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

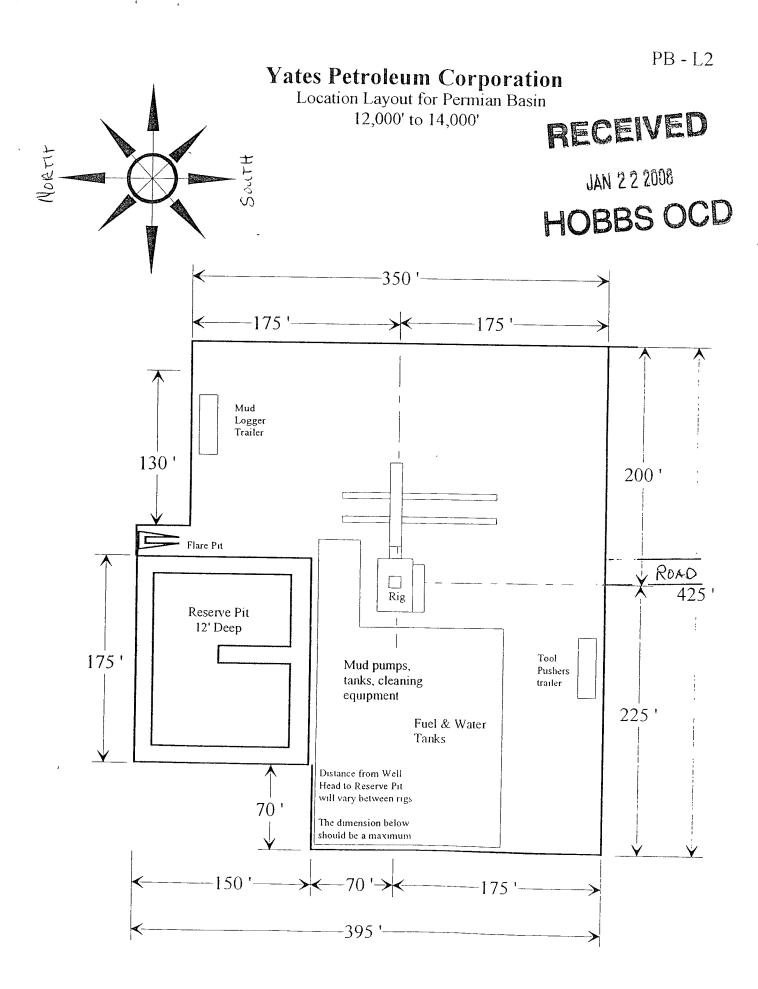
March 12, 2004

Oil Conservation Division 1220 South St. Francis Dr. Santa Fe, NM 87505 For drilling and production facilities, submit to appropriate NMO CD 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 of below-grade tank) Telephone: 505-748-4347 e-mail address: cliff@ypcnm.com Operator: Yates Petroleum Corporation 105 South Fourth Street, Artesia, New Mexico 88210 Address: 105 South Fourth Street, Artesia, New Mexico 88210

Facility or well name: Belco AIA Federal #3-H API #: 3D-D25-38 U/L or Qtr/Qtr J Sec 14 T 20S R 32E County: Lea Latitude N. 32 34'17,16" Longitude W. 103 44' 03.56" NAD: 1927 🗌 1983 🔀 Surface Owner Federal 🖾 State 🗌 Private 🔲 Indian 🗍 Below-grade tank Pit Type: Drilling | Production | Disposal | Volume: bbl Type of fluid: Construction material. Double-walled, with leak detection? Yes

If not, explain why not. Lined Unlined Liner type: Synthetic Thickness 12 mil Clay Volume 28,000 bbl Less than 50 feet (20 points) Depth to ground water (vertical distance from bottom of pit to seasonal high 50 feet or more, but less than 100 feet (10 points) water elevation of ground water.) 100 feet or more XXXX (0 points) XXXX Yes (20 points) Wellhead protection area: (Less than 200 feet from a private domestic NoXXXX (0 points) XXXX water source, or less than 1000 feet from all other water sources.) Less than 200 feet (20 points) Distance to surface water: (horizontal distance to all wetlands, playas, 200 feet or more, but less than 1000 feet (10 points) irrigation canals, ditches, and perennial and ephemeral watercourses) 1000 feet or more XXXX (0 points) XXXX points Ranking Score (Total Points) QO 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 from If offsite, name of facility ____. (3) Attach a general description of remedial action taken including remediation start date and end 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 NMOCD guidelines 🗀, a general permit 🖂, or an (attached) alternative OCD-approved plan 🗀. Date: 8/13/2007 Printed Name/Title Clifton R May, Regulatory Agent Signature Your certification and NMOCD approval of this application/closure does not relieve the operator of liability should the contents of the bit 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: Date. 1/24/08
Printed Name/Title CHAIS WILL MANS / DIST. SURV Signature Miss Williams



SECTION 14, TOWNSHIP 20 SOUTH, RANGE 32 EAST, N.M.P.M., LEA COUNTY, NEW MEXICO. 3526.4" 3526.5 JAN 22 2008 3527.5 3528.1" PROPOSED HOBBS OCD PITS 35283 3528.1" PROPOSED PAD 3528 T YATES PETROLEUM CORP. BELCO ALA FEDERAL #3H Rlev. - 3529" Lat.: N 32'34'17.16" Long.: W 103'44'03.56" SPC- N.: 572113.040 E.: 725876.344 (NAD-83) PROPOSED PAD 3528.8 EXISTING PAL 3520 A 3529.2 EXISTING LEASE ROAD 100 100 200 FEET SCALE: 1" = 100' Directions to Location: YATES PETROLEUM CORP. FROM THE JUNCTION OF U.S. HWY 62-180 AND CO. RD. 55 (LAGUNA), GO NORTH ON CO. RD. 55 FOR APPROX. 0.5 MILES TO LEASE ROAD, ON LEASE BELCO AIA FEDERAL #3H / WELL PAD TOPO REF: ROAD GO WEST APPROX 1.0 MILES TO LEASE ROAD, ON LEASE ROAD GO NORTH APPROX 0.6 MILES TO THE BELCO AIA FEDERAL #3H LOCATED 1980' PROPOSED LOCATION. FROM THE SOUTH LINE AND 1830' FROM THE EAST LINE OF BASIN SURVEYS P.O. BOX 1786-HOBBS, NEW MEXICO SECTION 14, TOWNSHIP 20 SOUTH, RANGE 32 EAST,

W.O. Number: 18406

08-06-2007

Drawn By:

Disk: 18406W

J. M. SMALL

Survey Date:

N.M.P.M., LEA COUNTY, NEW MEXICO.

Sheet

of

Sheets

08-06-2007