

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-144  
March 12, 2004

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

30-025-37259

Operator: Yates Petroleum Corporation Telephone: (505) 748-4347 e-mail address: cliff@ypcnm.com

105 South 4<sup>th</sup> Street, Artesia, NM 88210 Facility or well name: Chesney State Unit #2 API #: \_\_\_\_\_ U/I. or Qtr/Qtr  Sec 2 T 11S R 35E

County: Lea Latitude N33.3896 Longitude W103.3748 NAD: 1927  1983  Surface Owner -Federal  State  Private  Indian

Pit Type: Drilling  Production  Disposal

Workover  Emergency

Lined  Unlined

Liner type: Synthetic  Thickness 12 mil Clay  Volume

24,000 bbl

**Below-grade tank**

Volume: \_\_\_\_\_ bbl Type of fluid: \_\_\_\_\_

Construction material: \_\_\_\_\_

Double-walled, with leak detection? Yes  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)
	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 <input checked="" type="checkbox"/>	( 0 points)
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)
<b>Ranking Score (Total Points)</b>		<b>20 Points</b>

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:

onsite  offsite  If offsite, name of facility \_\_\_\_\_ (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.

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: May 23, 2005

Printed Name/Title Clifton R. May/Regulatory Agent Signature *Clifton R. May*

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.

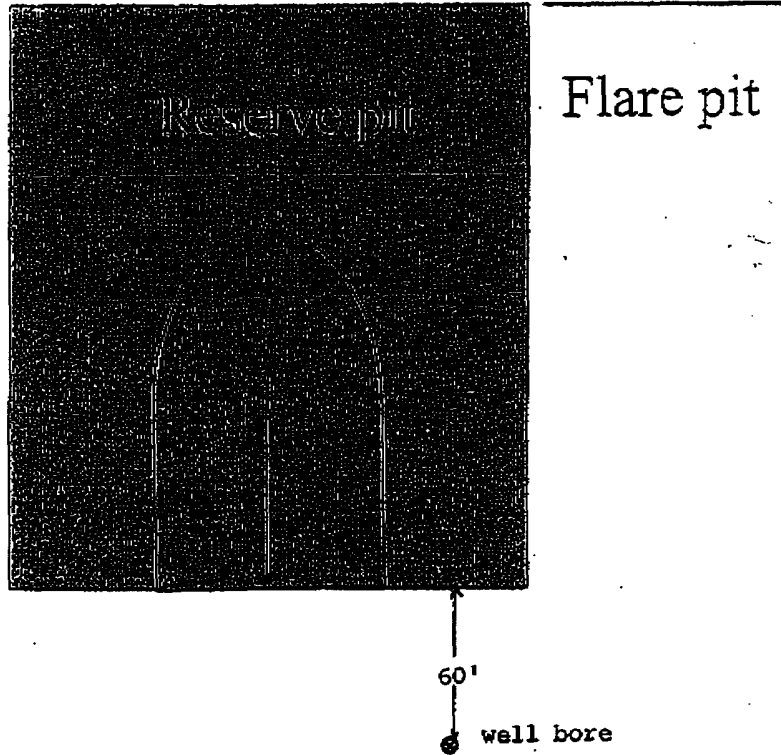
Approval: MAY 24 2005

Date: \_\_\_\_\_

Printed Name/Title PETROLEUM ENGINEER Signature *[Signature]*

YATES PETROLEUM CORPORATION  
General Plan was approved 4/15/04

The reserve pit will be to the North.  
The Southeast corner of the pit will  
be approximately 60' North of the well  
bore. The pit will be a 150' X 150'  
and 6' deep with a capacity of 24,000  
bbls.



Standard reserve pit. All Reserve pits are double  
Horse shoe size varies with depth of well