

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

JUN 18 2008

OCD-ARTESIA

Operator Yates Petroleum Corporation Telephone: 575-748-4500 e-mail address mikes@ypcnm.com  
Address 105 South 4<sup>th</sup> Street, Artesia NM 88210  
Facility or well name Adeline ALN Federal #4 API # 30-015-35523 U/L or Qtr/Qtr C Sec 6 T 24S R 31E  
County Eddy Latitude 32 25171 Longitude 103 81879 NAD 1927  1983   
Surface Owner Federal  State  Private  Indian

Pit	Below-grade tank	
Type Drilling <input checked="" type="checkbox"/> Production <input type="checkbox"/> Disposal <input type="checkbox"/> Work over <input type="checkbox"/> Emergency <input type="checkbox"/> Lined <input checked="" type="checkbox"/> Unlined <input type="checkbox"/> Liner type Synthetic <input checked="" type="checkbox"/> Thickness <u>12</u> mil Clay <input type="checkbox"/> Pit Volume _____ bbl	Volume _____ bbl Type of fluid _____ Construction material _____ Double-walled, with leak detection? Yes <input type="checkbox"/> If not, explain why not _____	
Depth to ground water (vertical distance from bottom of pit to seasonal high water elevation of ground water)	Less than 50 feet	(20 points)
	50 feet or more, but less than 100 feet	(10 points)
	100 feet or more	( 0 points) xxxx
Wellhead protection area (Less than 200 feet from a private domestic water source, or less than 1000 feet from all other water sources)	Yes	(20 points)
	No	( 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	(20 points)
	200 feet or more, but less than 1000 feet	(10 points)
	1000 feet or more	( 0 points) xxxx
<b>Ranking Score (Total Points)</b>		0 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 \_\_\_\_\_ (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 The Adeline ALN Federal #4 was drilled to TD using a fresh water mud system. The well was TD at a depth of 2231'. At TD the mud weight was 8.7 lb. The drilling pit material will be mixed with earthen materials and the pit contents, as necessary. The 12 mil liner will be folded over the stiffened mud and cuttings. The drilling pit area will then be backfilled to grade using a minimum of 3 feet of clean soil or like material that is capable of supporting native plant growth.

A one call and a 48 hour notice will be provided to NMOCD

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 X, or an (attached) alternative OCD-approved plan .

Date: 06/12/2008

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 **DENIED**

Printed Name/Title \_\_\_\_\_

Pits must be registered, operated, maintained and closed per 19.15.17 [NMAC]

Date JUN 25 2008

New Mexico Office of the State Engineer  
POD Reports and Downloads

ADELINE ALN FEDERAL #4  
30-015-35523

Township:  Range:  Sections:

NAD27 X:  Y:  Zone:  Search Radius:

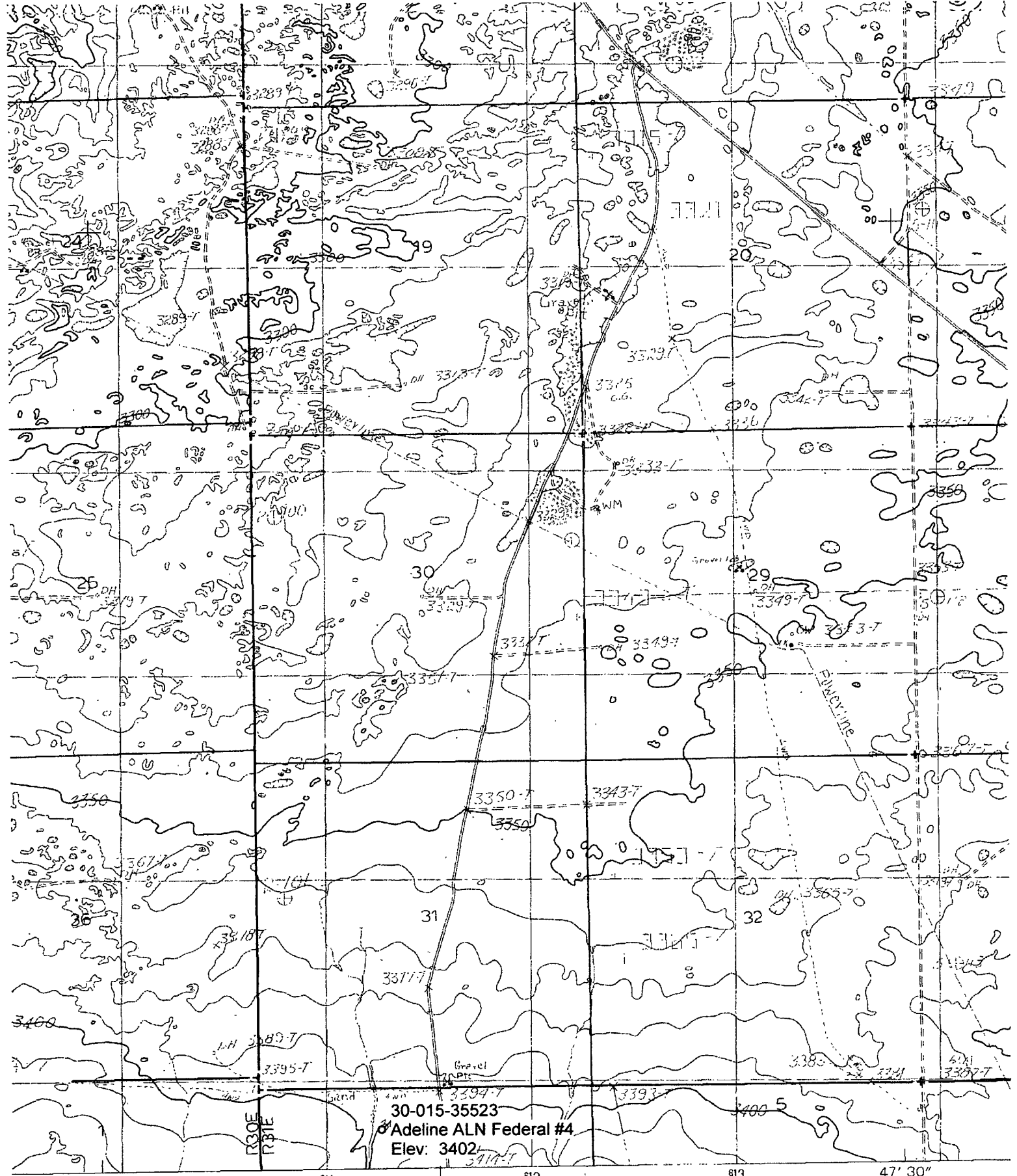
County:  Basin:  Number:  Suffix:

Owner Name: (First)  (Last)   Non-Domestic  Domestic  All

AVERAGE DEPTH OF WATER REPORT 06/11/2008

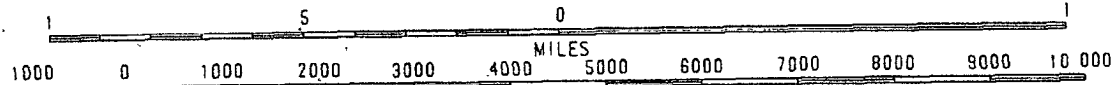
Bsn	Tws	Rng	Sec	Zone	X	Y	Wells	(Depth Water in Feet)		
								Min	Max	Avg
C	24S	31E	02				3	160	212	192

Record Count: 3



30-015-35523  
 Adeline ALN Federal #4  
 Elev: 3402

SCALE 1:24 000



'Los Medanos; NM' Scale: 1" = 0.379Mi 610Mt 2,000Ft, 1 Mi = 2.640", 1 cm = 240Mt

## Yates Petroleum - Adeline "ALN" Federal #4 (Unit C) 6-24S-31E

\*\*\*\*\***TITE HOLE!!**\*\*\*\*\*Eddy Co., NM\*\*\*\*\*

with 200 sacks Class "C" + 1% S1 (yld 1.34, wt 14.8). PD at 1:30 PM 6-3-08.  
Bumped plug to 500 psi, held OK. Circulated 111 sacks to pit. WOC. Cut off,  
weld and test head to 70% of collapse. Nippled up BOP and test. DC \$55,090.51;  
CC \$483,532.38

6-5-08 Drilling 4665' Bell Canyon. Made 568' in 13 hours, 43.7'/hr. MW 8.6, Vis 10, pH  
28. WOB 20, RPM 60, SPM 60/110, PP 400/1300#. Tested annular to 250 low/1500  
high. Test rams to 250 low/3000 high. Picked up BHA and TIH. Tagged cement at  
3970'. Drilled cement and float equipment. Tested casing to 1500 psi, OK.  
Drilled cement. Drilled out at 2:30 PM 6-5-08. WOC 49 hours. Reduced hole and  
resumed drilling. Drilled to 4102'. Test shoe and formation to 1000 psi, OK.  
Drilled to 4183'. Survey 4299' 1 deg. Drilled to 4380'. Rig repair - air out  
pumps. Drilled to 4665'. DC \$34,931.81; CC \$518,464.19

6-6-08 Drilling 6330' sandstone. Made 1762' in 20.5 hours, 86'/hr. MW 8.7, Vis 28, Cl  
30,000, Calcium 3200, Solids 0.4%, pH 10.5. WOB 25, RPM 60, SPM 60/110, PP  
425/1300#. Drilled to 4619'. Service rig. Survey 4577' .75 deg. Drilled to  
4869'. Survey 4827' .75 deg. Drilled to 5335'. Survey 5294' 1 deg. Drilled to  
5491'. Survey 5449' misrun. Drilled to 5521'. Survey 5480' 1 deg. Drilled to  
5802'. Survey 5762' .25 deg. Drilled to 6268'. Survey 6228' 1.25 deg. Drilled  
to 6330'. DC \$11,578.60; CC \$630,042.79

6-7-08 Drilling 7475' sandstone. Made 1144' in 18.25 hours, 62.7'/hr. MW 8.8, vis 28,  
pH 10. WOB 30, RPM 65, SPM 60/105, PP 450/1500#. Drilled to 6469'. Rig repair -  
rotary chain. Drilled to 6548'. Service rig. Survey 6506' misrun. Drilled to  
6579'. Survey 6537' .75 deg. Drilled to 6704'. Rig repair - rotary chain.  
Drilled to 6859'. Survey 6817' .75 deg. Drilled to 7140'. Survey 7100' misrun.  
Drilled to 7202'. Survey 7162' .75 deg. Drilled to 7390'. Survey 7350' .75 deg.  
Drilled to 7475'. DC \$11,578.60; CC \$741,621.39

6-8-08 Drilling 757' sandstone and shale. Made 125' in 4.5 hours, 27.8'/hr. MW 8.8, Vis  
28, Cl 41,000, Solids 2800, Solids 0.3%, pH 10.5. BGG 37, Max 388, TG 388. WOB  
30/50, RPM 65/60, SPM 60/105, PP 450/1450#. Drilled to 7524'. Circulate and  
TOOH. Rig repair - repair drawworks chain. Changed out bit, torque buster and  
motor. Picked up bit, torque buster and motor. TIH. Rig repair - repair water  
line on hydromatic. TIH. Washed to bottom. Drilled to 7577'. DC \$11,578.60;  
CC \$853,199.99

6-9-08 TD 8220' lime and shale. Laid down drill string. Made 623' in 18 hours,  
34.6'/hr. MW 8.7, Vis 29, WL 13.8, Cl 38,000, Solids 0.3%, pH 10. BGG 124, Max  
848. WOB 15, RPM 65, SPM 60/105, PP 450/1550#. Service rig. Drilled to 7670'.  
Survey 7628' misrun. Drilled to 7702'. Survey 7668' 1 deg. Drilled to 7965'.  
Rig repair - adjust brakes. Drilled to 8044'. Survey 7930' 1.25 deg. Beginning  
starching up system. Circulating sweep. Rig up lay down machine. Lay down drill  
string. DC \$23,614; CC \$876,813.99

6-10-08 TD 8231' sand and shale. Run casing. Made 0'. MW 8.7, Vis 29, Cl 34,000, pH 10.  
Laid down drill string. SLM correction 8231'. Repair line on torque converter.  
Laid down BHA. Rigged down lay down machine. Rigged up loggers. Logger's TD  
8232'. Losing .75 BPH fluid. Rigged down loggers. Rigged up lay down machine  
and casing crew. Start running casing. DC \$184,629.26; CC \$1,601,443.25

6-11-08 TD 8231' sand and shale. Rig down. Made 0'. Run 193 joints 5-1/2" (8231.29')  
casing, set at 8231' as follows:  
7 joints 5-1/2" 17# J-55 (341.33')  
142 joints 5-1/2" 15.5# J-55 (6001.90')  
Stage tool set at 6360.9'  
1 joint 5-1/2" 15.5# J-55 (42.77')  
23 joints 5-1/2" 15.50# J-55 (976.68')  
4 joints 5-1/2" 17# J-55 (164.28')  
Marker joint set at 7561.8'  
15 joints 5-1/2" 17# J-55 (624.22')  
Float collar set at 8187.1'  
1 joint 5-1/2" 173 J-55 (8229.7')  
Float shoe set at 8231'  
Circulated bottoms up + 1 casing volume. Rigged up Schlumberger. Held safety  
meeting. Cemented stage 1: Cemented with 400 sacks Pecos Valley Lite + 0.4% D13  
+ 0.3% D167 + 4#/sx D24 + 1% D44 + 0.2% D46 + 0.02% D65 (yld 1.41, wt 13). PD at  
2:00 PM 6-10-08. Bumped plug to 1500 psi, held OK. Cemented stage 2: Cemented  
with 450 sacks Lite Crete + 1% D153 + 0.2% D167 + 4#/sx D24 + 0.2% D46 (yld 3.15,  
wt 9.95). Tailed in with 100 sacks Pecos Valley Lite + 0.15 D13 + 0.3% D167 + 1%  
D44 + 0.2% D65 (yld 1.41, wt 13). PD at 6 PM 6-10-08. Bumped plug to 2450 psi,  
held OK. Set slips and cut off. Jet pits. \*Rig released at 11:00 PM 6-10-08.  
DC \$106,777.54; CC \$1,168,220.79

6-12-08 Waiting on completion unit. Transfer drilling fluid to Tombstone BMB State #1.

6-13-08 Waiting on completion unit.