

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  
 June 1, 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 X No

Type of action: Registration of a pit or below-grade tank  Closure of a pit or below-grade tank X

Operator: Yates Petroleum Corporation Telephone: 505-748-4500 e-mail address: mikes@ypc.com  
 Address: 105. South 4<sup>th</sup> street, Artesia, N.M. 88210  
 Facility or well name: Dallas "AUE" State Com. #5 API #: 30-005-63481 U/L or Qtr/Qtr N Sec 34 T 9s R 26e  
 County: Chaves Latitude 33.48351 Longitude 104.28683 NAD: 1927  1983 X  
 Surface Owner: Federal State X Private Indian

<b>Pit</b> Type: Drilling X Production <input type="checkbox"/> Disposal <input type="checkbox"/> Work over <input type="checkbox"/> Emergency <input type="checkbox"/> Lined X Unlined <input type="checkbox"/> Liner type: Synthetic <input type="checkbox"/> Thickness 12 mil Clay <input type="checkbox"/> Pit Volume 8550 _bbl		<b>Below-grade tank</b> Volume: _____ bbl Type of fluid: _____ Construction material: _____ Double-walled, with leak detection? Yes <input type="checkbox"/> If not, explain why not _____ <div style="text-align: right; border: 1px solid black; padding: 5px;">           RECEIVED            FEB 01 2005            DUNN-ARTESIA         </div>	
Depth to ground water (vertical distance from bottom of pit to seasonal high water elevation of ground water.)	Less than 50 feet 50 feet or more, but less than 100 feet 100 feet or more	(20 points) (10 points)X ( 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 No	(20 points) ( 0 points)X	
Distance to surface water: (horizontal distance to all wetlands, playas, irrigation canals, ditches, and perennial and ephemeral watercourses.)	Less than 200 feet 200 feet or more, but less than 1000 feet 1000 feet or more	(20 points) (10 points) ( 0 points)X	
<b>Ranking Score (Total Points)</b>		10 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 X 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.

Additional Comments: Registration for encapsulation trench. The drilling pit contents will be mixed to stiffen the pit contents. Encapsulation trench will be excavated and lined with a 12 mil. Synthetic liner on former drilling pit site. Drilling pit contents will then be emplaced into the encapsulation trench. A 20 mil. Synthetic liner will then be placed over the pit contents with a min. of a 3' over lap of the underlying trench areas. The encapsulation trenches will then backfilled back to grade using a min. of 3' of clean soil and like material. A one call & 48 hour notice will be provide to the Oil Conservation Division before pit closure actions began.  
 Pit Closure actions to begin by NA. Ending date NA.

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 X, or an (attached) alternative OCD-approved plan .

Date: 1/27/2005  
 Printed Name/Title DONOLAN REISHER Signature [Signature] EVILRO DEPT  
 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: [Signature] Signature [Signature] Date FEB 2 2005