Arict I

Arict I

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Arict II

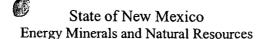
1301 W. Grand Avenue, Artesia, NM 88210

District III

1000 Rio Brazos Road, Aztec, NM 87410

District IV

1220 S. St. Francis Dr., Santa Fe, NM 87505





Form C-144 March 12, 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 o	r Bel	ow-Gr	ade	Tank	Registration	or Glosure

NOV 27 2007

Is pit or below-grade tank covered by a "general plan"? Yes X No **OCD-ARTESIA** Type of action: Registration of a pit or below-grade tank 🛮 Closure of a pit or seldw-grade tank 🔲 Operator: YATES PETROLEUM CORPORATION Telephone: (505) 748-1471 Address: 105 South Fourth Street, Artesia, NM 88210 Facility or well name: Lily AYL Federal #9 API #30-0/5-3537/ U/L or Qtr/Qtr O Sec 3 T 24S R 31E NAD: 1927 X 1983 Surface Owner Federal X State Private Indian County: Eddy Latitude N.32'14'24 2" Longitude W.103'45'49.0" Pit Below-grade tank Type: Drilling X Production Disposal Volume: __bbl Type of fluid. ____ Construction material. Lined X Unlined Double-walled, with leak detection? Yes If not, explain why not. Liner type: Synthetic X Thickness 12 mil Clay Volume 24,000 bbl Less than 50 feet (20 points) Depth to ground water (vertical distance from bottom of pit to seasonal high 50 feet or more, but less than 100 feet (10 points) water elevation of ground water.) 0 100 feet or more (0 points) Yes (20 points) Wellhead protection area: (Less than 200 feet from a private domestic No (0 points) water source, or less than 1000 feet from all other water sources.) (20 points) Less than 200 feet Distance to surface water: (horizontal distance to all wetlands, playas, 200 feet or more, but less than 1000 feet (10 points) rrigation canals, ditches, and perennial and ephemeral watercourses) 1000 feet or more (0 points) Ranking Score (Total Points) 0 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: onsite 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 Tyes 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. hereby certify that the information above is true and complete to the best of my knowledge and belief J further certify that the above-described pit or below-grade tank has peen/will be constructed or closed according to NMOCD guidelines 🔲, a general permit X or an (attached) altemative OCD-approved plan 🔲. Date: September 11, 2006 rinted Name/Title Cy Cowan, Regulatory Agent Your certification and NMOCD approval of this application/closure does not relieve the operator of hability should the contents of the pit or tank contaminate ground water or stherwise 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 egulations. 'rinted Name/Title AS A CONDITION OF APPROVAL, A DETAILED CLOSURE PLAN

MUST BE APPROVED BEFORE CLOSURE MAY COMMENCE.

If earthen pits are used in association with the drilling of this well, an OCD pit permit must be obtained prior to pit construction. 150 Form 3160-3 OMB No. 1004-0136 (August 1999) UNITED STATES Expires November 30, 2000 DEPARTMENT OF THE INTERIOR 5. Lease Serial No. NOV 27 2007 **BUREAU OF LAND MANAGEMENT** NM-80645 OCD-ARTESIAPPLICATION FOR PERMIT TO DRILL OR REENTER 6. If Indian, Allottee or Tribe Name 7. If Unit or CA Agreement, Name and No. REENTER la. Type of Work: DRILL 8. Lease Name and Well No. 1520 b. Type of Well: X Oil Well Single Other Multiple Zone Lily ALY Federal #9 Well Zone. 9. API Well No. 2. Name of Operator Yates Petroleum Corporation 30-015-35 3b. Phone No. (include area code) 105 South Fourth Street 10. Field and Pool, or Exploratory 3A. Address Le Wells Delaware Artesia, New Mexico 88210 (505) 748-1471 . Sec., T., R., M., or Blk, and Survey or Area 4. Location of Well (Report location clearly and in accordance with any State requirements.*) 330' FSL and 2000' FEL Section 3, T24S-R31E O Same At proposed prod. Zone 13 State 14. Distance in miles and direction from nearest town or post office* 12. County or Parish Approximately 24 miles east of Loving, New Mexico. **Eddy County** NM 15. Distance from proposed 16. No. of Acres in lease 17. Spacing Unit dedicated to this well 1650 property or lease line, ft. (Also to nearest drig. unit line, if any) 320.11 SW/SE Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 19. Proposed Depth 20. BLM/BIA Bond No. on file .3 of mile 8500 585997 21. Elevations (Show whether DF, KDB, RT, GL, etc.) 22. Approximate date work will start 23. Estimated duration 3467' GL **ASAP** 45 days Carisbad Controlled Water 24. Attachments The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, shall be attached to this form: 1 Well plat certified by a registered surveyor. Bond to cover the operations unless covered by an existing bond on file (see 2 A Drilling Plan Item 20 above) 3. A Surface Use Plan (if the location is on National Forest System Lands, the Operator certification. SUPO shall be filed with the appropriate Forest Service Office. Such other site specific information and/or plans as may be required by the authorized office. 25. Signature Name (Printed/Typed) Date Cy Cowan 9/11/2006 Regulatory Agent Regulatory Agent Is/ Linda S.C. Rundell Name (Printed/Typed) Approved by (Signature) Isl Linda S.C. Rundell IJAN 03 2007 Title Office STATE DIRECTOR NM STATE OFFICE Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon. APPROVAL FOR 1 YEAR Conditions of approval, if any, are attached. Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction. *(Instructions on reverse) C.144 attached
SEE ATTACHED FOR APPROVAL SUBJECT TO CONDITIONS OF APPROVAL GENERAL REQUIREMENTS AND SPECIAL STIPULATIONS ATTACHED