

District I
 1025 N French Dr., Hobbs, NM 88240
 District II
 130 W Grand Avenue, Artesia, NM 88210
 District III
 1000 Rio Branco 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

JUL - 1 2008
OCD-ARTESIA

Form C-144
June 1, 2004

For drilling and production facilities, submit to appropriate NM OCD District Office
 For downstream facilities, submit to Santa Fe office

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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 505-748-4590 e-mail address mikes@yepenn.com

Address 105 South 4th Street Artesia, NM 88210

Facility or well name Recip Unit #1 API # 30-015-35939 U/L or Qu/Otr B Sec 7 T 23S R 23E

County Fddy Latitude 32 32362 Longitude 104 63687 NAD 1927 1983

Surface Owner: Federal State Private Indian

MAR 27 2008

OCD-ARTESIA

Pit Type: Drilling <input checked="" type="checkbox"/> Production <input type="checkbox"/> Disposal <input type="checkbox"/> Work over <input type="checkbox"/> Emergency <input type="checkbox"/> Fenced <input checked="" type="checkbox"/> Unfenced <input type="checkbox"/> Liner type: Synthetic <input checked="" type="checkbox"/> Thickness <u>12 mil</u> Clay <input type="checkbox"/> Pit Volume: <u>20,000</u> bbl	Below-grade tank 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 500 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
	Ranking Score (Total Points)
	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) 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 buffer the pit contents. An encapsulation trench will be excavated and lined with a 1-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 2' over top 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 NM OCD guidelines , a general permit , or an (attached) alternative OCD-approved plan .

Date 03/20/2008

Printed Name/Title Mike Stubbsfield / Environmental Regulatory Agent

Signature Mike Stubbsfield

Your certification and NM OCD approval of this application does not relieve the operator of liability should the contents of the pit leak or 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 _____

Signature _____

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

Date _____

APR 01 2008

Accepted for record
NM OCD Stamps
JUL 01 2008

PT CLOSURE FINAL
DATE: 6/25/2008

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 provided to OCD prior to backfilling pit.

I certify that on 6/13/2008 tests were conducted on soil samples from the Recif Unit #1.
 Following are the results of those tests:

SAMPLE POINT	TPH (EPA Method 9074)	CHLORIDES (EPA Method 9253)	BTEX (PID Meter)
NW corner Cleaned out drilling pit bottom. 9' depth 19' depth	80 ppm	2978' ppm 153 ppm	39 ppm
NE corner cleaned out drilling pit bottom. 9' depth 19' depth	43 ppm	482 ppm 354 ppm	9 ppm
SE corner cleaned out drilling pit bottom. 9' depth 19' depth	55 ppm	2850 ppm 3006 ppm	0 ppm
SW corner cleaned out drilling pit bottom. 9' depth 19' depth	55 ppm	2623 ppm 4112 ppm	0 ppm
Middle drilling pit 9' depth 19' depth	104 ppm	1559 ppm 469 ppm	3 ppm

ALL RESULTS ARE PPM

Memo note; Soil samples taken for the 11'-14' 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

6/13/2008 * Memo note: Mike Bratche reviewed analytical results & approved Mike Stubblefield
to place a 20 mil. liner into the bottom of the cleaned out drilling pit in the NW, SE, & SW
sections and start backfilling cleaned out drilling pit area back to grade.