District 1 1625 N French Dr., Hobbs, NM 88240

1301 W Grand Avenue, Artesia, NM 882 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

Form C-144 June 1, 2004

MAR 07 2008

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 Telephone 505-748-4500 e-mai	OCD-ARTESIA		
Address 105 South 4th Street, Artesia, N.M. 88210	audiess mikes@vpenin.com		
	Otr/Otr P Sec. 32 T 98 R 26F	207 0.2 2007	
Facility or well name		OCT 0 3 2007	
Surface Owner Federal State Private Indian		OCD-ARTESIA	
Pit	Below-grade tank		
Type Drilling A Production Disposal	Volumebbl Type of fluid		
Work over	Construction material.		
Lined 🗵 Unlined 🗌	Double-walled, with leak detection? Yes If not, explain why not		
Liner type Synthetic M Thickness 12 mil Clay			
Pit Volume 20000 bbl			
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) XXXX	
	100 feet or more	(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	(20 points)	
	No	(0 points) XXXX	
Distance to surface water (horizontal distance to all wellands, 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	
	Ranking Score (Total Points)	10 POINTS	
If this is a pit closure: (1) Attach a diagram of the facility showing the pit's rela	itionship to other equipment and tanks (2) Indicate dis	sposal location (check the onsite box if you are burying	
in place) onsite offsite figures, name of facility <u>NA</u>	(3) Attach a general description of remedial action	n taken including remediation start date and end date	
4) Groundwater encountered No 🗌 Yes 🗍 If yes, show depth below ground s	surfaceft and attach sample results		
(5) Attach soil sample results and a diagram of sample locations and excavations			
Additional Comments Closure workplan for drilling pit The drilling pit conte	nts will be mixed to stiffen the pit contents. An encaps	sulation 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 synt	hetic liner will then be placed over the pit contents	
with a minimum of a 3' over lap of the underlying trench areas. The encapsular	tion trench will then be backfilled to grade using a min	amum 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		
Pit Closure actions to beam 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 | Z___, or an (attached) alternative OCD-approved plan | ____.

Date 10/01/2007

Printed Name/Title Mike Stubblefield / Environmental Regulatory Agent

Signature Mar STUPLIN

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

See Attached

Stipulations

Approval Gerry Guye Printed Name/Title

Compliance Officer

Signature

2007

Accepted for record

NMOCD

DATE 2/12/2008

MAR 1 1 2008

I certify that on <u>02/7/2008</u> tests were conducted on soil samples from the Following are the results of those tests: Tide AXT State Com, #1.

SAMPLE POINT	TPH (EPA Method 9074)	CHLORIDES (EPA Method 9253)	BTEX (PID Meter)
NW corner drilling pit surface 8' depth	0 ppm	70 ppm	0 ppm
NE corner drilling pit Surface 8' depth 16' depth	44 ppm	1645 ppm 70 ppm	0 ppm
SE corner drilling pit Surface 8' depth 16' depth	97 ppm	2410 ppm 141 ppm	0 ppm
SW corner drilling pit Surface 8' depth	0 ppm	99 ppm	0 ppm

ALL RESULTS ARE PPM

1 0 0

Memo note; Soil samples taken for the 8' depth were from the bottom of the cleaned out drilling pit area. Vertical delineation was the maximum with equipment on location.

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

Respectfully,

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Mike Stubblefield

Environmental Regulatory Agent