

District I
25 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
March 12, 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 ☐

NOV 27 2007

OCD-ARTESIA

Operator: YATES PETROLEUM CORPORATION Telephone: (505) 748-1471

e-mail address: _____

Address: 105 South Fourth Street, Artesia, NM 88210

Facility or well name: Lily AYL Federal #11 API #: 30-015-35373 U/L or Qtr/Qtr O Sec 3 T 24S R 31E

County: Eddy Latitude N.32°14'24.2" Longitude W.103°45'31.5" NAD: 1927 X 1983 ☐ Surface Owner Federal ☒ State Private ☐ Indian ☐

Pit
Type: Drilling ☒ Production ☐ Disposal ☐
Workover ☐ Emergency ☐
Lined ☒ Unlined ☐
Liner type: Synthetic ☒ Thickness 12 mil Clay ☐ Volume 24,000 bbl

Below-grade tank
Volume: _____ bbl Type of fluid: _____
Construction material: _____
Double-walled, with leak detection? Yes ☐ If not, explain why not. _____

S

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) 0

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) 0

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) 0

Ranking Score (Total Points)	0
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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: 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.

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 X or an (attached) alternative OCD-approved plan ☐.

Date: September 11, 2006

Printed Name/Title: Cy Cowan, Regulatory Agent

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: NOV 27 2007

Date: _____

Printed Name/Title: _____

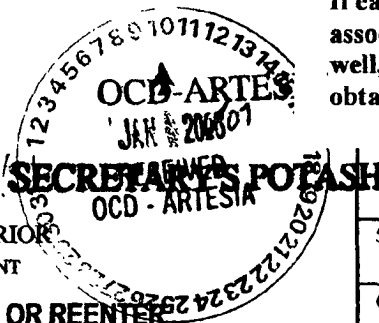
Signature: _____

Signed By: _____

AS A CONDITION OF APPROVAL, A DETAILED CLOSURE PLAN
MUST BE APPROVED BEFORE CLOSURE MAY COMMENCE.

If earthen pits are used in association with the drilling of this well, an OCD pit permit must be obtained prior to pit construction.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT



OMB No. 1004-0136
Expires November 30, 2000

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of Work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. NM-80645
b. Type of Well: <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name
2. Name of Operator Yates Petroleum Corporation		7. If Unit or CA Agreement, Name and No.
3A. Address 105 South Fourth Street Artesia, New Mexico 88210		8. Lease Name and Well No. Lily ALY Federal #11
3b. Phone No. (include area code) (505) 748-1471		9. API Well No. 30-015-35373
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface 330' FSL and 500' FEL At proposed prod. Zone Same		10. Field and Pool, or Exploratory Wells: Delaware
14. Distance in miles and direction from nearest town or post office* Approximately 24 miles east of Loving, New Mexico.		11. Sec., T/R, M., or Blk. and Survey or Area Section 3, T24S-R31E
15. Distance from proposed location* to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 330'	16. No. of Acres in lease 320.11	12. County or Parish Eddy County
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 800'	19. Proposed Depth 8500'	13. State NM
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 3480' GL	22. Approximate date work will start* ASAP	23. Estimated duration 45 days

24. Attachments **Cartabed Controlled Water Basin**

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, shall be attached to this form:

- | | |
|--|---|
| 1. Well plat certified by a registered surveyor. | 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above). |
| 2. A Drilling Plan. | 5. Operator certification. |
| 3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office. | 6. Such other site specific information and/or plans as may be required by the authorized office. |

25. Signature	Name (Printed/Typed) Cy Cowan	Date 9/11/2006
Regulatory Agent		
Regulatory Agent		
Approved by (Signature) /s/ Linda S.C. Rundell	Name (Printed/Typed) /s/ Linda S.C. Rundell	Date JAN 03 2007
Title STATE DIRECTOR	Office NM STATE OFFICE	

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Conditions of approval, if any, are attached.

APPROVAL FOR 1 YEAR

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

*(Instructions on reverse) C-144 attached
**SEE ATTACHED FOR
CONDITIONS OF APPROVAL**

**APPROVAL SUBJECT TO
GENERAL REQUIREMENTS AND
SPECIAL STIPULATIONS
ATTACHED**