

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

Form C-141  
Revised October 10, 2003

Submit 2 Copies to appropriate  
District Office in accordance  
with Rule 116 on back  
side of form

Release Notification and Corrective Action

*nmlb1122728809*

OPERATOR

☒ Initial Report ☐ Final Report

|  |                            |                               |
|--|----------------------------|-------------------------------|
| Name of Company<br>Yates Petroleum Corporation | OGRID Number<br>25575      | Contact<br>Robert Asher       |
| Address<br>104 S. 4 <sup>TH</sup> Street       |                            | Telephone No.<br>575-748-1471 |
| Facility Name<br>Marathon Box Water Line       | API Number<br>30-015-26916 | Facility Type<br>Water Line   |

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

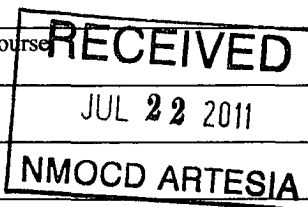
LOCATION OF RELEASE

|                  |               |                 |              |               |                  |               |                |                |
|------------------|---------------|-----------------|--------------|---------------|------------------|---------------|----------------|----------------|
| Unit Letter<br>N | Section<br>13 | Township<br>21S | Range<br>23E | Feet from the | North/South Line | Feet from the | East/West Line | County<br>Eddy |
|------------------|---------------|-----------------|--------------|---------------|------------------|---------------|----------------|----------------|

Latitude 32.47224 Longitude 104.55772

NATURE OF RELEASE

|  |   |   |
|--|---|---|
| Type of Release<br>Produced Water  | Volume of Release<br>8 B/PW                     | Volume Recovered<br>2 B/PW                  |
| Source of Release<br>Water Line  | Date and Hour of Occurrence<br>7/19/2011; AM    | Date and Hour of Discovery<br>7/19/2011; AM |
| Was Immediate Notice Given?<br><input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Required | If YES, To Whom?<br>N/A                         |   |
| By Whom?<br>N/A  | Date and Hour<br>N/A                            |   |
| 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.\*  
N/A

Describe Cause of Problem and Remedial Action Taken.\*  
O-rings broke on valve on water line. The line was shut in; vacuum truck/backhoe crew was called to the location.

Describe Area Affected and Cleanup Action Taken.\*  
An approximate area of 100' X 3'. A vacuum truck recovered remaining produced water, backhoe scraped up impacted soils (some iron sulfide was in produced water released), taken to an NMOCD approved facility. Vertical and horizontal delineation samples will be taken and analysis ran for TPH & BTEX (Chlorides for documentation). If initial analytical results for TPH & BTEX are under RRAL's a Final Report, C-141 will be submitted to the OCD requesting closure. If the analytical results are above the RRAL a work plan will be submitted to the OCD. **Depth to Ground Water: >100' (approximately 180', Section 23, T21S-R23E, per NMOSE), Wellhead Protection Area: 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.

|   |  |                                   |
|---|--|-----------------------------------|
| Signature:                                      | OIL CONSERVATION DIVISION  |                                   |
| Printed Name: Robert Asher                      | Signed By<br>Approved by District Supervisor:  |                                   |
| Title: Environmental Regulatory Agent           | Approval Date: <b>AUG 15 2011</b>  | Expiration Date:                  |
| E-mail Address: boba@yatespetroleum.com         | Conditions of Approval:  | Attached <input type="checkbox"/> |
| Date: Friday, July 22, 2011 Phone: 575-748-4217 | Remediation per OCD Rules & Guidelines. <b>SUBMIT REMEDIATION PROPOSAL NOT LATER THAN:</b> |                                   |

\* Attach Additional Sheets If Necessary

**9/15/2011**

*2CP-843*