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

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 ☒ No ☐
Type of action Registration of a pit or below-grade tank ☐ Closure of a pit or below-grade tank ☒

Operator Yates Petroleum Corporation Telephone 505-748-4500 e-mail address mikes@ypcnm.com
Address 105 South 4th Street, Artesia, N M 88210
Facility or well name Gurkha BKG State Com #1 API # 30-015-35838 U/L or Qtr/Qtr P Sec 36 T 24S R 27E
County Eddy Latitude 32.16916 Longitude 104.13714 NAD 1927 ☒ 1983 ☐
Surface Owner Federal ☐ State ☒ Private ☐ Indian ☐

JAN 31 2008
OCD-ARTESIA

Pit	Below-grade tank
Type Drilling ☒ Production ☐ Disposal ☐ Work over ☐ Emergency ☐ Lined ☒ Unlined ☐ Liner type Synthetic ☒ Thickness 12 mil Clay ☐ Pit Volume 24000 bbl	Volume ____ bbl Type of fluid ____ Construction material ____ Double-walled, with leak detection? Yes ☐ If not, explain why not

23
APR 24 2008
OCD-ARTESIA

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) XXXX (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)	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 ☒ 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 workplan for drilling pit The drilling pit contents will be mixed to stiffen the pit contents A 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 minimum of a 3' over lap of the underlying trench areas The encapsulation trench will then be backfilled to grade using a minimum of 3' of clean soil and like material A one call and 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

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 ☒, or an (attached) alternative OCD-approved plan ☐.**

Date 01/30/2008
Printed Name/Title Mike Stubblefield / Environmental Regulatory Agent Signature Mike Stubblefield

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

Signed By Mike Bratcher
Signature ____ Date FEB 0 2 2008

NOTIFY OCD 24 HOURS PRIOR to beginning closure and 24 HOURS PRIOR to obtaining samples. Samples are to be obtained from pit area and analyses submitted to OCD prior to back-filling.

If burial trench is to be constructed in pit area, samples are to be obtained and analyses submitted to OCD PRIOR to lining trench.

Accepted for record
NMOCD
PIT CLOSURE FINAL
DATE 3/28/2008

I certify that on 4/11/2008 tests were conducted on soil samples from the Gurka BKG State Com. #1. Following are the results of those tests:

SAMPLE POINT	TPH (EPA Method 9074)	CHLORIDES (EPA Method 9253)	BTEX (PID Meter)
NW corner drilling pit Cleaned out drilling pit bottom. 9' depth 16' depth	**71 ppm**	**1701 ppm 113 ppm**	**0 ppm**
NE corner drilling pit Cleaned put drilling pit bottom. 9' depth 16' depth	**71 ppm**	**1730 ppm 70 ppm**	**0 ppm**
SE corner drilling pit Cleaned out drilling pit bottom. 9' depth	**0 ppm**	**70 ppm**	**0 ppm**
SW corner drilling pit Cleaned out drilling pit bottom. 9' depth	**0 ppm**	**198 ppm**	**0 ppm**
Middle drilling pit Cleaned out drilling pit Bottom. 9' depth 16' depth	**90 ppm**	**1730 ppm 70 ppm**	**0 ppm**

ALL RESULTS ARE PPM

Memo note; Soil samples taken for the 9' depth were from the bottom of the cleaned out drilling pit area. Vertical delineation was the maximum with equipment on location.

All testing was done at Yates Petroleum Corporation or on location.

Respectfully,

Mike Stubblefield
Environmental Regulatory Agent