

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
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 or Below-Grade Tank Registration or Closure

Is pit or below-grade tank covered by a "general plan"? Yes No of action: Registration of a pit or below-grade tank Closure of a pit or below-grade tank

Operator: Yates Petroleum Corporation Telephone: 505-748-1471 e-mail address: debbiec@ygenm.com

Address: 105 South Fourth Street, Artesia, NM 88210

Facility or well name: Wayon State Unit #5 API #: 30-025-36799 U/L or Qtr/Qtr H Sec 21 T 11S R 34E

County: Lea Latitude N.33°21'11.1" Longitude W.103°30'37.8" 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"/> Workover <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"/> Volume <u>24,000</u> 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 50 feet or more, but less than 100 feet 100 feet or more | (20 points) (10 points) (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) |
| 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) |
| Ranking Score (Total Points) | | 20 |

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 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.

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 .

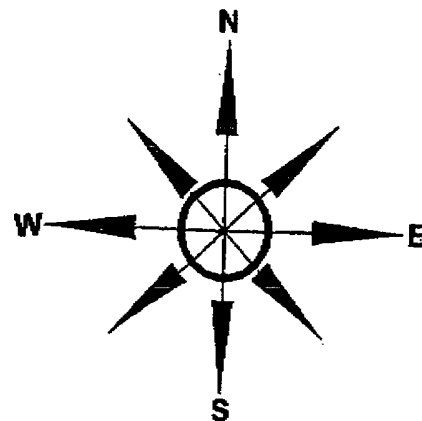
Date: 8/2/2004
Printed Name/Title: Robert Asher/Regulatory Agent Signature: [Signature]

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.

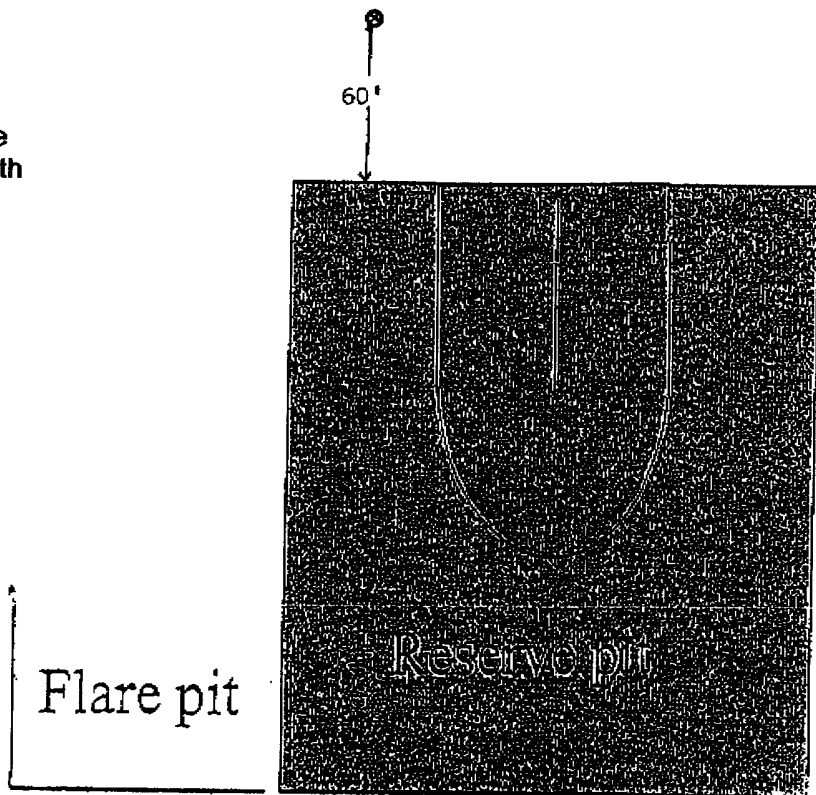
Approval:
Date: 8/4/04 PETROLEUM ENGINEER

Printed Name/Title: _____ Signature: [Signature]

Yates Petroleum Corporation
Standard Reserve Pit Layout
General Plan was approved 4/15/2004



The reserve pit will be to the south. The northwest corner of the pit will be approximately 60' south of the well bore. The pit will be a 150' by 150' by 5' deep with the capacity of 24,000 bbls. The pit will be lined with a 12 mil. liner.



Standard reserve pit. All reserve pits are double Horseshoe, size varies with depth of well.