District 1:
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 Fc, NM 87505

Date: December 2, 2015

* Attach Additional Sheets If Necessary

State of New Mexico Energy Minerals and Natural Resources

Form C-141 Revised August 8, 2011

Oil Conservation Division 1220 South St. Francis Dr. Santa Fe. NM 87505 Submit 1 Copy to appropriate District Office in accordance with 19.15.29 NMAC.

Santa Fe. NM 87505 Release Notification and Corrective Action NAB1533753 **OPERATOR** Initial Report Final Report Name of Company Contact Yates Petroleum Corporation Chase Settle Address Telephone No. 104 S. 4th Street 575-748-1471 Facility Name Facility Type Wolf AJA Federal Battery Battery Surface Owner Mineral Owner API No. Federal Federal 30-015-26777 LOCATION OF RELEASE Unit Letter Section Township Feet from the North/South Line Feet from the East/West Line Range County l 25 218 31E 1980 South 3001 East Eddy Latitude 32.44757 Longitude -103.72347 NATURE OF RELEASE Volume of Release Type of Release Volume Recovered Crude Oil 40 B/O 35 B/O Source of Release Date and Hour of Occurrence Date and Hour of Discovery **LACT Unit** 11/20/2015; 9:00 AM 11/20/2015; 9:00 AM NM OIL CONSERVATION Was Immediate Notice Given? If YES, To Whom? ☑ Yes ☐ No ☐ Not Required Mike Bratcher, Heather Patterson, Jim Amos ARTESIA DISTRICT By Whom? Date and Hour Chase Settle 11/20/2015; 12:29 PM Was a Watercourse Reached? If YES, Volume Impacting the Watercourse. ☐ Yes ☒ No RECEIVED If a Watercourse was Impacted, Describe Fully.* Describe Cause of Problem and Remedial Action Taken.* A failure occurred with a check valve on the LACT unit, causing the release of crude oil. Vacuum truck(s) and roustabout crews were called. Describe Area Affected and Cleanup Action Taken.* An approximate area of 168' X 30' was affected outside of the battery on the production pad. Vacuum trucks were called to recover the standing fluid and a backhoe was called to excavate impacted soil. Excavated soils will be hauled to a NMOCD approved facility. Vertical and horizontal delineation samples will be taken and analysis ran for TPH & BTEX. 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's a work plan will be submitted to the OCD. Depth to Ground Water: >100' (approximately 130', Section'25, T21S-R31E, per Trend Map), Wellhead Protection Arca: 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 Approved by Environmental Specialist: Printed Name: Chase Settle Approval Date: **Expiration Date:** Title: NM Environmental Regulatory Agent E-mail Address: CSettle@yatespetroleum.com Conditions of Approval: Remediation per O.C.D. Rules & Guidelines

型BMIT REMEDIATION PROPOSAL NO

LATER THAN: 1/3/16

Phone: 575-748-4171