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

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

June 1, 2004

Form C-144

For drilling and production facilities, submit to appropriate NMOCD District Office.

For downstream facilities, submit to Santa Fe office

Pit or Below-Grade Tank Reg	istration 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 X			
Operator: Yates Drilling Company Telephone: 505-748-4500 e-mail address: mikes@ypc.com Address: 105 South 4th Street, Artesia, N.M. 88210			
Facility or well name: Horn YG Federal Com 3 API #: 30-005-63491 U/L or Qtr/Qtr C Sec 10 T 8S R 26E County: Chaves Latitude 33.63888 Longitude 104.28654 NAD: 1927 1983 X Surface Owner: Federal X State Private Indian			
Pit Type: Drilling X Production Disposal Work over Emergency Lined X Unlined Liner type: Synthetic Thickness 12 mil Clay	Below-grade tank Volume:bbl Type of fluid:		
Pit Volume 12,000 bbl 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) XXXXX (20 points) (20 points) (0 points) XXXXX	
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) XXXX	
Distance to surface water: (horizontal distance to all wetlands, playas, irrigation canals, disches, 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) 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 your are burying in place) onsite X 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 surfaceft. and attach sample results. (5) Attach soil sample results and a diagram of sample locations and excavations.			
Additional Comments: Closure work plan for drilling pit. The drilling pit contents will be mixed to stiffen the pit contents. Encapsulation trench will be excavated and lined with a 12 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 min. of a 3' over lap of the underlying trench areas. The encapsulation trenches will then be backfilled back to grade using a min. of 3' of clean soil and like material. A one call & 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 DATE 6/14/2005			
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 X, or an (attached) afternative OCD approved plan . Date: 05/20/2005 Printed Name/Title Dan Dolan / Regulatory Agent 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: Printed Name/Title	Signature	DaMAY 23 2005	

MARTIN VATES, III 1912 - 1988 FRANK W. VATES 1936 - 1966



105 South Fourth Street ARTESIA, NEW MEXICO 88210-2118 TELEPHONE (505) 748-1471

S P. VATES CHAIRMAN OF THE BOARD JOHN A. MATES PRESIDENT PEYTON YATES EXECUTIVE VICE PRESIDENT RANDY S. PATTERSON SECRETIES

> DENNIS G KINSEY TREASURER

PECENED POR SOL

I certify that on 6/9/2005, tests were conducted on soil samples from the

30-005-63491 UT. C 10-85-26e Horn YG Fed. Con. #3

Following are results of those tests.

Middle D.P. - O PPM.

EPA Method 9074, TPH N.W. corner D.P. - 137 ppm., N.E. corner D.P. - 793 ppm.

middle D.P. - 441 ppm.

SE corner D.P. - 181 ppm.

EPA Method 9253, N.W. corner D.P. - 493 ppm, SW corner D.P. - 630 ppm,

Middle D.P. - Oppm

PID Meter. BTEX. NW comer O.P. - O ppm

All testing was done at Yates Petroleum Corp., or on location.

Daniel W. Dolan CWC

Environmental Regulatory Agent