

District I  
1625 N French Dr, Hobbs, NM 88241  
District II  
811 S First St, Artesia, NM 88210  
District III  
1000 Rio Brazos Road, Aztec, NM 87410  
District IV  
1220 S St Francis Dr, Santa Fe, NM 87505

HOBBS OCD  
JUN 19 2012  
RECEIVED

State of New Mexico  
Energy Minerals and Natural Resources  
Department  
Oil Conservation Division  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Form C-144 CLEZ  
Revised August 1, 2011

For closed-loop systems that only use above ground steel tanks or haul-off bins and propose to implement waste removal for closure, submit to the appropriate NMOCD District Office.

### Closed-Loop System Permit or Closure Plan Application

(that only use above ground steel tanks or haul-off bins and propose to implement waste removal for closure)

Type of action:  Permit  Closure

Instructions: Please submit one application (Form C-144 CLEZ) per individual closed-loop system request. For any application request other than for a closed-loop system that only use above ground steel tanks or haul-off bins and propose to implement waste removal for closure, please submit a Form C-144.

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.

1. Operator: Yates Petroleum Corporation OGRID #: 025575  
Address: 105 South 4<sup>th</sup> St. Artesia, NM 88210  
Facility or well name: Berry APN State #3H  
API Number: 30 025-40630 OCD Permit Number: P1-04798  
U/L or Qtr/Qtr 14015 Section 5 Township 21S Range 34E County: Lea  
Center of Proposed Design: Latitude N 32.5075111 Longitude W 103.489911 NAD:  1927  1983  
Surface Owner:  Federal  State  Private  Tribal Trust or Indian Allotment

2.  **Closed-loop System:** Subsection H of 19.15.17.11 NMAC  
Operation:  Drilling a new well  Workover or Drilling (Applies to activities which require prior approval of a permit or notice of intent)  P&A  
 Above Ground Steel Tanks or  Haul-off Bins

3. **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 19.15.16.8 NMAC

4. **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.  
 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 Box 5) - 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: \_\_\_\_\_

5. **Waste Removal Closure For Closed-loop Systems That Utilize Above Ground Steel Tanks or Haul-off Bins Only:** (19.15.17.13.D NMAC)  
Instructions: Please identify the facility or facilities for the disposal of liquids, drilling fluids and drill cuttings. Use attachment if more than two facilities are required.  
Disposal Facility Name: Gandy Marley Disposal Facility Permit Number: NM-01-0019  
Disposal Facility Name: ORL R360 Disposal Facility Permit Number: R-1966-nm-01-0006  
Disposal Facility Name: Lea Land Farm Disposal Facility Permit Number: WM-1-035  
Disposal Facility Name: Sundance Services Inc. Disposal Facility Permit Number: NM-01-0003  
Will any of the proposed closed-loop system operations and associated activities occur on or in areas that will not be used for future service and operations?  
 Yes (If yes, please provide the information below)  No  
Required for impacted areas which will not be used for future service and operations:  
 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 I of 19.15.17.13 NMAC  
 Site Reclamation Plan - based upon the appropriate requirements of Subsection G of 19.15.17.13 NMAC

6. **Operator Application Certification:**  
 I hereby certify that the information submitted with this application is true, accurate and complete to the best of my knowledge and belief.

Name (Print): Travis Hahn Title: Land Regulatory Agent  
 Signature: [Signature] Date: 6/18/2012  
 e-mail address: thahn@yatespetroleum.com Telephone: 575-748-4120

7. **OCD Approval:**  Permit Application (including closure plan)  Closure Plan (only)

OCD Representative Signature: [Signature] Approval Date: 6/20/12  
 Title: PETROLEUM ENGINEER OCD Permit Number: P104798

8. **Closure Report (required within 60 days of closure completion):** Subsection K of 19.15.17.13 NMAC  
*Instructions: Operators are required to obtain an approved closure plan prior to implementing any closure activities and submitting the closure report. The closure report is required to be submitted to the division within 60 days of the completion of the closure activities. Please do not complete this section of the form until an approved closure plan has been obtained and the closure activities have been completed.*

Closure Completion Date: \_\_\_\_\_

9. **Closure Report Regarding Waste Removal Closure For Closed-loop Systems That Utilize Above Ground Steel Tanks or Haul-off Bins Only:**  
*Instructions: Please identify the facility or facilities for where the liquids, drilling fluids and drill cuttings were disposed. Use attachment if more than two facilities were utilized.*

Disposal Facility Name: \_\_\_\_\_ Disposal Facility Permit Number: \_\_\_\_\_  
 Disposal Facility Name: \_\_\_\_\_ Disposal Facility Permit Number: \_\_\_\_\_

Were the closed-loop system operations and associated activities performed on or in areas that *will not* be used for future service and operations?  
 Yes (If yes, please demonstrate compliance to the items below)  No

*Required for impacted areas which will not be used for future service and operations:*

Site Reclamation (Photo Documentation)  
 Soil Backfilling and Cover Installation  
 Re-vegetation Application Rates and Seeding Technique

10. **Operator Closure Certification:**  
 I hereby certify that the information and attachments submitted with this closure report is true, accurate and complete to the best of my knowledge and belief. I also certify that the closure complies with all applicable closure requirements and conditions specified in the approved closure plan.

Name (Print): \_\_\_\_\_ Title: \_\_\_\_\_  
 Signature: \_\_\_\_\_ Date: \_\_\_\_\_  
 e-mail address: \_\_\_\_\_ Telephone: \_\_\_\_\_

# Yates Petroleum Corporation Closed Loop System

## Equipment Design Plan

Closed Loop System will consist of:

1 – double panel shale shaker

1 – (minimum ) Centrifuge, certain wells and flow rates may require 2 centrifuges

On certain wells, the Centrifuge will be replaced by a Clackco Settling Tank System

1 – minimum centrifugal pump to transfer fluids

2- 500 bbl. FW Tanks

1 – 500 bbl. BW Tank

1 – half round frac tank – 250 bbl. capacity as necessary to catch cement / excess mud returns generated during a cement job.

1 Set of rail cars / catch bins

Certain wells will use an ASC Auger Tank

## Operation Plan

All equipment will be inspected at least hourly by rig personnel and daily by contractors' personnel.

Any spills / leaks will be reported to YPC, NMOCD, and cleaned up without delay.

## Closure Plan

Drilling with Closed Loop System, haul off bins will be taken to Gandy Marley, Lea Land Farm, CRI or Sundance Services Inc.

DISTRICT I  
1625 N. French Dr., Hobbs, NM 88240  
Phone (575) 393-6161 Fax: (575) 393-0748

DISTRICT II  
1301 W. Grand Avenue, Artesia, NM 88210  
Phone (575) 748-1283 Fax: (575) 748-9720

DISTRICT III  
1000 Rio Brazos Rd., Aztec, NM 87410  
Phone (505) 334-6176 Fax: (505) 334-6170

DISTRICT IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505  
Phone (505) 476-3460 Fax: (505) 476-3482

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-102  
Revised August 1, 2011

Submit one copy to appropriate  
District Office

RECEIVED  
JUN 19 2012

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.  
Santa Fe, New Mexico 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

AMENDED REPORT

API Number <b>30-025-40630</b>	Pool Code <b>5535</b>	Pool Name <b>Berry &amp; Wildcat/2nd Bone Spring Sand North</b>
Property Code <b>17549</b>	Property Name <b>BERRY APN STATE</b>	Well Number <b>3H</b>
GRID No. <b>025575</b>	Operator Name <b>YATES PETROLEUM CORP.</b>	Elevation <b>3714'</b>

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
<b>Lot 15</b>	<b>5</b>	<b>21 S</b>	<b>34 E</b>		<b>2500</b>	<b>SOUTH</b>	<b>1980</b>	<b>EAST</b>	<b>EDDY</b>

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
<b>LOT 2</b>	<b>5</b>	<b>21 S</b>	<b>34 E</b>		<b>330</b>	<b>NORTH</b>	<b>1980</b>	<b>EAST</b>	<b>EDDY</b>

Dedicated Acres <b>159.11</b>	Joint or Infill	Consolidation Code	Order No.
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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

**PROPOSED BOTTOM HOLE LOCATION**  
 Lot - N 32°31'17.18"  
 Long - W 103°30'25.33"  
 NMSPCE- N 554417.388  
 E 796023.312  
 (NAD-83)

Production Zone  
Project Area  
Penetration Point  
2971' FSL & 1984' FEL

**SURFACE LOCATION**  
 Lot - N 32°30'27.04"  
 Long - W 103°29'23.68"  
 NMSPCE- N 549391.857  
 E 801342.026  
 (NAD-83)

**OPERATOR CERTIFICATION**

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

*[Signature]* 6/18/12  
 Signature Date

Travis Hahn  
 Printed Name  
 thahn@yatespetroleum.com  
 Email Address

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**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.

Date Surveyed *[Signature]*  
 Signature & Seal of Professional Surveyor

**NEW MEXICO**  
 PROFESSIONAL SURVEYORS  
 No. 6049  
 Travis L. Jones

Certificate No. *[Signature]* L. Jones 7977

BASIN SURVEYS 26616

JUN 12 2013

Survey/Planning Report									
Operator	Yates Petroleum Corp.			Northing		Date	13-Jun-12		
Dir. Co.	Yates Petroleum Corp.			Easting		System	2 - St. Plane		
Well Name	Berry APN St. 3H Survey			Elevation		Datum	1983 - NAD83		
Location	Sec. 5, 21S-34E			Latitude		Zone	4302 - Utah Central		
Rig				Longitude		Scale Fac.			
Job				Units	Feet	Converg.			
MD	INC	AZI	TVD	+NS-	-E/W-	VS@359.51°	BR	TR	DLS
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1845.00	0.00	360.00	1845.00	0.00	0.00	0.00	0.00	0.00	0.00
1845 RUSTLER 1845									
1975.00	0.00	360.00	1975.00	0.00	0.00	0.00	0.00	0.00	0.00
1975 TOS 1975									
3566.00	0.00	360.00	3566.00	0.00	0.00	0.00	0.00	0.00	0.00
3566 BOS 3566									
3567.00	0.00	360.00	3567.00	0.00	0.00	0.00	-0.01	-0.01	0.01
3567 TANSILL 3567									
3748.00	0.00	360.00	3748.00	0.00	0.00	0.00	0.00	0.00	0.00
3748 YATES 3748									
4149.00	0.00	360.00	4149.00	0.00	0.00	0.00	0.00	0.00	0.00
4149 CAPITAN 4149									
5832.00	0.00	360.00	5832.00	0.01	0.00	0.01	0.00	0.00	0.00
5832 CHERRY CANYON 5832									
6914.00	0.00	360.00	6914.00	0.01	0.00	0.01	0.00	0.00	0.00
6914 BRUSHY CANYON 6914									
8624.00	0.00	360.00	8624.00	0.01	0.00	0.01	0.00	0.00	0.00
8624 BONE SPRINGS LM 8624									
8824.00	0.00	360.00	8824.00	0.01	0.00	0.01	0.00	0.00	0.00
8824 AVALON SAND 8824									
9114.00	0.00	360.00	9114.00	0.01	0.00	0.01	0.00	0.00	0.00
9114 MIDDLE AVALON 9114									
9364.00	0.00	360.00	9364.00	0.01	0.00	0.01	0.00	0.00	0.00
9364 LOWER AVALON 9364									
9804.00	0.00	360.00	9804.00	0.01	0.00	0.01	0.00	0.00	0.00
9804 FBSC 9804									
10333.21	0.00	359.51	10333.21	0.01	0.00	0.01	0.00	0.00	0.00
10333.21 KOP 10333									
10400.00	8.01	359.51	10399.78	4.67	-0.04	4.67	12.00	0.00	12.00
10500.00	20.02	359.51	10496.63	28.85	-0.25	28.85	12.00	0.00	12.00
10600.00	32.02	359.51	10586.33	72.63	-0.63	72.63	12.00	0.00	12.00
10603.15	32.39	359.51	10589.00	74.30	-0.64	74.31	12.00	0.00	12.00
10603.15 SBSC 10603 MD (10589 TVD)									
10700.00	44.02	359.51	10664.97	134.10	-1.16	134.10	12.00	0.00	12.00
10800.00	56.02	359.51	10729.11	210.58	-1.82	210.58	12.00	0.00	12.00
10900.00	68.02	359.51	10775.95	298.72	-2.58	298.73	12.00	0.00	12.00
11076.63	89.21	359.51	10810.63	470.87	-4.06	470.89	12.00	0.00	12.00
11076.63 TARGET SBSC 11077 MD (10811 TVD)									
15672.85	89.21	359.51	10874.01	5066.49	-43.68	5066.68	0.00	0.00	0.00
15672.85 LATERAL TD 15673 MD (10874 TVD)									

