

MAY-16-2005 MON 03:11 PM YATES ENGINEERING

FAX NO. 15057484586

P. 02/03

District I
1625 N. French Dr., Hobbs, NM 88240
 District II
1301 W. Grand Avenue, Artesia, NM 88210
 District III
1000 Rio Branco 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
June 1, 2004

For drilling and production facilities, submit to appropriate NMOCN 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 Company Telephone: 305-748-4510 e-mail address: info@yates.com
 Address: 165 South 4th Street, Artesia, NM 88210
 Facility or well name: State Santa Unit 1 API # 302536233 Unit or Qtr/Qu Sec 11 T 10S R 34E
 County: San Juan Latitude: 31.40161 Longitude: 107.46222 NAD: 1977 1983
 Surface Owner: Federal State Private Indian

<input checked="" type="checkbox"/> Drilling <input type="checkbox"/> Production <input type="checkbox"/> Disposal <input type="checkbox"/> <input type="checkbox"/> Work over <input type="checkbox"/> Emergency <input type="checkbox"/> <input checked="" type="checkbox"/> Unlined <input type="checkbox"/> Liner type: Synthetic <input type="checkbox"/> Thickness: 12 mil Clay <input type="checkbox"/> Pit Volume: 24,000 bbl	<p>Below-grade tank</p> <p>Volume: _____ bbl Type of field: _____</p> <p>Construction material: _____</p> <p>Double-walled, with leak detection? Yes <input type="checkbox"/> If no, explain why not. _____</p>						
Depth to ground water (vertical distance from bottom of pit to seasonal high water elevation of ground water.)	<table border="1" style="width: 100%;"> <tr> <td style="width: 30%;">Less than 50 feet</td> <td style="width: 30%;">(20 points) <input checked="" type="checkbox"/></td> </tr> <tr> <td>50 feet or more, but less than 100 feet</td> <td>(10 points)</td> </tr> <tr> <td>100 feet or more</td> <td>(0 points)</td> </tr> </table>	Less than 50 feet	(20 points) <input checked="" type="checkbox"/>	50 feet or more, but less than 100 feet	(10 points)	100 feet or more	(0 points)
Less than 50 feet	(20 points) <input checked="" type="checkbox"/>						
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.)	<table border="1" style="width: 100%;"> <tr> <td style="width: 30%;">Yes <input type="checkbox"/></td> <td style="width: 30%;">(20 points)</td> </tr> <tr> <td>No <input type="checkbox"/></td> <td>(0 points) <input checked="" type="checkbox"/></td> </tr> </table>	Yes <input type="checkbox"/>	(20 points)	No <input type="checkbox"/>	(0 points) <input checked="" type="checkbox"/>		
Yes <input type="checkbox"/>	(20 points)						
No <input type="checkbox"/>	(0 points) <input checked="" type="checkbox"/>						
Distance to surface water: (Horizontal distance to all wetlands, playas, irrigation canals, ditches, and perennial and ephemeral watercourses.)	<table border="1" style="width: 100%;"> <tr> <td style="width: 30%;">Less than 200 feet (20 points) <i>192021</i></td> <td style="width: 30%;"><i>192021</i></td> </tr> <tr> <td>200 feet or more, but less than 1000 feet</td> <td>(10 points)</td> </tr> <tr> <td>1000 feet or more</td> <td>(0 points) <input checked="" type="checkbox"/></td> </tr> </table>	Less than 200 feet (20 points) <i>192021</i>	<i>192021</i>	200 feet or more, but less than 1000 feet	(10 points)	1000 feet or more	(0 points) <input checked="" type="checkbox"/>
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200 feet or more, but less than 1000 feet	(10 points)						
1000 feet or more	(0 points) <input checked="" type="checkbox"/>						
Ranking Score (Total Points)	20 points <i>192021</i>						

If this is a oil storage: (1) Attach a diagram of the facility showing the pit's relationship to other equipment and tanks. (2) Indicate disposal location (check the code box if you are burying in place) offsite onsite, name of facility NA. (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.

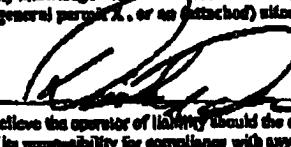
Additional Comments: Closure work plan for drilling pit. An encapsulation trench will be constructed and lined with 12 mil synthetic liner next to existing drilling pit. The drilling pit contents will be excavated and emplaced into the encapsulation trench using a mixture of two to one pit material and Class H bulk cement. The emulsion of pit material and cement will be mixed using a track hoe and water added if needed. After completion of solidifying pit material in cement and pit contents have set in place for a minimum of 24 hours, the encapsulation trench will then be capped using a 20 mil synthetic liner and backfilled to grade using a minimum of 3" of like material and clean soil. A one coil and 48 hour notification to OCD will be made before pit closure action begins. Beginning pit closure date: N/A Ending pit closure date: N/A **Class H bulk cement or CKD**

NOTE: Attached C-144 per Mike Stubblefield for Yates and Chris Williams for N.M. OCD.

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 NMOCN guidelines (e.g. a general permit, a, or an attached) alternative OCD-approved plan .

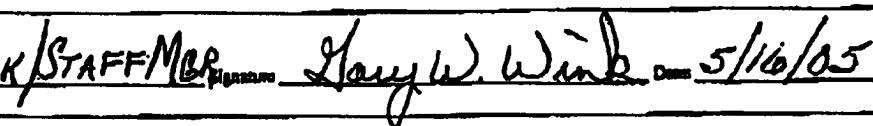
Date: 05/05/2005

Printed Name/Title: Dan Dalton / Regulatory Analyst

Signature: 

Your certification and NMOCN 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: GARY W. WINK / STAFF MGR Signature:  Date: 5/16/05