

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

NM OIL CONSERVATION

ARTESIA DISTRICT

Form C-141
Revised August 8, 2011

NOV 04 2014
Submit Copy to appropriate District Office in accordance with 19.15.29 NMAC.

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

RECEIVED

Release Notification and Corrective Action

NAB143094-8520

| | | | |
|--|------------------------|-----------------------------------|--|
| Name of Company Yates Petroleum Corporation <i>25575</i> | | Contact Robert Asher | <input checked="" type="checkbox"/> Initial Report <input type="checkbox"/> Final Report |
| Address 104 S. 4 th Street | | Telephone No. 575-748-4171 | |
| Facility Name Cigarillo SWD System <i>(BonBon BNN St. Cor 1H)</i> | | Facility Type Buried Flow Line | |
| Surface Owner State | Mineral Owner State | API No. 30-015-36913 | |

LOCATION OF RELEASE

| Unit Letter | Section | Township | Range | Feet from the | North/South Line | Feet from the | East/West Line | County |
|-------------|---------|----------|-------|---------------|------------------|---------------|----------------|--------|
| | 27 | 25S | 28E | | | | | Eddy |

Latitude 32.60096 Longitude -104.56909

NATURE OF RELEASE

| | | |
|--|---|--|
| Type of Release Produced Water and Oil | Volume of Release 20 B/O & 500 B/PW | Volume Recovered 15 B/O & 375 B/PW |
| Source of Release Buried flow line | Date and Hour of Occurrence 10/10/2014; AM | Date and Hour of Discovery 10/10/2014; 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 II | |
| By Whom? Robert Asher/Yates Petroleum Corporation | Date and Hour 10/10/2014; AM (Email) | |
| Was a Watercourse Reached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | If YES, Volume Impacting the Watercourse. | |

If a Watercourse was Impacted, Describe Fully.*

Describe Cause of Problem and Remedial Action Taken.*
Buried flow line ruptured; vacuum truck(s) and roustabout crew called.

Describe Area Affected and Cleanup Action Taken.*
An approximate area of 1500 X 300', on embankment and draw area. Vacuum trucks were called to recover remaining oil and produced water, roustabout crews fenced off impacted area. Impacted soils being excavated and will be hauled to a NMOCD approved facility. Vertical and horizontal delineation samples will be taken and analysis ran for TPH & BTEX (chlorides for documentation). **Depth to Ground Water: >100' (approximately 228', per 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.

| | | |
|---|--|-----------------------------------|
| Signature: <i>Robert Asher</i> | OIL CONSERVATION DIVISION | |
| Printed Name: Robert Asher | Approved by Environmental Specialist: <i>[Signature]</i> | |
| Title: NM Environmental Regulatory Supervisor | Approval Date: <i>11/5/14</i> | Expiration Date: <i>NA</i> |
| E-mail Address: boba@yatespetroleum.com | Conditions of Approval: | Attached <input type="checkbox"/> |
| Date: November 4, 2014 | Phone: 575-748-4217 | |

* Attach Additional Sheets If Necessary

Remediation per O.C.D. Rules & Guidelines
SUBMIT REMEDIATION PROPOSAL NO
LATER THAN: 12/5/14

2RP-2580