

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

Form C-144  
June 1, 2004

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

Pit or Below-Grade Tank Registration or Closure

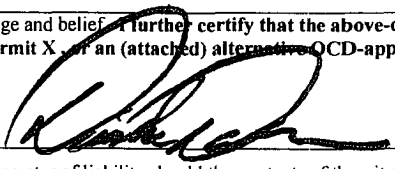
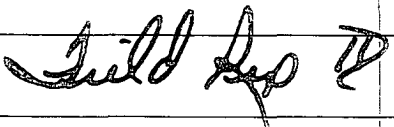
Is pit or below-grade tank covered by a "general plan"? Yes ☒ No ☐

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

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|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------|
| Operator: <u>Yates Petroleum Corporation</u> Telephone: <u>505-748-4500</u> e-mail address: <u>mikes@ypc.com</u>                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                              |                                                |
| Address: <u>105 South 4<sup>th</sup> Street, Artesia, N.M. 88210</u>                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                              |                                                |
| Facility or well name: <u>Charlie ZA Federal 3</u> API #: <u>30-005-63581</u> U/L or Qtr/Qtr <u>L</u> Sec <u>23</u> T <u>8S</u> R <u>26E</u>                                                                                                                                                                                                                                                                                                     |                                                                                                                                                                                                                                                                              |                                                |
| County: <u>Chaves</u> Latitude <u>33.60337</u> Longitude <u>104.27354</u> NAD: 1927 <input type="checkbox"/> 1983 <input checked="" type="checkbox"/>                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                              |                                                |
| Surface Owner: Federal <input type="checkbox"/> State <input type="checkbox"/> Private <input checked="" type="checkbox"/> Indian <input type="checkbox"/>                                                                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                              |                                                |
| <b>Pit</b><br>Type: Drilling <input checked="" type="checkbox"/> Production <input type="checkbox"/> Disposal <input type="checkbox"/><br>Work over <input type="checkbox"/> Emergency <input type="checkbox"/><br>Lined <input checked="" type="checkbox"/> Unlined <input type="checkbox"/><br>Liner type: Synthetic <input checked="" type="checkbox"/> Thickness <u>12</u> mil Clay <input type="checkbox"/><br>Pit Volume <u>12,000</u> bbl | <b>Below-grade tank</b><br>Volume: <input type="checkbox"/> bbl Type of fluid: <input type="checkbox"/><br>Construction material: <input type="checkbox"/><br>Double-walled, with leak detection? Yes <input type="checkbox"/> If not, explain why not. <u>GOOD MATERIAL</u> | <b>RECEIVED</b><br><b>JUN 22 2005</b>          |
| Depth to ground water (vertical distance from bottom of pit to seasonal high water elevation of ground water.)                                                                                                                                                                                                                                                                                                                                   | Less than 50 feet<br>50 feet or more, but less than 100 feet<br>100 feet or more                                                                                                                                                                                             | (20 points)<br>(10 points)<br>( 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<br>No                                                                                                                                                                                                                                                                    | (20 points)<br>( 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<br>200 feet or more, but less than 1000 feet<br>1000 feet or more                                                                                                                                                                                         | (20 points)<br>(10 points)<br>( 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.

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| 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 <u>NA</u> . Ending date <u>NA</u>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |

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|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------|
| 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 <input type="checkbox"/> , a general permit <input checked="" type="checkbox"/> , or an (attached) alternative OGD-approved plan <input type="checkbox"/> . |                                                        |                                                                                                                         |
| Date: <u>06/22/2005</u>                                                                                                                                                                                                                                                                                                                                                                                      | Printed Name/Title <u>Dan Dolan / Regulatory Agent</u> | 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.                                  |                                                        |                                                                                                                         |
| Approval:                                                                                                                                                                                                                                                                                                                 | Printed Name/Title <u>Field Rep ID</u>                 | Signature  Date: <u>JUN 30 2005</u> |