

District I
1625 N French Dr , Hobbs, NM 88240
District II
811 S First St , 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

Form C-144 CLEZ
Revised August 1, 2011

For closed-loop systems that only use above ground steel tanks or haul-off bins and propose to implement waste removal for closure, submit to the appropriate NMOCD District Office.

Closed-Loop System Permit or Closure Plan Application

(that only use above ground steel tanks or haul-off bins and propose to implement waste removal for closure)

Type of action: ☒ Permit ☐ Closure

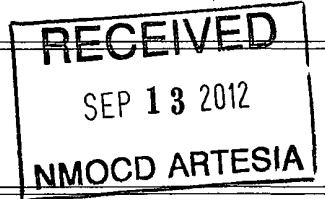
Instructions: Please submit one application (Form C-144 CLEZ) per individual closed-loop system request. For any application request other than for a closed-loop system that only use above ground steel tanks or haul-off bins and propose to implement waste removal for closure, please submit a Form C-144.

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.

1
Operator: Yates Petroleum Corporation OGRID #: 025575
Address: 105 South 4th St. Artesia, NM 88210
Facility or well name: Anthill AAK State #4H
API Number: 30-015-40731 OCD Permit Number: 213477
U/L or Qtr/Qtr P Section 2 Township 20S Range 29E County: Eddy
Center of Proposed Design: Latitude N 32.5964056 Longitude W 104.038153 NAD: ☐ 1927 ☒ 1983
Surface Owner: ☒ Federal ☐ State ☐ Private ☐ Tribal Trust or Indian Allotment

2.
☒ **Closed-loop System:** Subsection H of 19.15.17.11 NMAC
Operation: ☒ Drilling a new well ☐ Workover or Drilling (Applies to activities which require prior approval of a permit or notice of intent) ☐ P&A
☐ Above Ground Steel Tanks or ☒ Haul-off Bins

3.
Signs: Subsection C of 19.15.17.11 NMAC
☐ 12"x 24", 2" lettering, providing Operator's name, site location, and emergency telephone numbers
☒ Signed in compliance with 19.15.16.8 NMAC



4.
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.
☒ 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 (Please complete Box 5) - 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: _____
☐ Previously Approved Operating and Maintenance Plan API Number: _____

5.
Waste Removal Closure For Closed-loop Systems That Utilize Above Ground Steel Tanks or 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. Use attachment if more than two facilities are required.
Disposal Facility Name: Gandy Marley Disposal Facility Permit Number: NM - 01-0019
Disposal Facility Name: CRI Disposal Facility Permit Number: R-1966
Disposal Facility Name: Lea Land Farm Disposal Facility Permit Number: WM - 1-035
Disposal Facility Name: Sundance Services Inc. Disposal Facility Permit Number: NM - 01-0003

Will any of the proposed closed-loop system operations and associated activities occur on or in areas that *will not* be used for future service and operations?
☐ Yes (If yes, please provide the information below) ☒ No

Required for impacted areas which will not be used for future service and operations:

- ☐ 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

6

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): Travis Hahn Title: Land Regulatory Agent

Signature: [Signature] Date: 9/14/2012

e-mail address: thahn@yatespetroleum.com Telephone: 575-748-4120

7. **OCD Approval:** ☒ Permit Application (including closure plan) ☐ Closure Plan (only)

OCD Representative Signature: [Signature] Approval Date: 9/26/12

Title: Dist HS Supervisor OCD Permit Number: 213477

8.

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

Instructions: Operators are required to obtain an approved closure plan prior to implementing any closure activities and submitting the closure report. The closure report is required to be submitted to the division within 60 days of the completion of the closure activities. Please do not complete this section of the form until an approved closure plan has been obtained and the closure activities have been completed.

☐ Closure Completion Date: _____

9.

Closure Report Regarding Waste Removal Closure For Closed-loop Systems That Utilize Above Ground Steel Tanks or Haul-off Bins Only:

Instructions: Please indentify the facility or facilities for where the liquids, drilling fluids and drill cuttings were disposed. Use attachment if more than two facilities were utilized.

Disposal Facility Name: _____ Disposal Facility Permit Number: _____

Disposal Facility Name: _____ Disposal Facility Permit Number: _____

Were the closed-loop system operations and associated activities performed on or in areas that *will not* be used for future service and operations?

☐ Yes (If yes, please demonstrate compliance to the items below) ☐ No

Required for impacted areas which will not be used for future service and operations:

☐ Site Reclamation (Photo Documentation)

☐ Soil Backfilling and Cover Installation

☐ Re-vegetation Application Rates and Seeding Technique

10.

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: _____

DISTRICT I
1625 N. French Dr., Hobbs, NM 88240
Phone (575) 393-6161 Fax: (575) 393-0720
DISTRICT II
1301 W. Grand Avenue, Artesia, NM 88210
Phone (575) 748-1283 Fax: (575) 748-9720
DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410
Phone (505) 334-6178 Fax: (505) 334-6170
DISTRICT IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone (505) 476-3460 Fax: (505) 476-3462

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised August 1, 2011

Submit one copy to appropriate
District Office

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number	Pool Code	Pool Name
		Wildcat/2nd Bone Spring Sand
Property Code	Property Name	Well Number
	ANTHILL "AAK" STATE COM	4H
OGRID No.	Operator Name	Elevation
025575	YATES PETROLEUM CORP.	3296

Surface Location

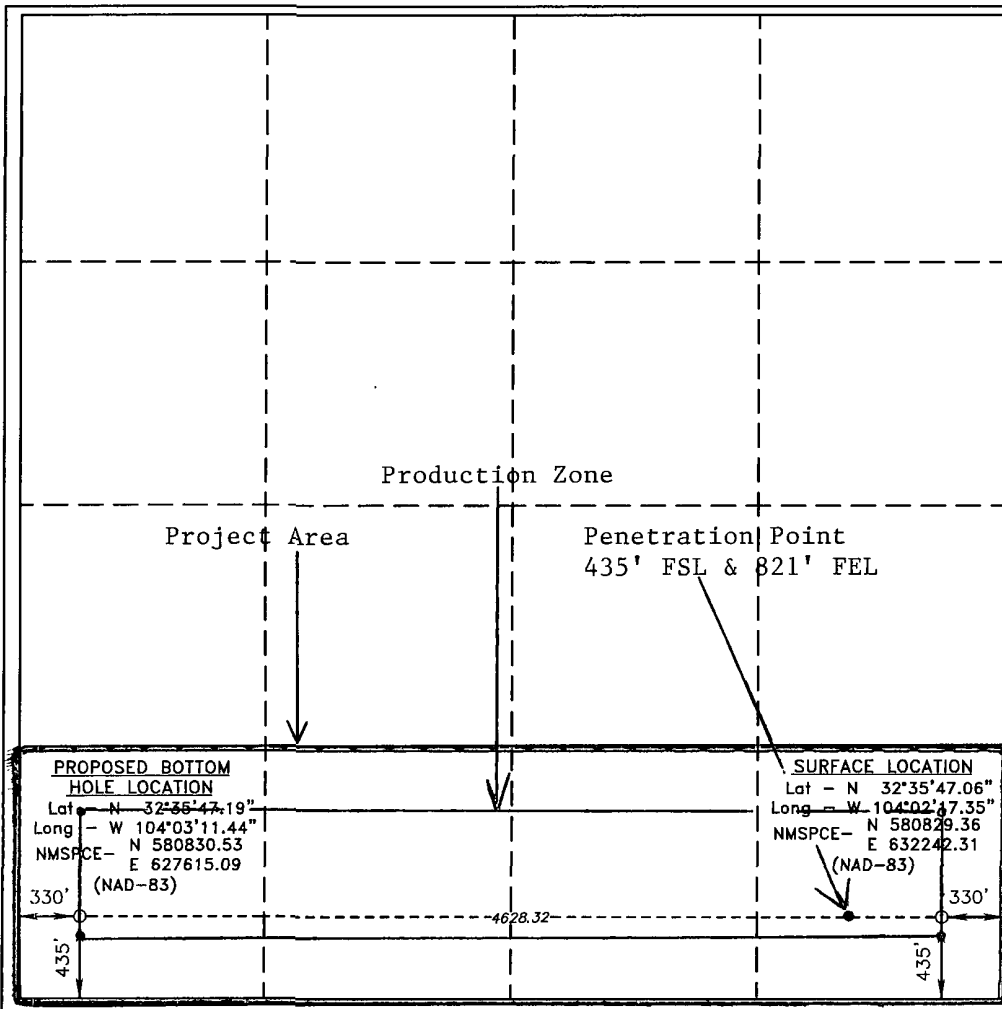
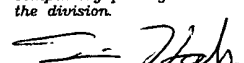
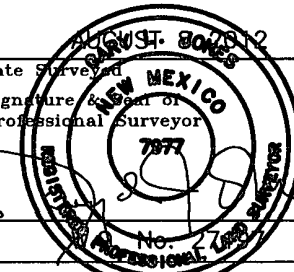
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	2	20 S	29 E		435	SOUTH	330	EAST	EDDY

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	2	20 S	29 E		435	SOUTH	330	WEST	EDDY

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
160			

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

		<p>OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p> 9/14/12</p> <p>Signature Date</p> <p>Travis Hahn</p> <p>Printed Name</p> <p>thahn@yatespetroleum.com</p> <p>Email Address</p>
<p>PROPOSED BOTTOM HOLE LOCATION</p> <p>Lat - N 32°35'47.19"</p> <p>Long - W 104°03'11.44"</p> <p>NMSPCE - N 580830.53</p> <p>E 627615.09</p> <p>(NAD-83)</p>		<p>SURFACE LOCATION</p> <p>Lat - N 32°35'47.06"</p> <p>Long - W 104°02'47.35"</p> <p>NMSPCE - N 580829.36</p> <p>E 632242.31</p> <p>(NAD-83)</p>
<p>PRODUCTION ZONE</p> <p>Project Area</p> <p>Penetration Point</p> <p>435' FSL & 821' FEL</p>		<p>SURVEYOR CERTIFICATION</p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p></p> <p>Date Surveyed</p> <p>Signature of Professional Surveyor</p> <p>No. 7977</p> <p>Certificate No. Gary L. Jones 7977</p> <p>BASIN SURVEYS 27197</p>

Operator Co.

Your Co.

Survey/Planning Report									
Operator	Yates Petroleum Corp.			Northing				Date	28-Aug-12
Dir. Co.	Yates Petroleum Corp.			Easting				System	2 - St. Plane
Well Name	Anthill #4H Survey			Elevation				Datum	1983 - NAD83
Location	Sec. 2, 20S-29E			Latitude				Zone	4302 - Utah Central
Rig				Longitude				Scale Fac.	
Job				Units	Feet			Converg.	
MD	INC	AZI	TVD	+NS-	+EW-	VS@270.01°	BR	TR	DLS
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
184.00	0.00	360.00	184.00	0.00	0.00	0.00	0.00	0.00	0.00
184: RUSTLER, 184'									
464.00	0.00	360.00	464.00	0.00	0.00	0.00	0.00	0.00	0.00
464: TOS, 464'									
1109.00	0.00	360.00	1109.00	0.00	0.00	0.00	0.00	0.00	0.00
1109: BOS, 1109'									
1264.00	0.00	360.00	1264.00	0.00	0.00	0.00	0.00	0.00	0.00
1264: TANSILL, 1264'									
1369.00	0.00	360.00	1369.00	0.00	0.00	0.00	0.00	0.00	0.00
1369: YATES, 1369'									
1604.00	0.00	360.00	1604.00	0.00	0.00	0.00	0.00	0.00	0.00
1604: SEVEN RIVERS, 1604'									
1704.00	0.00	360.00	1704.00	0.00	0.00	0.00	0.00	0.00	0.00
1704: CAPITAN REEF, 1704'									
3494.00	0.00	360.00	3494.00	0.00	0.00	0.00	0.00	0.00	0.00
3494: CHERRY CANYON, 3494'									
4449.00	0.00	360.00	4449.00	0.00	0.00	0.00	0.00	0.00	0.00
4449: BRUSHY CANYON, 4449'									
5984.00	0.00	360.00	5984.00	0.01	0.00	0.00	0.00	0.00	0.00
5984: BONE SPRINGS, LM, 5984'									
6144.00	0.00	360.00	6144.00	0.01	0.00	0.00	0.00	0.00	0.00
6144: AVALON SAND, 6144'									
6174.00	0.00	360.00	6174.00	0.01	0.00	0.00	0.00	0.00	0.00
6364.00	0.00	360.00	6364.00	0.01	0.00	0.00	0.00	0.00	0.00
6364: MIDDLE AVALON, 6364'									
6724.00	0.00	360.00	6724.00	0.01	0.00	0.00	0.00	0.00	0.00
6724: LOWER AVALON, 6724'									
7254.00	0.00	360.00	7254.00	0.01	0.00	0.00	0.00	0.00	0.00
7254: FBSG, 7254'									
7812.99	0.00	270.01	7812.99	0.01	0.00	0.00	0.00	-1.15	0.00
7812.99: KOP, 7813'									
7900.00	10.44	270.01	7899.52	0.01	-7.91	7.91	12.00	0.00	12.00
8000.00	22.44	270.01	7995.26	0.02	-36.15	36.15	12.00	0.00	12.00
8065.67	30.32	270.01	8054.04	0.02	-65.31	65.31	12.00	0.00	12.00
8065.67: SBSG, 8066' MD (8054' TVD)									
8100.00	34.44	270.01	8083.03	0.03	-83.69	83.69	12.00	0.00	12.00
8200.00	46.44	270.01	8159.00	0.04	-148.43	148.43	12.00	0.00	12.00
8300.00	58.44	270.01	8219.85	0.06	-227.55	227.55	12.00	0.00	12.00
8400.00	70.44	270.01	8262.92	0.09	-317.60	317.60	12.00	0.00	12.00
8500.00	82.44	270.01	8286.32	0.11	-414.64	414.64	12.00	0.00	12.00
8576.40	91.61	270.01	8290.26	0.13	-490.88	490.88	12.00	0.00	12.00
8576.4: TARGET SBSG, 8576' MD (8290' TVD)									
12714.38	91.61	270.01	8174.00	1.18	-4627.22	4627.22	0.00	0.00	0.00
12714.38: LATERAL TD, 12714' MD (8174' TVD)									



