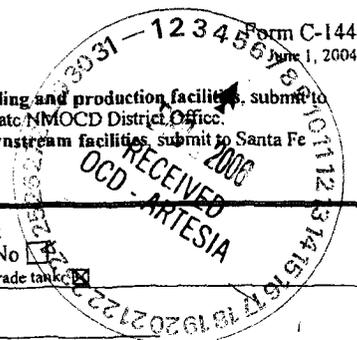


District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources

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

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@vpcnm.com
Address: 105 South 4th Street, Artesia, N.M. 88210
Facility or well name: Chosa ATR Federal Com 3 API #: 30-015-34441 U/L or Qtr/Qtr J Sec 17 T 25S R 26E
County: Eddy Latitude: 32.12819 Longitude: 104.31125 NAD: 1927 1983
Surface Owner: Federal State Private Indian

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OCD - ARTESIA

Pit	Below-grade tank	
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 <u> </u> bbl	Volume: <u> </u> bbl Type of fluid: <u> </u> Construction material: <u> </u> Double-walled, with leak detection? Yes <input type="checkbox"/> If not, explain why not. <u> </u>	
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) XXXX (10 points) (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 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)		20 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: Closure work plan for drilling pit. An encapsulation trench will be constructed and lined with 12 mil synthetic liner next to existing drilling pit. The drilling pit contents will be excavated and emplaced into the encapsulation trench using a mixture of three to one pit material and Class H bulk cement or CKD. The emulsion of pit material and cement will be mixed using a track hoe and water added if needed. After completion of solidifying pit material in cement and pit contents have set in place for a minimum of 24 hours, the encapsulation trench will then be capped using a 20 mil synthetic liner placed over the pit contents with a minimum of a 3' over lap of the underlying trench areas. The trench will then be backfilled to grade using a minimum of 3' of clean soil or like material. A one call and 48 hour notification to OCD will be made before pit closure action begins. Beginning pit closure date: N/A. Ending pit closure date: N/A

See attached sampling and closure data

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: 05/24/2006
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: Gerry Guye
Printed Name/Title Deputy Field Inspector Signature [Signature] Date: JUN 1 - 2006
District II - Artesia

Accepted for record - NMOCD

PIT CLOSURE FINAL
DATE 11/8/2006

12/1/06