District I 25 N. French Dr., Hobbs, NM 88240 District II

1000 Rio Brazos Road, Aztec, NM 87410

District IV

1220 S. St. Francis Dr., Hobos, NM 88240

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

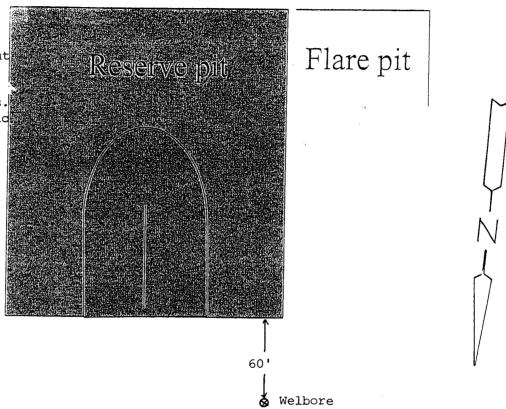
Form C-144 March 12, 2004

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

Is pit or below-grade tan	de Tank Registration or Closu k covered by a "general plan"? Yes xx No or below-grade tank xx Closure of a pit or below-gra			
	hone: (505) 748-4347 e-mail address: deb	obiec@ypcnm.com		
Pit Type: Drilling X Production ☐ Disposal ☐ Workover ☐ Emergency ☐ Lined xx Unlined ☐ Liner type: Synthetic xx Thickness 20 mil Clay ☐ Volume 20,000 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.) 25'	Less than 50 feet 50 feet or more, but less than 100 feet 100 feet or more	(20 points) (10 points) (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.) 3000'	Yes No	(20 points) (0 points)		
Distance to surface water: (horizontal distance to all wetlands, playas, irrigation canals, ditches, and perennial and ephemeral watercourses.) 900'	Less than 200 feet 200 feet or more, but less than 1000 feet 1000 feet or more	(20 points) (10 points) (0 points)		
	Ranking Score (Total Points)	30 Points of South 1		
If this is a pit closure: (1) attach a diagram of the facility showing the pit's onsite offsite If offsite, name of facility date. (4) Groundwater encountered: No Yes If yes, show depth belodiagram of sample locations and excavations. I hereby certify that the information above is true and complete to the best of been/will be constructed or closed according to NMOCD guidelines , a	. (3) Attach a general description of remedial act ow ground surface ft. and attach samp my knowledge and belief. I further certify that the	tion taken including remediation start date and end ole results. (5) Attach soil sample results and a be above-described pit or below-grade tank has		
Date: April 28, 2004 Printed Name/Title Clifton R. May/Regulatory Agent Signature Your certification and NMOCD approval of this application/closure does not otherwise endanger public health or the environment. Nor does it relieve the regulations.				
Approval: Date:	Signature Saul 32	rity		

Waylon State Unit #3 YATES PETROLEUM CORPORATION General Plan was approved 4/15/04

The reserve pit was built toothe South. The Southwest corner of the pit is about 60' South of the wellbore. The pit is 150' X 150' and approximately 5' deep. The volume is approximately 20,000 bbls. The pit is lined with a 12 mil synthetic liner.



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

C-101/C-144 DRILLING PIT REGISTRATION CODITIONS OF APPROVAL

	API numbe	r: 30-025-3 6	5580					
	OGRID:		Operator:	YATES PETROLEUM CORP				
				105 S 4th	STREET			
				ARTESIA NM 88210				
			Property:	WAYLON STATE UNIT			# 3	
		1	1 4		1440		T= -	
surface	ULSTR:	JN	21	T	11S	ļ R	34E	

XXXXXX	Pit must be lined with a minimum of a 12 mil re-enforced or 20 mil
	re-enforced liner.
XXXXXX	The pit must be deep enough so that when pit is closed it can be covered
	with 3 feet of dirt and surface leveled
XXXXXX	If the pit is to be encapsulated in place, the liner is to be a minimum
	thickness of 20 mil re-enforced liner
	When using a 12 mil nylon re-enforced liner. The contents of the pit must be
	removed along with the liner and disposed of in an approved facility within
	6 months of completion of the well.
XXXXXX	When using a 20 mil liner. The pit must be closed within 6 months of
	completion of the well.
XXXXXX	This site has a Ranking Score of 20 points or higher. The contents of the
	pit must be removed along with the liner and disposed of in an approved
	facility within 6 months of completion of the well.
XXXXXX	Before pit is closed, submit a subsequant Form C-144 along with any
	additional information which may be applicable to the appropriate NMOCD
	District Office for approval.
XXXXXX	Notify appropriate NMOCD District Office by E-mail 48 hrs prior to closing
	pit.
XXXXXX	The operator is required to comply with NMOCD guidelines.
XXXXXX	OCD approval does not release the operator of its resposibilities for

Drilling Pit Registration Approval

505-393-6161

District Supervisor
District Geologist

Chris Williams Paul F Kautz ext 102 ext 104

Drilling Pit closure

505-393-6161

Environmental Spec Larry Johnson

ext 111

Environmental Spec Paul Sheeley

ext 113

lwjohnson@state.nm.us psheeley@state.nm.us