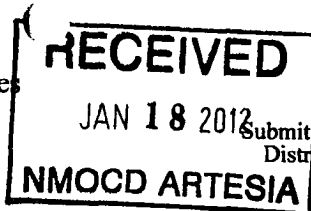


District I  
1625 N. French Dr., Hobbs, NM 88240  
District II  
1301 W. Grand Avenue, Artesia, NM 88210  
District III  
1000 Rio Brazos Road, Aztec, NM 87410  
District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505

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

OPERATOR

☒ Initial Report ☐ Final Report

NMB/203929447

Name of Company Yates Petroleum Corporation	OGRID Number 25575	Contact Amanda Trujillo
Address 104 S. 4 <sup>TH</sup> Street		Telephone No. 575-748-1471
Facility Name Dagger Draw WaterLine near Hornbaker bty	API Number	Facility Type PW Pipeline
		Order Number 2RP- 998

Surface Owner Fee	Mineral Owner Fee	Lease No. API 30-015-20015
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LOCATION OF RELEASE

Unit Letter	Section 25	Township 18S	Range 25E	Feet from the SW/NE	North/South Line	Feet from the	East/West Line	County Eddy
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NATURE OF RELEASE

Type of Release Produced Water and BS	Volume of Release 600 bbls	Volume Recovered 460 bbls
Source of Release Dresser Sleeve pipeline	Date and Hour of Occurrence 01/14/2012	Date and Hour of Discovery 1/14/2012 - 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 - NMOC D/Artesia	
By Whom? Amanda Trujillo - Yates Petroleum Corporation	Date and Hour 1/14/2012 2:05 pm	
Was a Watercourse Reached? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	If YES, Volume Impacting the Watercourse. 600 bbls	
If a Watercourse was Impacted, Describe Fully.* Release ran into Rio Penasco Draw. The draw is dry. No threat to water was present.		
Describe Cause of Problem and Remedial Action Taken.* A dresser sleeve on a waterline cracked. Release flowed downhill to Rio Penasco Draw. Immediately upon discovery, the leaking pipeline was isolated. Multiple vacuum trucks were called to the scene and began removing standing fluid. A backhoe and other heavy equipment were dispatched to the scene to assist. Earthen berms were constructed to segregate the impacted area. The area was fenced to prevent livestock from entering.		
Describe Area Affected and Cleanup Action Taken.* An approximate size of 300' x 20' was impacted. The release flowed from the pipeline down the hill to the Rio Penasco Draw (approx. 200 yds) where it pooled in the dry bottom. *See Remedial Action above. Soil from the pooling areas was excavated and disposed of at an NMOC D approved facility. Initial vertical and horizontal delineation samples will be taken and analysis ran for TPH, BTEX and chlorides for reference. <b>Depth to Ground Water: &gt;100' (approx. 241', per nearest water well data sampled 2011: Wellhead Protection Area: No; Distance to Surface Water Body: &gt;1000'; SITE RANKING IS 0.</b>		

I hereby certify that the information given above is true and complete to the best of my knowledge and understand that pursuant to NMOC D 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 NMOC D 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, NMOC D 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: Amanda Trujillo	Approved by District Supervisor:	
Title: Environmental Scientist	Approval Date: FEB 08 2012	Expiration Date:
E-mail Address: atrujillo@yatespetroleum.com	Conditions of Approval: Remediation per OCD Rules & Guidelines. <b>SUBMIT REMEDIATION PROPOSAL NOT LATER THAN: Proposal Rec'd 1/31/12</b>	Attached <input type="checkbox"/>
Date: Tuesday, January 17, 2012 Phone: 575-748-4310		

\* Attach Additional Sheets If Necessary

2RP-998