

NM OIL CONSERVATION

ARTESIA DISTRICT

OCT 31 2016

Form C-141
Revised August 8, 2011

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

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

Submit to appropriate District Office in accordance with 19.15.29 NMAC.

Release Notification and Corrective Action

NAB1430 455768

OPERATOR

☒ Initial Report ☒ Final Report

| | | |
|------------------------------------------------|-------------------------------|-------------------------|
| Name of Company Yates Petroleum Corporation | OGRID Number 25575 | Contact Robert Asher |
| Address 104 S. 4 th Street | Telephone No. 575-748-1471 | |
| Facility Name Cigarillo SWD #1 | Facility Type Battery | |

| | | |
|------------------------|------------------------|-------------------------|
| Surface Owner State | Mineral Owner State | API No. 30-015-21643 |
|------------------------|------------------------|-------------------------|

LOCATION OF RELEASE

| | | | | | | | | |
|------------------|---------------|-----------------|--------------|-----------------------|---------------------------|-----------------------|------------------------|----------------|
| Unit Letter G | Section 36 | Township 23S | Range 27E | Feet from the 1980 | North/South Line North | Feet from the 1980 | East/West Line East | County Eddy |
|------------------|---------------|-----------------|--------------|-----------------------|---------------------------|-----------------------|------------------------|----------------|

Latitude 32.26322 Longitude 104.14196

NATURE OF RELEASE

| | | |
|------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------|----------------------------------------------|
| Type of Release Produced Water | Volume of Release 600 B/PW | Volume Recovered 600 B/PW |
| Source of Release Valve | Date and Hour of Occurrence 10/25/2016; AM | Date and Hour of Discovery 10/25/2016; 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 10/26/2016; 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.*


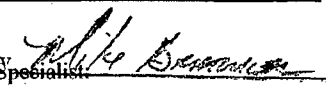
Describe Cause of Problem and Remedial Action Taken.*

A valve would not completely shut and leaked, causing the release. Vacuum truck(s) and roustabout crews were called.

Describe Area Affected and Cleanup Action Taken.*

An approximate area of 40'X 120', all contained within a lined and bermed battery. The valve was replaced and a vacuum truck was called, recovering all of the released produced water. Depth to Ground Water: 50-99' (approximately 67', per Chevron/Texaco Trend Map), Wellhead Protection Area: No, Distance to Surface Water Body: >1000', SITE RANKING IS 10. Based on all released produced water recovered (lined/bermed battery) and the valve was replaced, Yates Petroleum Corporation requests closure.

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:  | OIL CONSERVATION DIVISION | |
| Printed Name: Robert Asher | Approved by Environmental Specialist:  | |
| Title: NM Environmental Regulatory Supervisor | Approval Date: 10/11/16 | Expiration Date: N/A |
| E-mail Address: boba@yatespetroleum.com | Conditions of Approval: FINAL | Attached <input checked="" type="checkbox"/> |
| Date: October 31, 2016 Phone: 575-748-4217 | 2RP- | |

* Attach Additional Sheets If Necessary

2RP-3912