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

Approval

Printed Name/Title

State of New Mexico Energy Minerals and Natural Resources

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

Form C-144

NOV 2 1 2007

June 1, 2004

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 <u>Yates Petroleum Corporation</u> Telephone 505-748-4500 e-mail address <u>mikes@ypcnm.com</u> Address 105 South 4th Street, Artesia, N M 88210 Facility or well name Scout 'EH' Federal Com #2 API # 30-015-21560 U/L or Qtr/Qtr 1 Sec 27 T 18S R 25E Latitude 32 71707 Longitude 104 46558 NAD 1927 ⊠ 1983 □ NOV 13 2007 Surface Owner Federal ☐ State ☐ Private ☒ Indian ☐ OCD-ARTESIA Pit Below-grade tank Type Production Disposal D Volume 250 bbl Type of fluid Produced Water Work over

Emergency Construction material Fiberglass Lined Unlined Double-walled, with leak detection? Yes

If not, explain why not Liner type Synthetic Thickness mil Clay Less than 50 feet Depth to ground water (vertical distance from bottom of pit to seasonal high (20 points) 50 feet or more, but less than 100 feet water elevation of ground water) (10 points) 100 feet or more (0 points) XXXX Yes (20 points) Wellhead protection area (Less than 200 feet from a private domestic water No (0 points) XXXX source, or less than 1000 feet from all other water sources) Less than 200 feet (20 points) Distance to surface water (horizontal distance to all wetlands, playas, 200 feet or more, but less than 1000 feet (10 points) irrigation canals, ditches, and perennial and ephemeral watercourses) 1000 feet or more (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 figure in 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 REMOVAL OF BELOW GRADE TANK - FINAL REPORT The Scout "EH" Federal Com. #2 is a P&A location. As agreed on during a meeting with Mike Bratcher & Mike Stubblefield on 11/2/2007 The excavation area from which the below grade tank was removed from will be further extended by excavating additional material from the south side wall. The caliches will be removed from the P&A location and blended with this removed soil. The removed caliches will be used to repair lease roads in the area 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 11/05/2007 Signature Mills Stellfield Printed Name/Title Mike Stubblefield / Environmental Regulatory Agent 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 Signed By Mile Brancus



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

ANALYTICAL RESULTS FOR YATES PETROLEUM CORPORATION ATTN: MIKE STUBBLEFIELD 105 SOUTH 4TH STREET ARTESIA, NM 88210 FAX TO: (575) 748-4635

Receiving Date: 10/04/07

Reporting Date: 10/10/07

Project Number: BELOW GRADE TANK REMOVAL Project Name: SCOUT "EH" FEDERAL COM. #2

Project Location: UT I 27-18S-25E

Sampling Date: 10/01/07

Sample Type: SOIL Sample Condition: INTACT

Sample Received By: SB Analyzed By: CK

ETHYL TOTAL

BENZENE TOLUENE BENZENE XYLENES

LAB NUMBER SAMPLE ID (mg/Kg) (mg/Kg) (mg/Kg) (mg/Kg)

ANALYSIS D	ATE	10/06/07	10/06/07	10/06/07	10/06/07
H13437-1	EXCAVATED AREA BOTTOM	<0.025	0.093	0.073	0.134
H13437-2	NORTHSIDE WALL	<0.001	0.001	<0.001	<0.003
H13437-3	EASTSIDE WALL	<0.025	0.086	<0.025	0.097
H13437-4	SOUTHSIDE WALL	<0.025	0.078	<0.025	0.211
H13437-5	WESTSIDE WALL	<0.025	0.105	0.040	0.159
Quality Contr	ol	0.105	0.106	0.107	0.324
True Value Q	С	0.100	0.100	0.100	0.300
% Recovery		105	106	107	108
Relative Perc	ent Difference	8.5	8.6	8.5	7.6

METHOD: EPA SW-846 8021B

Chemist

Date



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ANALYTICAL RESULTS FOR YATES PETROLEUM CORPORATION ATTN: MIKE STUBBLEFIELD 105 SOUTH 4TH STREET ARTESIA, NM 88210 FAX TO: (575) 748-4635

Receiving Date: 10/04/07

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Project Location: UT I 27-18S-25E

Sampling Date: 10/01/07 Sample Type: SOIL

Sample Condition: INTACT

Sample Received By: SB

Analyzed By: CK

	GRO	DRO
	(C ₆ -C ₁₂)	(>C ₁₂ -C ₂₈)
LAB NUMBER SAMPLE ID	(mg/Kg)	(mg/Kg)

ANALYSIS	DATE	10/09/07	10/09/07			
H13437-1	EXCAVATED AREA BOTTOM	<10.0	623			
H13437-2	NORTHSIDE WALL	<10.0	1490			
H13437-3	EASTSIDE WALL	<10.0	832			
H13437-4	SOUTHSIDE WALL	<10.0	2190			
H13437-5	WESTSIDE WALL	<10.0	954			
Quality Con	trol	414	565			
True Value	QC	500	500			
% Recovery	1	82.8	113			
Relative Pe	rcent Difference	6.3	9.6			

METHODS: TPH GRO & DRO: EPA SW-846 8015 M

H13437T YATES

ARDINAL LABORITORIES, INC

CHAIN-OF-CUSTODY AND ANALYSIS REQUEST

	(325) 673-7001 Fax (325) 673-7020 (505) 393-2326 Fax (505) 393-2476																		Page	of_				
Sompany Hamo: Vates Petroleum Corporation										BILL TO								ANAL	SISY	REQ	JEST			
Project Manager: Mike Stubblefield									P.	P.O. #:														
Address: 105 South 41th Street									<u> </u>	Company: Vala Peter Corp.												1 .		
City: Artesia State: N.M. Zip: 88210													lefield											
Phone #: 505-51	3-1712	Fax #: 505-746	- 43	35	•				A	Address: 105 Fouth 4th Micet										ļ				-
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Project Name: 5	COUT "Ell" Federal	(om. #2	30	· 61	5-7	:156	0_		St	ate:	N.	n,	Zip:	807	10									1
	UT I 27-185.75e								Pt	one	#:	505	- 14	18-45	500					ĺ				
Sampler Name: M	ike Stubblefield								F	FAX #: 505-948-4635														
FOR LAB USE CHLY			T		i.	¥	ATR	X	PRESERV. SAMPLING													1		
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mal Stullfill Three 16:00 gm													REMARKS:											
Received By: (Lab Staff)																								
Ralinguished By: (Lab Staff) 10/2 /07. Received By: (Lab Staff) 10/2 /07. Inter: Delivered By: (Circle One) Sample Condition									/4/	100	7.	9	: 10	pm										
Delivered By: (Circle One) Sample Condition Temp. **O Intact?** Sampler - UPS - Bus - Other: Sampler - UPS - Bus - Other:								t?	By:	rckec	i –	B												

[†] Cardinal cannot accept yerbal changes, Pease fax written changes to (325) 673-7020.



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

ANALYTICAL RESULTS FOR YATES PETROLEUM CORPORATION ATTN: MIKE STUBBLEFIELD 105 SOUTH 4TH STREET ARTESIA, NM 88210 FAX TO: (575) 748-4635

Receiving Date: 10/04/07 Sampling Date: 10/01/07 Reporting Date: 10/10/07 Sample Type: SOIL

Project Number: BELOW GRADE TANK REMOVAL Sample Condition: INTACT Project Name: SCOUT "EH" FEDERAL COM #2 Sample Received By: SB

Project Location: UT I 27-18S-25E Analyzed By: HM

LAB NUMBER SAMPLE ID

CI* (mg/Kg)

ANALYSIS I	DATE	10/04/07
H13437-1	1,120	
H13437-2	NORTHSIDE WALL	2,850
H13437-3	EASTSIDE WALL	2,560
H13437-4	SOUTHSIDE WALL	6,000
H13437-5	WESTSIDE WALL	3,020
Quality Cont	rol	500
True Value (500
% Recovery	100	
Relative Per	<0.1	

METHODS: Std. Methods 4500-CIB

*Analyses performed on 1:4 w:v aqueous extracts.

Chemist

10 /10 /0 7 Date

ARDINAL LABORITORIES, INC

CHAIN-OF-CUSTODY AND ANALYSIS REQUEST

ARDINAL LABOR4TORIES, INC.
2111 Beschwood, Abliane, TX 79603 101 East Marland, Hobbs, NM 88240
(325) 673,001 Fax (325) 673-7020 (505) 393-2326 Fax (505) 393-2476

Company Name:		Fax (326) 673-70	20	(50)) 393-	232	5 FA	x (60.			_		199	2. 14. 14. 27. 27. 27. 27. 27. 27. 27. 27. 27. 27.		· ·		AMAI	Vere	REQ	PEST		
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Address: 105 South 41th Street								CO	mpi	my:	Va	101	letield	·p	1 :		!		1		ĺ	1	
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FOR LAB USE ONLY			T	Τ		M.	(TRI)	(PRESERV. SAMPLING]			ì			1	
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[†] Cardinal cannot accept verbal changes, Pease fax written changes to (325) 673-7020.