

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

Form C-144
June 1, 2004

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

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 4th Street, Artesia, N.M. 88210
Facility or well name: Chimay BAO 1 API #: 30-015-32508 U/L or Qtr/Qtr E Sec 2 T 24S R 23E
County: Eddy Latitude 32.24724 Longitude 104.57828 NAD: 1927 1983 X
Surface Owner: Federal State Private Indian

<p>Pit 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 <u>12</u> mil Clay <input type="checkbox"/> Pit Volume <u>12,000</u> bbl</p>	<p>Below-grade tank Volume: _____ bbl Type of fluid: _____ Construction material: _____ Double-walled, with leak detection? Yes <input type="checkbox"/> If not, explain why not.</p>	<p>RECEIVED APR 19 2005 OCC-ARTESIA</p>
<p>Depth to ground water (vertical distance from bottom of pit to seasonal high water elevation of ground water.)</p>	<p>Less than 50 feet 50 feet or more, but less than 100 feet 100 feet or more</p>	<p>(20 points) (10 points) (0 points) XXXX</p>
<p>Wellhead protection area: (Less than 200 feet from a private domestic water source, or less than 1000 feet from all other water sources.)</p>	<p>Yes No</p>	<p>(20 points) (0 points) XXXX</p>
<p>Distance to irrigation canals USGS information shows this area to be water sensitive.</p>	<p>Less than 200 feet 200 feet or more, but less than 1000 feet 1000 feet or more</p>	<p>(20 points) (10 points) (0 points) XXXX</p>
<p>Ranking Score (Total Points)</p>		<p>20 POINTS</p>

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 your are burying in place) onsite X 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. 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 be backfilled back to grade using a min. of 3' of clean soil and like material. A one call & 48 hour notice will be provided to the Oil Conservation Division before pit closure actions begin.

Pit Closure actions to begin by NA. Ending date NA

PIT CLOSURE FINAL
DATE Closed pre April 2004

Due to the sensitive nature of this location, the pit's contents and the liner must be removed and disposed of in a manner approved by the division.

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that it has been/will be constructed or closed according to NMOCD guidelines , a general permit X, or an (attached) alternative.

Date: 04/11/2005
Printed Name/Title Dan Dolan / Regulatory Agent Signature Katie Parker for Dan Dolan

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] Printed Name/Title _____ Signature [Signature] Date: APR 19 2005

Accepted for record - NMOCD

JUN 22 2005