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

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

JAN 16 2009

Form C-144 July 21, 2008

For temporary pits closed loop systems, and below-grade tanks, submit to the appropriate NMOCD District Office. For permanent pits and exceptions submit to the Santa Fe Environmental Bureau office and

provide a copy to the appropriate NMOCD District Office.

YPC	
YPC	

Pit, Closed-Loop System, Below-Grade Tank, or

Proposed Alternative Method Permit or Closure Plan Application
Type of action: Permit of a pit, closed-loop system, below-grade tank, or proposed alternative method Closure of a pit, closed-loop system, below-grade tank, or proposed alternative method Modification to an existing permit
Closure plan only submitted for an existing permitted or non-permitted pit, closed-loop system,
below-grade tank, or proposed alternative method Instructions: Please submit one application (Form C-144) per individual pit, closed-loop system, below-grade tank or alternative request
Please be advised that approval of this request does not relieve the operator of liability should operations result in pollution of surface water, ground water or the environment. Nor does approval relieve the operator of its responsibility to comply with any other applicable governmental authority's rules, regulations or ordinances.
Operator: Yartes Petroleum Corp OGRID#: 25575
Address: 105 S 4th St. Artesia NM 88210
Facility or well name: Tombstone BMB State #1
API Number: 30-0/5 - 3\(\frac{3}{3}\)/5 OCD Permit Number:
U/L or Otr/Otr D Section 12 Township 25S Range 29 E County: Eddy
Center of Proposed Design: Latitude 32.151047 Longitude 103. 9444 75 NAD: □1927 1983
Surface Owner: Federal State Private Tribal Trust or Indian Allotment
Pit: Subsection F or G of 19.15.17.11 NMAC
Temporary: Drilling Workover
Permanent Emergency Cavitation P&A
☐ Fernianent ☐ Entergency ☐ Cavitation ☐ Tack ☐ Lined ☐ Unlined Liner type: Thickness
String-Reinforced Liner Seams: Welded Factory Other Volume: 13,000 bbl Dimensions: L 150 x W 150 x D
Liner Seams: Welded Factory Other Volume: 15,000 bbl Dimensions: L 130 x W 150x D
3.
Closed-loop System: Subsection H of 19.15.17.11 NMAC
Type of Operation: P&A Drilling a new well Workover or Drilling (Applies to activities which require prior approval of a permit or notice of intent)
☐ Drying Pad ☐ Above Ground Steel Tanks ☐ Haul-off Bins ☐ Other
Lined Unlined Liner type: Thickness mil LLDPE HDPE PVC Other
Liner Seams: Welded Factory Other
4. Below-grade tank: Subsection I of 19.15.17.11 NMAC
4. Below-grade tank: Subsection I of 19.15.17.11 NMAC Volume:
Volume:bbl Type of fluid:
Volume:bbl Type of fluid: Tank Construction material: Secondary containment with leak detection Visible sidewalls, liner, 6-inch lift and automatic overflow shut-off
Volume:bbl Type of fluid: Tank Construction material:

Alternative Method:

Submittal of an exception request is required. Exceptions must be submitted to the Santa Fe Environmental Bureau office for consideration of approval.

Fencing: Subsection D of 19.15.17.11 NMAC (Applies to permanent pits, temporary pits, and below-grade tanks) Chain link, six feet in height, two strands of barbed wire at top (Required if located within 1000 feet of a permanent residence, school, hospital, institution or church) Four foot height, four strands of barbed wire evenly spaced between one and four feet Alternate. Please specify		
Alternate. Flease specify		
Netting: Subsection E of 19.15.17.11 NMAC (Applies to permanent pits and permanent open top tanks) Screen Netting Other Monthly inspections (If netting or screening is not physically feasible)		
Signs: Subsection C of 19.15.17.11 NMAC 12"x 24", 2" lettering, providing Operator's name, site location, and emergency telephone numbers Signed in compliance with 19.15.3.103 NMAC		
Administrative Approvals and Exceptions: Justifications and/or demonstrations of equivalency are required. Please refer to 19.15.17 NMAC for guidance. Please check a box if one or more of the following is requested, if not leave blank: Administrative approval(s): Requests must be submitted to the appropriate division district or the Santa Fe Environmental Bureau consideration of approval. Exception(s): Requests must be submitted to the Santa Fe Environmental Bureau office for consideration of approval.	office for	
10. Siting Criteria (regarding permitting): 19.15.17.10 NMAC Instructions: The applicant must demonstrate compliance for each siting criteria below in the application. Recommendations of acceptable source material are provided below. Requests regarding changes to certain siting criteria may require administrative approval from the appropriate district office or may be considered an exception which must be submitted to the Santa Fe Environmental Bureau office for consideration of approval. Applicant must attach justification for request. Please refer to 19.15.17.10 NMAC for guidance. Siting criteria does not apply to drying pads or above-grade tanks associated with a closed-loop system.		
Ground water is less than 50 feet below the bottom of the temporary pit, permanent pit, or below-grade tank. - NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells	Yes No	
Within 300 feet of a continuously flowing watercourse, or 200 feet of any other significant watercourse or lakebed, sinkhole, or playa lake (measured from the ordinary high-water mark). - Topographic map; Visual inspection (certification) of the proposed site	☐ Yes ☐ No	
Within 300 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application. (Applies to temporary, emergency, or cavitation pits and below-grade tanks) - Visual inspection (certification) of the proposed site; Aerial photo; Satellite image	☐ Yes ☐ No ☐ NA	
Within 1000 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application. (Applies to permanent pits) - Visual inspection (certification) of the proposed site; Aerial photo; Satellite image	Yes No	
Within 500 horizontal feet of a private, domestic fresh water well or spring that less than five households use for domestic or stock watering purposes, or within 1000 horizontal feet of any other fresh water well or spring, in existence at the time of initial application. - NM Office of the State Engineer - iWATERS database search; Visual inspection (certification) of the proposed site	Yes No	
Within incorporated municipal boundaries or within a defined municipal fresh water well field covered under a municipal ordinance adopted pursuant to NMSA 1978, Section 3-27-3, as amended. - Written confirmation or verification from the municipality; Written approval obtained from the municipality	Yes No	
Within 500 feet of a wetland. - US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site	☐ Yes ☐ No	
Within the area overlying a subsurface mine. - Written confirmation or verification or map from the NM EMNRD-Mining and Mineral Division	☐ Yes ☐ No	
Within an unstable area. - Engineering measures incorporated into the design; NM Bureau of Geology & Mineral Resources; USGS; NM Geological Society; Topographic map	☐ Yes ☐ No	
Within a 100-year floodplain FEMA map	☐ Yes ☐ No	

Temporary Pits, Emergency Pits, and Below-grade Tanks Permit Application Attachment Checklist: Subsection B of 19.15.17.9 NMAC Instructions: Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the documents are attached. Hydrogeologic Report (Below-grade Tanks) - based upon the requirements of Paragraph (4) of Subsection B of 19.15.17.9 NMAC Hydrogeologic Data (Temporary and Emergency Pits) - based upon the requirements of Paragraph (2) of Subsection B of 19.15.17.9 NMAC Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15.17.10 NMAC Design Plan - based upon the appropriate requirements of 19.15.17.12 NMAC Operating and Maintenance Plan - based upon the appropriate requirements of 19.15.17.12 NMAC Closure Plan (Please complete Boxes 14 through 18, if applicable) - based upon the appropriate requirements of Subsection C of 19.15.17.9 NMAC and 19.15.17.13 NMAC			
Previously Approved Design (attach copy of design) API Number: or Permit Number:			
Closed-loop Systems Permit Application Attachment Checklist: Subsection B of 19.15.17.9 NMAC Instructions: Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the documents are attached. Geologic and Hydrogeologic Data (only for on-site closure) - based upon the requirements of Paragraph (3) of Subsection B of 19.15.17.9 Siting Criteria Compliance Demonstrations (only for on-site closure) - based upon the appropriate requirements of 19.15.17.10 NMAC Design Plan - based upon the appropriate requirements of 19.15.17.11 NMAC Operating and Maintenance Plan - based upon the appropriate requirements of 19.15.17.12 NMAC Closure Plan (Please complete Boxes 14 through 18, if applicable) - based upon the appropriate requirements of Subsection C of 19.15.17.9 NMAC and 19.15.17.13 NMAC			
Previously Approved Design (attach copy of design) API Number:			
Previously Approved Operating and Maintenance Plan API Number:(Applies only to closed-loop system that use			
above ground steel tanks or haul-off bins and propose to implement waste removal for closure)			
Permanent Pits Permit Application Checklist: Subsection B of 19.15.17.9 NMAC Instructions: Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the documents are attached. Hydrogeologic Report - based upon the requirements of Paragraph (1) of Subsection B of 19.15.17.9 NMAC Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15.17.10 NMAC Climatological Factors Assessment Certified Engineering Design Plans - based upon the appropriate requirements of 19.15.17.11 NMAC Dike Protection and Structural Integrity Design - based upon the appropriate requirements of 19.15.17.11 NMAC Leak Detection Design - based upon the appropriate requirements of 19.15.17.11 NMAC Liner Specifications and Compatibility Assessment - based upon the appropriate requirements of 19.15.17.11 NMAC Quality Control/Quality Assurance Construction and Installation Plan Operating and Maintenance Plan - based upon the appropriate requirements of 19.15.17.12 NMAC Freeboard and Overtopping Prevention Plan - based upon the appropriate requirements of 19.15.17.11 NMAC Nuisance or Hazardous Odors, including H ₂ S, Prevention Plan Emergency Response Plan Oil Field Waste Stream Characterization Monitoring and Inspection Plan Erosion Control Plan Closure Plan - based upon the appropriate requirements of Subsection C of 19.15.17.9 NMAC and 19.15.17.13 NMAC			
Proposed Closure: 19.15.17.13 NMAC Instructions: Please complete the applicable boxes, Boxes 14 through 18, in regards to the proposed closure plan.			
Type: Drilling Workover Emergency Cavitation P&A Permanent Pit Below-grade Tank Closed-loop System Alternative Proposed Closure Method: Waste Excavation and Removal Waste Removal (Closed-loop systems only) On-site Closure Method (Only for temporary pits and closed-loop systems) In-place Burial On-site Trench Burial Alternative Closure Method (Exceptions must be submitted to the Santa Fe Environmental Bureau for consideration)			
Waste Excavation and Removal Closure Plan Checklist: (19.15.17.13 NMAC) Instructions: Each of the following items must be attached to the closure plan. Please indicate, by a check mark in the box, that the documents are attached. Protocols and Procedures - based upon the appropriate requirements of 19.15.17.13 NMAC Confirmation Sampling Plan (if applicable) - based upon the appropriate requirements of Subsection F of 19.15.17.13 NMAC Disposal Facility Name and Permit Number (for liquids, drilling fluids and drill cuttings) Soil Backfill and Cover Design Specifications - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC Re-vegetation Plan - based upon the appropriate requirements of Subsection G of 19.15.17.13 NMAC			

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16. Waste Removal Closure For Closed-loop Systems That Utilize Above Gro Instructions: Please indentify the facility or facilities for the disposal of liqu	uids, drilling fluids and drill cuttings. Use attachment if n	nore than two
facilities are required. Disposal Facility Name: LALAN	Disposal Facility Permit Number: WM - 1 - 2	035
Disposal Facility Name: CRI	Disposal Facility Permit Number: R9/66	
Will any of the proposed closed-loop system operations and associated activit Yes (If yes, please provide the information below) No		vice and operations?
Required for impacted areas which will not be used for future service and ope Soil Backfill and Cover Design Specifications based upon the appropriate Re-vegetation Plan - based upon the appropriate requirements of Subset Site Reclamation Plan - based upon the appropriate requirements of Subset Site Reclamation Plan - based upon the appropriate requirements of Subset Site Reclamation Plan - based upon the appropriate requirements of Subset Site Reclamation Plan - based upon the appropriate requirements of Subset Site Reclamation Plan - based upon the appropriate requirements of Subset Site Reclamation Plan - based upon the appropriate requirements of Subset Site Reclamation Plan - based upon the appropriate requirements of Subset Site Reclamation Plan - based upon the appropriate requirements of Subset Site Reclamation Plan - based upon the appropriate requirements of Subset Site Reclamation Plan - based upon the appropriate requirements of Subset Site Reclamation Plan - based upon the appropriate requirements of Subset Site Reclamation Plan - based upon the appropriate requirements of Subset Site Reclamation Plan - based upon the appropriate requirements of Subset Site Reclamation Plan - based upon the appropriate requirements of Subset Site Reclamation Plan - based upon the appropriate requirements of Subset Site Reclamation Plan - based upon the appropriate requirements of Subset Site Reclamation Plan - based upon the appropriate requirements of Subset Site Reclamation Plan - based upon the appropriate requirements of Subset Site Reclamation Plan - based upon the appropriate requirements of Subset Site Reclamation Plan - based upon the appropriate Reclamation Plan - based upon the appropr	priate requirements of Subsection H of 19.15.17.13 NMAC ction I of 19.15.17.13 NMAC	2
17. Siting Criteria (regarding on-site closure methods only): 19.15.17.10 NM Instructions: Each siting criteria requires a demonstration of compliance is provided below. Requests regarding changes to certain siting criteria may r considered an exception which must be submitted to the Santa Fe Environn demonstrations of equivalency are required. Please refer to 19.15.17.10 NM	n the closure plan. Recommendations of acceptable sour equire administrative approval from the appropriate distr aental Bureau office for consideration of approval. Justi	rict office or may be
Ground water is less than 50 feet below the bottom of the buried waste. - NM Office of the State Engineer - iWATERS database search; USGS	; Data obtained from nearby wells	Yes No
Ground water is between 50 and 100 feet below the bottom of the buried wast - NM Office of the State Engineer - iWATERS database search; USGS		☐ Yes ☐ No☐ NA
Ground water is more than 100 feet below the bottom of the buried waste. - NM Office of the State Engineer - iWATERS database search; USGS	; Data obtained from nearby wells	☐ Yes ☐ No ☐ NA
Within 300 feet of a continuously flowing watercourse, or 200 feet of any oth lake (measured from the ordinary high-water mark). - Topographic map; Visual inspection (certification) of the proposed sit		☐ Yes ☑ No
Within 300 feet from a permanent residence, school, hospital, institution, or c Visual inspection (certification) of the proposed site; Aerial photo; Sa		☐ Yes No
Within 500 horizontal feet of a private, domestic fresh water well or spring th watering purposes, or within 1000 horizontal feet of any other fresh water well - NM Office of the State Engineer - iWATERS database; Visual inspec	l or spring, in existence at the time of initial application.	☐ Yes 🔀 No
Within incorporated municipal boundaries or within a defined municipal fresh adopted pursuant to NMSA 1978, Section 3-27-3, as amended. - Written confirmation or verification from the municipality; Written approximation	·	☐ Yes 🕅 No
Within 500 feet of a wetland US Fish and Wildlife Wetland Identification map; Topographic map;	Visual inspection (certification) of the proposed site	☐ Yes 🕅 No
Within the area overlying a subsurface mine. - Written confirmation or verification or map from the NM EMNRD-M	fining and Mineral Division	☐ Yes ☑ No
 Within an unstable area. Engineering measures incorporated into the design; NM Bureau of Go Society; Topographic map 	cology & Mineral Resources; USGS; NM Geological	☐ Yes ☐ No
Within a 100-year floodplain FEMA map		☐ Yes ☑ No
18. On Site Cleaning Plan Chealilists (10.15.17.12 NMAC) Instructions. Each	of the following it was much be attached to the closure of	Disco in Hosto
On-Site Closure Plan Checklist: (19.15.17.13 NMAC) Instructions: Each by a check mark in the box, that the documents are attached. Siting Criteria Compliance Demonstrations - based upon the appropriate requiremed Proof of Surface Owner Notice - based upon the appropriate requiremed Construction/Design Plan of Burial Trench (if applicable) based upon Construction/Design Plan of Temporary Pit (for in-place burial of a dry Protocols and Procedures - based upon the appropriate requirements of Confirmation Sampling Plan (if applicable) - based upon the appropriate Waste Material Sampling Plan - based upon the appropriate requirement Disposal Facility Name and Permit Number (for liquids, drilling fluids Soil Cover Design - based upon the appropriate requirements of Subsection Plan - based upon the appropriate requiremen	the requirements of 19.15.17.10 NMAC ants of Subsection F of 19.15.17.13 NMAC the appropriate requirements of 19.15.17.11 NMAC ring pad) - based upon the appropriate requirements of 19.15.17.13 NMAC are requirements of Subsection F of 19.15.17.13 NMAC and drill cuttings or in case on-site closure standards cannotion H of 19.15.17.13 NMAC ection I of 19.15.17.13 NMAC	15.17.11 NMAC

· ·		
Operator Application Certification:		
I hereby certify that the information submitted with this application is tru	e, accurate and complete to the b	est of my knowledge and belief.
Name (Print): Scott + 45	Title: <u>Cons</u>	struction Supervisor
Signature:	Date: /-/	5-09
e-mail address: SCOTTP @ Yates Petroleum.	COM Telephone: <u>57</u>	5-365-4716
OCD Approval: Permit Application (including closure plan)	osure Plan (only) 🙀 OCD Co.	nditions (see attachment)
OCD Representative Signature: Signed By Mily Brances		Approval Date: MAR 0 6 2009
Title:	OCD Permit Number	
Closure Report (required within 60 days of closure completion): Substructions: Operators are required to obtain an approved closure plan. The closure report is required to be submitted to the division within 60 a section of the form until an approved closure plan has been obtained an	n prior to implementing any clos lays of the completion of the clos ad the closure activities have been	ure activities and submitting the closure report. sure activities. Please do not complete this n completed.
	☐ Closure Complet	ion Date:
Closure Method: Waste Excavation and Removal On-Site Closure Method If different from approved plan, please explain.	Alternative Closure Method	Waste Removal (Closed-loop systems only)
23. Closure Report Regarding Waste Removal Closure For Closed-loop S	Systems That Utilize Above Gro	ound Steel Tanks or Haul-off Rins Only:
Instructions: Please indentify the facility or facilities for where the liqu		
two facilities were utilized.		
Disposal Facility Name:	Disposal Facility Perm	it Number:
Disposal Facility Name:	Disposal Facility Perm	it Number:
Were the closed-loop system operations and associated activities perform. Yes (If yes, please demonstrate compliance to the items below)		used for future service and operations?
Required for impacted areas which will not be used for future service and Site Reclamation (Photo Documentation) Soil Backfilling and Cover Installation Re-vegetation Application Rates and Seeding Technique	operations:	
24.		d d a la constant Discovered Ports of the death
Closure Report Attachment Checklist: Instructions: Each of the followark in the box, that the documents are attached.	owing items must be attached to	the closure report. Please indicate, by a check
Proof of Closure Notice (surface owner and division) Proof of Deed Notice (required for on-site closure) Plot Plan (for on-site closures and temporary pits) Confirmation Sampling Analytical Results (if applicable) Waste Material Sampling Analytical Results (required for on-site c Disposal Facility Name and Permit Number Soil Backfilling and Cover Installation Re-vegetation Application Rates and Seeding Technique Site Reclamation (Photo Documentation)	losure)	
On-site Closure Location: Latitude	Longitude	NAD: 🗌 1927 🔲 1983
25.		'
Operator Closure Certification: I hereby certify that the information and attachments submitted with this obelief. I also certify that the closure complies with all applicable closure		
Name (Print):	•	
Signature:	Date:	
e-mail address:	Telephone:	

Bill Richardson

Governor

Joanna Prukop Cabinet Secretary Reese Fullerton Deputy Cabinet Secretary Mark Fesmire
Division Director
Oil Conservation Division



Conditions of approval for closure of a drilling pit

Notify OCD District 2 office 48 hours prior to commencement of closure activities.

Notify OCD District 2 office 48 hours prior to obtaining samples where analyses of samples obtained are to be submitted to OCD.

Sampling requirements are listed in 19.15.17.13 [NMAC] (Pit Rule)

Final closure report is to be submitted to OCD not later than 60 days after completion of closure.

Closure Procedure For Temporary Drilling Pits

- 1. De-water pit within 30 days of rig release.
- 2. Weekly inspection of fluid level in drilling pit after rig release date until fluids are removed. Weekly levels will be recorded in a log to be submitted to the appropriate OCD district office at time of pit closure.
- 3. All removed pit fluids will be disposed of in an OCD approved manner at one of the listed OCD approved disposal facilities.

Disposal Facility:

Gandy Marley	NM-01-0019
Lea Land Farm	WM-1-035
CRI	R-9166

- 4. If fluids are reclaimed the appropriate OCD district office will be contacted beforehand for approval to do so.
- 5. Within 6 months of the rig release date and after the removal of all free liquids from the temporary drilling pit, the surface owner will be notified by certified mail, return receipt requested that the operator will close the pit. OCD division office will be notified verbally that waste excavation and removal will begin.
- 6. All impacted contents of the temporary drilling pit will be stabilized by mixing of dry non-waste containing earthen material so that such material will pass a paint filter test.
- 7. All stabilized pit contents, including the synthetic pit liner will be loaded into trucks and transferred to the division-approved facility listed below for proper disposal.

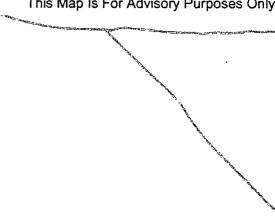
Disposal Facility:	
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8. Once all visually impacted materials have been removed from the temporary drilling pit, testing and analyzing of the soils beneath the pit will be conducted in accordance with 19.15.17.13, B., 1(b) (i) or (ii) whichever is appropriate to determine if a release has occurred during utilization of the pit.

- 9. When analysis indicates that the soils within the pit area are within the recommended actions levels backfilling will begin.
- 10. Backfill material will consist of non-waste containing earthen material. The cleaned out drilling pit will be filled with such material to a level which shall allow space for the addition of topsoil which will be equal to the thickness of the background topsoil or one foot whichever is greater as directed in 19.15.17.13, H (1) NMAC.
- 11. The topsoil cover will be placed on to the drilling pit area in a manner of existing grade and will prevent ponding of water and erosion of the cover material.
- 12. Within 60 days of closure completion a closure report on form C-144 will be submitted to the appropriate district office. The report will contain detailed information on the backfilling, capping. The closure report will also include a plat of the closed pit location on a form C-105.
- 13. Within the first growing season after the approved pit closure seeding of the pit area shall occur. The seeding will be performed in accordance with 19.15.17.13, I, (2) (3) (4) (5).



This Map Is For Advisory Purposes Only

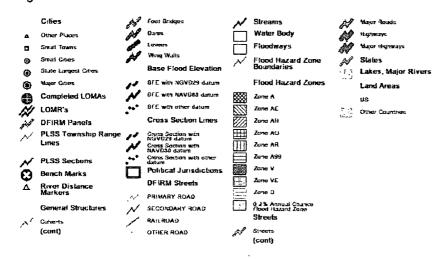




Toumbstone BMB St. #/

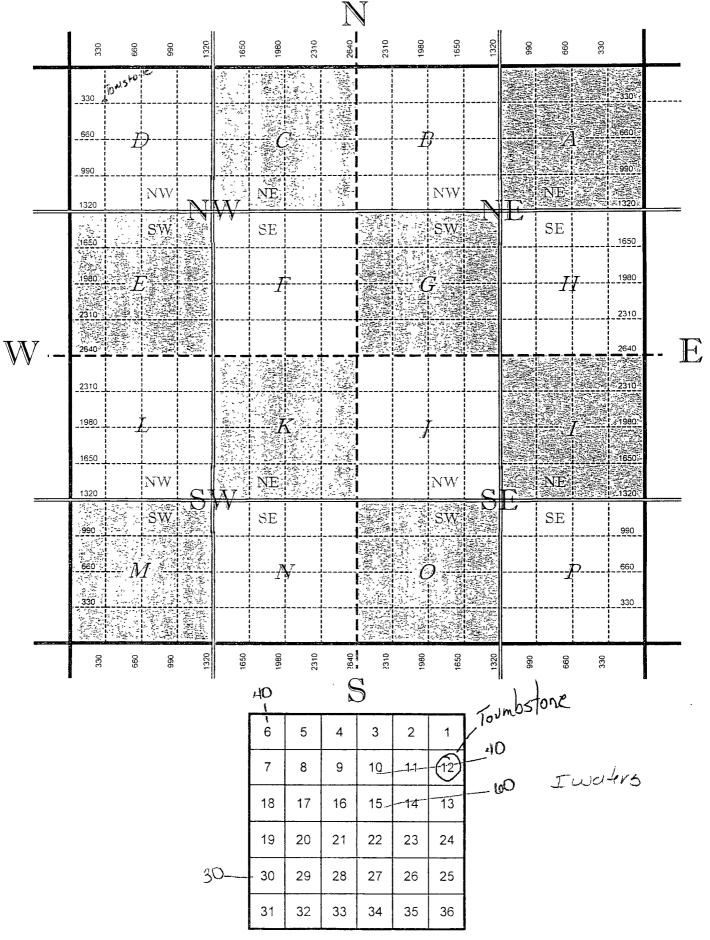
—0 12mi 0.17km

Legend





JOHNSON 1 PANO SCHOLANT



Township Section No's

Mr. Bratcher,

I would like to request an extension, on two reserve pit closures, I am ready to start on both of them I just don't have all my paperwork ready.

But can start as soon as I have OCD approval.

Tombstone BMB Dt. #1 660' FNL- 330' FWL- Sec. 12 T25S- R29E- Eddy co.- API 30-015-36315 - Rig release 7/12/08

Glow Worm ALX Fed. 15H - 220 FNL- 1830 FEL- Sec. 4- T23S- R31E- Eddy co. API # 30-015- 36368 Rig release 7/21/08

Thank you Scott Pitts Construction Supervisor Yates Petroleum Corp.





