yates' Benson Deep BDX Federal Com #1 well, causing a release of crude oil and fresh water from the casing and production tanks.

Describe Area Affected and Cleanup Action Taken.* An approximate area of 920' X 205' was impacted on and off location, as well as within the bermed/lined battery. The released fluid affected the location pad and caused a portion of the berm to wash out before flowing west off of the location into the adjacent pasture. Vacuum truck(s) were called to remove standing fluid and impacted soils will be excavated and hauled to a 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 0) 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 to the OCD. **Depth to Ground Water: >100' (approximately 175', Section 33, T18S-R30E, per Trend Map), Wellhead Protection Area: No, Distance to Surface Water Body: >1000', SITE RANKING IS 0. Based on analytical results (6/25/2015 results attached) of remediation confirmation samples, Yates Petroleum Corporation requests closure.**

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: Chase Settle | Approved by Environmental Specialist:  | | |
| Title: NM Environmental Regulatory Agent | Approval Date: 6/30/2015 | Expiration Date: NA | |
| E-mail Address: csettle@yatespetroleum.com | Conditions of Approval: FINAL | | Attached <input type="checkbox"/> |
| Date: 06/29/2015 | Phone: 575-748-4171 | | |

2RP-2732