

*MB*

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

For temporary pits, closed-loop systems, and below-grade tanks, submit to the appropriate NMOCD District Office.  
For permanent pits and exceptions submit to the Santa Fe Environmental Bureau office and provide a copy to the appropriate NMOCD District Office.

Pit, Closed-Loop System, Below-Grade Tank, or Proposed Alternative Method Permit or Closure Plan Application

Type of action:  Permit of a pit, closed-loop system, below-grade tank, or proposed alternative method  
 Closure of a pit, closed-loop system, below-grade tank, or proposed alternative method

**Instructions: Please submit one application (Form C-144) per individual pit, closed-loop system, below-grade tank or alternative request**

Please be advised that approval of this request does not relieve the operator of liability should operations result in pollution of surface water, ground water or the environment. Nor does approval relieve the operator of its responsibility to comply with any other applicable governmental authority's rules, regulations or ordinances.

Operator: Yates Petroleum Corporation OGRID #: 025575  
Address: 105 South 4<sup>th</sup> Street, Artesia, NM 88210  
Facility or well name: Link BKT Federal Com #4H  
API Number: 30-015-30412 OCD Permit Number: \_\_\_\_\_  
U/L or Qtr/Qtr I Section 18 Township 16S Range 25E County: Eddy  
Center of Proposed Design: Latitude N. 32.920964 Longitude W. 104.516981 NAD:  1927  1983  
Surface Owner:  Federal  State  Private  Tribal Trust or Indian Allotment

**Pit:** Subsection F or G of 19.15.17.11 NMAC  
Temporary:  Drilling  Workover  
 Permanent  Emergency  Cavitation  
 Lined  Unlined  
Liner type: Thickness \_\_\_\_\_ mil  LLDPE  HDPE  PVC  
 Other \_\_\_\_\_  String-Reinforced  
Seams:  Welded  Factory  Other \_\_\_\_\_  
Volume: \_\_\_\_\_ bbl Dimensions: L \_\_\_\_\_ x W \_\_\_\_\_ x D \_\_\_\_\_

**Closed-loop System:** Subsection H of 19.15.17.11 NMAC  
 Drying Pad  Tanks  Haul-off Bins  Other \_\_\_\_\_  
 Lined  Unlined  
Liner type: Thickness \_\_\_\_\_ mil  LLDPE  HDPE  PVC  
 Other \_\_\_\_\_  
Seams:  Welded  Factory  Other \_\_\_\_\_  
Volume: \_\_\_\_\_ bbl \_\_\_\_\_ yd<sup>3</sup>  
Dimensions: Length \_\_\_\_\_ x Width \_\_\_\_\_

**Below-grade tank:** Subsection I of 19.15.17.11 NMAC  
Volume: \_\_\_\_\_ bbl  
Type of fluid: \_\_\_\_\_  
Tank Construction material: \_\_\_\_\_  
 Secondary containment with leak detection  
 Visible sidewalls, liner, 6-inch lift and automatic overflow shut-off  
 Visible sidewalls and liner  
 Visible sidewalls only  
 Other \_\_\_\_\_  
Liner type: Thickness \_\_\_\_\_ mil  HDPE  PVC  
 Other \_\_\_\_\_

**Fencing:** Subsection D of 19.15.17.11 NMAC  
 Chain link, six feet in height, two strands of barbed wire at top  
 Four foot height, four strands of barbed wire evenly spaced between one and four feet  
 **Netting:** Subsection E of 19.15.17.11 NMAC  
 Screen  Netting  Other \_\_\_\_\_  
 Monthly inspections  
 **Signs:** Subsection C of 19.15.17.11 NMAC  
 12'x24', 2' lettering, providing Operator's name, site location, and emergency telephone numbers  
 Signed in compliance with 19.15.3.103 NMAC

**Alternative Method:**  
Submittal of an exception request is required. Exceptions must be submitted to the Santa Fe Environmental Bureau office for consideration of approval.

**Administrative Approvals and Exceptions:**  
Justifications and/or demonstrations of equivalency are required. Please refer to 19.15.17 NMAC for guidance.  
**Please check a box if one or more of the following is requested, if not leave blank:**  
 Administrative approval(s): Requests must be submitted to the appropriate division district or the Santa Fe Environmental Bureau office for consideration of approval.  
 Exception(s): Requests must be submitted to the Santa Fe Environmental Bureau office for consideration of approval.

**Siting Criteria (regarding permitting):** 19.15.17.10 NMAC

**Instructions:** The applicant must demonstrate compliance for each siting criteria below in the application. Recommendations of acceptable source material are provided below. Requests regarding changes to certain siting criteria may require administrative approval from the appropriate district office or may be considered an exception which must be submitted to the Santa Fe Environmental Bureau office for consideration of approval. Applicant must attach justification for request. Please refer to 19.15.17.10 NMAC for guidance. Siting criteria does not apply to drying pads or above-grade tanks associated with a closed-loop system.

- Ground water is less than 50 feet below the bottom of the temporary pit, permanent pit, or below-grade tank.  
- NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells  Yes  No
- Within 300 feet of a continuously flowing watercourse, or 200 feet of any other watercourse, lakebed, sinkhole, or playa lake (measured from the ordinary high-water mark).  
- Topographic map; Visual inspection (certification) of the proposed site  Yes  No
- Within 300 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application. (Applies to temporary, emergency, or cavitation pits and below-grade tanks)  
- Visual inspection (certification) of the proposed site; Aerial photo; Satellite image  Yes  No  
 NA
- Within 1000 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application. (Applies to permanent pits)  
- Visual inspection (certification) of the proposed site; Aerial photo; Satellite image  Yes  No  
 NA
- Within 500 horizontal feet of a private, domestic fresh water well or spring that less than five households use for domestic or stock watering purposes, or within 1000 horizontal feet of any other fresh water well or spring, in existence at the time of initial application.  
- NM Office of the State Engineer - iWATERS database search; Visual inspection (certification) of the proposed site  Yes  No
- Within incorporated municipal boundaries or within a defined municipal fresh water well field covered under a municipal ordinance adopted pursuant to NMSA 1978, Section 3-27-3, as amended.  
- Written confirmation or verification from the municipality; Written approval obtained from the municipality  Yes  No
- Within 500 feet of a wetland.  
- US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site  Yes  No
- Within the area overlying a subsurface mine.  
- Written confirmation or verification or map from the NM EMNRD-Mining and Mineral Division  Yes  No
- Within an unstable area.  
- Engineering measures incorporated into the design; NM Bureau of Geology & Mineral Resources; USGS; NM Geological Society; Topographic map  Yes  No
- Within a 100-year floodplain.  
- FEMA map  Yes  No

**Temporary Pits, Emergency Pits, and Below-grade Tanks Permit Application Attachment Checklist:** Subsection B of 19.15.17.9 NMAC

**Instructions:** Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the documents are attached.

- Hydrogeologic Report (Below-grade Tanks) - based upon the requirements of Paragraph (4) of Subsection B of 19.15.17.9 NMAC
- Hydrogeologic Data (Temporary and Emergency Pits) - based upon the requirements of Paragraph (2) of Subsection B of 19.15.17.9 NMAC
- Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15.17.10 NMAC
- Design Plan - based upon the appropriate requirements of 19.15.17.11 NMAC
- Operating and Maintenance Plan - based upon the appropriate requirements of 19.15.17.12 NMAC
- Closure Plan - based upon the appropriate requirements of Subsection C of 19.15.17.9 NMAC and 19.15.17.13 NMAC

Previously Approved Design (attach copy of design) API Number: \_\_\_\_\_ or Permit Number: \_\_\_\_\_

**Closed-loop Systems Permit Application Attachment Checklist:** Subsection B of 19.15.17.9 NMAC

**Instructions:** Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the documents are attached.

- Geologic and Hydrogeologic Data (required for on-site closure) - based upon the requirements of Paragraph (3) of Subsection B of 19.15.17.9
- Siting Criteria Compliance Demonstrations (required for on-site closure) - based upon the appropriate requirements of 19.15.17.10 NMAC
- Design Plan - based upon the appropriate requirements of 19.15.17.11 NMAC See Attached
- Operating and Maintenance Plan - based upon the appropriate requirements of 19.15.17.12 NMAC
- Closure Plan - based upon the appropriate requirements of Subsection C of 19.15.17.9 NMAC and 19.15.17.13 NMAC

NMAC Haul waste to Gandy Marley or Lea Land Farm

Previously Approved Design (attach copy of design) API Number: \_\_\_\_\_

**Permanent Pits Permit Application Checklist:** Subsection B of 19.15.17.9 NMAC

**Instructions:** Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the documents are attached.

- Hydrogeologic Report - based upon the requirements of Paragraph (1) of Subsection B of 19.15.17.9 NMAC
- Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15.17.10 NMAC
- Climatological Factors Assessment
- Certified Engineering Design Plans - based upon the appropriate requirements of 19.15.17.11 NMAC
- Dike Protection and Structural Integrity Design - based upon the appropriate requirements of 19.15.17.11 NMAC
- Leak Detection Design - based upon the appropriate requirements of 19.15.17.11 NMAC
- Liner Specifications and Compatibility Assessment - based upon the appropriate requirements of 19.15.17.11 NMAC
- Quality Control/Quality Assurance Construction and Installation Plan
- Operating and Maintenance Plan - based upon the appropriate requirements of 19.15.17.12 NMAC
- Freeboard and Overtopping Prevention Plan - based upon the appropriate requirements of 19.15.17.11 NMAC
- Nuisance or Hazardous Odors, including H<sub>2</sub>S, Prevention Plan
- Emergency Response Plan
- Oil Field Waste Stream Characterization
- Monitoring and Inspection Plan
- Erosion Control Plan
- Closure Plan - based upon the appropriate requirements of Subsection C of 19.15.17.9 NMAC and 19.15.17.13 NMAC

**Proposed Closure:** 19.15.17.13 NMAC

Type:  Drilling  Workover  Emergency  Cavitation  Permanent Pit  Below-grade Tank  Closed-loop System  Alternative

Proposed Closure Method:  Waste Excavation and Removal  
 On-site Closure Method (only for temporary pits and closed-loop systems)  
     In-place Burial  On-site Trench Burial  
 Alternative Closure Method (Exceptions must be submitted to the Santa Fe Environmental Bureau for consideration)

**Siting Criteria (regarding on-site closure methods only):** 19.15.17.10 NMAC

**Instructions:** Each siting criteria requires a demonstration of compliance in the closure plan. Recommendations of acceptable source material are provided below. Requests regarding changes to certain siting criteria may require administrative approval from the appropriate district office or may be considered an exception which must be submitted to the Santa Fe Environmental Bureau office for consideration of approval. Justifications and/or demonstrations of equivalency are required. Please refer to 19.15.17.10 NMAC for guidance.

- |                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                         |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------|
| Ground water is less than 50 feet below the bottom of the buried waste.<br>- NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells                                                                                                                                                                                                                     | <input type="checkbox"/> Yes <input type="checkbox"/> No<br><input type="checkbox"/> NA |
| Ground water is between 50 and 100 feet below the bottom of the buried waste<br>- NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells                                                                                                                                                                                                                | <input type="checkbox"/> Yes <input type="checkbox"/> No<br><input type="checkbox"/> NA |
| Ground water is more than 100 feet below the bottom of the buried waste.<br>- NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells                                                                                                                                                                                                                    | <input type="checkbox"/> Yes <input type="checkbox"/> No<br><input type="checkbox"/> NA |
| Within 300 feet of a continuously flowing watercourse, or 200 feet of any other watercourse, lakebed, sinkhole, or playa lake (measured from the ordinary high-water mark).<br>- Topographic map; Visual inspection (certification) of the proposed site                                                                                                                                          | <input type="checkbox"/> Yes <input type="checkbox"/> No                                |
| Within 300 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application.<br>- Visual inspection (certification) of the proposed site; Aerial photo; Satellite image                                                                                                                                                                  | <input type="checkbox"/> Yes <input type="checkbox"/> No                                |
| Within 500 horizontal feet of a private, domestic fresh water well or spring that less than five households use for domestic or stock watering purposes, or within 1000 horizontal feet of any other fresh water well or spring, in existence at the time of initial application.<br>- NM Office of the State Engineer - iWATERS database; Visual inspection (certification) of the proposed site | <input type="checkbox"/> Yes <input type="checkbox"/> No                                |
| Within incorporated municipal boundaries or within a defined municipal fresh water well field covered under a municipal ordinance adopted pursuant to NMSA 1978, Section 3-27-3, as amended.<br>- Written confirmation or verification from the municipality; Written approval obtained from the municipality                                                                                     | <input type="checkbox"/> Yes <input type="checkbox"/> No                                |
| Within 500 feet of a wetland.<br>- US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site                                                                                                                                                                                                                                       | <input type="checkbox"/> Yes <input type="checkbox"/> No                                |
| Within the area overlying a subsurface mine.<br>- Written confirmation or verification or map from the NM EMNRD-Mining and Mineral Division                                                                                                                                                                                                                                                       | <input type="checkbox"/> Yes <input type="checkbox"/> No                                |
| Within an unstable area.<br>- Engineering measures incorporated into the design; NM Bureau of Geology & Mineral Resources; USGS; NM Geological Society; Topographic map                                                                                                                                                                                                                           | <input type="checkbox"/> Yes <input type="checkbox"/> No                                |
| Within a 100-year floodplain.<br>- FEMA map                                                                                                                                                                                                                                                                                                                                                       | <input type="checkbox"/> Yes <input type="checkbox"/> No                                |

**Waste Excavation and Removal Closure Plan Checklist:** (19.15.17.13 NMAC) *Instructions: Each of the following items must be attached to the closure plan. Please indicate, by a check mark in the box, that the documents are attached.*

- Protocols and Procedures - based upon the appropriate requirements of 19.15.17.13 NMAC
- Confirmation Sampling Plan (if applicable) - based upon the appropriate requirements of Subsection F of 19.15.17.13 NMAC
- Disposal Facility Name and Permit Number (for liquids, drilling fluids and drill cuttings)
- Soil Backfill and Cover Design Specifications - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC
- Re-vegetation Plan - based upon the appropriate requirements of Subsection I of 19.15.17.13 NMAC
- Site Reclamation Plan - based upon the appropriate requirements of Subsection G of 19.15.17.13 NMAC

**Waste Removal Closure For Closed-loop Systems That Utilize Haul-off Bins Only:** (19.15.17.13.D NMAC) *Instructions: Please identify the facility or facilities for the disposal of liquids, drilling fluids and drill cuttings.*

Disposal Facility Name: Lea Land Farm or Gandy Marley Disposal Facility Permit Number: WM-1-035 NM-01-0019

**On-Site Closure Plan Checklist:** (19.15.17.13 NMAC) *Instructions: Each of the following items must be attached to the closure plan. Please indicate, by a check mark in the box, that the documents are attached.*

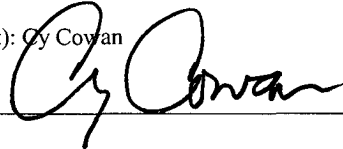
- Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15.17.10 NMAC
- Proof of Surface Owner Notice - based upon the appropriate requirements of Subsection F of 19.15.17.13 NMAC
- Construction and Design of Burial Trench (if applicable) based upon the appropriate requirements of 19.15.17.11 NMAC
- Protocols and Procedures - based upon the appropriate requirements of 19.15.17.13 NMAC
- Confirmation Sampling Plan (if applicable) - based upon the appropriate requirements of Subsection F of 19.15.17.13 NMAC
- Waste Material Sampling Plan - based upon the appropriate requirements of Subsection F of 19.15.17.13 NMAC
- Disposal Facility Name and Permit Number (for liquids, drilling fluids and drill cuttings or in case on-site closure standards cannot be achieved)
- Soil Cover Design - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC
- Re-vegetation Plan - based upon the appropriate requirements of Subsection I of 19.15.17.13 NMAC
- Site Reclamation Plan - based upon the appropriate requirements of Subsection G of 19.15.17.13 NMAC

**Operator Application Certification:**

I hereby certify that the information submitted with this application is true, accurate and complete to the best of my knowledge and belief.

Name (Print): Cy Cowan

Title: Regulatory Agent

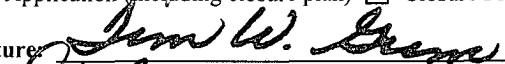
Signature: 

Date: 7/2/08

e-mail address: cy@ypcnm.com

Telephone: 575-748-4372

**OCD Approval:**  Permit Application (including closure plan)  Closure Plan (only)

OCD Representative Signature: 

Approval Date: 7/8/08

Title: District II Supervisor

OCD Permit Number: 020837

**Closure Report (required within 60 days of closure completion):** Subsection K of 19.15.17.13 NMAC

Closure Completion Date: \_\_\_\_\_

**Closure Method:**

- Waste Excavation and Removal  On-Site Closure Method  Alternative Closure Method
- If different from approved plan, please explain.

**Closure Report Attachment Checklist:** *Instructions: Each of the following items must be attached to the closure report. Please indicate, by a check mark in the box, that the documents are attached.*

- Proof of Closure Notice
- Proof of Deed Notice (if applicable)
- Plot Plan
- Confirmation Sampling Analytical Results
- Waste Material Sampling Analytical Results
- Disposal Facility Name and Permit Number
- Soil Backfilling and Cover Installation
- Re-vegetation Application Rates and Seeding Technique
- Site Reclamation (Photo Documentation)

On-site Closure Location: Latitude \_\_\_\_\_ Longitude \_\_\_\_\_ NAD:  1927  1983

**Operator Closure Certification:**

I hereby certify that the information and attachments submitted with this closure report is true, accurate and complete to the best of my knowledge and belief. I also certify that the closure complies with all applicable closure requirements and conditions specified in the approved closure plan.

Name (Print): \_\_\_\_\_

Title: \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

e-mail address: \_\_\_\_\_

Telephone: \_\_\_\_\_

## Yates Petroleum Corporation – Equipment Design Plan Closed Loop System

Closed Loop System will consist of:

1 – double panel shale shaker

1 – (minimum ) Centrifuge, certain wells and flow rates may require 2 centrifuges

On certain wells, the Centrifuge will be replaced by a Clackco Settling Tank System

1 – minimum centrifugal pump to transfer fluids

2- 500 bbl. FW Tanks

1 – 500 bbl. BW Tank

1 – half round frac tank – 250 bbl. capacity as necessary to catch cement / excess mud returns generated during a cement job.

1 Set of rail cars / catch bins

Certain wells will use an ASC Auger Tank

All equipment will inspected at least hourly by rig personnel and daily by contractors personnel.

Any spills / leaks will be reported to YPC, NMOCD, and cleaned up without delay.

## Closed Loop Operational Plan

Closed loop system will use solids control equipment to control liquid and solid waste generated in the drilling process.

Waste will be disposed of at Gandy Marley or Lea Land Farm.

## Link BKT Federal Com #4H

## Closed Loop Design Plan

