

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

Form C-141
Revised October 10, 2003

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

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	API Number 30-025-29141	Telephone No 575-748-1471
Facility Name Red Raider BKS State #1 Battery	Facility Type Battery	
Surface Owner State	Mineral Owner State	Lease No. VB-0651

RECEIVED

By OCD District 1 at 2:37 pm, Aug 05, 2015

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
J	25	24S	33E	1980	South	1980	East	Lea

Latitude 32.18654 Longitude 103.52337

NATURE OF RELEASE

Type of Release Oil & Produced Water	Volume of Release 4 B/O & 120 B/PW	Volume Recovered 4 B/O & 120 B/PW
Source of Release 3-Phase Separator	Date and Hour of Occurrence 2/10/2013 - AM	Date and Hour of Discovery 2/10/2013 - AM
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? Geoffrey Leking/NMOCD I	
By Whom? Robert Asher/Yates Petroleum Corporation	Date and Hour 2/12/2013 - AM	
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.* Gasket on 3-phase separator failed causing water and oil to leak from equipment, shut down well, closed off valves to production equipment, vacuum truck called.		

APPROVED

By OCD District 1 at 2:37 pm, Aug 05, 2015

Describe Area Affected and Cleanup Action Taken.*
An approximate area of 15' X 30'. All oil and produced water contained within bermed/lined battery. Vacuum truck recovered all oil and produced water.
Depth to Ground Water: 50-99' (approx. 75', per the ChevronTexaco trend map); Wellhead Protection Area: No; Distance to Surface Water Body: >1000'; SITE RANKING IS 10. Based on all released amounts recovered and battery is bermed/lined, 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	Env. Specialist Approved by District Supervisor : 	
Title: Environmental Regulatory Agent	Approval Date: <u>08/05/2015</u>	Expiration Date: <u>///</u>
E-mail Address: boba@yatespetroleum.com	Conditions of Approval:	Attached <input type="checkbox"/>
Date: Friday, February 22, 2013 Phone: 575-748-4217	IRP- <u>3785</u>	

* Attach Additional Sheets If Necessary

pJXK1521752549

nJXK1521752406

Bob Asher

From: Leking, Geoffrey R, EMNRD <GeoffreyR.Leking@state.nm.us>
Sent: Friday, February 22, 2013 1:26 PM
To: Bob Asher
Subject: RE: C-141 (Red Raider BKS State #1 Battery)

Bob

Approved.

Geoffrey Leking
Environmental Specialist
NMOCD-Hobbs
1625 N. French Drive
Hobbs, NM 88240
Office: (575) 393-6161 Ext. 113
Cell: (575) 399-2990
email: geoffreyr.leting@state.nm.us

From: Bob Asher [<mailto:BobA@yatespetroleum.com>]
Sent: Friday, February 22, 2013 10:25 AM
To: Leking, Geoffrey R, EMNRD
Cc: Gonzales, Elidio L, EMNRD
Subject: C-141 (Red Raider BKS State #1 Battery)

Geoffrey,

Attached in the C-141 for the 2/10/2013 release.

Thank you.

Robert Asher

NM Environmental Regulatory Supervisor
Yates Petroleum Corporation
Tijera, NM 88210
(505) 398-4217 (Office)
(505) 365-4021 (Cell)

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District IV
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 Phone:(505) 476-3470 Fax:(505) 476-3462

State of New Mexico
Energy, Minerals and Natural
Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505
Change of Operator

Form C-145
 August 1, 2011
 Permit 207583

Previous Operator Information**New Operator Information**

		Effective Date:	<u>Effective on the date of approval by the OCD</u>
OGRID:	<u>25575</u>	OGRID:	<u>270329</u>
Name:	<u>YATES PETROLEUM CORPORATION</u>	Name:	<u>ENDURANCE RESOURCES LLC</u>
Address:	<u>105 S 4TH ST</u>	Address:	<u>15455 Dallas Parkway</u>
			<u>Suite 1050</u>
City, State, Zip:	<u>ARTESIA , NM 88210</u>	City, State, Zip:	<u>Addison, TX 75234</u>

I hereby certify that the rules of the Oil Conservation Division have been complied with and that the information on this form and the certified list of wells is true to the best of my knowledge and belief.

Additionally, by signing below, ENDURANCE RESOURCES LLC certifies that it has read and understands the following synopsis of applicable rules.

PREVIOUS OPERATOR certifies that all below-grade tanks constructed and installed prior to June 16, 2008 associated with the selected wells being transferred are either (1) in compliance with 19.15.17 NMAC, (2) have been closed pursuant to 19.15.17.13 NMAC or (3) have been retrofitted to comply with Paragraphs 1 through 4 of 19.15.17.11(i) NMAC.

ENDURANCE RESOURCES LLC understands that the OCD's approval of this operator change:

1. constitutes approval of the transfer of the permit for any permitted pit, below-grade tank or closed-loop system associated with the selected wells; and
2. constitutes approval of the transfer of any below-grade tanks constructed and installed prior to June 16, 2008 associated with the selected wells, regardless of whether the transferor has disclosed the existence of those below-grade tanks to the transferee or to the OCD, and regardless of whether the below-grade tanks are in compliance with 19.15.17 NMAC.

As the operator of record of wells in New Mexico, ENDURANCE RESOURCES LLC agrees to the following statements:

1. I am responsible for ensuring that the wells and related facilities comply with applicable statutes and rules, and am responsible for all regulatory filings with the OCD. I am responsible for knowing all applicable statutes and rules, not just the rules referenced in this list. I understand that the OCD's rules are available on the OCD website under "Rules," and that the Water Quality Control Commission rules are available on the OCD website on the "Publications" page.
2. I understand that if I acquire wells from another operator, the OCD must approve the operator change before I begin operating those wells. See 19.15.9.9.B NMAC. I understand that if I acquire wells or facilities subject to a compliance order addressing inactive wells or environmental cleanup, before the OCD will approve the operator change it may require me to enter into an enforceable agreement to return those wells to compliance. See 19.15.9.9.C(2) NMAC.
3. I must file a monthly C-115 report showing production for each non-plugged well completion for which the OCD has approved an allowable and authorization to transport, and injection for each injection well. See 19.15.7.24 NMAC. I understand that the OCD may cancel my authority to transport from or inject into all the wells I operate if I fail to file C-115 reports. See 19.15.7.24.C NMAC.
4. I understand that New Mexico requires wells that have been inactive for certain time periods to be plugged or placed on approved temporary abandonment. See 19.15.25.8 NMAC. I understand the requirements for plugging and approved temporary abandonment in 19.15.25 NMAC. I understand that I can check my compliance with the basic requirements of 19.15.25.8 NMAC by using the "Inactive Well List" on OCD's website.
5. I must keep current with financial assurances for well plugging. I understand that New Mexico requires each state or fee well that has been inactive for more than two years and has not been plugged and released to be covered by a single-well financial assurance, even if the well is also covered by a blanket financial assurance and even if the well is on approved temporary abandonment status. See 19.15.8.9.C NMAC. I understand that I can check my compliance with the single-well financial assurance requirement by using the "Inactive Well Additional Financial Assurance Report" on the OCD's website.
6. I am responsible for reporting releases as defined by 19.15.29 NMAC. I understand the OCD will look to me as the operator of record to take corrective action for releases at my wells and related facilities, including releases that occurred before I became operator of record.
7. I have read 19.15.5.9 NMAC, commonly known as "Part 5.9," and understand that to be in compliance with its requirements I must have the appropriate financial assurances in place, comply with orders requiring corrective action, pay penalties assessed by the courts or agreed to by me in a settlement agreement, and not have too many wells out of compliance with the inactive well rule (19.15.25.8 NMAC). If I am in violation of Part 5.9, I may not be allowed to drill, acquire or produce any additional wells, and will not be able to obtain any new injection permits. See 19.15.16.19 NMAC, 19.15.26.8 NMAC, 19.15.9.9 NMAC and 19.15.14.10 NMAC. If I am in violation of Part 5.9 the OCD may, after notice and hearing, revoke my existing injection permits. See 19.15.26.8 NMAC.
8. For injection wells, I understand that I must report injection on my monthly C-115 report and must operate my wells in compliance with 19.15.26 NMAC and the terms of my injection permit. I understand that I must conduct mechanical integrity tests on my injection wells at least once every five years. See 19.15.26.11 NMAC. I understand that when there is a continuous one-year period of non-injection into all wells in an injection or storage project or into a saltwater disposal well or special purpose injection well, authority for that injection automatically terminates. See 19.15.26.12 NMAC. I understand that if I transfer operation of an injection well to another operator, the OCD must approve the transfer of authority to inject, and the OCD may require me to demonstrate the well's mechanical integrity prior to approving that transfer. See 19.15.26.15 NMAC.
9. I am responsible for providing the OCD with my current address of record and emergency contact information, and I am responsible for updating that information when it changes. See 19.15.9.8.C NMAC. I understand that I can update that information on the OCD's website under "Electronic Permitting."
10. If I transfer well operations to another operator, the OCD must approve the change before the new operator can begin operations. See 19.15.9.9.B NMAC. I remain responsible for the wells and related facilities and all related regulatory filings until the OCD approves the operator change. I understand that the transfer will not relieve me of responsibility or liability for any act or omission which occurred while I operated the wells and related facilities.

Previous Operator

Signature: Kathy H. Porter
Printed Name: Kathy H. Porter
Title: Attorney-in-Fact
Date: 7/22/15 Phone: 575-748-1471

New Operator

Signature: 
Printed Name: Donald C. Ritter
Title: CEO
Date: 7/20/2015 Phone: 469-552-3757

NMOCD Approval
Electronic Signature: Paul Kautz, District 1
Date: July 31, 2015

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**State of New Mexico
 Energy, Minerals and Natural
 Resources
 Oil Conservation Division
 1220 S. St Francis Dr.
 Santa Fe, NM 87505**

Wells Selected for Transfer

Permit 207583
 Permit Status: DRAFT

Wells Selected for Transfer

From: YATES PETROLEUM CORPORATION	OGRID: 25575
To: ENDURANCE RESOURCES LLC	OGRID: 270329

OCD District Hobbs

Property	Well	Lease Type	ULSTR	OCD Unit	API	Well Type	Pool ID	Pool Name	Last Prod/Inj	Additional Bonding
38003	RED RAIDER BKS STATE #001	S	J-25-24S-33E	J	30-025-29141	O	96434	RED HILLS;BONE SPRING, NORTH	05/15	0
	RED RAIDER BKS STATE #002H	S	B-25-24S-33E	B	30-025-39716	O	96434	RED HILLS;BONE SPRING, NORTH	05/15	0

Total Additional bond	0
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