

District I,
1625 N French Dr, Hobbs, NM 88240
District II
1301 W Grand Avenue, Artesia, NM 88210
District III
1060 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

For drilling and production facilities, submit to appropriate NMOC District Office
For downstream facilities, submit to Santa Fe office

Form C-144
June 1, 2004

JUN 02 2008

Pit or Below-Grade Tank Registration or Closure

Is pit or below-grade tank covered by a "general plan"? Yes X No ☐

Type of action: Registration of a pit or below-grade tank ☐ Closure of a pit or below-grade tank ☒

APR 28 2008

OCD-ARTESIA

Operator Yates Petroleum Corporation Telephone 575-748-4500 e-mail address yokes@ypcorp.com

Address 105 South 4th Street, Artesia, NM 88210

Facility or well name Lathon #4 API # 30-015-34676 U/L or Qu/Or O Sec 23 T 18S R 26E

County Eddy Latitude 32.72686 Longitude 104.34935 NAD 1927 ☒ 1983 ☐

Surface Owner Federal ☐ State ☐ Private ☒ Indian ☐

Pit

Type Drilling ☒ Production ☐ Disposal ☐

Work over ☐ Emergency ☐

Lined ☒ Unlined ☐

Liner type Synthetic ☒ Thickness 12 mil Clay ☐

Pit Volume 20,000 bbl

Below-grade tank

Volume bbl Type of fluid

Construction material

Double-walled, with leak detection? Yes ☐ If not, explain why not

Depth to ground water (vertical distance from bottom of pit to seasonal high water elevation of ground water)

70'

Less than 50 feet

(20 points)

50 feet or more, but less than 100 feet

(10 points) xxxx

100 feet or more

(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

(20 points)

No

(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

(20 points)

200 feet or more, but less than 1000 feet

(10 points)

1000 feet or more

(0 points) xxxx

Ranking Score (Total Points)

10 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; otherwise, indicate name of facility). (3) Attach a general description of remedial actions 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 The Lathon #4 was drilled to TD using a fresh water mud system. The well was TD at a depth of 3800. At TD the mud weight was 8.4 lb. The drilling pit material will be mixed with earthen material to stiffen the pit contents, as necessary. The 12 mil. Primary liner will be folded over the stiffened mud and cuttings. The drilling pit area will then be backfilled to grade using a minimum of 3 feet of clean soil or like material that is capable of supporting native plant growth.

A one call and a 48 hour notice will be provided to NMOC.

(C144 Previously submitted 2/4/06 approved 2/14/06 - C144 submitted with an alternative method of pit closure)

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 NMOC guidelines ☐, a general permit X, or an (attached) alternative OCD-approved plan ☐.

Date 4/24/2008

Printed Name/Title Mike Stubbiefield/Environmental Regulatory Agent

Signature

Mike Stubbiefield

Your certification and NMOC 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.

Approved with stipulations. See attachment.

Signature

Signed By

Mike Stubbiefield

Date

MAY 05 2008

Accepted for record
NMOC

PIT CLOSURE FINAL

JUN 04 2008

DATE 5/16/2008

Stipulations for Closing Drilling Pit

- Notify OCD 24 hours prior to commencement of closure activity.
- Notify OCD 24 hours prior to obtaining samples where analyses of samples obtained are to be submitted to OCD.
- Samples are to be obtained from below the liner in the front portion (circulating pits) of the pit configuration and tested for hydrocarbon constituents.
- Sample analyses are to be presented to and approval obtained from OCD prior to back-filling this area.
- Closure report including all analytical data is to be submitted to OCD upon satisfactory completion of pit closure.

I certify that on 5/13/2008 tests were conducted on soil samples from the Lattion #4.
Following are the results of those tests:

SAMPLE POINT	TPH (EPA Method 9074)	CHLORIDES (EPA Method 9253)	BTEX (PID Meter)
West Working pit Cleaned out bottom	142 ppm		39 ppm
NE corner cleaned out drilling pit bottom. 7' depth	61 ppm		37 ppm

ALL RESULTS ARE PPM

All testing was done at Yates Petroleum Corporation or on location.

Respectfully,



Mike Stubblefield
Environmental Regulatory Agent