

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**  
FEB 29 2012  
Submit 2 Copies to appropriate District Office in accordance with Rule 116 on back side of form  
**NMOCD ARTESIA**

Form C-141  
Revised October 10, 2003

**Release Notification and Corrective Action**

n MLB/126431709

**OPERATOR**

Initial Report  Final Report

|  |                               |   |
|--|-------------------------------|---|
| Name of Company<br>Yates Petroleum Corporation | OGRID Number<br>25575         | Contact<br>Robert Asher                 |
| Address<br>104 S. 4 <sup>TH</sup> Street       | Telephone No.<br>575-748-1471 |   |
| Facility Name<br>Knoll AOK Federal #1          | API Number<br>30-015-28127    | Facility Type<br>Battery/Production Pad |

|                          |                          |                       |
|--------------------------|--------------------------|-----------------------|
| Surface Owner<br>Federal | Mineral Owner<br>Federal | Lease No.<br>NM-85891 |
|--------------------------|--------------------------|-----------------------|

**LOCATION OF RELEASE**

|                  |              |                 |              |                       |                           |                       |                        |                |
|------------------|--------------|-----------------|--------------|-----------------------|---------------------------|-----------------------|------------------------|----------------|
| Unit Letter<br>G | Section<br>3 | Township<br>24S | Range<br>29E | Feet from the<br>1980 | North/South Line<br>North | Feet from the<br>1980 | East/West Line<br>East | County<br>Eddy |
|------------------|--------------|-----------------|--------------|-----------------------|---------------------------|-----------------------|------------------------|----------------|

Latitude 32.24842 Longitude 103.96990

**NATURE OF RELEASE**

|  |  |  |
|--|--|--|
| Type of Release<br>Crude Oil & Produced Water  | Volume of Release<br>3 B/O & 1100 B/PW           | Volume Recovered<br>3 B/O & 1040 B/PW      |
| Source of Release<br>Water pump discharge line   | Date and Hour of Occurrence<br>8/31/2011 AM      | Date and Hour of Discovery<br>8/31/2011 AM |
| Was Immediate Notice Given?<br><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required | If YES, To Whom?<br>Mike Bratcher/NMOCD II       |  |
| By Whom?<br>Robert Asher/Yates Petroleum Corporation   | Date and Hour<br>9/1/2011 PM                     |  |
| Was a Watercourse Reached?<br><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No  | If YES, Volume Impacting the Watercourse.<br>N/A |  |

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If a Watercourse was Impacted, Describe Fully.\*  
N/A

Describe Cause of Problem and Remedial Action Taken.\*  
Poly line failure between pump and shutoff valve. Vacuum truck and roustabout crew called.

Describe Area Affected and Cleanup Action Taken.\*  
An approximate area of 100' X 200' on production pad, release contained within bermed/lined battery, but volume was more than containment capacity, 60 B/PW overflowed onto production pad, soaking into caliche pad. Vacuum truck recovered remaining oil or produced water. Pump turned off and leak isolated, crew repaired line. Impacted soils excavated and hauled to OCD approved facility. Vertical and horizontal delineation samples will be taken and analysis ran for TPH & BTEX (Chloride delineation 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. **Depth to Ground Water: 50-99' (approximately 80', per ChevronTexaco Trend Map), Wellhead Protection Area: No, Distance to Surface Water Body: >1000', SITE RANKING IS 10. Based on enclosed analytical reports & impacted soils excavated/disposed, 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:   | <b>OIL CONSERVATION DIVISION</b>              |                                   |
| Printed Name: Robert Asher                             | Signed By<br>Approved by District Supervisor: |                                   |
| Title: Senior Environmental Regulatory Agent           | Approval Date: <b>FEB 29 2012</b>             | Expiration Date: <u>N/A</u>       |
| E-mail Address: boba@yatespetroleum.com                | Conditions of Approval: <u>N/A</u>            | Attached <input type="checkbox"/> |
| Date: Wednesday, February 29, 2012 Phone: 575-748-4217 | 2RP-905                                       | <i>Final</i>                      |

\* Attach Additional Sheets If Necessary