Form C-141 Revised October 10, 2003

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grund Avenue, Artesia, NM 88210
District III
1000 Rio Brazoa Road, Aztee, NM 87410
District IV

State of New Mexico Energy Minerals and Natural Resources

Oil Conservation Division 1220 South St. Francis Dr. Santa Fe. NM 87505 Submit 2 Copies to appropriate District Office in accordance with Rule 116 on back

side of form 1220 S. St. Francis Dr., Sunta Fo, NM 87505 Santa Fe, NM 87505 Attach to: 30-015-13426 Release Notification and Corrective Action nMLB0420250245 M Initial Report Final Report **OPERATOR** Contact Dan Dolan Name of Company Yates Petroleum Corp. Address 105S, 4th St. Artesia NM 88210 Telephone No. 748-4181 Facility Type Water Line (produced Water) Facility Name Rio Penasco KD #1 Water Line Lease No. Mineral Owner State Surface Owner Wilson Ranch 2-19-25 ALOPENASCOKO#1 LOCATION OF RELEASE East/West Line County North/South Line Feet from the Fout from the Unit Letter Section Township Range Eddy 128 25P. Longitude Latitude NATURE OF RELEASE Volume of Release 50+bbl Volume Recovered Obbl Type of Release Produced Water Date and Hour of Discovery Source of Release Water line Date and Hour of Occurrence If YRS. To Whom? Was Immediate Notice Given? Mike Stubblefield, Artesia OCD X Yes No Not Required Date and Hour 06-24-04 1500hrs By Whom? Dan Dolan If YES, Volume Impacting the Watercourse. Was a Watercourse Reached? ☐ Yes 🗷 No If a Watercourse was Impacted, Describe Fully.* Describe Cause of Problem and Remedial Action Taken.* Leak in water line cause a 200 to 250° area approximately 10° wide to be saturated with produced water over an unknown period of time, the depth of the leak was 1' to 2'. A tph test Method 9074 was run on the area showing hydrocarbon, and showed 3220ppm TPH. The limit for that area is 5000ppm. Describe Area Affected and Cleanup Action Taken.* Area is as described as above, it is located approximately 1 mile north of the well, but it is the only well going in this line. The area is being excavated till All trace is gone, then it will be refilled with clean dirt, and re-seeded as per land owners request. Ranking is as follows, Ground Water-O, wellhead protection-0, surface water-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 lailed to adequately investigate and remediate contamination that pose a threat to ground water, surface water, human health or the environment. In addition NAOCD 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 District Supervisor: Printed Name: Daniel W. Dolan CWC Expiration ()ate: Approval Date: Title: Environmental Regulatory Agent Conditions of Approval: E-mail Address: ddolan@ypenm.com Attached

Phone: 748-4181

Date: 07-12-04

* Attach Additional Sheets If Necessary



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.
Director
Oil Conservation Division

July 20, 2004

Dear Operator,

Yates Petroleum Corp. Attn: Dan Dolan 105 S 4th St Artesia, NM 88210

Re: Rio Penasco KD #1 Water Line

2-19s-25e

API: 30-015-23227

Release site is in 35-18s-25e

The Artesia Oil Conservation Division is in receipt of the initial Form C-141 (copy included) dated 7/12/2004 from Yates Petroleum Corp.

Please submit a Corrective Action Work Plan to the Artesia O.C.D. for correction/remediation of this release. Please use the "Guidelines For Remediation of Leaks, Spills, and Releases as your guide.

A copy of the Guidelines for Remediation of Leaks, Spills, and Releases, published 1993, can be found at the O.C.D. web address www.emnrb.state.nm.us/ocd.

The published document can be found on the O.C.D. web page under Publications/Environmental Handbook/ Miscellaneous Guidelines/Spill Prevention Clean up.

The work plan presented to the O.C.D. must include general site characteristics, soil remediation action levels, soil remediation methods, and planned analytical testing for TPH, B-TEX and Chlorides if applicable.

A final Form C-141 is required for closure of the event or release and must include a report of remediation actions taken with final analytical results attached.

Please have the requested work plan in the Artesia office on or before August 20, 2004. The Artesia O.C.D. must be notified 24 hours prior to any remediation actions and/or subsequent soil samples taken for analysis.

<u>In the event that a satisfactory response is not received to this letter</u> further enforcement will occur. Such enforcement may include this office applying to the Division for an order summoning you to a hearing before a Division Examiner in Santa Fe. Such a hearing may result in imposition of <u>CIVIL PENALTIES</u> for your violation of OCD rules.

If I can be of assistance in this matter please do not hesitate to contact me at 505-748-1283 Or E-mail me at mbratcher@state.nm.us.

Sincerely,
Michel Bantekee

Mike Bratcher

Compliance Officer.

N.M.O.C.D.