

OPER. CGRID NO. 25575
PROPERTY NO. 34414
POOL CODE ✓
EFF. DATE
API NO. 30-025-36954

cl BLM

OMB No. 1004-0136

Expires November 30, 2000

BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of Work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		R-111-POTASH	
b. Type of Well: <input checked="" type="checkbox"/> Oil <input type="checkbox"/> Gas <input type="checkbox"/> Other <input type="checkbox"/> Single <input checked="" type="checkbox"/> Multiple Zone			
2. Name of Operator Yates Petroleum Corporation			
3A. Address 105 South Fourth Street Artesia, New Mexico 88210		3b. Phone No. (include area code) (505) 748-1471	
4. Location of Well (Report location clearly and in accordance with any State requirements.)* At surface At proposed prod. Zo 660' FSL & 1980' FEL same as above Unit D		7. If Unit or CA Agreement, Name and N Not Applicable	
14. Distance in miles and direction from nearest town or post office* 37 miles northeast of Carlsbad, New Mexico		8. Lease Name and Well No. Caper BFE Federal #1	
5. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 660'		9. API Well No. 30-025-36954	
16. No. of Acres in lease 640		10. Field and Pool, or Exploratory Wildcat Bone Spring	
17. Spacing Unit dedicated to this well 40 acres		11. Sec., T., R., M., or Blk, and Survey or A Section 17, T21S-R32E	
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft.		12. County or Parish Lea County	
19. Proposed Depth 8,600		13. State New Mexico	
20. BLM/BIA Bond No. on file NM-2811		21. Elevations (Show whether DF, KDB, RT, GL, etc.) 3637' GL	
22. Approximate date work will start* ASAP		23. Estimated duration 40 Days	

24. Attachments

CARLSBAD 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:

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

25. Signature <u>Clifton R. May</u>	Name (Printed/Typed) Clifton R. May	Date 8/24/04
----------------------------------------	----------------------------------------	-----------------

Title:
Regulatory Agent

Approved by (Signature) <u>William S. Condit</u>	Name (Printed/Typed) William S. Condit	Date 17 NOV 2004
Title ACTING 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 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 States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

*(Instructions on reverse)

R-111-POTASH &

DECLARED WATER BASIN
CEMENT BEHIND THE 13 3/8"
CASING MUST BE CIRCULATED
WITNESS

DECLARED WATER BASIN
CEMENT BEHIND THE 8 3/8"
CASING MUST BE CIRCULATED
WITNESS

APPROVAL SUBJECT TO
GENERAL REQUIREMENTS
AND SPECIAL STIPULATIONS
ATTACHED

DISTRICT II

811 South First, Artesia, NM 88210

DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV

2040 South Pacheco, Santa Fe, NM 87505

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

☐ AMENDED REPORT**WELL LOCATION AND ACREAGE DEDICATION PLAT**

API Number 30-025-36954	Pool Code	Pool Name WILCAT DELAWARE
Property Code 34414	Property Name CAPER "BFE" FEDERAL	Well Number 1
OGRID No. 025575	Operator Name YATES PETROLEUM CORPORATION	Elevation 3637

Surface Location

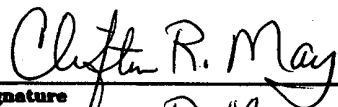

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
0	17	21S	32E		660	SOUTH	1980	EAST	LEA

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

Dedicated Acres 40	Joint or Infill	Consolidation Code	Order No.
-----------------------	-----------------	--------------------	-----------

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

				OPERATOR CERTIFICATION I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.  Signature CLAYTON R. MAY Printed Name REGULATORY AGENT Title 8/23/04 Date
				SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief. 8/17/2004 Date Surveyed Signature of Professional Surveyor  Certificate No. Herschel L. Jones RLS 3640 CAPER FEDERAL LAND GENERAL SURVEYING COMPANY

N.32°28'23.6"
 W.103°41'40.9"
 N.536414.5
 E.697102.8
 (NAD-27)

NM-94095

1980'

660'

0' 330' 660' 990' 1650' 1980' 2310' 2310' 1980' 1650' 990' 660' 330' 0'

MARTIN YATES, III
1912 - 1985
FRANK W. YATES
1936 - 1986



105 SOUTH FOURTH STREET
ARTESIA, NEW MEXICO 88210-2118
TELEPHONE (505) 748-1471

S. P. YATES
CHAIRMAN OF THE BOARD
JOHN A. YATES
PRESIDENT
PEYTON YATES
EXECUTIVE VICE PRESIDENT
RANDY G. PATTERSON
SECRETARY
DENNIS G. KINSEY
TREASURER

August 23, 2004

Mr. Tom McGuire
Intrepid Potash
P. O. Box 101
Carlsbad, New Mexico 88220

Dear Mr. McGuire:

Yates Petroleum Corporation is the operator of the Oil and Gas Lease NM-94095. We have staked the following location:

Caper BFE Federal #1
660' FSL & 1980' FEL
Section 17-T21S-R32E
Lea County, New Mexico

An application to Drill is being filed with the Bureau of Land Management.

Yates has been advised that your company is the owner of record of certain potash leases in this area. We respectfully request that you waive any objection you may have to this proposed well location and so indicate by signing and returning one copy of this letter in the enclosed envelope.

Your favorable consideration of this request will be greatly appreciated.

Sincerely,

Yates Petroleum Corporation

Clifton R. May, Regulatory Agent

NO OBJECTIONS OFFERED
INTREPID POTASH

By _____
Title: _____
Date: _____

OBJECTIONS OFFERED
INTREPID POTASH

By _____
Title: _____
Date: _____

PLACE STICKER AT TOP OF ENVELOPE TO THE RIGHT OF THE RETURN ADDRESS. FOLD AT DOTTED LINE.

CERTIFIED MAIL



7002 2030 0001 8263 3074
7002 2030 0001 8263 3074

U.S. Postal Service™
CERTIFIED MAIL™ RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)

For delivery information visit our website at www.usps.com

OFFICIAL USE

Postage	\$	Postmark Here
Certified Fee		
Return Receipt Fee (Endorsement Required)		
Restricted Delivery Fee (Endorsement Required)		
Total Postage & Fees	\$	

Sent To Mr. Tom McGuire Intrepid Potash
 Street, Apt. No., or PO Box No. P.O. Box 101
 City, State, ZIP+4 Carlsbad, NM, 88220

PS Form 3800, June 2002 See Reverse for Instructions

SENDER: COMPLETE THIS SECTION

- Complete Items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Mr. Tom McGuire
Intrepid Potash

P.O. Box 101
Carlsbad, New Mexico
88220

2. Article Number
(Transfer from service label)

7002 2030 0001 8263 3074

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

COMPLETE THIS SECTION ON DELIVERY

A. Signature ☒ Agent ☐ Addressee

B. Received by (Printed Name) C. Date of Delivery

D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

3. Service Type
☒ Certified Mail ☐ Express Mail
☐ Registered ☒ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.

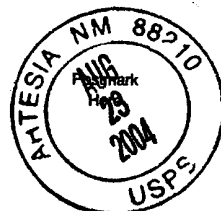
4. Restricted Delivery? (Extra Fee) ☐ Yes

U.S. Postal Service™
CERTIFIED MAIL™ RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)

For delivery information visit our website at www.usps.com

OFFICIAL USE

Postage	\$
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 4.42



Sent To Mr. Tom McGuire Intrepid Potash
 Street, Apt. No., or PO Box No. P.O. Box 101
 City, State, ZIP+4 Carlsbad, NM, 88220

PS Form 3800, June 2002

See Reverse for Instructions

7002 2030 0001 8263 3074

YATES PETROLEUM CORPORATION

Caper BFE Federal #1

660' FSL and 1980' FEL

Section 17-T21S-R32E

Lea County, New Mexico

1. The estimated tops of geologic markers are as follows:

Rustler	960'	Brushy Canyon	6700'
Top of the Salt	1150'	Bone Spring	8470'
Base of Salt	4050'	TD	8600'
Bell Canyon	4610'		
Cherry Canyon	5380'		

2. The estimated depths at which anticipated water, oil or gas formations are expected to be encountered:

Water: 200'to 500'

Oil or Gas: All potential formations.

3. Pressure Control Equipment: BOPE will be installed on the 8 5/8" casing and rated for 5000# BOP systems will be consistent with API RP 53. Pressure tests will be conducted before drilling out from under all casing strings, which are set and cemented in place. Blowout Preventor controls will be installed prior to drilling the surface plug and will remain in use until the well is completed or abandoned. Preventors will be inspected and operated at least daily to ensure good mechanical working order, and this inspection recorded on the daily drilling report. See Exhibit B.

Auxiliary Equipment:

- A. Auxiliary Equipment: Kelly cock, pit level indicators, flow sensor equipment and a sub with full opening valve to fit the drill pipe and collars will be available on the rig floor in the open position at all times for use when kelly is not in use.

4. THE PROPOSED CASING AND CEMENTING PROGRAM:

- A. Casing Program: (All New)

<u>Hole Size</u>	<u>Casing Size</u>	<u>Wt./Ft</u>	<u>Grade</u>	<u>Coupling</u>	<u>Interval</u>	<u>Length</u>
17.5"	13.375"	48#	H-40	ST&C	0-500'	500'
11.0"	8.625"	32#	J-55	ST&C	0-4200"	4200'
7. 875"	5.5"	17#	L-80	LT&C	0-100'	100'
7. 875"	5.5"	15.5#	J-55	LT&C	100-6700'	6600'
7. 875"	5.5"	17#	J-55	LT&C	6700-8600'	1900'

1. Minimum Casing Design Factors: Collapse 1.125, Burst 1.0, and Tensile Strength 1.8
2. A 3,000 psi BOP will be nipped up on the 8 5/8" casing and tested to 3000 psi .

- B. CEMENTING PROGRAM:

Surface Casing: Cement with 500 sx Lite (YLD 1.98 WT 12.5). Tail in with 200 sx class "C" + 2% CaCl (YLD 1.34 WT 14.8).

Caper BFE Federal #1

Intermediate Casing: 1100 sx lite premium plus (YLD 1.98 WT 12.5) and tail in with 200 sx premium + 2% CaCl (YLD 1.34 WT 14.8)

Production Casing: Stage I: 550 sx super H (YLD 1.72 WT 13). DV tool @ 4150'. Tail in with 50 sx thixset (YLD 1.4 WT 14.4) TOC 6400'.

Stage II: 450 sx interfill C (YLD 2.41 WT 11.9. Tail in with 100 sx Premium Plus (YLD 1.34 WT 14.8. Cement Circulated.

5. MUD PROGRAM AND AUXILIARY EQUIPMENT:

<u>Interval</u>	<u>Type</u>	<u>Weight</u>	<u>Viscosity</u>	<u>Fluid Loss</u>
0-500'	FW/Native Mud	8.6-9.2	28-36	N/C
500'-4200'	Brine	10-10.2	28	N/C
4200'-8400'	Cut Brine	8.5+	28	N/C
8400'-TD	Salt Gel/Starch	8.6-8.8	28-32	<15CC

Sufficient mud material(s) to maintain mud properties, control lost circulation and contain a blow out will be available at the well site during drilling operations. Rig personnel will check mud hourly.

6. EVALUATION PROGRAM:

Samples: 10' samples out from under surface casing.

Logging: Platform Express; CMR

Coring: None

DST's: As warranted

7. ABNORMAL CONDITIONS, BOTTOM HOLE PRESSURE, AND POTENTIAL HAZARDS:

Anticipated BHP:

From: 0	TO: 500'	Anticipated Max. BHP: 240 PSI
From: 500'	TO: 4200'	Anticipated Max. BHP: 2230 PSI
From: 4200	TO: 8600'	Anticipated Max. BHP: 3935 PSI

Abnormal Pressures Anticipated: None

Lost Circulation Zones Anticipated: None.

H2S Zones Anticipated: None Anticipated

Maximum Bottom Hole Temperature: 158 F

8. ANTICIPATED STARTING DATE:

Plans are to drill this well as soon as possible after receiving approval. It should take approximately 40 days to drill the well with completion taking another 40 days.

MULTI-POINT SURFACE USE AND OPERATIONS PLAN
YATES PETROLEUM CORPORATION
Caper BFE Federal #1
660' FSL & 1980' FEL
Section 17-T21S-R32E
Lea County, New Mexico

This plan is submitted with Form 3160-3, Application for Permit to Drill, covering the above described well. The purpose of this plan is to describe the location of the proposed well, the proposed construction activities and operations plan, the magnitude of the surface disturbance involved and the procedures to be followed in rehabilitating the surface after completion of the operations, so that a complete appraisal can be made of the environmental effect associated with the operations.

1. EXISTING ROADS:

Exhibit A is a portion of the BLM map showing the well and roads in the vicinity of the proposed location. The proposed well site is located approximately 37 miles northeast of Carlsbad, New Mexico and the access route to the location is indicated in red and green on Exhibit A.

DIRECTIONS:

From downtown Carlsbad, NM at the light at the intersection of 285 & 62/180 turn east. Stay on 62/180 for approximately 28.8 miles to Halfway Watering Hole. Continue east for approx. 0.7 of a mile to Campbell Road. Turn south and go approx. 8.4 miles and turn left (east) on lease road. Go east 0.6 of a mile and the road turns north. Go north 0.5 of a mile and turn east. Go east approx. 1.3 miles to a crossroads. Turn north and go approx. 2.3 miles and the road turns west. Go west approx. 0.4 of a mile and the new road will start here and go north to the southwest corner of the pad.

2. PLANNED ACCESS ROAD:

- A. The proposed new access will be approximately 500' in length from the point of origin to the southwest corner of the drilling pad.
- B. The new road will be 14 feet in width (driving surface) and will be adequately drained to control runoff and soil erosion.
- C. The new road will be bladed with drainage on both sides. No traffic turnout will be needed.
- D. The route of the road is visible.
- E. Existing roads will be maintained in the same or better condition.

3. LOCATION OF EXISTING WELL:

- A. There is no drilling activity within a one-mile radius of the well site.
- B. Exhibit D shows existing wells within a one-mile radius of the proposed well site.

4. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES:

- A. There are no production facilities on this lease at the present time.

- B. In the event that the well is productive, the necessary production facilities will be installed on the drilling pad. If the well is productive oil, a gas or diesel self-contained unit will be used to provide the necessary power. No power will be required if the well is a producing gas well.

5. LOCATION AND TYPE OF WATER SUPPLY:

- A. It is planned to drill the proposed well with a fresh water system. The water will be obtained from commercial sources and will be hauled to the location by truck over the existing and proposed roads shown in Exhibit A.

6. SOURCE OF CONSTRUCTION MATERIALS:

The dirt contractor will be responsible for finding a source of material for construction of road and pad and will obtain any permits that may be required. They may use a pit located in the W/2 of Section 33-T21S-R32E. Some of the caliche may be gotten from building the reserve pit.

7. METHODS OF HANDLING WASTE DISPOSAL:

- A. Drill cuttings will be disposed of in the reserve pits.
- B. The reserve pits will be constructed and reclamation done according to NMOCD guidelines.
- C. Drilling fluids will be allowed to evaporate in the reserve pits until the pits are dry.
- D. Water produced during operations will be collected in tanks until hauled to an approved disposal system, or separate disposal application will be submitted.
- E. Oil produced during operations will be stored in tanks until sold.
- F. Current laws and regulations pertaining to the disposal of human waste will be complied with.
- G. All trash, junk, and other waste materials will be contained in trash cages or bins to prevent scattering and will be removed and deposited in an approved sanitary landfill. Burial on site is not approved.

8. ANCILLARY FACILITIES: NONE

9. WELLSITE LAYOUT:

- A. Exhibit C shows the relative location and dimensions of the well pad, the reserve pits, the location of the drilling equipment, rig orientation and access road approach. Note: Pits to North.
- B. The reserve pits will be plastic lined with 12 mil.
- C. A 600' x 600' area has been staked and flagged.

10. PLANS FOR RESTORATION:

- A. After finishing drilling and/or completion operations, all equipment and other material not needed for further operations will be removed. The location will be cleaned of all trash and junk to leave the well site in as aesthetically pleasing a condition as possible.
- B. Unguarded pits, if any, containing fluids will be fenced until they have dried and been leveled.

C. If the proposed well is plugged and abandoned, all rehabilitation and/or vegetation requirements of the Bureau of Land Management will be complied with and will be accomplished as expeditiously as possible. All pits will be filled level after they have evaporated and dried.

11. SURFACE OWNERSHIP:

The well is on Federal Lands administered by the BLM.

12. OTHER INFORMATION:

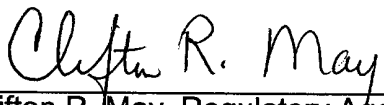
- A. Topography: Refer to the existing archaeological report for a description of the topography, flora, fauna, soil characteristics, dwellings, and historical and cultural sites.
- B. The primary surface use is for grazing.

13. OPERATOR'S REPRESENTATIVE:

- | | |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| A. Through A.P.D. Approval:
Clifton R. May, Regulatory Agent
Yates Petroleum Corporation
105 South Fourth Street
Artesia, New Mexico 88210
Phone (505) 748-1471 | B. Through Drilling, Completions & Prod.
Pinson McWhorter, Operations Manager
Yates Petroleum Corporation
105 South Fourth Street
Artesia, New Mexico 88210
Phone (505) 748-1471 |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

14. CERTIFICATION:

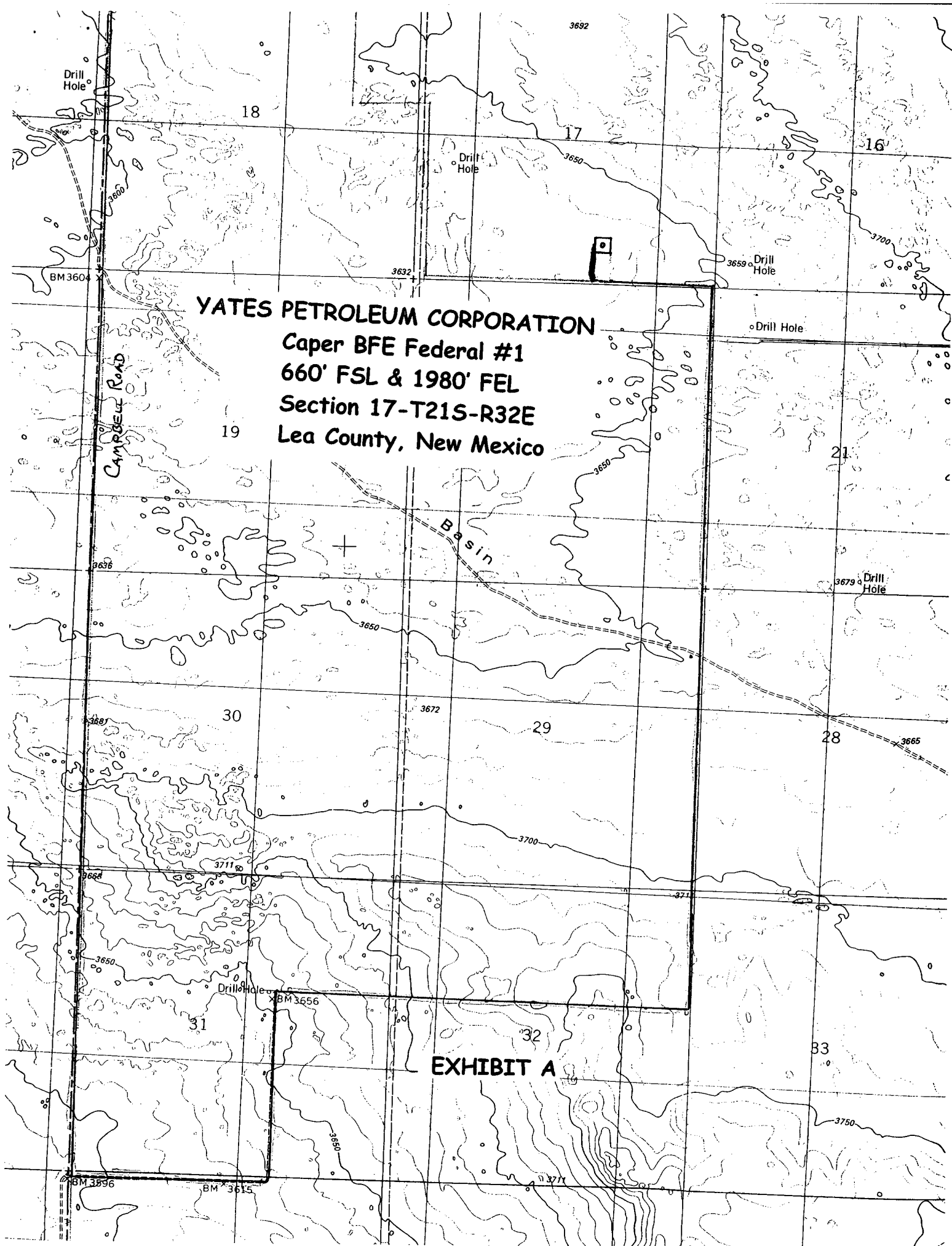
I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route, that I am familiar with the conditions which presently exist; that the statements made in this plan are to the best of my knowledge, true and correct; and, that the work associated with the operations proposed herein will be performed by Yates Petroleum Corporation and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.



Clifton R. May, Regulatory Agent

YATES PETROLEUM CORPORATION
Caper BFE Federal #1
660' FSL & 1980' FEL
Section 17-T21S-R32E
Lea County, New Mexico

EXHIBIT A



SECTION 17, TOWNSHIP 21 SOUTH, RANGE 32 EAST, NMPM, LEA COUNTY, NEW MEXICO.

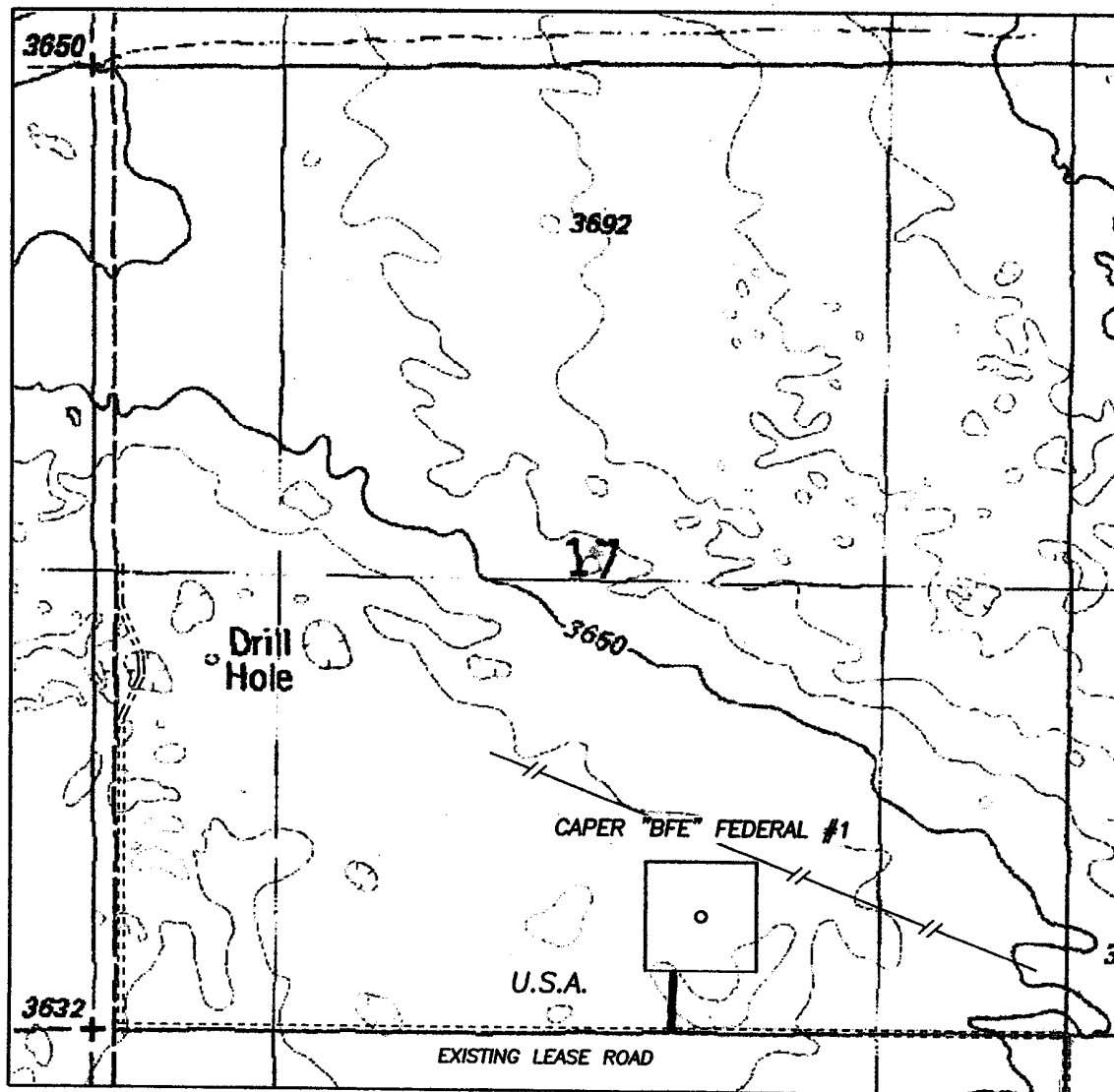
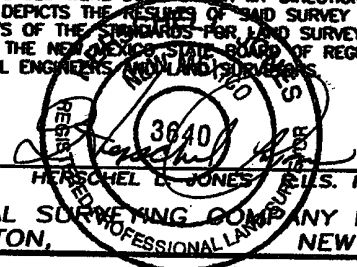


EXHIBIT A1

1000' 0 1000' 2000'
Scale 1" = 1000'

THE PREPARATION OF THIS PLAT AND THE PERFORMANCE OF THE SURVEY UPON WHICH IT IS BASED WERE DONE UNDER MY DIRECTION AND THE PLAT ACCURATELY DEPICTS THE RESULTS OF SAID SURVEY AND MEET THE REQUIREMENTS OF THE STANDARDS FOR LAND SURVEYS IN NEW MEXICO AS ADOPTED BY THE NEW MEXICO STATE BOARD OF REGISTRATION FOR PROFESSIONAL ENGINEERS AND LAND SURVEYORS.

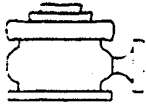


YATES PETROLEUM CORP.

LEASE ROAD TO ACCESS THE YATES CAPER "BFE" FEDERAL #1 WELL, LOCATED IN SECTION 17, TOWNSHIP 21 SOUTH, RANGE 32 EAST, NMPM, LEA COUNTY, NEW MEXICO.

Survey Date: 8/17/2004	Sheet 1 of 1 Sheets
Drawn By: Ed Blevins	W.O. Number
Date: 8/17/04	Scale 1" = 1000' CAPER 1

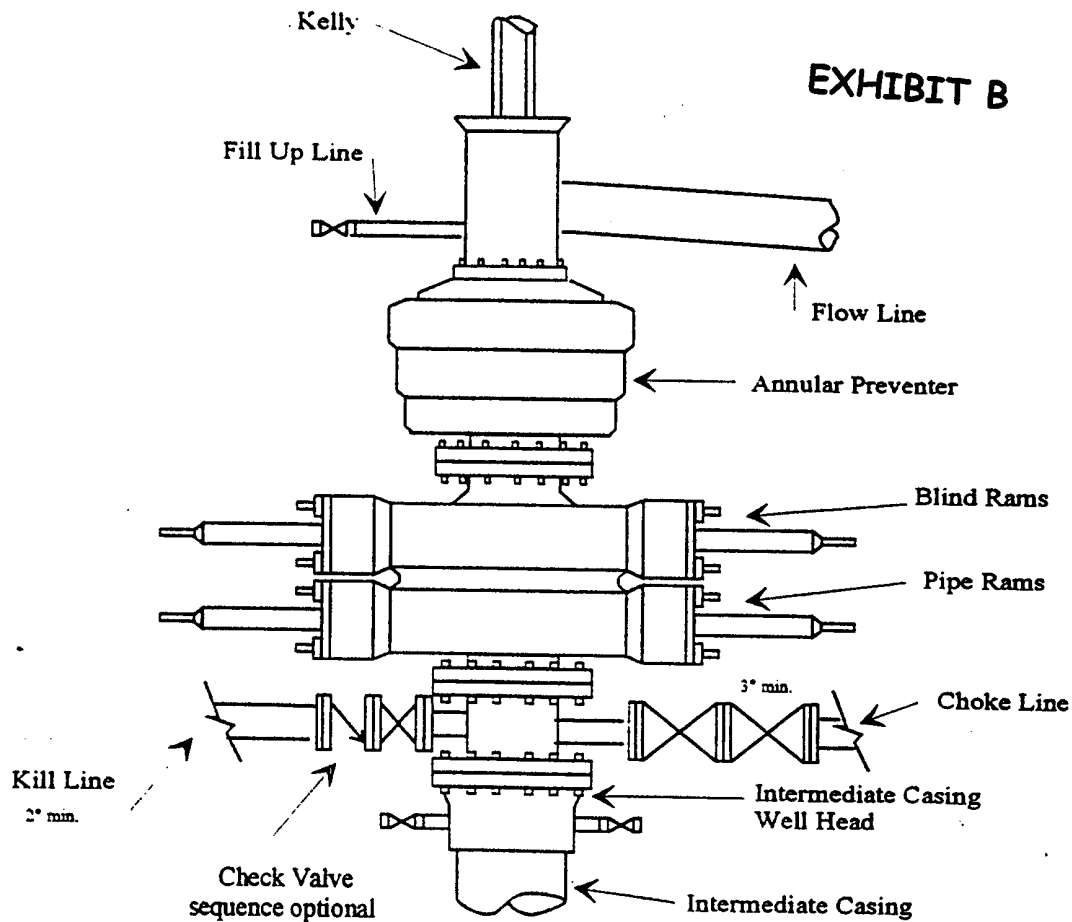
GENERAL SURVEYING COMPANY P.O. BOX 1928
LOVINGTON, NEW MEXICO 88260



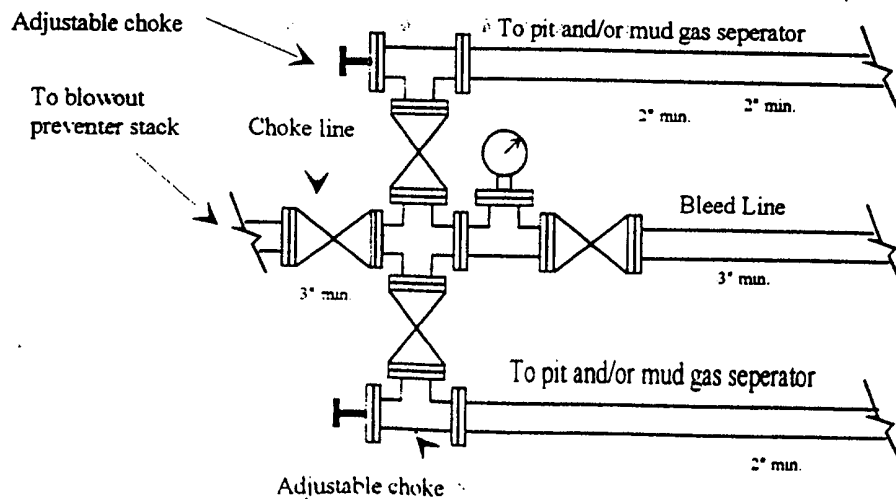
Yates Petroleum Corporation

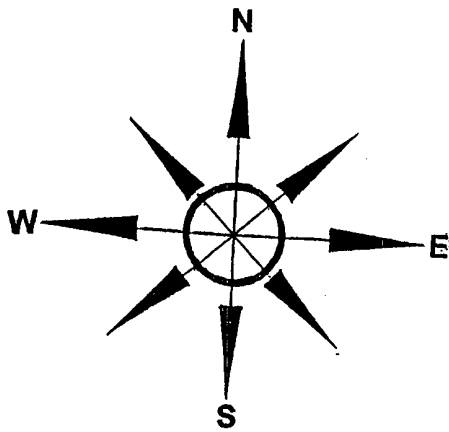
BOP-3

Typical 3,000 psi Pressure System Schematic Annular with Double Ram Preventer Stack



Typical 3,000 psi choke manifold assembly with at least these minimum features

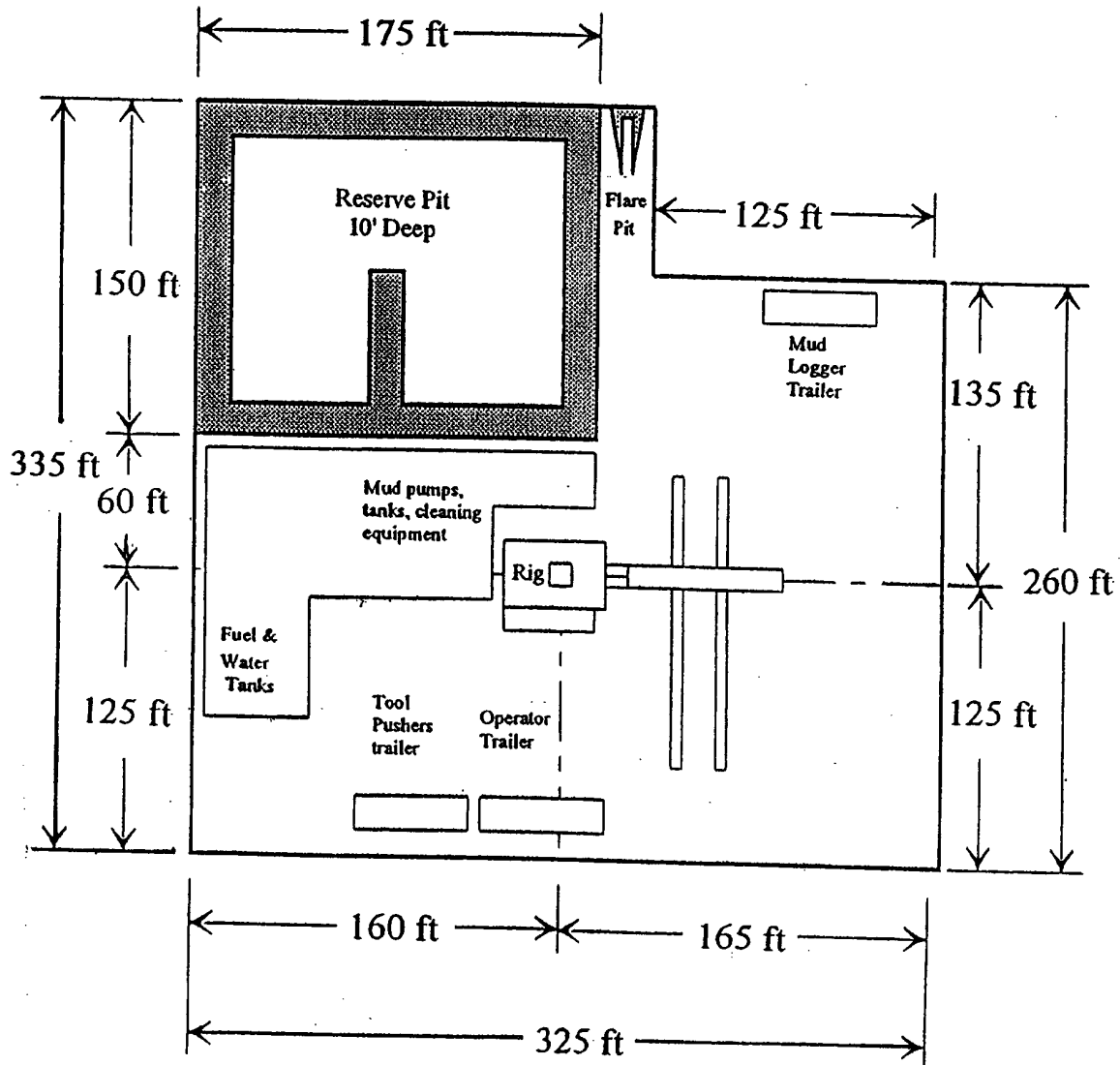




Yates Petroleum Corporation
Location Layout for Permian Basin
Up to 12,000'

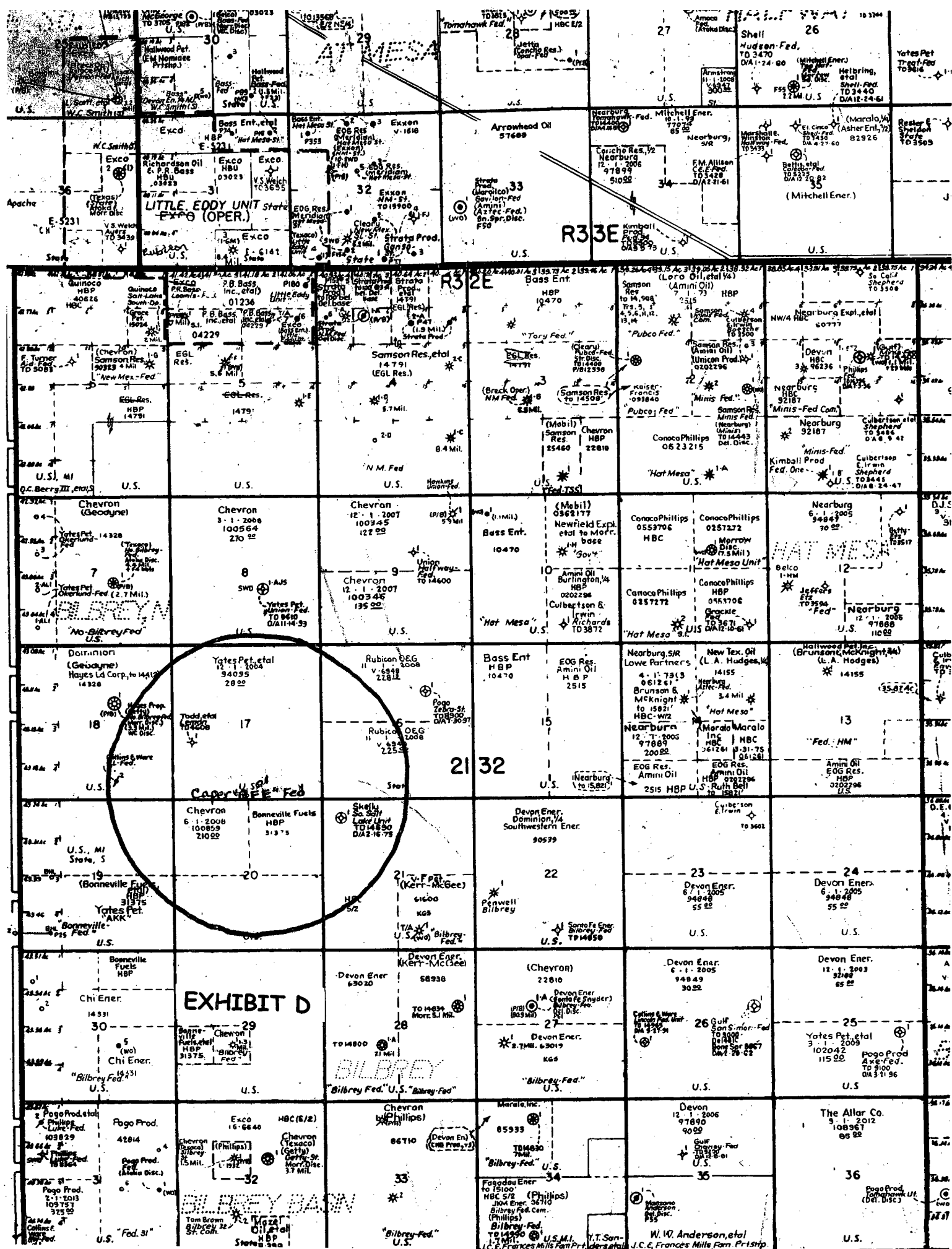
PB - L1

EXHIBIT C



Distance from Well
Head to Reserve Pit
will vary between rigs

The above dimension
should be a maximum



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

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 NMOC 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: Yates Petroleum Corporation Telephone: (505) 748-4347 e-mail address: dcbbice@ypcnm.com

Address: 105 South 4th Street, Artesia, NM 88210

Facility or well name: Capri BFE Federal #1 API #: 30-02536954 U/L or Qtr/Qtr O Sec 17 T 21S R 32E

County: Lea Latitude N32.4722 Longitude W103.6947 NAD: 1927 ☒ 1983 ☐ Surface Owner - Federal ☒ State ☐ Private ☐ Indian ☐

Pit Type: Drilling ☒ Production ☐ Disposal ☐

Workover ☐ Emergency ☐

Lined ☒ Unlined ☐

Liner type: Synthetic ☒ Thickness 12 mil

Clay ☐ Volume 28,000 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.)

Less than 50 feet	(20 points)
50 feet or more, but less than 100 feet	(10 points)
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)

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)

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:

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

Date: September 7, 2004

Printed Name/Title Clifton R. May/Regulatory Agent Signature *Clifton R. May*

Your certification and NMOC/D 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.

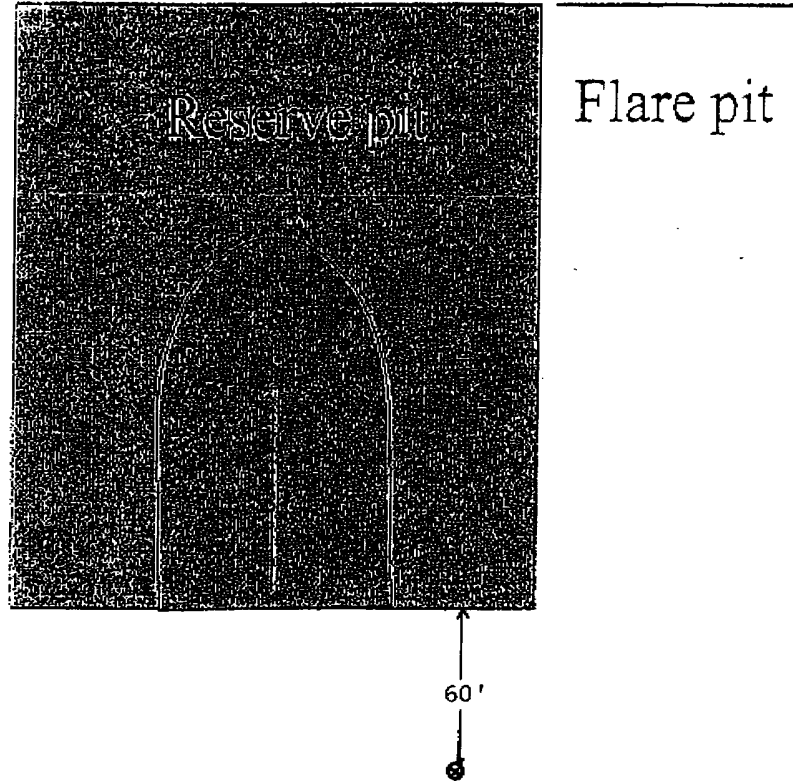
Approval NOV 24 2004

Date: _____ PETROLEUM ENGINEER

Printed Name/Title _____ Signature *[Signature]*

YATES PETROLEUM CORPORATION
General Plan was approved 4/15/04

The reserve pit will be to the North.
The Southeast corner of the pit will
be approximately 60' North of the well
bore. The pit will be a 150' X 175'
and 6' deep with the capacity of 28,000
bbls.



Standard reserve pit. All Reserve pits are double
Horse shoe size varies with depth of well