

NM OIL CONSERVATION

ARTESIA DISTRICT

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

JUL 02 2014

Form C-141
Revised October 10, 2003

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

RECEIVED 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

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 Punch BJD Federal #1	API Number 30-015-22471	Facility Type Tank Battery

Surface Owner Federal	Mineral Owner Federal	Lease No. NM-97127
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LOCATION OF RELEASE

Unit Letter E	Section 6	Township 26S	Range 27E	Feet from the 2180	North/South Line North	Feet from the 660	East/West Line West	County Eddy
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Latitude 32.07318 Longitude 104.23542

NATURE OF RELEASE

Type of Release Produced water/Crude oil	Volume of Release 65 B/PW, 10 B/O	Volume Recovered 10 B/PW, 5 B/O
Source of Release Water Tank	Date and Hour of Occurrence 10/31/2013; AM	Date and Hour of Discovery 10/31/2013; AM
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 District II	
By Whom? Robert Asher, Yates Petroleum Corporation	Date and Hour	
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.*
The 500 barrel fiberglass produced water tank on location had a hole causing liquids to release from the tank. Vacuum truck was called to recover fluids released and roustabout crews were called in to remove contaminated gravel and replace water tank. Once gravel had been removed the location was inspected. The location was lined; however the liner had been compromised by holes and some of the released liquids were lost under the liner.

Describe Area Affected and Cleanup Action Taken.*
An approximate area of 30' X 50' (inside a bermed battery area). Since fluids were lost under the liner, the liner was cut so that contamination could be viewed and removed. All impacted soils were excavated and taken to a NMOCD approved disposal 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 a work plan will be submitted to the OCD. **Depth to Ground Water: >100' (per conversation with Mike Bratcher), Wellhead Protection Area: No, Distance to Surface Water Body: > 1000', SITE RANKING IS 0. SEE ATTACHED SHEET**

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: <i>Amber Cannon</i>	OIL CONSERVATION DIVISION	
Printed Name: Amber Cannon	Approved by District Supervisor: <i>[Signature]</i>	
Title: Environmental Regulatory Agent	Approval Date: <i>7/2/14</i>	Expiration Date: <i>NA</i>
E-mail Address: acannon@yatespetroleum.com	Conditions of Approval:	Attached <input type="checkbox"/>
Date: Wednesday, July 02, 2014 Phone: 575-748-4111	2RP-2073 <i>Final</i>	

Punch BJD-Federal #1, Release: 10/31/2013, 2RP-2073

Yates Petroleum requests closure for this release based off the following information.

BLM notified Yates on 2/7/2014 by phone that no further excavation work was needed in the tank battery area at this time. BLM asked that the liner be fixed and that any further chloride issues within the tank battery area (associated with this release) would be addressed upon this location being plugged and abandoned.

Yates Petroleum then emailed Mike Bratcher with NMOCD and asked him if this was okay with him. Mike stated that he was okay with closing this out and thinks the BLM is set-up to track these types of releases to site abandonment.

Yates production department fixed the liner. The liner was fixed to keep chloride contamination from this release from being pushed down further or being brought back to the surface. The liner was fixed to keep any further releases in this tank battery contained.

Please refer back to work plan submitted to both NMOCD and BLM on January 14, 2014 for analytical results and a site diagram of the release area.