

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

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 Humidor State Unit #1 | API Number 30-015-32889 | Facility Type Battery |

| | | |
|------------------------|------------------------|----------------------|
| Surface Owner State | Mineral Owner State | Lease No. VA-1851 |
|------------------------|------------------------|----------------------|

LOCATION OF RELEASE

| | | | | | | | | |
|------------------|---------------|-----------------|--------------|----------------------|---------------------------|----------------------|------------------------|----------------|
| Unit Letter A | Section 23 | Township 24S | Range 27E | Feet from the 990 | North/South Line North | Feet from the 990 | East/West Line East | County Eddy |
|------------------|---------------|-----------------|--------------|----------------------|---------------------------|----------------------|------------------------|----------------|

Latitude 32.18583 Longitude 104.15884

NATURE OF RELEASE

| | | |
|--|--|--|
| Type of Release Produced Water | Volume of Release 80 B/PW | Volume Recovered 0 B/PW |
| Source of Release Water pump discharge line | Date and Hour of Occurrence 6/2/2011; PM | Date and Hour of Discovery 6/2/2011; PM |
| 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 6/2/2011; PM | |
| Was a Watercourse Reached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | If YES, Volume Impacting the Watercourse. N/A | |

If a Watercourse was Impacted, Describe Fully.*
N/A

Describe Cause of Problem and Remedial Action Taken.*

Discharge line on water pump blew off pump possible due to an increase in main line pressure. Discharge line isolated from main waterline. No produced water was recovered..

Describe Area Affected and Cleanup Action Taken.*

An approximate area of 20' X 30' (inside battery), 20' X 20' (production pad and area), 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 (site ranking is 10) a Final Report, C-141 will be submitted to the OCD requesting closure. If analytical results are above the RRAL a work plan will be submitted to the OCD.
Depth to Ground Water: 50-99' (70', Section 22, T24S-R27E, NMOSE), Wellhead Protection Area: No, Distance to Surface Water Body: > 1000', SITE RANKING IS 10. Based on impacted soils excavated/hailed, a liner to be installed and analytical results, 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: | | <u>OIL CONSERVATION DIVISION</u> | |
| Printed Name: Robert Asher | | Approved by District Supervisor | |
| Title: Environmental Regulatory Agent | | Approval Date: JUN 28 2012 | Expiration Date: N/A |
| E-mail Address: boba@yatespetroleum.com | | Conditions of Approval: | Attached <input type="checkbox"/> |
| Date: Wednesday, June 27, 2012 Phone: 575-748-4021 | | 2RP-815 | |

* Attach Additional Sheets If Necessary