

District I
3625 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

Form C-144
June 1, 2004

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

For drilling and production facilities, submit to appropriate NMOCD 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 X 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 575-748-4500 e-mail address mikes@ypcnm.com
Address 105 South 4th Street, Artesia N.M. 88210
Facility or well name Belco AIA Federal #4H API # 30-025-38818 U/L or Qtr/Qtr M Sec 14 T 20S R 32E
County Eddy Latitude 32.56674 Longitude 103.74118 NAD 1927 ☒ 1983 ☐
Surface Owner: Federal ☒ State ☐ Private ☐ Indian ☐

Pit	Below-grade tank	
Type Drilling <input checked="" type="checkbox"/> Production <input type="checkbox"/> Disposal <input type="checkbox"/> Work over <input type="checkbox"/> Emergency <input type="checkbox"/> Lined <input checked="" type="checkbox"/> Unlined <input type="checkbox"/> Liner type Synthetic <input checked="" type="checkbox"/> Thickness <u>12</u> mil Clay <input type="checkbox"/> Pit Volume <u>28,000</u> bbl	Volume _____ bbl Type of fluid _____ Construction material _____ Double-walled, with leak detection? Yes <input type="checkbox"/> 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) xxxx
	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) xxxx
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) xxxx
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. (check the onsite box if you are burying in place) 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

Additional Comments: The Belco AIA Federal #4H was drilled to TD using a fresh water mud system The well was TD at a depth of 7698' At TD the mud weight was 9lb The drilling pit material will be mixed with earthen material to stiffen the pit contents, as necessary. The 12 mil Primary liner will be folded over the stiffened mud and cuttings The drilling pit area will then be backfilled to grade using a minimum of 3 feet of clean soil or like material that is capable of supporting native plant growth

A one call and a 48 hour notice will be provided to NMOCD

(C144 Previously submitted 4/15/08 Approved 4/28/08 - C144 submitted with an alternative method of pit closure)

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 X, or an (attached) alternative OCD-approved plan ☐.

Date: 5/20/2008

Printed Name/Title Mike Stubblefield/Environmental Regulatory Agent

Signature Mike Stubblefield

Your certification and NMOCD 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 CHRIS WILLIAMS/DIST. SAPI.

Signature

Chris Williams

Date

6/04/08

mailed to ocd 5/20/08
mailed with requests 6/2/08 TR



Yates Petroleum - Belco "AIA" Fed #4H (Unit M) 14-20S-32E Lea Co., NM

Rotate to 7652'. MWD survey. Rotate to 7684'. MWD surveys:

MD	INC	AZIMUTH
7267'	89.34	84.74
7330'	90.04	85.21
7393'	90.08	85.35
7475'	90.92	85.37
7519'	91.00	85.47
7551'	89.96	84.95
7582'	90.13	85.05

DC \$31,486; CC \$1,962,169.83

5-17-08

TD 7688' sandstone. Reaming. Made 0'. MW 9, Vis 41, WL 11, Cl 9500, PV 8, YP 16, FC 1/32, Calcium 300, Solids 5%, Gels 5/9, pH 10, Oil 9%. BGG 20, Max 50, CG 60, Max CG 60. WOB 20, RPM 55, SPM 100, PP 1875#. Try to get survey. Batteries out on MWD. Pumped slider pill to reduce torque - 8 rounds. Rotate to 7688'. Check torque - 6-1/2 rounds. MWD pulse weak. Lost 227# over last 24 hours, 127# in .25 hours. Pumped soft line - 3 small hits. Chain out of hole looking for hole in drill string. Lay down motor and chagne out MWD tool. Picked up new bit and test MWD. Stage in hole checking every 10 stands for hole - SLM. Strap into sidetrack hole. Check with MWD. Finished staging in hole - SLM. Reamed undergauge hole. DC \$44,232.98; CC \$2,006,402.81

5-18-08

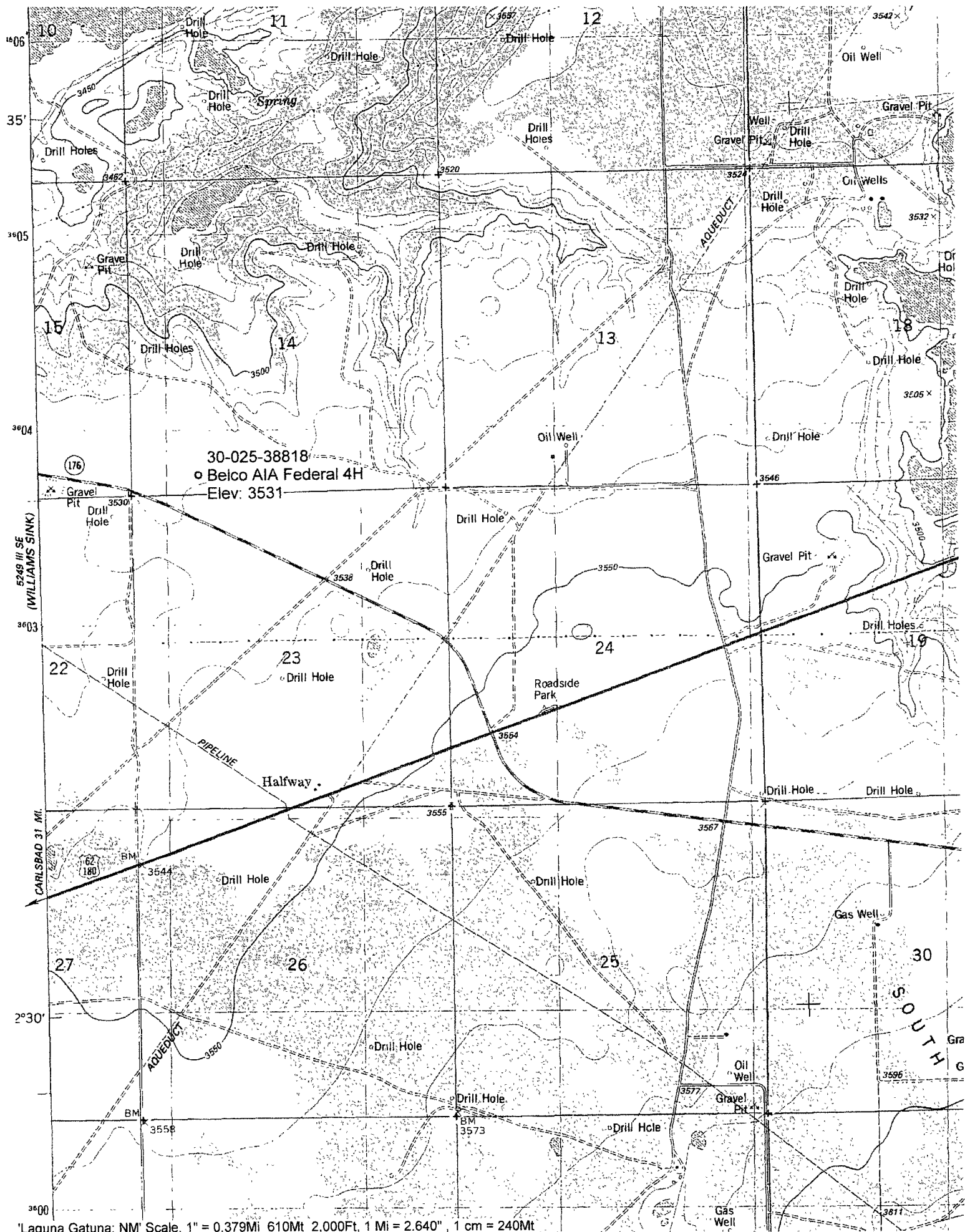
TD 7698' sand and dolomite. TIH. Made 10' in 2.25 hours, 4.4'/hr. MW 9, Vis 44, WL 10, Cl 9000, PV 9, YP 18, FC 1/32, Calcium 300, Solids 4.9%, gels 5/9, pH 10.5, Oil 8.5%. BGG 15, Max 25. WOB 20, RPM 55, SPM 100, PP 1600#. TIH with MWD slick. Washed 70' to bottom. Rigged up fluid caliper. Rotate to 7698'. TD 6-1/8" hole at 10:00 AM MST 5-17-08. MWD Survey. Circulated high vis sweep and spot 80 bbls slider pill on bottom. TOOH - SLM. Repaired master chain to drawwork. TOOH. Picked up kelly and run Gamma Log from 3408-3458'. Finished standing back drill pipe (total 44 stands). Rigged up lay down machine. Rigged up casers and run 82 joints 4-1/2" 11.6# HPC-110 (3516.42') casing, set at 7698'. Linder tip back sleeve top at 4210.9'. Float collar set at 7648.7'. Float shoe set at 7693.6'. Crossover set at 7698'. Ran centralizers every joint from 7522-4210'. Igged down casing crew and lay down hole. Rabbited 24 stands drill pipe in hole to 5799'. Top of fish in original hole 5761'. MWD survey:

MD	INC	AZIMUTH
7652'	88.55	83.95

DC \$108,475; CC \$2,114,877.81

5-19-08

TD 7698' Belco sand. Rigged down lay down machine.



'Laguna Gatuna; NM' Scale. 1" = 0.379Mi 610Mt 2,000Ft, 1 Mi = 2.640" , 1 cm = 240Mt



WELL REPORT

BELCO AIA FEDERAL #4
30-025-38818

1) Well Location				
County	Physical Address	City 30 mi E of	State	Zip
LEA	US-180 & SR-176	Carlsbad	NM	88260
2) GPS Coordinates				
Latitude		Longitude		
37.571284		103.734416		
3) Proposed Use of Well (Check One)				
<input checked="" type="checkbox"/> Monitor Well		<input type="checkbox"/> Soil Boring		<input type="checkbox"/> Other
4) Drilling Dates				
Start Date		Completion Date		
9-17-07		9-17-07		
5) Diameter of Hole				
Diameter (Inches)	From (Feet)	To (Feet)		
5-5/8"	0	76		
6) Drilling Method (Check One)				
<input checked="" type="checkbox"/> Air Rotary		<input type="checkbox"/> Mud Rotary		<input type="checkbox"/> H.S.A.
				<input type="checkbox"/> Other
7) Monitor Well / Soil Boring Number				
MW # 1		SB #		
8) Well/Boring Soil Description				
From (Feet)	To (Feet)	Description and color of formation material		
0	2	Surface Soil		
3	20	Caliche & gravel		
20	40	Gravel & sand		
40	60	Sand & sandstone		
60	76	Silty clay		
9) Borehole Completion (Sanding information)				
Gravel From	Gravel To (Feet)	Sand Size	Bags Used	
70	4	8/16	14	
10) Borehole Completion (Sanding information)				
Screen From	Screen To (Feet)	Material	Diameter	Screen Slot Size
70	5	PVC	2"	0.010"
Casing From	Casing To (Feet)	Material	Diameter	Casing Schedule
5	0	PVC	2"	40
11) Cementing Data				
	Cement From	Cement To	Number of Sacks Used	
Surface Seal	0 ft.	N/A	ft.	
Seal to Bent.	1 ft.	0	ft.	
12) Water Level				
ft below ground surface				
13) Water Quality				
Did the water contain fuel (PSH)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
14) # Drums		15) Job #		16) Driller
0		YATES RECO-AIA-FED-#2		GABE PERGZ
17) Owner Information				
YATES				



AMARILLO
921 North Bivins
Amarillo, Texas 79107
Phone 806.467.0607
Fax 806.467.0622

September 21, 2007

AUSTIN
3003 Tom Gary Cove
Building C-100
Round Rock, Texas 78664
Phone 512.989.3428
Fax 512.989.3487

Mr. Larry Johnson
New Mexico Oil Conservation Division
1625 N. French Drive
Hobbs, New Mexico 88240
505-393-6161

Dear Mr. Johnson:

MIDLAND
#9 East Industrial Loop
Midland, Texas 79701
Phone 432.522.2133
Fax 432.522.2180

NEW BRAUNFELS
707 N. Walnut Ave.
Suite 208
New Braunfels, Texas 79130
Phone 210.579.0235
Fax 210.568.2191

On September 17, 2007 Talon/LPE drilled to 76 feet and set a temporary monitoring well at the YATES BELCO AIA FED. #1 in Lea county New Mexico. The site is at GPS coordinates 37.571284N 103.734416 W in Section 14 Township 20S Range 32E. The reason for this well was to obtain information to change the site ranking from a ranking of 20 to a ranking of 10. The well was tested by Eb Taylor with a water level indicator on September 20, 2007 74 hours after completion and was found to have no water at this depth. I have enclosed a boring log with this letter completed by Talon/LPE driller Gabe Perez. Upon review of this YATES PETROLEUM is asking that the site ranking be changed from a ranking of 20 to a ranking of 10. If you have any questions please feel free to call me at any time.

Respectfully Submitted,

TULSA
9906 East 43rd Street, Ste. G
Tulsa, OK 74146
Phone 918.742.0871
Fax 918.742.0876

Eb Taylor
Talon/LPE Hobbs Office Manager

HOBBS
318 East Taylor Street
Hobbs, New Mexico 88241
Phone 505.393.4261
Fax 505.393.4658

ENVIRONMENTAL CONSULTING
ENGINEERING
DRILLING