

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  
APR 14 2014  
NMOCD ARTESIA

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

OPERATOR

☒ Initial Report ☐ Final Report

|  |                               |  |
|--|-------------------------------|--|
| Name of Company<br>Yates Petroleum Corporation | OGRID Number<br>25575         | Contact<br>Amber Cannon                  |
| Address<br>104 S. 4 <sup>TH</sup> Street       | Telephone No.<br>575-748-1471 |  |
| Facility Name<br>Dagger ZW Battery Pipeline    | API Number<br>30-015-25787    | Facility Type<br>Water Transfer Pipeline |
| Surface Owner<br>Fee                           | Mineral Owner                 | Lease No.                                |

LOCATION OF RELEASE

|             |               |                 |              |               |                  |               |                |                |
|-------------|---------------|-----------------|--------------|---------------|------------------|---------------|----------------|----------------|
| Unit Letter | Section<br>31 | Township<br>19S | Range<br>25E | Feet from the | North/South Line | Feet from the | East/West Line | County<br>Eddy |
|-------------|---------------|-----------------|--------------|---------------|------------------|---------------|----------------|----------------|

Latitude \_\_\_ Longitude \_\_\_

NATURE OF RELEASE

|  |  |  |
|--|--|--|
| Type of Release<br>Produced Water/Crude Oil  | Volume of Release<br>Unknown B/PW, Unknown B/O   | Volume Recovered<br>15 B/PW, 0 B/O           |
| Source of Release<br>Pipeline  | Date and Hour of Occurrence<br>3/29/2014 - AM    | Date and Hour of Discovery<br>3/29/2014 - 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>Amber Cannon/Yates Petroleum Corporation   | Date and Hour<br>3/29/2014 (E-mail)              |  |
| 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>Buried pipe line from the Dagger ZW Com Battery developed a leak on the Wilbank's Ranch, releasing produced water and crude oil. Vacuum truck(s) called and backhoe crew called.  |  |  |
| Describe Area Affected and Cleanup Action Taken.*<br>An approximate area of 400' X 200'. Battery and wells tied into pipeline were shut-in and release area was fenced off. Impacted soils being excavated and scraped from release area and being hauled to an NMOCD 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 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' (228' ChevronTexaco Trend Map), 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. |  |  |

OIL CONSERVATION DIVISION

|   |  |                            |
|---|--|----------------------------|
| Signature: <i>Amber Cannon</i>                    | Approved by District Supervisor: <i>[Signature]</i>  |                            |
| Printed Name: Amber Cannon                        | Approval Date: <i>4/14/14</i>  | Expiration Date: <i>NA</i> |
| Title: Environmental Regulatory Agent             | Conditions of Approval:  |                            |
| E-mail Address: <i>acannon@yatespetroleum.com</i> | Attached <input type="checkbox"/>  |                            |
| Date: Friday, April 11, 2014 Phone: 575-748-1471  | Remediation per OCD Rule & Guidelines. SUBMIT REMEDIATION PROPOSAL NO LATER THAN: <i>5/14/14</i> |                            |

\* Attach Additional Sheets If Necessary

2RP-2257