

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 ☒



Operator HARVEY E YATES CO Telephone: (505) 623-6601 e-mail address kcannon@heycoenergy.com
Address: P.O. BOX 1933, ROSWELL N.M. 88202
Facility or well name MESQUITE 2 STATE COM #6 API #: 30-015-35179 U/L or Qtr/Qtr K Sec 2 T 18S R 31E
County: EDDY Latitude 32.773728 N Longitude 103 84293 W NAD: 1927 ☒ 1983 ☐
Surface Owner. Federal ☐ State ☒ Private ☐ Indian ☐

NOV 27 2007
OCD-ARTESIA

Pit Type: Drilling <input checked="" type="checkbox"/> Production <input type="checkbox"/> Disposal <input type="checkbox"/> Workover <input type="checkbox"/> Emergency <input type="checkbox"/> Lined <input checked="" type="checkbox"/> Unlined <input type="checkbox"/> Liner type: Synthetic <input checked="" type="checkbox"/> Thickness 12 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 (20 points) 50 feet or more, but less than 100 feet (10 points) 100 feet or more (0 points)XX
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)XX
Distance to surface water (horizontal distance to all wetlands, 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)XX
Ranking Score (Total Points) 0	

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 _____ (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 closure of drilling pit. The drilling pit contents will be mixed to stiffen the pit contents. An encapsulation trench will be excavated and lined with 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 3' over lap of the trench area. Then the encapsulation trench will then be backfilled to grade using a min 3' of clean soil and like material. A one call and 48hr notice will be provided to the oil conservation division before pit closure actions begin. Pit closure will begin 2 week after permit approval.

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 11/27/2007

Printed Name/Title Keith Cannon, Drilling supert 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

Gerry Guye
Compliance Officer

Signature

Date NOV 27 2007