District I 1625 N. French Dr. Hobbs, NM 88240 District II 1301 W. Grand Aveitare Amesia, NM 88210 District III 1000 Rio Brazos Road, Acec, 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

June 1, 2004

DATE 6/12/2006

Form C-144

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

Pit or Below-Grade Tank Registration or Closure RECEIVED 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 JUN 1 6 2006 Operator: Yates Petroleum Corporation Telephone: 505-748-4500 e-mail address: mikes@ypcnm.com まずによう十四〇元 Address: 105 South 4th Street, Artesia, N.M. 88210 Facility or well name: Nitram AVN Federal 2 API #: 30-005-63799 U/L or Qtr/Qtr N Sec 35 T 8S R 26E Latitude: 33.57066 Longitude: 104.26938 NAD: 1927 ⊠ 1983 □ RECEIVED Surface Owner: Federal ☑ State ☐ Private ☐ Indian ☐ APR 0 5 7006 Pit Below-grade tank Type: Drilling M Production Disposal Volume: ___ **UUU-MATEOM** bbi Type of fluid: Work over | Emergency | Construction material: Lined Dulined Double-walled, with leak detection? Yes If not, explain why not. Liner type: Synthetic ☑ Thickness 12 mil Clay ☐ Pit Volume 20,000 bbl (20 points) Less than 50 feet Depth to ground water (vertical distance from bottom of pit to seasonal high water (10 points 50 feet or more, but less than 100 feet elevation of ground water.) (0 points) XXXX 100 feet or more Yes (20 points Wellhead protection area: (Less than 200 feet from a private domestic water Nο (0 points) XXXX source, or less than 1000 feet from all other water sources.) Less than 200 feet (20 points) Distance to surface water: (horizontal distance to all wetlands, playas, irrigation 200 feet or more, but less than 1000 feet (10 points) canals, ditches, and perennial and ephemeral watercourses.) 1000 feet or more (0 points) XXXX Ranking Score (Total Points) 0 points 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 NA . (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. An encapsulation trench will be constructed and lined with 12 mil synthetic liner next to existing drilling pit. The drilling pit contents will be excavated and emplaced into the encapsulation trench using a mixture of three to one pit material and Class H bulk cement or CKD. The emulsion of pit material and cement will be mixed using a track hoe and water added if needed. After completion of solidifying pit material in cement and pit contents have set in place for a minimum of 24 hours, the encapsulation trench will then be capped using a 20 mil synthetic liner placed over the pit contents with a minimum of a 3' over lap of the underlying trench areas. The trench will then be backfilled to grade using a minimum of 3' of clean soil or like material. A one call and 48 hour notification to OCD will be made before pit closure action begins. Beginning pit closure date: N/A. Ending pit 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 [3], or an (attached) alternative OCD-approved plan []. Date: 04/03/2006 Printed Name/Title Mike Stubblefield / Regulatory Agent 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. APR 0 6 2006 Approval: Printed Name/Title _ Accepted for record - NMOCD PIT CLOSURE FINAL

JUN 1 9 2006