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 Department Oil Conservation Division 1220 South St. Francis Dr.

Santa Fe, NM 87505

For temporary pits, closed-loop systems, and below-grade tanks, submit to the appropriate NMOCD District Office. For permanent pits and exceptions submit to

the Santa Fe Environmental Bureau office and

provide a copy to the appropriate NMOCD District Office.

# MAR 31 2010 Pit, Closed-Loop System, Below-Grade Tank, or Proposed Alternative Method Permit or Closure Plan Application NMOCD ARTESIA Type of action: Permit of a pit, closed-loop system, below-grade tank, or proposed alternative method Closure of a pit, closed-loop system, below-grade tank, or proposed alternative method Final Closure Report Modification to an existing permit Closure plan only submitted for an existing permitted or non-permitted pit, closed-loop system, below-grade tank, or proposed alternative method Instructions: Please submit one application (Form C-144) per individual pit, closed-loop system, below-grade tank or alternative request Please be advised that approval of this request does not relieve the operator of liability should operations result in pollution of surface water, ground water or the environment. Nor does approval relieve the operator of its responsibility to comply with any other applicable governmental authority's rules, regulations or ordinances. Operator: Yates Petroleum Corp. OGRID #: 025575 Address: 105 South 4th. Artesia N.M. 88210\_\_\_\_\_ Facility or well name: \_\_Pequeno Mike BLU Fed. 1-H\_\_\_\_\_ OCD Permit Number: API Number: 30-015-36390 U/L or Qtr/Qtr \_ M \_\_\_\_ Section \_ 3 \_\_\_ Township \_ 16S \_\_\_ Range \_ 29E \_\_\_ County: \_ Eddy\_\_\_\_ Center of Proposed Design: Latitude \_\_N32.944014 \_\_\_\_\_\_ Longitude \_\_\_W104.056492 \_\_\_\_\_ NAD: ☐1927 ☑ 1983 Surface Owner: ☐ Federal ☐ State ☐ Private ☐ Tribal Trust or Indian Allotment Pit: Subsection F or G of 19.15.17.11 NMAC Temporary: Drilling Workover Permanent Emergency Cavitation P&A String-Reinforced Liner Seams: Welded Factory Other Volume: 12,000 bbl Dimensions: L 140'\_x W\_140'\_x D\_6'\_ Closed-loop System: Subsection H of 19.15 17.11 NMAC Type of Operation: P&A Drilling a new well Workover or Drilling (Applies to activities which require prior approval of a permit or notice of ☐ Drying Pad ☐ Above Ground Steel Tanks ☐ Haul-off Bins ☐ Other ☐ Lined ☐ Unlined Liner type: Thickness \_\_\_\_\_ mil ☐ LLDPE ☐ HDPE ☐ PVC ☐ Other Liner Seams: Welded Factory Other Below-grade tank: Subsection I of 19.15.17.11 NMAC

Alternative Method: Submittal of an exception request is required. Exceptions must be submitted to the Santa Fe Environmental Bureau office for consideration of approval.

Liner type: Thickness \_\_\_\_\_

Tank Construction material:

Secondary containment with leak detection Visible sidewalls, liner, 6-inch lift and automatic overflow shut-off

mil HDPE PVC Other

Volume: bbl Type of fluid:

0208459

☐ Visible sidewalls and liner ☐ Visible sidewalls only ☐ Other

Fencing: Subsection D of 19.15.17.11 NMAC (Applies to permanent pits, temporary pits, and below-grade tanks)	
Chain link, six feet in height, two strands of barbed wire at top (Required if located within 1000 feet of a permanent residence, school, it	hospital,
institution or church)	
Four foot height, four strands of barbed wire evenly spaced between one and four feet  Alternate. Please specify	
Netting: Subsection E of 19.15.17.11 NMAC (Applies to permanent pits and permanent open top tanks)	
☐ Screen ☐ Netting ☐ Other	
☐ Monthly inspections (If netting or screening is not physically feasible)	
8.	
Signs: Subsection C of 19.15.17.11 NMAC	
12"x 24", 2" lettering, providing Operator's name, site location, and emergency telephone numbers	
Signed in compliance with 19.15.3.103 NMAC	
9. Administrative Approvals and Exceptions:	
Justifications and/or demonstrations of equivalency are required. Please refer to 19.15.17 NMAC for guidance.	
Please check a box if one or more of the following is requested, if not leave blank:  Administrative approval(s): Requests must be submitted to the appropriate division district or the Santa Fe Environmental Bureau of	office for
consideration of approval.	
Exception(s): Requests must be submitted to the Santa Fe Environmental Bureau office for consideration of approval.	<del></del>
Siting Criteria (regarding permitting): 19.15.17.10 NMAC Instructions: The applicant must demonstrate compliance for each siting criteria below in the application. Recommendations of accept material are provided below. Requests regarding changes to certain siting criteria may require administrative approval from the appropriate or may be considered an exception which must be submitted to the Santa Fe Environmental Bureau office for consideration of applicant must attach justification for request. Please refer to 19.15.17.10 NMAC for guidance. Siting criteria does not apply to drying above-grade tanks associated with a closed-loop system.	priate district pproval.
Ground water is less than 50 feet below the bottom of the temporary pit, permanent pit, or below-grade tank.  - NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells	Yes No
Within 300 feet of a continuously flowing watercourse, or 200 feet of any other significant watercourse or lakebed, sinkhole, or playa lake (measured from the ordinary high-water mark).  - Topographic map; Visual inspection (certification) of the proposed site	Yes No
Within 300 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application.  (Applies to temporary, emergency, or cavitation pits and below-grade tanks)  - Visual inspection (certification) of the proposed site; Aerial photo; Satellite image	☐ Yes ☐ No ☐ NA
Within 1000 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application. (Applies to permanent pits)	☐ Yes ☐ No ☐ NA
- Visual inspection (certification) of the proposed site; Aerial photo; Satellite image	☐ Yes ☐ No
Within 500 horizontal feet of a private, domestic fresh water well or spring that less than five households use for domestic or stock watering purposes, or within 1000 horizontal feet of any other fresh water well or spring, in existence at the time of initial application.  - NM Office of the State Engineer - iWATERS database search; Visual inspection (certification) of the proposed site	
Within incorporated municipal boundaries or within a defined municipal fresh water well field covered under a municipal ordinance adopted pursuant to NMSA 1978, Section 3-27-3, as amended.  - Written confirmation or verification from the municipality; Written approval obtained from the municipality	Yes No
Within 500 feet of a wetland.  - US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site	☐ Yes ☐ No
Within the area overlying a subsurface mine Written confirmation or verification or map from the NM EMNRD-Mining and Mineral Division	☐ Yes ☐ No
Within an unstable area.  - Engineering measures incorporated into the design; NM Bureau of Geology & Mineral Resources; USGS; NM Geological Society; Topographic map	☐ Yes ☐ No
Within a 100-year floodplain FEMA map	☐ Yes ☐ No

Temporary Pits, Emergency Pits, and Below-grade Tanks Permit Application Attachment Checklist: Subsection B of 19.15.17.9 NMAC Instructions: Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the documents are
attached.  Hydrogeologic Report (Below-grade Tanks) - based upon the requirements of Paragraph (4) of Subsection B of 19.15.17.9 NMAC  Hydrogeologic Data (Temporary and Emergency Pits) - based upon the requirements of Paragraph (2) of Subsection B of 19.15.17.9 NMAC  Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15.17.10 NMAC  Design Plan - based upon the appropriate requirements of 19.15.17.11 NMAC  Operating and Maintenance Plan - based upon the appropriate requirements of 19.15.17.12 NMAC
Closure Plan (Please complete Boxes 14 through 18, if applicable) - based upon the appropriate requirements of Subsection C of 19.15.17.9 NMAC and 19.15.17.13 NMAC
Previously Approved Design (attach copy of design) API Number: or Permit Number:
Closed-loop Systems Permit Application Attachment Checklist: Subsection B of 19.15.17.9 NMAC  Instructions: Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the documents are attached.  Geologic and Hydrogeologic Data (only for on-site closure) - based upon the requirements of Paragraph (3) of Subsection B of 19.15.17.9  Siting Criteria Compliance Demonstrations (only for on-site closure) - based upon the appropriate requirements of 19.15.17.10 NMAC  Design Plan - based upon the appropriate requirements of 19.15.17.11 NMAC  Operating and Maintenance Plan - based upon the appropriate requirements of 19.15.17.12 NMAC  Closure Plan (Please complete Boxes 14 through 18, if applicable) - based upon the appropriate requirements of Subsection C of 19.15 17 9 NMAC and 19.15.17.13 NMAC
Previously Approved Design (attach copy of design)  API Number:
Previously Approved Operating and Maintenance Plan API Number: (Applies only to closed-loop system that use
above ground steel tanks or haul-off bins and propose to implement waste removal for closure)
Permanent Pits Permit Application Checklist: Subsection B of 19.15.17.9 NMAC  Instructions: Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the documents are attached.    Hydrogeologic Report - based upon the requirements of Paragraph (1) of Subsection B of 19.15.17.9 NMAC   Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15.17.10 NMAC   Climatological Factors Assessment     Certified Engineering Design Plans - based upon the appropriate requirements of 19.15.17.11 NMAC   Dike Protection and Structural Integrity Design - based upon the appropriate requirements of 19.15.17.11 NMAC   Leak Detection Design - based upon the appropriate requirements of 19.15.17.11 NMAC   Quality Control/Quality Assurance Construction and Installation Plan   Operating and Maintenance Plan - based upon the appropriate requirements of 19.15.17.12 NMAC   Freeboard and Overtopping Prevention Plan - based upon the appropriate requirements of 19.15.17.11 NMAC   Nuisance or Hazardous Odors, including H <sub>2</sub> S, Prevention Plan   Cilosure Plan - based upon the appropriate requirements of 19.15.17.9 NMAC and 19.15.17.13 NMAC
Proposed Closure: 19.15.17.13 NMAC Instructions: Please complete the applicable boxes, Boxes 14 through 18, in regards to the proposed closure plan.
Type Drilling Workover Emergency Cavitation P&A Permanent Pit Below-grade Tank Closed-loop System Alternative  Proposed Closure Method: Waste Excavation and Removal Waste Removal (Closed-loop systems only) On-site Closure Method (Only for temporary pits and closed-loop systems) In-place Burial On-site Trench Burial Alternative Closure Method (Exceptions must be submitted to the Santa Fe Environmental Bureau for consideration)
Waste Excavation and Removal Closure Plan Checklist: (19.15.17.13 NMAC) Instructions: Each of the following items must be attached to the closure plan. Please indicate, by a check mark in the box, that the documents are attached.  Protocols and Procedures - based upon the appropriate requirements of 19.15.17.13 NMAC  Confirmation Sampling Plan (if applicable) - based upon the appropriate requirements of Subsection F of 19.15.17.13 NMAC  Disposal Facility Name and Permit Number (for liquids, drilling fluids and drill cuttings)  Soil Backfill and Cover Design Specifications - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC  Re-vegetation Plan - based upon the appropriate requirements of Subsection G of 19.15.17.13 NMAC

Waste Removal Closure For Closed-loop Systems That Utilize Above Ground S Instructions: Please indentify the facility or facilities for the disposal of liquids, defacilities are required.									
facilities are required.  Disposal Facility Name:	Disposal Facility Permit Number:								
	Disposal Facility Permit Number:								
Will any of the proposed closed-loop system operations and associated activities occur on or in areas that will not be used for future service and operations?  Yes (If yes, please provide the information below) No									
Required for impacted areas which will not be used for future service and operation.  Soil Backfill and Cover Design Specifications based upon the appropriate requirements of Subsection I  Site Reclamation Plan - based upon the appropriate requirements of Subsection	equirements of Subsection H of 19.15.17.13 NMAC of 19.15.17.13 NMAC	C							
17. Siting Criteria (regarding on-site closure methods only): 19.15.17.10 NMAC Instructions: Each siting criteria requires a demonstration of compliance in the comprovided below. Requests regarding changes to certain siting criteria may require considered an exception which must be submitted to the Santa Fe Environmental demonstrations of equivalency are required. Please refer to 19.15.17.10 NMAC for	administrative approval from the appropriate disti Bureau office for consideration of approval. Justi	rict office or may be							
Ground water is less than 50 feet below the bottom of the buried waste.  - NM Office of the State Engineer - iWATERS database search; USGS; Data	obtained from nearby wells	☐ Yes ☐ No ☐ NA							
Ground water is between 50 and 100 feet below the bottom of the buried waste - NM Office of the State Engineer - iWATERS database search; USGS; Data	obtained from nearby wells	☐ Yes ☐ No ☐ NA							
Ground water is more than 100 feet below the bottom of the buried waste.  - NM Office of the State Engineer - iWATERS database search; USGS; Data	obtained from nearby wells	☐ Yes ☐ No ☐ NA							
Within 300 feet of a continuously flowing watercourse, or 200 feet of any other signs lake (measured from the ordinary high-water mark).  - Topographic map; Visual inspection (certification) of the proposed site	ficant watercourse or lakebed, sinkhole, or playa	☐ Yes ☐ No							
Within 300 feet from a permanent residence, school, hospital, institution, or church i  Visual inspection (certification) of the proposed site; Aerial photo; Satellite is		☐ Yes ☐ No							
Within 500 horizontal feet of a private, domestic fresh water well or spring that less than five households use for domestic or stock watering purposes, or within 1000 horizontal feet of any other fresh water well or spring, in existence at the time of initial application.  - NM Office of the State Engineer - iWATERS database; Visual inspection (certification) of the proposed site									
Within incorporated municipal boundaries or within a defined municipal fresh water adopted pursuant to NMSA 1978, Section 3-27-3, as amended.  - Written confirmation or verification from the municipality; Written approval	·	☐ Yes ☐ No							
Within 500 feet of a wetland US Fish and Wildlife Wetland Identification map; Topographic map; Visual	inspection (certification) of the proposed site	☐ Yes ☐ No							
Within the area overlying a subsurface mine.  - Written confirmation or verification or map from the NM EMNRD-Mining a	nd Mineral Division	☐ Yes ☐ No							
<ul> <li>Within an unstable area.</li> <li>Engineering measures incorporated into the design, NM Bureau of Geology of Society; Topographic map</li> </ul>	& Mineral Resources; USGS; NM Geological	☐ Yes ☐ No							
Within a 100-year floodplain FEMA map		☐ Yes ☐ No							
On-Site Closure Plan Checklist: (19.15.17.13 NMAC) Instructions: Each of the by a check mark in the box, that the documents are attached.  Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of S Construction/Design Plan of Burial Trench (if applicable) based upon the app Construction/Design Plan of Temporary Pit (for in-place burial of a drying pactory Protocols and Procedures - based upon the appropriate requirements of 19.15.  Confirmation Sampling Plan (if applicable) - based upon the appropriate requirements of S Disposal Facility Name and Permit Number (for liquids, drilling fluids and drimation Soil Cover Design - based upon the appropriate requirements of Subsection H Re-vegetation Plan - based upon the appropriate requirements of Subsection I Site Reclamation Plan - based upon the appropriate requirements of Subsection	rements of 19.15.17.10 NMAC ubsection F of 19.15.17.13 NMAC ropriate requirements of 19.15.17.11 NMAC (1) - based upon the appropriate requirements of 19.17.13 NMAC rements of Subsection F of 19.15.17.13 NMAC absection F of 19.15.17.13 NMAC (1) cuttings or in case on-site closure standards cannot of 19.15.17.13 NMAC (1) of 19.15.17.13 NMAC	15.17.11 NMAC							

<b>k</b>	
Operator Application Certification:	
I hereby certify that the information submitted with this application is t	rue, accurate and complete to the best of my knowledge and belief.
Name (Print):	Title:
Signature:	Date:
Signature.	Date.
e-mail address:	Telephone:
20.	
OCD Approval: Permit Application (including closure plan)	Closure Plan (only) OCD Conditions (see attachmant)
	**
OCD Renresentative Signature /	Approval Date:
Title:	OCD Permit Number:
	lan prior to implementing any closure activities and submitting the closure report.  O days of the completion of the closure activities. Please do not complete this and the closure activities have been completed.
	☐ Closure Completion Date:_10-01-2009
22.	
If different from approved plan, please explain.	Alternative Closure Method
	o Systems That Utilize Above Ground Steel Tanks or Haul-off Bins Only: quids, drilling fluids and drill cuttings were disposed. Use attachment if more than  Disposal Facility Permit Number:
Disposal Facility Name:	Disposal Facility Permit Number:
	med on or in areas that will not be used for future service and operations?
Yes (If yes, please demonstrate compliance to the items below)	
Required for impacted areas which will not be used for future service as  Site Reclamation (Photo Documentation)	nd operations:
Soil Backfilling and Cover Installation	
Re-vegetation Application Rates and Seeding Technique	
24.	
Closure Report Attachment Checklist: Instructions: Each of the fo mark in the box, that the documents are attached.	llowing items must be attached to the closure report. Please indicate, by a check
Proof of Closure Notice (surface owner and division)	
Proof of Deed Notice (required for on-site closure)	
Plot Plan (for on-site closures and temporary pits)	1
<ul> <li>☐ Confirmation Sampling Analytical Results (if applicable) Attacl</li> <li>☐ Waste Material Sampling Analytical Results (required for on-site</li> </ul>	
Disposal Facility Name and Permit Number Lea Land- WM-1	
Soil Backfilling and Cover Installation All material on-site	
<ul> <li>         ⊠ Re-vegetation Application Rates and Seeding Technique As Per</li> <li>         ⊠ Site Reclamation (Photo Documentation)     </li> </ul>	BLM specs. Attached
	Longitude NAD: ☐1927 ☐ 1983
25.	
Operator Closure Certification:	
I hereby certify that the information and attachments submitted with thi belief. I also certify that the closure complies with all applicable closur	s closure report is true, accurate and complete to the best of my knowledge and e requirements and conditions specified in the approved closure plan.
Name (Print):Scott Pitts	Title:Construction Supervisor
Signature:	Date:12-01-2009
e-mail address:scottp@yatespetroleum.com	Telephone: _(575)-365-4716

Accepted for record APR NMOCD Oil Conservation Division

APR 0 1 2010

Page 5 of 5



September 2, 2009

**Scott Pitts** Yates Petroleum Corporation 105 South 4<sup>th</sup> Street Artesia, NM 88210

Re: Pequeno Mike Blu Fed 1-H

Enclosed are the results of analyses for sample number H18077, received by the laboratory on 08/26/09 at 11:32 am.

Cardinal Laboratories is accredited through Texas NELAP for:

Method SW-846 8021 Benzene, Toluene, Ethyl Benzene, and Total Xylenes Method SW-846 8260 Benzene, Toluene, Ethyl Benzene, and Total Xylenes

Method TX 1005 Total Petroleum Hydrocarbons

Certificate number T104704398-08-TX. Accreditation applies to solid and chemical materials and non-potable water matrices.

Cardinal Laboratories is accredited though the State of Colorado Department of Public Health and Environment for:

Method EPA 552.2 Haloacetic Acids (HAA-5) Method EPA 524.2 Total Trihalomethanes (TTHM) Method EPA 524.2 Regulated VOCs (V2, V3)

Accreditation applies to public drinking water matrices.

Total Number of Pages of Report: 4 (includes Chain of Custody)

Sincerely

Laboratory Director



ANALYTICAL RESULTS FOR YATES PETROLEUM CORPORATION

ATTN: SCOTT PITTS 105 SOUTH 4TH STREET ARTESIA, NM 88210 FAX TO: (575) 748-4229

Receiving Date: 08/26/09

Sampling Date: 08/24/09

Reporting Date: 08/28/09

Sample Type: SOIL

Project Number: NOT GIVEN

Sample Condition: INTACT @ 18.5°C

Project Number: PEQUENO MIKE BLU FED. 1-H

Sample Received By: ML

Project Location: NOT GIVEN

Analyzed By: AB/HM

418.1

GRO DRO

**TOTAL** 

 $(C_6-C_{10})$  (>C<sub>10</sub>-C<sub>28</sub>)

TPH

CI\*

LAB NUMBER SAMPLE ID

(mg/kg)

(mg/kg)

(mg/kg)

(ma/ka)

ANALYSIS DATE	08/27/09	08/27/09	08/26/09	08/26/09
H18077-1 5-SPOT COMPOSITE	<10.0	<10.0	<100	192
Quality Control	532	489	334	500
True Value QC	500	500	300	500
% Recovery	106	97.8	111	100
Relative Percent Difference	5.5	1.8	0.4	< 0.1

METHODS: TPH GRO & DRO: EPA SW-846 8015 M; EPA 418.1; CI-: Std. Methods 4500-CI-B \*Analysis performed on a 1:4 w:v aqueous extract. Reported on wet weight. Not accredited for GRO/DRO, TPH 418.1 and Chloride.



ANALYTICAL RESULTS FOR YATES PETROLEUM CORPORATION ATTN: SCOTT PITTS 105 SOUTH 4TH STREET

ARTESIA, NM 88210 FAX TO: (575) 748-4229

Receiving Date: 08/26/09

Reporting Date: 09/02/09

Project Number: NOT GIVEN Project Number: PEQUENO MIKE BLU FED. 1-H

Project Location: NOT GIVEN

Sampling Date: 08/24/09 Sample Type: SOIL

Sample Condition: INTACT @ 18.5°C

Sample Received By: ML

Analyzed By: ZL

**ETHYL** TOTAL

BENZENE TOLUENE BENZENE XYLENES

LAB NUMBER SAMPLE ID (mg/kg) (mg/kg) (mg/kg) (mg/kg)

ANALYSIS DAT	E	09/02/09	09/02/09	09/02/09	09/02/09
H18077-1	5-SPOT COMPOSITE	<0.050	<0.050	<0.050	<0.300
				· · · · · · · · · · · · · · · · · · ·	
<b>Quality Control</b>		0.056	0.055	0.052	0.156
True Value QC		0.050	0.050	0.050	0.150
% Recovery		112	110	104	104
Relative Percer	it Difference	7	5.3	5.6	6.4

METHOD: EPA SW-846 8021B

TEXAS NELAP ACCREDITATION T104704398-08-TX FOR BENZENE, TOLUENE, ETHYL BENZENE, AND TOTAL XYLENES. Reported on wet weight.

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Lab I.D.	Sample I.D.	S(G)RAB OR (C)OMP. # CONTAINERS	GROUNDWATER WASTEWATER SOIL OIL SLUDGE	OTHER - ACID/BASE: ICE / COOL	OTHER:	TIME	Chlorid	HdL	TPH ,	13-70							<u>.</u>
H18077-1	5-Spot Composit	CI	V		8-24	1 2:00	V	V	V	1							
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indical this event shall di	od Damages. Caronal's bacolity and client's exclusive remedy for no floor for negligence and any other cause whatsdawer shall be admined to a rectificial or consequental damages including our formation of services hereunder by UIShed.  Date:	i deamed war ig without limi Cardinal rega	vad unless made in winding ar talion "business interruptions, ardiass of whether such claim	nd received by Card loss of use, or loss	nal within 30 days a of profits incurred b	iter completion of a y client, its subsidia	the applica aries, ase	ble		30 days p	ast due al lhe	s: Interest will rate of 24% p ons, including	er annum fro	m the origina			

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Sampler - UPS - Bus - Other:	0/6, 18	∠ Yes Yes	1 11/2/14	1			
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<sup>†</sup> Cardinal cannot accept verbal changes. Please fax written changes to 575-393-2476.

### **Scott Pitts**

From: Bratcher, Mike, EMNRD [mike.bratcher@state.nm.us]

**Sent:** Tuesday, July 07, 2009 1:51 PM

To: Scott Pitts
Cc: Mike Larkin

Subject: RE: Pequeno Mike BLU Fed. 1-H

Scott,

Your request for an extension to close the drilling pit at the Yates Petroleum Corporation's Pequeno Mike BLU 001-H (API:30-015-36390) is approved to September 26, 2009.

Sincerely,

Mike Bratcher NMOCD District 2 1301 W. Grand Ave. Artesia, NM 88210 575-748-1283 Ext.108 mike.bratcher@state.nm.us

**From:** Scott Pitts [mailto:ScottP@yatespetroleum.com]

Sent: Tuesday, June 30, 2009 10:48 AM

**To:** Bratcher, Mike, EMNRD **Cc:** Mike Larkin; Scott Pitts

Subject: Pequeno Mike BLU Fed. 1-H

Mr. Bratcher,

I would like to request an extension on the reserve pit closure at the Pequeno Mike 1-H. API # 30-015-36390. Legal's: sec.3- t16s- r29e- eddy co. The 6 mos. After rig release was 6-26-09.I am working on several other projects, and this slipped my attention. I will have a bid meeting on it tomorrow 7-1-09 and begin work on it next week. By Monday I can notify you of my contractor, and the remaining details this will de a dig and haul clean up. I apologize for any inconvenience.

Thank you Scott Pitts Construction Supervisor Yates Petroleum Corp.

This inbound email has been scanned by the MessageLabs Email Security System.

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#### **Scott Pitts**

From: Bratcher, Mike, EMNRD [mike.bratcher@state.nm.us]

Sent: Thursday, August 27, 2009 11:38 AM

To: Scott Pitts

Cc: Tim Bussell; Mike Larkin; Jerry Fanning

Subject: RE: Pequeno Mike BLU Fed. 1-H

Scott,

Continuation of sampling event at this site is approved.

Mike Bratcher NMOCD District 2 575-748-1283 Ext.108

From: Scott Pitts [mailto:ScottP@yatespetroleum.com]

Sent: Tuesday, August 25, 2009 11:04 AM

To: Bratcher, Mike, EMNRD

Cc: Tim Bussell; Mike Larkin; Jerry Fanning; Scott Pitts

Subject: Pequeno Mike BLU Fed. 1-H

#### Mr. Bratcher,

I was out at this location yesterday, to check on the clean up, I had my lab trailer with me and the clean up was done, so I went ahead and took my sample's to send to the lab, I have pictures of the sampling sites and of the cleaned out pit, which look's very good. TNT / Ray Martin did this clean up. My problem is I did not notify you in time; therefore my question is may I continue with this testing?

Pequeno Mike BLU Fed. 1-H Legal: Sec. 3- T16S- R29E- Eddy Co. API# 30-015-36390

Thank you Scott Pitts Construction Supervisor Yates Petroleum Corp.

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## **Scott Pitts**

From: Bratcher, Mike, EMNRD [mike.bratcher@state.nm.us]

Sent: Wednesday, September 09, 2009 4:37 PM

To: Scott Pitts

Cc: Tim Bussell; Mike Larkin; Jerry Fanning
Subject: RE: PEQUENO MIKE BLU FED 1-H

Scott,

Based on the analytical data, this pit is OK to close.

Mike Bratcher NMOCD District 2

**From:** Scott Pitts [mailto:ScottP@yatespetroleum.com]

Sent: Thursday, September 03, 2009 11:15 AM

To: Bratcher, Mike, EMNRD

Cc: Tim Bussell; Mike Larkin; Jerry Fanning; Scott Pitts

Subject: FW: PEQUENO MIKE BLU FED 1-H

Mr. Bratcher,

Here are lab results on the Pequeno Milke reserve pit, they all appear to be good to me, may we go ahead and backfill and complete this closure? Legal:sec.3- t16s- r29e Eddy co.

----Original Message-----

**From:** Celey Keene [mailto:celey.keene@cardinallabsnm.com]

Sent: Wednesday, September 02, 2009 1:37 PM

To: Scott Pitts

Subject: PEQUENO MIKE BLU FED 1-H

THANK YOU,

Celey Keene Lab Director Cardinal Laboratories 101 East Marland Hobbs, NM 88240

T: (575) 393-2326 F: (575) 393-2476

e-mail: celey.keene@cardinallabsnm.com

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# Pequeno Mike BLU Fed. 1-H

Seed Mixture 1, for Loamy Sites

The holder shall seed all disturbed areas with the seed mixture listed below. The seed mixture shall be planted in the amounts specified in pounds of pure live seed (PLS)\* per acre. There shall be no primary or secondary noxious weeds in the seed mixture. Seed will be tested and the viability testing of seed will be done in accordance with State law(s) and within nine (9) months prior to purchase. Commercial seed will be either certified or registered seed. The seed container will be tagged in accordance with State law(s) and available for inspection by the authorized officer.



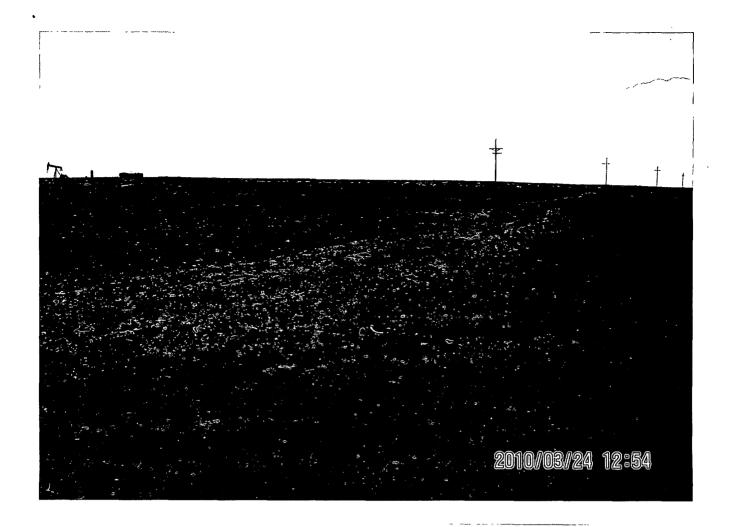
Seed will be planted using a drill equipped with a depth regulator to ensure proper depth regulator to ensure proper depth of planting where drilling is possible. The seed mixture will be evenly and uniformly planted over the disturbed area (small/heavier seeds have a tendency to drop the bottom of the drill and are planted first). The holder shall take appropriate measures to ensure this does not occur. Where drilling is not possible, seed will be broadcast and the area shall be raked or chained to cover the seed. When broadcasting the seed, the pounds per acre are to be doubled. The seeding will be repeated until a satisfactory stand is established as determined by the authorized officer. Evaluation of growth will not be made before completion of at least one full growing season after seeding.

Species to be planted in pounds of pure live seed\* per acre:

Species	<u>lb/acre</u>
Plains lovegrass (Eragrostis intermedia)	0.5
Sand dropseed (Sporobolus cryptandrus)	1.0
Sideoats grama (Bouteloua curtipendula)	5.0

<sup>\*</sup>Pounds of pure live seed:

Pounds of seed x percent purity x percent gemination = pounds pure live seed (Insert Seed Mixture Here)





Yates Petroleum Corp.
RESERVE PIT INSPECTION LOG
PEQUENO MIKE BLU FEDERAL # 1 H

Pit must be inspected daily while drilling rig on location, weekly after rig moves out. If liner is torn-either above or below fluid level, NMOCD must be notifed within 48 hrs. Document the name of the person you notified. Berm to be constructed to prevent run on of fluids into pit.

## Rig Release Date:

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Yates Petroleum Corp.
RESERVE PIT INSPECTION LOG
PEQUENO MIKE BLU FEDERAL # 1 H

Pit must be inspected daily while drilling rig on location, weekly after rig moves out. If liner is torn-either above or below fluid level, NMOCD must be notifed within 48 hrs. Document the name of the person you notified.

Berm to be constructed to prevent run on of fluids into pit.

# Rig Release Date:

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## Rig Release Date:

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