District 1 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

MAR 1 2 2014

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Form C-141 Revised October 10, 2003

Oil Conservation Division 1220 South St. Francis Dr.

Santa Fe, NM 87505 Release Notification and Corrective Action

NMOCD ARTS by 142 Copies to appropriate District Office in accordance with Rule 116 on back side of form

| <b>OPERATOR</b>  |   |  |   | Initial       | Report                                  | , Ø          | Final Report   |
|--|---|--|---|---------------|---|--------------|--|
| Name of Company OGRID Number   C   |   | Contact  |   |               | *************************************** |              |  |
| Yates Petroleum Corporation 25575  |   | Robert Asher   |   |               |   |              |  |
| Address  |   | Telephone No.  |   |               |   |              |  |
|  |   | 575-748-1471   |   |               |   |              |  |
| Facility Name API Number   |   | Facility Type  |   |               |   |              |  |
| Walt Canyon AMA Federal #4 3   | 0-015-28361                                 | Well Pad   |   |               | 1.45 - 1.1                              |              |  |
| Surface Owner Mineral Owner  |   |  | Lease No.   |               |   |              |  |
| Federal  |   |  | NM-78312  |               |   |              |  |
| LOCATION OF RELEASE  |   |  |   |               |   |              |  |
|  | et from the North                           | /South Line  | Feet from the   | ast/West Line | County                                  | 72.44 (      |  |
| B 3 22S 24E  | 860   | North  | 1780  | East          | Eddy                                    |              |  |
|  | L   |  |   |               | ,<br><del></del>                        |              | <del></del>  |
| Latitude 32.42570 Longitude 104.48302  |   |  |   |               |   |              |  |
|  |   |  |   |               |   |              |  |
| NATURE OF RELEASE  |   |  |   |               |   |              |  |
| Type of Release  | 1     | Volume of Release Volume Recovered 0 B/O & 490 B/PW                                  |   |               | •                                       |              |  |
| Oil & Produced Water Source of Release   |   |  |   |               |   |              |  |
| Below grade flow line  |   | Date and Hour of Occurrence Date and Hour of Discovery 11/23/2008, PM 11/23/2008, PM |   |               |   | у.           |  |
| Was Immediate Notice Given?  |   |  | Whom?   |               |   |              |  |
| X Yes  |   |  | h NMOCD/Mike Bratcher (V/M)                               |               |   |              |  |
| By Whom?   |   |  | Date and Hour   |               |   |              |  |
| Mike Stubblefield/YPC  |   |  | .11/24/2008, AM   |               |   |              |  |
| Was a Watercourse Reached?   |   |  | If YES, Volume Impacting the Watercourse.                 |               |   |              |  |
| Yes No N/A  If a Watercourse was Impacted, Describe Fully *  |   |  |   |               |   |              |  |
| N/A.   |   |  |   |               |   |              |  |
| Describe Cause of Problem and Remedial Action Taken:*  |   |  |   |               |   |              |  |
| The below grade flow line was found to be leaking in two areas near the wellhead (Area A, 10' SW and Area B, 40' S). The line was excavated/removed  |   |  |   |               |   |              |  |
| from service, a new above ground line was installed.   |   |  |   |               |   |              |  |
| Describe Area Affected and Cleanup Action Taken.*  |   |  |   |               |   |              |  |
| Impacted areas were on and off location, impacted areas on location were excavated to an approximate depth of 6', impacted soils were placed on plastic and berned for remediation. Vertical/horizontal delineation samples were taken to determine from all impacted areas (12/3/2008). Samples will be tested  |   |  |   |               |   |              |  |
| for TPH & BTEX (chlorides to be documented). The chloride results from the off location samples were at 1,190 and the documented chlorides pose no   |   |  |   |               |   |              |  |
| risk to surface or ground water. A work plan was submitted 2/10/2009. Vertical/horizontal delineation samples were taken on (5/17/2011). Depth to  |   |  |   |               |   |              |  |
| Ground Water: >100? (approx. 493? per New Mexico Office of the State Engineer), Wellhead Protection Area: No, Distance to Surface Water  |   |  |   |               |   |              |  |
| Body: >1000', SITE RANKING IS 0. Based on analytical reports (5/17/2011 results), impacted soils placed on plastic are being hauled to an NMOCD Facility, Yates Petroleum Corporation requests closure:  |   |  |   |               |   |              |  |
| Thereby 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/of 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 hability 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:   |   |  |   |               |   |              |  |
|  |   | OIL CONSERVATION DIVISION  |   |               |   |              |  |
| Signature: Leo N. J.   |   |  | 0: 10 4/1/1   |               |   |              |  |
|  |   |  | Signed By Mile Besseles. Approved by District Supervisor: |               |   |              |  |
| Printed Name: Robert Asher   |   | Approved by  | District Supervisor                                       |               | 1                                       |              |  |
| Title: Environmental Regulatory Agent  | Approval Date 1 3 2014 Expiration Date: N/F |  |   |               |   |              |  |
| E-mail Address: boba@yatespetroleum.com  |   | Conditions   | ula   | 1.1           | Attache                                 | ·            |  |
| Thirtie Third and the State of | 75-748-4217                                 | ann gari   | <u></u>   | 4ml/          | , Trigicile                             | النستا الجور |  |
| * Attach Additional Sheets If Necessary  | (3-140-4211                                 | -0.0 -00   |   | INT           | <u> </u>                                |              | i programa i promoco de la compansa |