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

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

Pit or Below-Grade Tank Registration or Closure

June 1, 2004

Form C-144

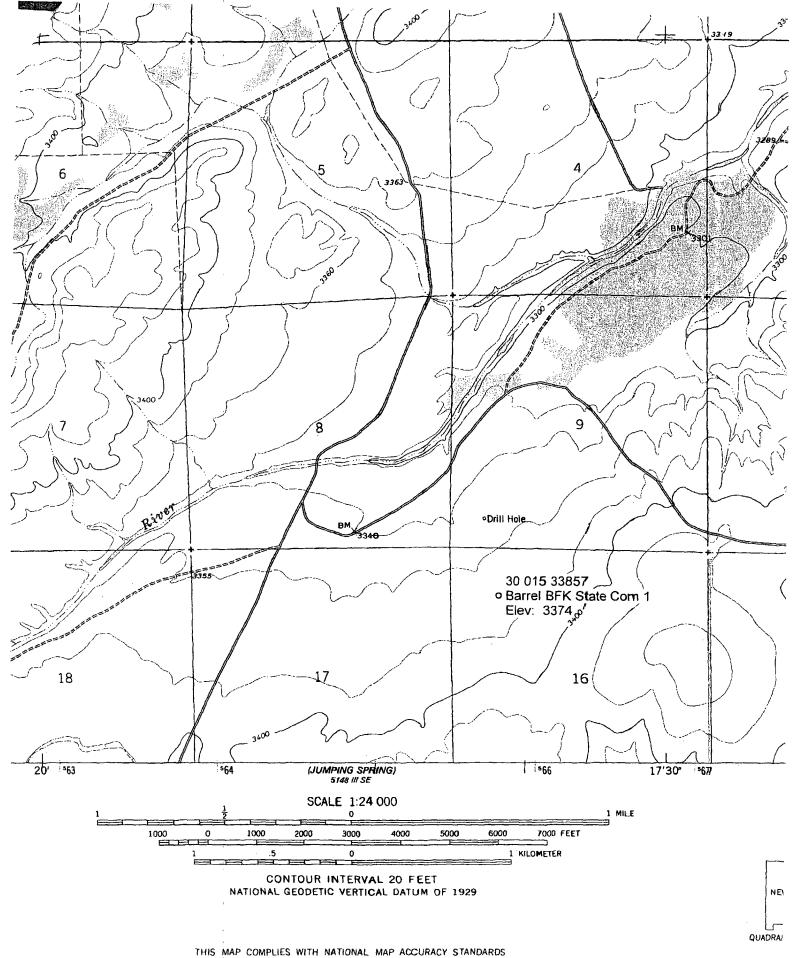
For drilling and production facilities, submit to appropriate NMOCD District Office.
For downstream facilities, submit to Santa Fe office

Date:

| • | | grade tank ⊠ RECEIVED |
|---|---|--|
| Operator: Yates Petroleum Corporation Telephone: 505-748-4500 e-mail address: mikes@ypcnm.com | | SEP z 1 2005 |
| Address: 105 South 4th Street, Artesia, N.M. 88210 | | |
| Facility or well name: Barrel BFK State Com 1 API #: 30-015-33857 U/L or | | CCD-VELTOR |
| County: Eddy Latitude: 32.13455 Longitude: 10 | 4.3027 NAD: 1927 ⊠ 1983 □ | |
| Surface Owner: Federal ☐ State ☒ Private ☐ Indian ☐ | | |
| Pit | Below-grade tank | |
| Type: Drilling ☑ Production ☐ Disposal ☐ | Volume:bbl Type of fluid: | |
| Work over ☐ Emergency ☐ | Construction material: | RECEIVEL |
| Lined Unlined | Double-walled, with leak detection? Yes If not, explain why not. | |
| Liner type: Synthetic Marchaessmil Clay | | |
| Pit Volume 20,000 bbl | | OCD-AFTI ESTA |
| Depth to ground water (vertical distance from bottom of pit to seasonal high water elevation of ground water.) | Less than 50 feet | (20 points) XXXX |
| | 50 feet or more, but less than 100 feet | (10 points) |
| | 100 feet or more | (0 paants) |
| Wellhead protection area: (Less than 200 feet from a private domestic water | Yes | (20 posints) |
| source, or less than 1000 feet from all other water sources.) | No | (0 points) XXXX |
| Distance to surface water: (horizontal distance to all wetlands, playas, irrigation canals, ditches, and perennial and ephemeral watercourses.) | V 4 2005 | (20 1.1) |
| | Less than 200 feet | (20 points) |
| | 200 feet or more, but less than 1000 feet | (10 points) |
| | 1000 feet or more | (0 posints) XXXX |
| | D 11 0 0 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 | 20 points |
| | Ranking Score (Total Points) | 20 points |
| n place) onsite offsite froffsite, name of facility NA Groundwater encountered: No Yes If yes, show depth below ground surf | ationship to other equipment and tanks. (2) Indicate (3) Attach a general description of remedial action faceft. and attach sample results. | |
| n place) onsite offsite foffsite, name of facility NA Groundwater encountered: No Yes If yes, show depth below ground surf 5) Attach soil sample results and a diagram of sample locations and excavations | ationship to other equipment and tanks. (2) Indicate (3) Attach a general description of remedial action faceft. and attach sample results. | disposal location: (check the onsite box if you are bury a taken including remediation start date and end date. |
| If offsite, name of facility NA Groundwater encountered: No Yes If yes, show depth below ground surf 5) Attach soil sample results and a diagram of sample locations and excavations Additional Comments: Closure work plan for drilling pit. An encapsulation tree | ationship to other equipment and tanks. (2) Indicate (3) Attach a general description of remedial action faceft. and attach sample results. | disposal location: (check the onsite box if you are bury taken including remediation start date and end date. (|
| n place) onsite offsite foffsite, name of facility NA Groundwater encountered: No Yes If yes, show depth below ground surf 5) Attach soil sample results and a diagram of sample locations and excavations | ationship to other equipment and tanks. (2) Indicate (3) Attach a general description of remedial action faceft. and attach sample results. | disposal location: (check the onsite box if you are bury taken including remediation start date and end date. (4) |
| Groundwater encountered: No Yes If yes, show depth below ground surf 5) Attach soil sample results and a diagram of sample locations and excavations Additional Comments: Closure work plan for drilling pit. An encapsulation treation | ationship to other equipment and tanks. (2) Indicate (3) Attach a general description of remedial action faceft. and attach sample results. i | disposal location: (check the onsite box if you are bury a taken including remediation start date and end date. (4) tic liner next to existing drilling pit. The drilling pit is cement or CKD. The emulsion of pit material and |
| n place) onsite offsite If offsite, name of facility NA Groundwater encountered: No Yes If yes, show depth below ground surf 5) Attach soil sample results and a diagram of sample locations and excavations Additional Comments: Closure work plan for drilling pit. An encapsulation tree contents will be excavated and emplaced into the encapsulation trench using a | ationship to other equipment and tanks. (2) Indicate (3) Attach a general description of remedial action faceft. and attach sample results. Inch will be constructed and lined with 12 mil synthe mixture of three to one pit material and Class H bull detion of solidifying pit material in cement and pit constructed. | disposal location: (check the onsite box if you are bury at taken including remediation start date and end date. (date including remediation start date and end date.) tic liner next to existing drilling pit. The drilling pit is cement or CKD. The emulsion of pit material and ontents have set in place for a minimum of 24 hours, the |
| If offsite, name of facility NA Groundwater encountered: No Yes If yes, show depth below ground surf So Attach soil sample results and a diagram of sample locations and excavations Additional Comments: Closure work plan for drilling pit. An encapsulation tree contents will be excavated and emplaced into the encapsulation trench using a cement will be mixed using a track hoe and water added if needed. After comp | ationship to other equipment and tanks. (2) Indicate (3) Attach a general description of remedial action faceft. and attach sample results. i i i i i i i i i i i i ii ii iii iii | disposal location: (check the onsite box if you are bury at taken including remediation start date and end date. (date including remediation start date and end date.) tic liner next to existing drilling pit. The drilling pit is cement or CKD. The emulsion of pit material and ontents have set in place for a minimum of 24 hours, the |
| If offsite, name of facility NA Groundwater encountered: No Yes If yes, show depth below ground surf 5) Attach soil sample results and a diagram of sample locations and excavations Additional Comments: Closure work plan for drilling pit. An encapsulation tree contents will be excavated and emplaced into the encapsulation trench using a cement will be mixed using a track hoe and water added if needed. After complements will then be capped using a 20 mil synthetic liner and back | ationship to other equipment and tanks. (2) Indicate (3) Attach a general description of remedial action faceft. and attach sample results. i i i i i i i i i i i i ii ii iii iii | disposal location: (check the onsite box if you are bury taken including remediation start date and end date. (date including remediation start date and end date. (date including pit tic liner next to existing drilling pit. The drilling pit is cement or CKD. The emulsion of pit material and ontents have set in place for a minimum of 24 hours, the |
| If offsite, name of facility NA Groundwater encountered: No Yes If yes, show depth below ground surf S) Attach soil sample results and a diagram of sample locations and excavations. Additional Comments: Closure work plan for drilling pit. An encapsulation tree contents will be excavated and emplaced into the encapsulation trench using a cement will be mixed using a track hoe and water added if needed. After compencapsulation trench will then be capped using a 20 mil synthetic liner and back | ationship to other equipment and tanks. (2) Indicate (3) Attach a general description of remedial action faceft. and attach sample results. Inch will be constructed and lined with 12 mil synthe mixture of three to one pit material and Class H bull detion of solidifying pit material in cement and pit cockfilled to grade using a minimum of 3' of like material in N/A. Ending pit closure date: N/A | disposal location: (check the onsite box if you are bury a taken including remediation start date and end date. (check the including remediation start date and end date. (check the including remediation start date and end date. (check the including pit. The drilling pit is cement or CKD. The emulsion of pit material and ontents have set in place for a minimum of 24 hours, the rial and clean soil. A one call and 48 hour notification the check the set in place for a minimum of 24 hours. |
| in place) onsite offsite offsite, name of facility NA Groundwater encountered: No offsite, name of facility NA Groundwater encountered: No offsite, name of facility NA So Attach soil sample results and a diagram of sample locations and excavations Additional Comments: Closure work plan for drilling pit. An encapsulation trence contents will be excavated and emplaced into the encapsulation trench using a recement will be mixed using a track hoe and water added if needed. After complete encapsulation trench will then be capped using a 20 mil synthetic liner and back OCD will be made before pit closure action begins. Beginning pit closure date: I hereby certify that the information above is true and complete to the best of many contents. | ationship to other equipment and tanks. (2) Indicate (3) Attach a general description of remedial action faceft. and attach sample results. Inch will be constructed and lined with 12 mil synthe mixture of three to one pit material and Class H bull detion of solidifying pit material in cement and pit cockfilled to grade using a minimum of 3' of like material in N/A. Ending pit closure date: N/A | disposal location: (check the onsite box if you are bury a taken including remediation start date and end date. (check the including remediation start date and end date. (check the including pit and end date.) It is liner next to existing drilling pit. The drilling pit is cement or CKD. The emulsion of pit material and ontents have set in place for a minimum of 24 hours, the rial and clean soil. A one call and 48 hour notification to above-described pit or below-grade tank has CD-approved plan. |
| If offsite, name of facilityNA | ationship to other equipment and tanks. (2) Indicate (3) Attach a general description of remedial action faceft. and attach sample results. Inch will be constructed and lined with 12 mil synthe mixture of three to one pit material and Class H bull detion of solidifying pit material in cement and pit cockfilled to grade using a minimum of 3' of like material in N/A. Ending pit closure date: N/A | disposal location: (check the onsite box if you are bury a taken including remediation start date and end date. (check the including remediation start date and end date. (check the including remediation start date and end date. (check the including pit. The drilling pit is cement or CKD. The emulsion of pit material and ontents have set in place for a minimum of 24 hours, the rial and clean soil. A one call and 48 hour notification the check the set in place for a minimum of 24 hours. |
| If offsite, name of facilityNA | ationship to other equipment and tanks. (2) Indicate (3) Attach a general description of remedial action faceft. and attach sample results. Inch will be constructed and lined with 12 mil synthe mixture of three to one pit material and Class H bull eletion of solidifying pit material in cement and pit constructed to grade using a minimum of 3' of like material in N/A. Ending pit closure date: N/A In knowledge and belief. I further certify that the general permit , or an (attached) alternative O Signatureelieve the operator of liability should the contents of | disposal location: (check the onsite box if you are bury a taken including remediation start date and end date. (date including remediation start date and end date. (date including premediation start date and end date. (date including premediation of pit material and ontents have set in place for a minimum of 24 hours, the rial and clean soil. A one call and 48 hour notification to above-described pit or below-grade tank has CD-approved plan |
| If offsite, name of facilityNA | ationship to other equipment and tanks. (2) Indicate (3) Attach a general description of remedial action faceft. and attach sample results. Inch will be constructed and lined with 12 mil synthe mixture of three to one pit material and Class H bull eletion of solidifying pit material in cement and pit constructed to grade using a minimum of 3' of like material in N/A. Ending pit closure date: N/A In knowledge and belief. I further certify that the general permit , or an (attached) alternative O Signatureelieve the operator of liability should the contents of | disposal location: (check the onsite box if you are bury a taken including remediation start date and end date. (4) tic liner next to existing drilling pit. The drilling pit is cement or CKD. The emulsion of pit material and ontents have set in place for a minimum of 24 hours, the rial and clean soil. A one call and 48 hour notification to above-described pit or below-grade tank has CD-approved plan |

Field Supervisor

Printed Name/Title



THIS MAP COMPLIES WITH NATIONAL MAP ACCURACY STANDARDS

FOR SALE BY U. S. GEOLOGICAL SURVEY, DENVER, COLORADO 80225, OR RESTON, VIRGINIA 22092

'Black River Village; NM' Scale: 1" = 0.379Mi 610Mt 2,000Ft, 1 Mi = 2.640", 1 cm = 240Mt AVAILABLE ON REQUEST

New Mexico Office of the State Engineer Well Reports and Downloads -BARREL BFK STATE COM ! Township: 25S Range: 26E Sections: NAD27 X: Y: Zone: Search Radius: Basin: Number: Suffix: County: Owner Name: (First) ONon-Domestic ODomestic (Last) All Well / Surface Data Report Avg Depth to Water Report Water Column Report Clear Form **WATERS Menu** Help AVERAGE DEPTH OF WATER REPORT 09/19/2005 (Depth Water in Feet) Tws Rng Sec Zone x Wells Min Max Avg Bsn С 25s 26E 03 45 45 45 45 С 25s 26E 09 1 45 45 С 25s 26E 22 1 118 118 118

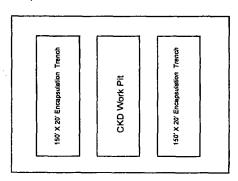
 $file://C:\DOCUME \sim 1 \land Sherryb \land LOCALS \sim 1 \land Temp \land BIM4SBEB.htm$

Record Count:

YATES PETROLEUM CORPORATION

Reserve Pit Solidification Procedure

1. Diagram of deep burial trench(s) is provided with application for closure (form C-144)



Reserve pit 150' x 150'

2. Solidification of Cuttings:

- (A) The cuttings will be mixed with a track hoe. Contents will be lifted and dropped so as to create a stirring process. This process will continue until CKD and pit contents are thoroughly bonded.
- (B) The solidification material will be Cement Kiln Dust (CKD).
- (C) CKD to pit contents ratio will be 1 yard of pit contents to 240 lbs. of CKD or 1,000 cubic yards of pit contents to 120 tons of CKD. Pit contents will be measure to determine actual volume (length x width x depth /27). CKD is weighed and delivered to the site in 40,000 lb increments.
 - A 1,200 cubic yard work pit is constructed inside the original reserve pit beside the encapsulation/solidification trench. One thousand cubic yards of pit contents will be placed in the work trench along with six 20 ton loads of CKD to begin the mixing process.
- (D) Fresh water may be introduced to initiate the bonding process of CKD and pit contents.
- (E) In order to assure proper mixing, all CKD is precisely weighed before delivery and pit construction is measured to a predetermined need depending on exact volume of pit contents.
- 3. A minimum of three representative samples will be taken from pit contents prior to any work. These samples will be stored in closed containers.

4. Each stage being mixed will be sampled prior to transferring the slurry to the deep trench as follows:

STATE OF THE STATE

- (A) One sample of the slurry will be taken at the beginning of the transference and stored in a <u>closed</u> container.
- (B) One sample of the slurry will be taken at the beginning of the transference and stored in an open container.
- (C) One sample of the slurry will be taken at the end of the transference and stored in a closed container.
- (D) One sample of the slurry will be taken at the end of the transference and stored in an <u>open</u> container.
- 5. All samples will be stored in environmentally approved containers.
- 6. All samples and associated paperwork will be delivered to the OCD office within 3 working days of closure.