

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

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

AUG 28 2015
Submit to appropriate District Office in accordance with 19.15.29 NMAC.

RECEIVED

Release Notification and Corrective Action

NAB1524328793

OPERATOR

☒ Initial Report ☐ Final Report

| | |
|--|-------------------------------|
| Name of Company Yates Petroleum Corporation | Contact Amber Griffin |
| Address 104 S. 4 th Street | Telephone No. 575-748-1471 |
| Facility Name Perdomo BMP State Com #1H | Facility Type Battery |

| | | |
|------------------------|------------------------|-------------------------|
| Surface Owner State | Mineral Owner State | API No. 30-015-36499 |
|------------------------|------------------------|-------------------------|

LOCATION OF RELEASE

| | | | | | | | | |
|------------------|---------------|-----------------|--------------|-----------------------|---------------------------|----------------------|------------------------|----------------|
| Unit Letter L | Section 24 | Township 24S | Range 27E | Feet from the 1650 | North/South Line South | Feet from the 660 | East/West Line West | County Eddy |
|------------------|---------------|-----------------|--------------|-----------------------|---------------------------|----------------------|------------------------|----------------|

Latitude 32.20029 Longitude 104.15024

NATURE OF RELEASE

| | | |
|--|---|---|
| Type of Release Crude Oil | Volume of Release 42 B/O | Volume Recovered 40 B/O |
| Source of Release Production Tank | Date and Hour of Occurrence 8/19/2015; AM | Date and Hour of Discovery 8/19/2015; 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, Heather Patterson, Randy Dade, Ian Dolly, Mathew Hagman, Mark Naranjo, & Dana Strang | |
| By Whom? Robert Asher/Yates Petroleum Corporation | Date and Hour 8/20/2015; 7:55 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.*

The choke on the well was washed out from the sand and the production tank overflowed, causing the release. The wells were shut in and vacuum trucks were called to recover the released fluids.

Describe Area Affected and Cleanup Action Taken.*

The release impacted areas inside and outside of the lined berm. Oil was recovered from within the berm and the gravel is being removed and replaced. Areas outside of the berm that were impacted were scraped and soils were hauled to a NMOCD approved facility. Vertical and horizontal delineation samples will be taken from the areas outside of the lined berm and analysis ran for TPH & BTEX. If initial analytical results for TPH & BTEX are under RRAL's (site ranking is 20) 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 to the OCD. Depth to Ground Water: < 50' (approximately 45', Section 24, T24S-R27E, per Trend Map), Wellhead Protection Area: No, Distance to Surface Water Body: >1000', SITE RANKING IS 20.

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>Amber Griffin</i> | OIL CONSERVATION DIVISION | |
| Printed Name: Amber Griffin | Approved by Environmental Specialist: <i>[Signature]</i> | |
| Title: NM Environmental Regulatory Agent | Approval Date: 8/31/15 | Expiration Date: N/A |
| E-mail Address: AGriffin@yatespetroleum.com | Conditions of Approval: Remediation per O.C.D. Rules & Guidelines <input checked="" type="checkbox"/> Attached <input type="checkbox"/> | |
| Date: August 26, 2015 | Phone: 575-748-4111 | |

* Attach Additional Sheets If Necessary

2015 SUBMIT REMEDIATION PROPOSAL NO

LATER THAN: 10/21/15

2RP-3226