

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

NOV 22 2010

Form C-141  
Revised October 10, 2003

NMOCD ARTESIA  
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

NMLB/1032735832

|  |                                       |                            |
|--|---------------------------------------|----------------------------|
| Name of Company<br>Yates Petroleum Corporation | OGRID Number<br>25575                 | Contact<br>Amanda Trujillo |
| Address<br>104 S. 4 <sup>TH</sup> Street       | Telephone No.<br>575-748-1471         |                            |
| Facility Name<br>Sosa Federal #2               | API Number<br><del>30-015-26087</del> | Facility Type<br>Oil well  |
|  | Order Number<br>2RP-485               |                            |

|                          |                          |                       |
|--------------------------|--------------------------|-----------------------|
| Surface Owner<br>Federal | Mineral Owner<br>Federal | Lease No.<br>NM-44532 |
|--------------------------|--------------------------|-----------------------|

30-015-26247

LOCATION OF RELEASE

|                  |               |                 |              |                      |                           |                      |                        |                |
|------------------|---------------|-----------------|--------------|----------------------|---------------------------|----------------------|------------------------|----------------|
| Unit Letter<br>P | Section<br>15 | Township<br>26S | Range<br>29E | Feet from the<br>480 | North/South Line<br>SOUTH | Feet from the<br>660 | East/West Line<br>East | County<br>EDDY |
|------------------|---------------|-----------------|--------------|----------------------|---------------------------|----------------------|------------------------|----------------|

NATURE OF RELEASE

|  |   |   |
|--|---|---|
| Type of Release<br>OIL & WATER   | Volume of Release<br>15                           | Volume Recovered<br>0                       |
| Source of Release<br>Flowline failure  | Date and Hour of Occurrence<br>11/16/2010         | Date and Hour of Discovery<br>11/16/2010 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/Artesia |   |
| By Whom?<br>Amanda Trujillo - Yates Petroleum Corporation  | Date and Hour<br>11/16/2010 pm                    |   |
| 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>A plugged flowline pressured up and blew out.   |   |   |
| Describe Area Affected and Cleanup Action Taken.*<br>An approximate size of 150' x 1" was impacted. The impacted area is located on the south side of the location. Soil from the pooling areas will be excavated and disposed of at an NMOCD approved facility. Vertical and horizontal delineation samples will be taken and analysis ran for TPH and BTEX once all contaminated material has been removed. Chlorides analysis upon request. Depth to Ground Water: >100' (approx. 100', per New Mexico Chevron/Texaco Trend Map); Wellhead Protection Area: No; Distance to Surface Water Body: >1000'; SITE RANKING IS 0. Based on site ground water quality and enclosed analytical results.  |   |   |
| 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>A Trujillo</i>                        | Approved by District Supervisor: <i>Mike Bratcher</i>                               |                                   |
| Printed Name: Amanda Trujillo                       |   |                                   |
| Title: Environmental Scientist                      | Approval Date: NOV 23 2010  | Expiration Date:                  |
| E-mail Address: atrujillo@yatespetroleum.com        | Conditions of Approval:   | Attached <input type="checkbox"/> |
| Date: Friday, November 19, 2010 Phone: 575-748-4310 | REMEDATION per OCD Rules and Guidelines. SUBMIT REMEDIATION PROPOSAL BY: 12/23/2010 |                                   |

\* Attach Additional Sheets If Necessary

2RP-485

Note: Remediation proposal to be based on delineation of TPH, BTEX & Chlorides

Note: No water quality info or analytical data was submitted with this form.