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

Approval:

Printed Name/Title

State of New Mexico Energy Minerals and Natural Resources

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.

SEP 15 2004

Form C-144

June 1, 2004

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 Operator: Yates Petroleum Corporation Telephone: 505-748-4188 e-mail address: jim@ypcnm.com Address: 105 South 4th St., Artesia NM 88210 Facility or well name: Desiree BDS #1 API #: 30-015-33036 ____U/L or Qtr/Qtr O Sec 34 T 17S R 26E County: Eddy Latitude 32.78612 Longitude 104.36767 NAD: 1927 1983 Surface Owner Federal State Private X Indian Pit Below-grade tank Type: Drilling | Production | Disposal | Volume: bbl Type of fluid: Workover Emergency Construction material: Double-walled, with leak detection? Yes If not, explain why not. Lined D Unlined Liner type: Synthetic M Thickness 12 mil Clay Pit Volume 15,000 bbl Less than 50 feet (20 points) XXXX Depth to ground water (vertical distance from bottom of pit to seasonal high 50 feet or more, but less than 100 feet (10 points) water elevation of ground water.) 100 feet or more (0 points) Yes (20 points) Wellhead protection area: (Less than 200 feet from a private domestic Nο (0 points) XXXX water source, or less than 1000 feet from all other water sources.) Less than 200 feet (20 points) Distance to surface water: (horizontal distance to all wetlands, playas, 200 feet or more, but less than 1000 feet (10 points) irrigation canals, ditches, and perennial and ephemeral watercourses.) 1000 feet or more (0 points) XXXX 20 points Ranking Score (Total 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 your are burying in place) onsite offsite from If offsite, name of facility Artesia Aeoration (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: RECEIVED Reserve pits contents will be hauled with the OCD approval to Artesia Aeoration in Maljamar, N.M. for disposal. SEP 1 5 2004 Pit will be filled in cross-ripped and seeded. Due to site rating the pit's SORMATEQIA contents and the liner must be removed and disposed of in a manner approved by the division. 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: 1/ Printed Name/Title Jim Krogman, Drilling Superintendent, Erma Vazquez, Drilling Technician 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.