

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

JMW 1300838151

OPERATOR

☒ Initial Report ☐ Final Report

| | | |
|---|----------------------------|-------------------------------|
| Name of Company Yates Petroleum Corporation | OGRID Number 25575 | Contact Lupe Carrasco |
| Address 104 S. 4 TH Street | | Telephone No. 575-748-1471 |
| Facility Name Dayton Water Line(near Kent BSK #1H) | API Number 30-015-40161 | Facility Type Water Line |

| | | |
|----------------------|----------------------|------------------|
| Surface Owner Fee | Mineral Owner Fee | Lease No. N/A |
|----------------------|----------------------|------------------|

LOCATION OF RELEASE

| | | | | | | | | |
|------------------|---------------|-----------------|--------------|----------------------|---------------------------|----------------------|------------------------|----------------|
| Unit Letter P | Section 20 | Township 18S | Range 26E | Feet from the 400 | North/South Line South | Feet from the 330 | East/West Line East | County Eddy |
|------------------|---------------|-----------------|--------------|----------------------|---------------------------|----------------------|------------------------|----------------|

Latitude 32.72988 Longitude 104.39539

NATURE OF RELEASE

| | | |
|--|--|---|
| Type of Release Produced Water | Volume of Release 120 B/PW | Volume Recovered 5 B/PW |
| Source of Release Break in water line | Date and Hour of Occurrence 12/06/2012 PM | Date and Hour of Discovery 12/06/2012 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, NMOCD II | <div>RECEIVED DEC 14 2012 NMOCD ARTESIA</div> |
| By Whom? Bob Asher, Yates Petroleum Corporation | Date and Hour 12/06/2012 PM (email) | |
| 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.*

Water line break due to normal wear and age of line, in addition to expansion and contraction of the line due to cool nights and warm days.

Describe Area Affected and Cleanup Action Taken.*

An approximate area of 300' X 100' was impacted. Impacted soil to be scraped and disposed at an NMOCD approved facility. Vertical and horizontal delineation samples will be taken and analysis ran for TPH & BTEX, Chlorides will be run 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. If the analytical results are above the RRAL's, a work plan will be submitted. Depth to Ground Water: >100' (approximately 125', Section 20-T18S-R26E, per NMOSE), Wellhead Protection Area: No, Distance to Surface Water Body: >1000', SITE RANKING IS 0.

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: Lupe Carrasco | | Approved by District Supervisor: Signed By  | |
| Title: Environmental Regulatory Agent | | Approval Date: JAN 08 2013 | Expiration Date: |
| E-mail Address: lcarrasco@yatespetroleum.com | | Conditions of Approval: | Attached <input type="checkbox"/> |
| Date: Friday, December 14, 2012 | Phone: 575-748-1471 | Remediation per OCD Rules & Guidelines. SUBMIT REMEDIATION PROPOSAL NOT LATER THAN: February 8, 2013 | |

* Attach Additional Sheets If Necessary

2RP-1483