

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-144
June 1, 2004

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

For drilling and production facilities, submit to appropriate NMOCD District Office
For downstream facilities, submit to Santa Fe office

Pit or Below-Grade Tank Registration or Closure

Is pit or below-grade tank covered by a "general plan"? Yes No
Type of action: Registration of a pit or below-grade tank Closure of a pit or below-grade tank



Operator: Yates Petroleum Corporation Telephone 505-748-4500 e-mail address mikes@yperm.com
Address 165 South 4th Street, Artesia, NM 88210
Facility or well name Loving AIB State #16 API # 30-015-35449 U/L or O/U/Or L Sec 16 T 23S R 28E
County Eddy Lat/Long 32 30234 Longitude 104 09736 NAD 1927 1983
Surface Owner Federal State Private Indian

JAN 31 2008
OCD-ARTESIA

Pit Type: Drilling <input checked="" type="checkbox"/> Production <input type="checkbox"/> Disposal <input type="checkbox"/> Work over <input type="checkbox"/> Emergency <input type="checkbox"/> Lined <input checked="" type="checkbox"/> Unlined <input type="checkbox"/> Liner type: Synthetic <input checked="" type="checkbox"/> Thickness <u>12</u> mil Clay <input type="checkbox"/> Pit Volume <u>20000</u> bbl	Below-grade tank Volume _____ bbl Type of fluid _____ Construction material _____ Double-walled, with leak detection? Yes <input type="checkbox"/> If not, explain why not _____
Depth to ground water (vertical distance from bottom of pit to seasonal high water elevation of ground water)	Less than 50 feet (20 points) XXXX 50 feet or more, but less than 100 feet (10 points) 100 feet or more (0 points)
Wellhead protection area (Less than 200 feet from a private domestic water source, or less than 1000 feet from all other water sources)	Yes (20 points) No (0 points) XXXX
Distance to surface water (horizontal distance to all wetlands, playas, irrigation canals, ditches, and perennial and ephemeral watercourses)	Less than 200 feet (20 points) 200 feet or more but less than 1000 feet (10 points) 1000 feet or more (0 points) XXXX
Ranking Score (Total Points)	
20 Points	

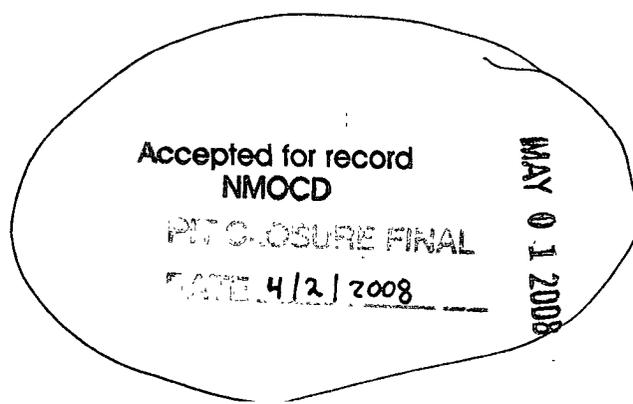
APR 24 2008
OCD-ARTESIA

If this is a pit closure: (1) Attach a diagram of the facility showing the pit's relationship to other equipment and tanks (2) indicate disposal location (check the onsite box if you are burying in place) onsite offsite If offsite, name of facility: N/A (3) Attach a general description of remedial action taken including remediation start date and end date (4) Groundwater encountered: No Yes If yes, show depth below ground surface _____ ft and attach sample results (5) Attach soil sample results and a diagram of sample locations and excavations

Additional Comments: Closure work plan for drilling pit. The drilling pit contents will be excavated and hauled to an OCD approved soil waste facility. The excavated area will be backfilled to grade using a minimum of 2' of clean soil and like material. A one call and a 48 hour notice will be provided to the Oil Conservation Division.
Pit Closure start date: N/A Final closure date: N/A
I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that the above-described pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines a general permit or an (attached) alternative OCD-approved plan
Date: 01/30/2008
Printed Name/Title: Nike Stubbliene / Environmental Regulator / Agent Signature: [Signature]
Your certification and NMOCD approval of this application/closure does not relieve the operator of liability should the contents of the pit or tank contaminate ground water or otherwise endanger public health or the environment. Nor does it relieve the operator of its responsibility for compliance with any other federal, state, or local laws and/or regulations.

Approval
Printed Name/Title _____ Signed By [Signature] Date FEB 02 2008

NOTIFY OCD 24 HOURS PRIOR to beginning closure and 24 HOURS PRIOR to obtaining samples. Samples are to be obtained from pit area and analyses submitted to OCD prior to back-filling.



I certify that on 3/28/2008 tests were conducted on soil samples from the Loving AIB State #16. Following are the results of those tests:

SAMPLE POINT	TPH (EPA Method 9074)	CHLORIDES (EPA Method 9253)	BTEX (PID Meter)
NW corner drilling pit Cleaned out drilling pit bottom. 9' depth	72 ppm	212 ppm	0 ppm
NE corner drilling pit Cleaned put drilling pit bottom. 9' depth	80 ppm	141 ppm	0 ppm
SE corner drilling pit Cleaned out drilling pit bottom. 9' depth	98 ppm	141 ppm	0 ppm
SW corner drilling pit Cleaned out drilling pit bottom. 9' depth	40 ppm	28 ppm	0 ppm

ALL RESULTS ARE PPM

Memo note; Soil samples taken for the 6' depth were from the bottom of the cleaned out drilling pit area. Vertical delineation was the maximum with equipment on location.

All testing was done at Yates Petroleum Corporation or on location.

Respectfully,



Mike Stubblefield
Environmental Regulatory Agent