

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

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

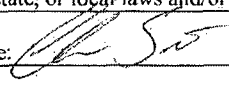
|   |                               |                         |
|---|-------------------------------|-------------------------|
| Name of Company<br>Yates Petroleum Corporation              | Contact<br>Chase Settle       | <b>HOBBS OCD</b>        |
| Address<br>104 S. 4 <sup>th</sup> Street, Artesia, NM 88210 | Telephone No.<br>575-748-4171 | <b>AUG 7 2014</b>       |
| Facility Name<br>Belco AIA Federal Battery                  | Facility Type<br>Battery      | <b>RECEIVED</b>         |
| Surface Owner<br>Federal                                    | Mineral Owner<br>Federal      | API No.<br>30-025-26826 |

LOCATION OF RELEASE

| Unit Letter | Section | Township | Range | Feet from the | North/South Line | Feet from the | East/West Line | County |
|-------------|---------|----------|-------|---------------|------------------|---------------|----------------|--------|
| J           | 14      | 20S      | 32E   | 1980'         | South            | 1980'         | East           | Lea    |

Latitude 32.57120 Longitude -103.73433

NATURE OF RELEASE

|   |   |   |
|---|---|---|
| Type of Release<br>Produced Water   | Volume of Release<br>35 B/PW                            | Volume Recovered<br>30 B/PW                       |
| Source of Release<br>Failure of transfer pump hose  | Date and Hour of Occurrence<br>08/04/2014; 9:30 AM      | Date and Hour of Discovery<br>08/04/2014; 9:30 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>Dr. Tomas Oberding, Jim Amos        |   |
| By Whom?<br>Bob Asher   | Date and Hour<br>08/05/2014; 8:18 AM                    |   |
| Was a Watercourse Reached?<br><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No   | If YES, Volume Impacting the Watercourse.<br>N/A        |   |
| If a Watercourse was Impacted, Describe Fully.*<br>N/A  |   |   |
| Describe Cause of Problem and Remedial Action Taken.*<br>A failure occurred with a transfer pump hose causing a release of produced water. Wells were shut in, transfer pump was turned off, and vacuum truck was dispatched to remove standing fluid.  |   |   |
| Describe Area Affected and Cleanup Action Taken.* An approximate area of 116' X 25' was impacted within the bermed battery around the tanks. Vacuum truck was called to remove standing fluid and backhoe called to remove impacted soils. Excavated soil will be hauled to a NMOC 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 10) a Final Report, C-141 will be submitted to the OCD requesting closure. If analytical results are above the RRAL's a work plan will be submitted to NMOC. <b>Depth to Ground Water: 50-99' (&gt;76', Section 14, T20S-R32E, no groundwater present above 76' per previous core data 09/17/2007), Wellhead Protection Area: No, Distance to Surface Water Body: &gt;1000', SITE RANKING IS 10.</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 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 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 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: Chase Settle  | Approved by Environmental Specialist:                   |   |
| Title: NM Environmental Regulatory Agent  | Approval Date: <b>8-7-14</b>                            | Expiration Date: <b>10-9-14</b>                   |
| E-mail Address: csettle@yatespetroleum.com  | Conditions of Approval:<br><i>Site samples required</i> | Attached <input type="checkbox"/>                 |
| Date: 08/07/2014 Phone: 575-748-4171  | <b>LRP-3215</b>   |   |

*Deliberate & deliberate area as per NMOC guidelines. Submit final C-141 by 10-9-14*  
*grid 25575  
N70 1421 950851  
P70 1421 951040*

**AUG 08 2014**