District 1 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

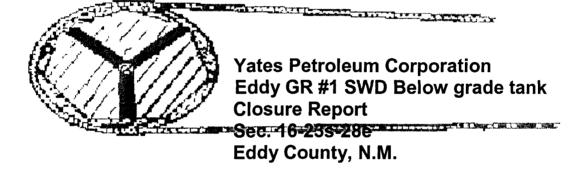
Oil Conservation Division 1220 South St. Francis Dr. Santa Fe, NM 87505

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 30-015-22611

Is pit or below-grade tan	Grade Tank Registration or Closure of the covered by a "general plan"? Yes tor below-grade tank Closure of a pit or below-	No ⊠				
Operator: Yates Petroleum Corporation Telephone: 505-748-4500 e-ma Address: 105 South 4 th Street Artesia, N.M. 88210 Facility or well name: Eddy GR #1 SWD API #: 30-015-22611 U/L or Qtr/C County: Eddy Latitude 32,30607 Longitude I Surface Owner: Federal □ State ☑ Private □ Indian □	Otr <u>B_Sec_16_T_23SR28E</u>	MAR 1 9 2001 MAR ARTESIA, MM				
Pit Type: Drilling Production Disposal Work over Emergency Lined Unlined Liner type: Synthetic Thickness mil Clay Pit Volumebbl	Below-grade tank Volume: _10bbl Type of fluid: Water from Triplex Pump packing Construction material: _Fiberglass Double-walled, with leak detection? Yes If not, explain why not. Tank_installed more than 15 years ago					
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) XXXX (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.)	Yes No	(20 points) (0 points) XXXX				
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) XXXX				
	Ranking Score (Total Points)	20 POINTS				
I this is a pit closure: (1) Attach a diagram of the facility showing the pit's related place) onsite offsite offsite, name of facility NA offsite, name	. (3) Attach a general description of remedial act surfaceft. and attach sample results.					
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 been/will be constructed or closed according to NMOCD guidelines, a g Date: 03/19/2007 Printed Name/Title Mike Stubblefield / Environmetal Regulatory Agent Your certification and NMOCD approval of this application/closure does not releadinger public health or the environment. Nor does it relieve the operator of it	Signature Signat	Approved plan				
Approval: Field Supervisor Printed Name/Title	Signature 4/1/4 Acureur	Date: 4/3/01				



March 19, 2007

Closure Report for removal of below grade tank

Location:

Eddy GR #1 SWD

Unit G Section 16 T23S R28E Eddy County, New Mexico

The Eddy GR #1 SWD is located 16 miles south east of Carlsbad, NM. This site lies west of the Pecos River on land border by cultivated fields. Area surface geology includes river deposits, sandstones over lying limestone & dolomite. The area consists of soil that is fine grained, loamy and interspersed with clay seams providing a low permeability barrier to retard vertical percolation of contaminants into the subsurface. The New Mexico State Engineer water data base reports groundwater in Section 16 to be at an average depth of 40' feet. Water quality for the ground water in the area is poor.

Closure Report for below grade tank.

The below grade tank was removed. The area from which the below grade tank was removed was backfilled in error by field personnel. A visual inspection of the removed below grade tank found the vessel to be in good shape. A hand auger was utilized & soil samples were taken for analytical in the area of the removed below grade tank on 6/29/2006 at a depth of 5'. Analytical results for the sampling event on 6/29/2006 reported TPH 33.9 mg/kg, B-tex < 50 mg/kg, & Chlorides 6960 mg/kg. Soil samples were taken for analytical on 7/19/2006 at a depth of 8' & 11' for delineation of the Chlorides. Analytical results for this soil sampling event were 9' depth Chlorides 9517 mg/kg & 11' depth Chlorides 12316 mg/kg. A final C-144 form was submitted on 11/29/2006 requesting closure for the below grade tank. O.C.D. denied the closure request for the below grade tank. A letter dated 11/29/2006 from Mr. Mike Bratcher requested vertical delineation for Chlorides with a target of 250 mg/kg.

As per the work plan submitted to the O.C.D. Artesia office on 12/29/2006. The work plan submitted was for the vertical delineation of Chlorides to a target of 250 mg/kg or to the back ground for the Chlorides in the area of the tank battery.

A split spoon auger rig was brought to the location on 1/16/2007. A bore hole was drilled 65' due east of the tank battery in the middle of the location. This bore hole was installed to gather data on back ground Chlorides in the area. Back ground Chlorides were 720 ppm at 5' and declined to 390 ppm at 17.5'. Bore hole #1 was drilled in the area of the removed below grade tank. Bore hole #1 was drilled to a TD of 35'. Soil samples were taken for analytical starting at a depth of 23'. Analytical results reported Chlorides to be 4700 ppm at 27' and to decline to 520 ppm at 35'. The diked area of the Eddy GR State #1 & Loving AIB State #1 tank battery was then excavated to a depth of 4'.

The excavated soils were hauled to Lea Land Inc. an O.C.D. approved solid waste disposal facility. A 20 mil. liner was installed 3' below grade. The excavated area was backfilled back to grade using clean soil. A new tank battery was constructed over the former tank battery area. The new tank battery was constructed with 3' dikes and was lined with a 20 Mil. liner. The site ranking for the site is Depth to ground water < 50',

Wellhead protection area > 1000', Distance to surface water body > 1000'. Total site ranking score 20 points. Yates Petroleum Corporation request closure for the below grade tank removed from the Eddy GR State #1 SWD.

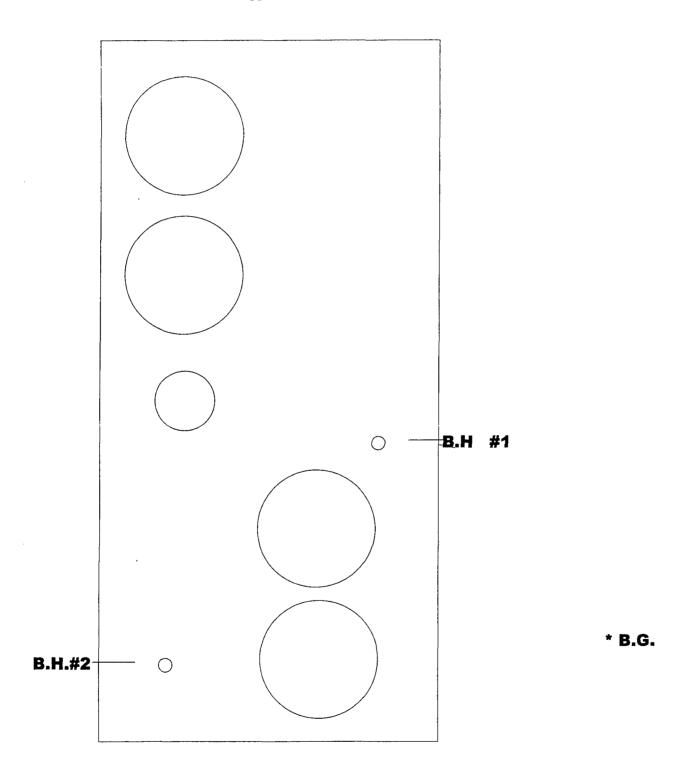
If you have questions or need additional information, please contact me at 505-748-4500. Or E-mail me at mikes@ypcnm.com.

Sincerely,

man Stubblefield

Environmental Regulatory Agent

N





Safety & Environmental Solutions, Inc.

703 E. Clinton Ave Hobbs, NM 88240

Project Number: Yat-06-010
Project Name: Yates AIB State *1. Eddy CR State */ 149K batky. Work Order No.:

Project Manager: Bob Allen

B701007

Anions by Ion Chromatography - EPA Method 300.0

Ameliate	ntı	Reporting	T In ite	Dibaion	A melumed	Method	Notes
Analyte	Result	Limit	Units	Dilution	Analyzed	Method	Notes
Background #2 5' bgs (B7010	07-01) Soil Sampled: 01	/16/07 10:15 R	leceived:	01/17/07 15:02			
Chloride	720	10	mg/kg	i	01/18/07	EPA 300.0	
Background #2 13' bgs (B7010	007-02) Soil Sampled: 01	I/16/07 10:35 F	Received:	: 01/17/07 15:02			
Chloride	960	10	mg/kg	1	01/18/07	EPA 300.0	
Background #2 15' bgs (B7010	07-03) Soll Sampled: 01	/16/07 10:40 F	Received:	01/17/07 15:02			
Chloride	810	10	mg/kg	1	01/18/07	EPA 300.0	
Background #2 17 1/2' bgs (B7	01007-04) Soil Sampled	: 01/16/07 11:00) Receiv	ved: 01/17/07 15:02			
Chloride	390	10	mg/kg	1	01/18/07	EPA 300.0	
#1 23' bgs (B701007-05) Soil	Sampled: 01/16/07 14:40	Received: 01/1	7/07 15:0	02			
Chloride	4700	10	mg/kg	1	01/18/07	EPA 300.0	
#1 26' bgs (B701007-06) Soil	Sampled: 01/16/07 15:00	Received: 01/1	7/07 15:0)2			
Chloride	5300	10	mg/kg	1	01/18/07	EPA 300.0	
#1 30' bgs (B701007-07) Soil	Sampled: 01/16/07 15:15	Received: 01/1	7/07 15:0)2			
Chloride	910	10	mg/kg	1	01/18/07	EPA 300.0	
#1 35' bgs (B701007-08) Soil S	Sampled: 01/16/07 16:00	Received: 01/1	7/07 15:0	12			
Chloride	520	10	mg/kg	1	01/18/07	EPA 300.0	

QC Officer Approval

Argon Laboratories, Inc.

2126 W. Marland Ave., Hobbs, NM 88240 • Phone (505) 397-0295 • Fax (505) 397-0296

Page 2 of 4

email: info@argonlabs.com



Safety & Environmental Solutions, Inc.

703 E. Clinton Ave Hobbs, NM 88240 Project Number: Yat-06-010

Project Name: Yates AIB
Project Manager: Bob Allen

Work Order No.:

B701007

Anions by Ion Chromatography - EPA Method 300.0 - Quality Control

Argon Laboratories

Analyte	Rosult	Reporting Limit	Units	Spike Level	Source Result	%REC	%REC Limits	RPD	RPD Limit	Notes
Batch BQ00005 - General Prep										
Blank (BQ00005-BLK1)	Prepared & Analyzed: 01/18/07									
Chloride	ND	10	mg/kg							
LCS (BQ00005-BS1)	Prepared & Analyzed: 01/18/07									
Chloride	4.80		m g/ kg	5.00		96	70-130			
LCS Dup (BQ00005-BSD1)				Prepared &	: Analyzed	: 01/18/07	,			
Chloride	4.93		mg/kg	5.00		99	70-130	3	20	
Duplicate (BQ00005-DUP2)				Prepared &	: Analyzed:	: 01/18/07	,			
Chloride	4900	10	mg/kg		4700			4	20	
Matrix Spike (BQ00005-MS1)	Prepared & Analyzed: 01/18/07									
Chloride	36.4		mg/kg	5.00	32	88	70-130			
Matrix Spike Dup (BQ00005-MSD1)				Prepared &	Analyzed:	01/18/07				
Chloride	36.7		mg/kg	5.00	32	94	70-130	0.8	20	

QC Officer Approval

Argon Laboratories, Inc.

email: info@argonlabs.com

Bratcher, Mike, EMNRD

From:

Bratcher, Mike, EMNRD

Sent:

Tuesday, December 12, 2006 8:45 AM

To:

'Mike Stubblefield'

Cc:

Jerry Fanning

Subject: RE: Request for extension of time to letter dated November 29, 2006 for the 30-015-22611 Eddy

GR State #1

Mike.

Your request for an extension of time to commence delineation activities at the Eddy GR State 001 is approved to January 13, 2006.

Mike Bratcher NMOCD District 2

From: Mike Stubblefield [mailto:mikes@YPCNM.COM]

Sent: Monday, December 11, 2006 2:13 PM

To: Bratcher, Mike, EMNRD

Cc: Jerry Fanning

Subject: Request for extension of time to letter dated November 29, 2006 for the 30-015-22611 Eddy GR State

#1

12/11/2006

Dear Mr. Mike Bratcher,

Yates Petroleum Corporation has contracted Safety & Environmental Solutions, Inc. to conduct vertical and horizontal delineation for Chlorides at the Eddy GR State #1. Safety & Environmental Solutions, Inc. will not have the equipment available until after the deadline date of December 13, 2006, which is attached to your letter dated November 29, 2006. Please grant and extension of time to enable Yates to accomplish the actions required to further delineate the chlorides at the Eddy GR State #1.

Sincerely,

Mike Stubblefield



Yates Petroleum Corporation

Eddy GR #1 SWD Work Plan

Section 16- T23S-R28E

Eddy County, New Mexico

December 29, 2006

Spill Summary and Work Plan

Location:

Eddy GR #1 SWD

Unit G Section 16 T23S R28E Eddy County, New Mexico

The Eddy GR #1 SWD is located 16 miles south east of Carlsbad, NM. This site lies west of the Pecos River on land border by cultivated fields. Area surface geology includes river deposits, sandstones over lying limestone & dolomite. The area consists of soil that is fine grained, loamy and interspersed with clay seams providing a low permeability barrier to retard vertical percolation of contaminants into the subsurface. The New Mexico State Engineer water data base reports groundwater in Section 16 to be at an average depth of 40' feet. Water quality for the ground water in the area is poor.

Remediation & Closure Plan for below grade tank.

The below grade tank was removed. The area from which the below grade tank was removed was backfilled in error by field personnel. A visual inspection of the removed below grade tank found the vessel to be in good shape. A hand auger was utilized & soil samples were taken for analytical in the area of the removed below grade tank on 6/29/2006 at a depth of 5'. Analytical results for the sampling event on 6/29/2006 reported TPH 33.9 mg/kg, B-tex < 50 mg/kg, & Chlorides 6960 mg/kg. Soil samples were taken for analytical on 7/19/2006 at a depth of 8' & 11' for delineation of the Chlorides. Analytical results for this soil sampling event were 9' depth Chlorides 9517 mg/kg & 11' depth Chlorides 12316 mg/kg.

A split spoon auger rig will be brought to the location. Soil samples will be taken for analytical starting at a depth of 12'. Addition soil samples will be taken below the 12' depth at 3' depth intervals documenting chlorides to a target level of 250 mg/kg. or to the background for chlorides in the area. The backfilled area from which the below grade tank was removed will be excavated. Visibly impacted soils will be excavated and hauled to and O.C.D. approved solid wasted disposal facility. Soil samples will be taken for analytical from the sidewalls of the excavated area. The soil samples taken from the sidewalls will be sent to a second party lab & tested for TPH, B-tex, & Chlorides. A 20 mil. liner will be installed 3' below grade in the excavated area of the removed below grade tank. The excavated area will be backfilled back to grade using clean soil and like material. Analytical will be taken for background chlorides. The site ranking for the site is Depth to ground water < 50', Wellhead protection area > 1000', Distance to surface water body > 1000'. Total site ranking score 20 points. After the above actions are completed. A final C-144 form with remediation actions taken and attached analytical results will be submitted to O.C.D. requesting closure.

If you have questions or need additional information, please contact me at 505-748-4500. Or E-mail me at mikes@ypcnm.com.

Sincerely,

Mike Stubblefield
Environmental Regulatory Agent