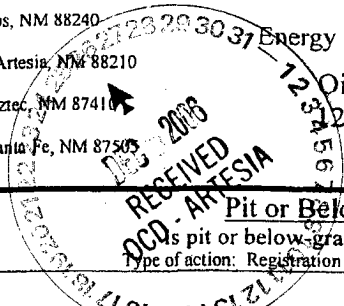


District I  
1625 N. French Dr., Hobbs, NM 88240  
District II  
1301 W. Grand Avenue, Artesia, NM 88210  
District III  
1000 Rio Brazos Road, Aztec, NM 87410  
District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico  
Energy Minerals and Natural Resources  
Oil Conservation Division  
220 South St. Francis Dr.  
Santa Fe, NM 87505

Form C-144  
June 1, 2004

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   
Type of action: Registration of a pit or below-grade tank  Closure of a pit or below-grade tank

Operator: Yates Petroleum Corporation Phone: 505-748-4500 e-mail address: mikes@ypcnm.com  
Address: 105 South 4<sup>th</sup> Street, Artesia, N.M. 88210  
Facility or well name: Hillview AHE Federal #11 API #: 30-015-26810 U/L or Qtr/Qtr K Sec 23 T 20S R 24E  
County: Eddy Latitude 32.55671 Longitude 104.56079 NAD: 1927  1983   
Surface Owner: Federal  State  Private  Indian

<b>Pit</b> Type: Drilling <input checked="" type="checkbox"/> Production <input type="checkbox"/> Disposal <input type="checkbox"/> Work over <input type="checkbox"/> Emergency <input type="checkbox"/> Lined <input checked="" type="checkbox"/> Unlined <input type="checkbox"/> Liner type: Synthetic <input checked="" type="checkbox"/> Thickness 12 mil Clay <input type="checkbox"/> Pit Volume _____ bbl		<b>Below-grade tank</b> 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	(20 points)	
	50 feet or more, but less than 100 feet	(10 points)	
	100 feet or more	( 0 points) XXXX	
Wellhead protection area: (Less than 200 feet from a private domestic water source, or less than 1000 feet from all other water sources.)	Yes	(20 points)	
	No	( 0 points) XXXX	
Distance to surface water: (horizontal distance to all wetlands, playas, irrigation canals, ditches, and perennial and ephemeral watercourses.)	Less than 200 feet	(20 points)	
	200 feet or more, but less than 1000 feet	(10 points)	
	1000 feet or more	( 0 points) XXXX	
<b>Ranking Score (Total Points)</b>		<b>0 POINTS</b>	

**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 you are burying in place) onsite  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 surface \_\_\_\_\_ ft. and attach sample results.  
(5) Attach soil sample results and a diagram of sample locations and excavations.

Additional Comments: Workplan for reopening & closure of drilling pit. An 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 minimum of a 3' over lap of the underlying trench areas. The encapsulation trench will then be backfilled to grade using a minimum of 3' of clean soil and like material. A one call and 48 hour notice will be provided to the Oil Conservation Division before pit closure actions begin.  
The closed drilling pit area will be reseeded using BLM recommended seed mixture for the area.

Pit Closure actions to begin by NA. Ending date NA  
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: 08/31/2006  
Printed Name/Title Mike Stubblefield / Regulatory Agent Signature Mike Stubblefield  
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.

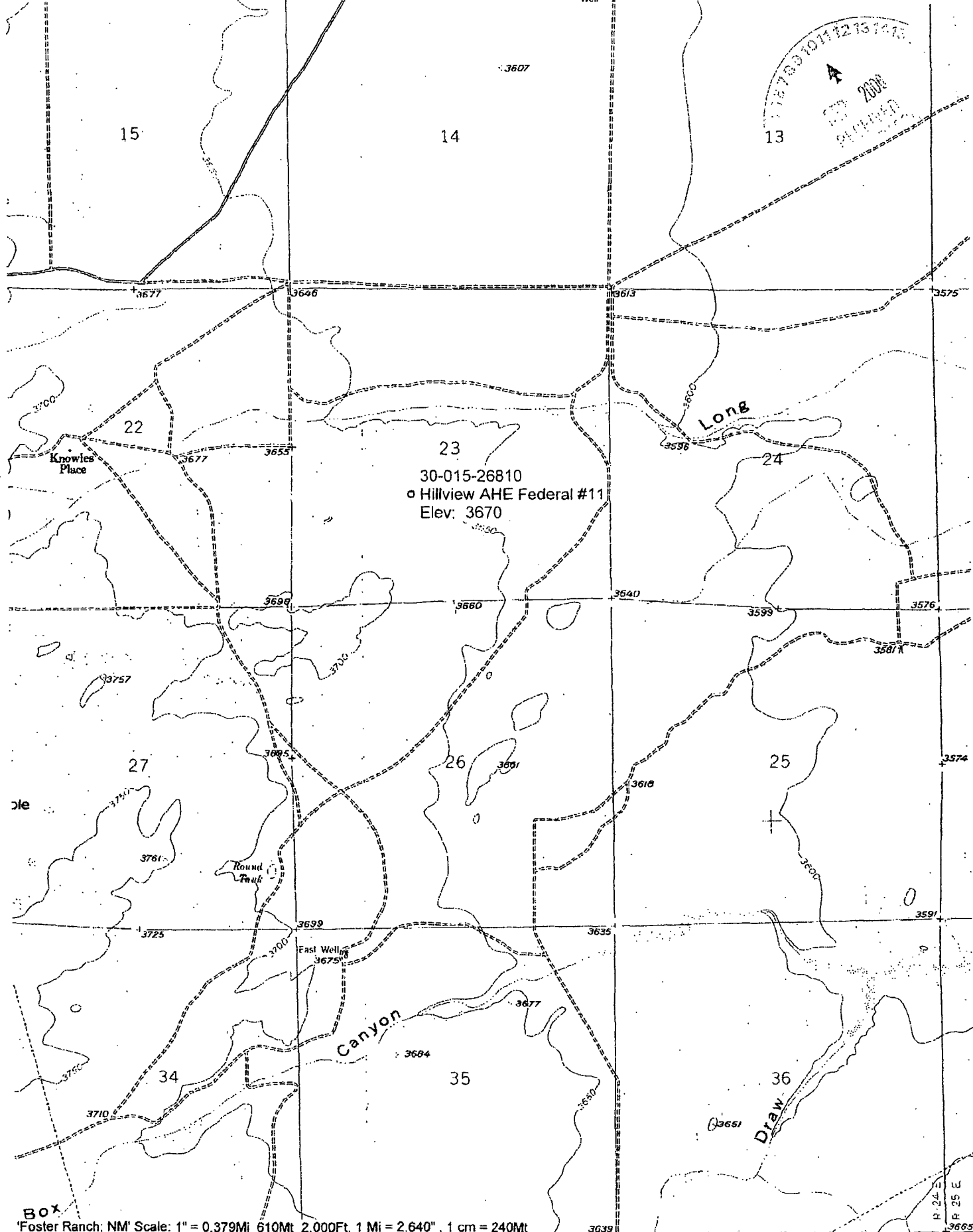
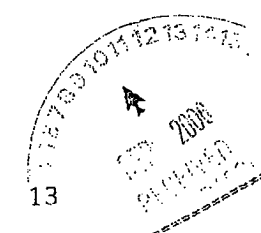
Approval: Jim W. Brown  
Printed Name/Title District II Supervisor Date: 9/21/06

Accepted for record - NMOCD

11/2/07

PIT CLOSURE FINAL

DATE 11/23/2006



Box  
'Foster Ranch; NM' Scale: 1" = 0.379Mi 610Mt 2,000Ft, 1 Mi = 2.640", 1 cm = 240Mt

P. 24  
S. 25  
E. 26  
3685

New Mexico Office of the State Engineer  
 POD Reports and Downloads

HILLYVIEW AHE FEDERAL#11

Township: 20S Range: 24E Sections: \_\_\_\_\_  
 NAD27 X: \_\_\_\_\_ Y: \_\_\_\_\_ Zone: \_\_\_\_\_ Search Radius: \_\_\_\_\_  
 County: \_\_\_\_\_ Basin: \_\_\_\_\_ Number: \_\_\_\_\_ Suffix: \_\_\_\_\_

Owner Name: (First) \_\_\_\_\_ (Last) \_\_\_\_\_  Non-Domestic  Domestic  
 All

AVERAGE DEPTH OF WATER REPORT 08/31/2006

Bsn	Tws	Rng	Sec	Zone	X	Y	Wells	(Depth Water in Feet)		
								Min	Max	Avg
RA	20S	24E	01				2	273	300	287
RA	20S	24E	03				1	268	268	268
RA	20S	24E	08				1	500	500	500
RA	20S	24E	14				1	80	80	80
RA	20S	24E	21				1	31	31	31
RA	20S	24E	22				1	400	400	400
RA	20S	24E	25				2	268	268	268

Record Count: 9

**I & E CFO**

Number: 06-TG-097  
Page: 1 of 2  
SEP 2006  
RECEIVED IDENTIFICATION  
ARTESIA  
Lease NMNM86241  
CA NMNM84808  
Unit  
FA

**UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT  
NOTICE OF WRITTEN ORDER**

Certified Mail - Return Receipt Requested  
70051820060110416002

Bureau of Land Management Office <b>CARLSBAD FIELD OFFICE</b>				Operator <b>YATES PETROLEUM CORPORATION</b>			
Address <b>620 E GREENE STREET CARLSBAD NM 88220</b>				Address <b>105 S 4TH STREET ARTESIA NM 88210</b>			
Telephone <b>505-234-5965</b>				Attention			
Inspector <b>BHUNT</b>				Attn Addr			
Site Name <b>HILLVIEW AHE</b>	Well or Facility <b>11</b>	1/4 1/4 Section <b>NESW 23</b>	Township <b>20S</b>	Range <b>24E</b>	Meridian <b>NMP</b>	County <b>EDDY</b>	State <b>NM</b>
Site Name	Well or Facility	1/4 1/4 Section	Township	Range	Meridian	County	State
Site Name	Well or Facility	1/4 1/4 Section	Township	Range	Meridian	County	State

The following condition(s) were found by Bureau of Land Management Inspectors on the date and at the site(s) listed above.

Date	Time (24-hour clock)	Corrective Action to be Completed by	Date Corrected	Authority Reference
08/08/2006	13:00	11/22/2006		43 CFR 3162.3-4(c), 43 CFR 3162.1(a), 43 CFR 3162.5-1(b)

**Remarks:**

The following actions must be completed prior to abandonment approval.  
The surface location is to be cleaned and leveled per BLM requirements.

*32.55671 104.56099*

**1. General cleanup:**

- a. Remove any equipment parts, household trash, thread protectors, or other plastic/metal debris from location, access road, and surrounding pastures; haul all trash to an authorized landfill facility.
- b. Install lease number on dry hole marker.
- c. Cut off pipe just north of dry hole marker at least 18 inches below the surface and cover with (Remarks continued on following page(s).)

When the Written Order is complied with, sign this notice and return to above address.

Company Representative Title \_\_\_\_\_ Signature \_\_\_\_\_ Date \_\_\_\_\_

Company Comments \_\_\_\_\_

**Warning**

The Authorized Officer has authority to issue a Written Order in accordance with 43 CFR 3161.2. Written Order correction and reporting time frames begin upon receipt of this Notice or 7 business days after the date it is mailed, whichever is earlier. Each stipulation must be corrected within the prescribed time from receipt of this Notice and reported to the Bureau of Land Management Office at the address shown above. If you do not comply as noted above under "Corrective Action to be Completed By", you shall be issued an Incident of Noncompliance (INC) in accordance with 43 CFR 3163.1(a). Failure to comply with the INC may result in assessments as outlined in 43 CFR 3163.1 and may also incur civil penalties (43 CFR 3163.2). All self-certified corrections must be postmarked no later than the next business day after the prescribed time frame for correction.

Section 109(d)(1) of the Federal Oil and Gas Royalty Management Act of 1982, as implemented by the applicable provisions of the operating regulations at Title 43 CFR 3163.2(f)(1), provides that any person who "knowingly or willfully" prepares, maintains, or submits false, inaccurate, or misleading reports, notices, affidavits, records, data, or other written information required by this part shall be liable for a civil penalty of up to \$25,000 per violation for each day such violation continues, not to exceed a maximum of 20 days.

**Review and Appeal Rights**

A person contesting a decision shall request a State Director review of the Written Order. This request must be filed within 20 working days of receipt of the Notice with the appropriate State Director (see 43 CFR 3165.3). The State Director review decision may be appealed to the Interior Board of Land Appeals, 801 North Quincy Street, Suite 300, Arlington, VA 22203 (see 43 CFR 3165.4). Contact the above listed Bureau of Land Management office for further information.

Signature of Bureau of Land Management Authorized Officer <i>[Signature]</i>	Date <b>8/14/06</b>	Time <b>13:00</b>
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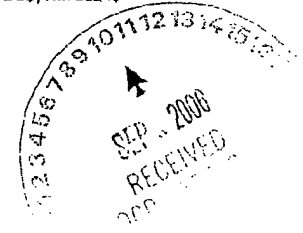
**FOR OFFICE USE ONLY**

Number <b>3</b>	Date	Type of Inspection <b>ES</b>
--------------------	------	---------------------------------



PHONE (325) 673-7001 • 2111 BEECHWOOD • ABILENE, TX 79603

PHONE (805) 393-2329 • 101 E. MARLAND • HOBBS, NM 88240



**ANALYTICAL RESULTS FOR  
YATES PETROLEUM CORPORATION  
ATTN: MIKE STUBBLEFIELD  
105 S. 4<sup>TH</sup> STREET  
ARTESIA, NM 88210  
FAX TO: (505) 748-4335**

Receiving Date: 09/06/06  
Reporting Date: 09/06/06  
Project Number: NOT GIVEN  
Project Name: HILLVIEW AHE #11  
Project Location: NE/SE 23-20S-24E

Analysis Date: 09/06/06  
Sampling Date: 08/30/06  
Sample Type: SOIL  
Sample Condition: COOL & INTACT  
Sample Received By: NF  
Analyzed By: HM

LAB NO.	SAMPLE ID	Cl <sup>-</sup> (mg/kg)
H11506-1	#3 SURFACE DRILLING PIT AREA 5 SPOT COMPOSITE	35589
Quality Control		990
True Value QC		1000
% Recovery		99
Relative Percent Difference		1.0
METHOD: Standard Methods		4500-ClB

NOTE: Analysis performed on a 1:4 w:v aqueous extract.

*[Signature]*  
\_\_\_\_\_  
Chemist

09-06-06  
Date

H11506

PLEASE NOTE: Liability and Damages. Cardinal's liability and client's exclusive remedy for any claim arising, whether based in contract or tort, shall be limited to the amount paid by client for analyses. All claims, including those for negligence and any other cause whatsoever shall be deemed waived unless made in writing and received by Cardinal within thirty (30) days after completion of the applicable service. In no event shall Cardinal be liable for incidental or consequential damages, including, without limitation, business interruptions, loss of use, or loss of profits incurred by client, its subsidiaries, affiliates or successors arising out of or related to the performance of services hereunder by Cardinal, regardless of whether such claim is based upon any of the above-stated reasons or otherwise.

MARTIN YATES, III  
1912 - 1985  
FRANK W. YATES  
1936 - 1986



105 SOUTH FOURTH STREET  
ARTESIA, NEW MEXICO 88210-2118  
TELEPHONE (505) 748-1471

S. P. YATES  
CHAIRMAN OF THE BOARD  
JOHN A. YATES  
PRESIDENT  
PEYTON YATES  
EXECUTIVE VICE PRESIDENT  
RANDY G. PATTERSON  
SECRETARY  
DENNIS G. KINSEY  
TREASURER

I certify that on 10/30/2006, tests were conducted on soil samples from the

36-015-26810 UT. K 23-201-24c Hillview AHE Fed. #11

Following are the results of those tests.

EPA Method 9074, TPH 5 spot comp. Bottom excavated area 8' depth. 0 mg/Kg

EPA Method 9253 5 spot comp. Bottom excavated area 8' depth 937 mg/Kg.

PID Meter, BTEX 5 spot comp. Bottom excavated area 8' depth 0 mg/Kg.

All testing was done at Yates Petroleum Corporation or on location.

Respectfully,

Mike Stubblefield  
Environmental Regulatory Agent

MARTIN YATES, III  
1912 - 1985  
FRANK W. YATES  
1936 - 1986



105 SOUTH FOURTH STREET  
ARTESIA, NEW MEXICO 88210-2118  
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RANDY G. PATTERSON  
SECRETARY  
DENNIS G. KINSEY  
TREASURER

I certify that on 11/1/2006, tests were conducted on soil samples from the

30-015-26810 UT. K 23-200-240 Hillview AHE Fed. Com. # 11

Following are the results of those tests.

EPA Method 9074, TPH \_\_\_\_\_.

EPA Method 9253 5 spot comp. Bottom excavated Area 5 1/2" depth 765 mg/Kg.

PID Meter, BTEX \_\_\_\_\_.

All testing was done at Yates Petroleum Corporation or on location.

Respectfully,

Mike Stubblefield  
Environmental Regulatory Agent

MARTIN YATES, III  
1912 - 1985  
FRANK W. YATES  
1936 - 1986



105 SOUTH FOURTH STREET  
ARTESIA, NEW MEXICO 88210-2118  
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S. P. YATES  
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EXECUTIVE VICE PRESIDENT  
RANDY G. PATTERSON  
SECRETARY  
DENNIS G. KINSEY  
TREASURER

I certify that on 11/2/2006, tests were conducted on soil samples from the

30-015-2006 UT. K 23-205-24c Hillview AHE Fed Com. #1

Following are the results of those tests.

EPA Method 9074, TPH \_\_\_\_\_.

EPA Method 9253 5 spot comp Bottom excavated Area 11' depth 170 mg/Kg.

PID Meter, BTEX \_\_\_\_\_.

All testing was done at Yates Petroleum Corporation or on location.

Respectfully,

Mike Stubblefield  
Environmental Regulatory Agent