

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

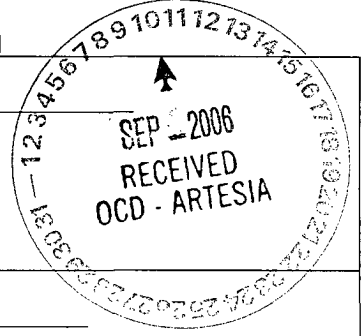
State of New Mexico
Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

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 Telephone: 505-748-4500 e-mail address: mikes@ypcnm.com
Address: 105 South 4th Street, Artesia, N.M. 88210
Facility or well name: Amoco QT Federal #1 API #: 30-015-23591 U/L or Qtr/Qtr_F_Sec 29 T 19S R 24E
County: Eddy Latitude 32.6337 Longitude 104.61214 NAD: 1927 1983
Surface Owner: Federal State Private Indian

Pit 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 <u>12</u> mil Clay <input type="checkbox"/> Pit Volume _____ bbl		Below-grade tank 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 50 feet or more, but less than 100 feet 100 feet or more	(20 points) (10 points) (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 No	(20 points) (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 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	

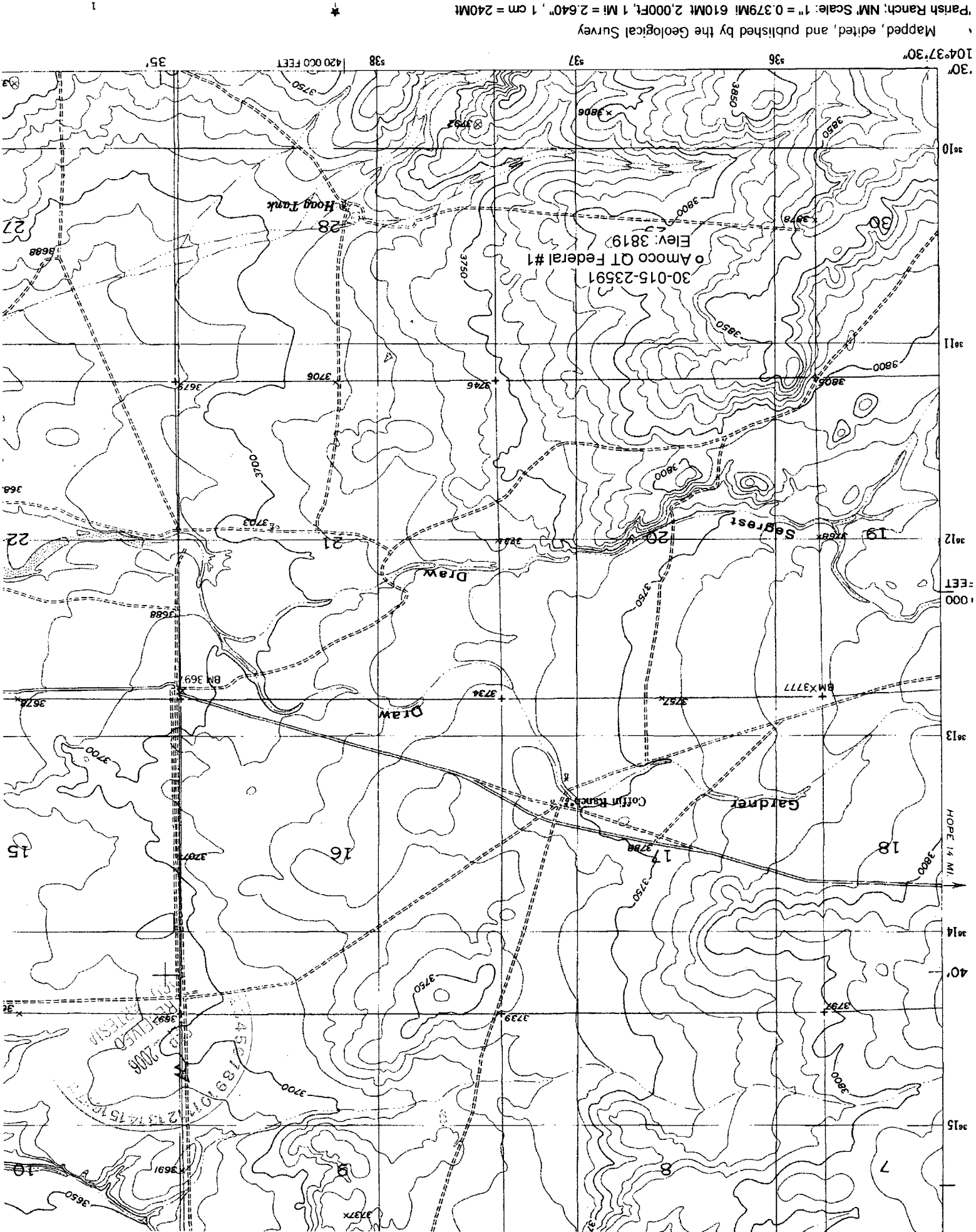
- If this is a pit closure:** (1) Attach a diagram of the facility showing the pit's relationship to other equipment and tanks. (2) Indicate disposal location: (check the onsite box if you are burying in place) onsite offsite If offsite, name of facility NA. (3) Attach a general description of remedial 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: Work plan for reopening & closure of drilling pit. The drilling pit material will be excavated & stockpiled. 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. Green
Printed Name/Title District II Supervisor Signature _____ Date: 9/21/06



Mapped, edited, and published by the Geological Survey
 Parish Ranch; NM Scale: 1" = 0.379MI 610MT 2,000FT, 1 MI = 2.640", 1 cm = 240MT

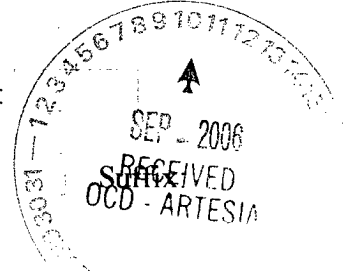
New Mexico Office of the State Engineer
 POD Reports and Downloads

AMOCO QT FEDERAL #1

Township: 19S Range: 24E Sections:

NAD27 X: Y: Zone: Search Radius:

County: Basin: Number:



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	19S	24E	10				1	335	335	335
RA	19S	24E	12				2	265	300	283
RA	19S	24E	16				1	25	25	25
RA	19S	24E	21				1	307	307	307
RA	19S	24E	26				1	322	322	322
RA	19S	24E	28				1	558	558	558
RA	19S	24E	34				1	270	270	270

Record Count: 8

I & E CFO

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

NOTICE OF WRITTEN ORDER

Certified Mail - Return Receipt Requested
70051820000110416002

IDENTIFICATION	
IID	
Lease	NMNM13621
CA	
Unit	
PA	

Bureau of Land Management Office CARLSBAD FIELD OFFICE	Operator YATES PETROLEUM CORPORATION
Address 620 E GREENE STREET CARLSBAD NM 88220	Address 105 S 4TH STREET ARTESIA NM 88210
Telephone 505-234-5965	Attention
Inspector BHUNT	Attn Addr

RECEIVED
OCD - ARTESIA
SEP 14 2006
10:31-12345

Site Name AMOCO QT FED	Well or Facility 1	1/4 1/4 Section SENW 29	Township 19S	Range 24E	Meridian NMP	County EDDY	State NM
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	11:00	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.

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. Remove pump jack and concrete foundation.
(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 08/14/06	Time 10:20
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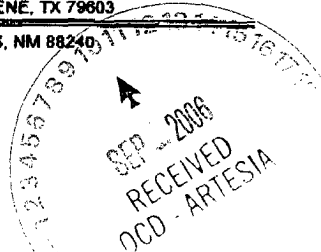
FOR OFFICE USE ONLY

Number 3	Date	Type of Inspection ES
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PHONE (325) 673-7001 • 2111 BEECHWOOD • ABILENE, TX 79603

PHONE (505) 393-2326 • 101 E. MARLAND • HOBBS, NM 88240



ANALYTICAL RESULTS FOR
 YATES PETROLEUM CORPORATION
 ATTN: MIKE STUBBLEFIELD
 105 S. 4TH 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: AMOCO QT FED. #1
 Project Location: SE/NW 29-19S-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 ⁻ (mg/kg)
H11507-1	#2 SURFACE DRILLING PIT AREA	20993
Quality Control		990
True Value QC		1000
% Recovery		99
Relative Percent Difference		1.0
METHOD: Standard Methods		4500-Cl ⁻ B

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

[Signature]
 Chemist

09-06-06
 Date

H11507

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.