

District I  
1625 N. French Dr., Hobbs, NM 88240  
District II  
1321 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  
June 1, 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 505-748-4500 e-mail address mikes@ypcnm.com

Address 105 South 4th Street, Artesia, NM 88210

Facility or well name Mescalero ARL State #3 API # 30-025-38590 U/I or O/I/O N Sec 2 T 10S R 32E

County Lea Latitude 33.46973 Longitude 103.64441 NAD 1977 ☒ 1983 ☐

Surface Owner: Federal ☐ State ☒ Private ☐ Indian ☐

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|                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                           |                                                                                                                                                                                                                          |  |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|
| <b>Pit</b><br>Type: Drilling <input checked="" type="checkbox"/> Production <input type="checkbox"/> Disposal <input type="checkbox"/><br>Work over <input type="checkbox"/> Emergency <input type="checkbox"/><br>Lined <input checked="" type="checkbox"/> Unlined <input type="checkbox"/><br>Liner type: Synthetic <input checked="" type="checkbox"/> Thickness <u>12</u> mil Clay <input type="checkbox"/><br>Pit Volume <u>24000</u> bbl |                                           | <b>Below-grade tank</b><br>Volume <u>    </u> bbl Type of fluid <u>    </u><br>Construction material <u>    </u><br>Double-walled, with leak detection? Yes <input type="checkbox"/> If not, explain why not <u>    </u> |  |
| 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 potential non-point sources of 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 (select the one that is your disposal site): on-site ☒ off-site ☐ If off-site, name(s) 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 location of sample (include grid coordinates)

Additional Comments: Closure work plan for drilling pit. The drilling pit contents will be moved to surface. A encapsulation trench will be excavated and lined with 2 mil synthetic liner on former drilling pit site. Drilling pit contents will then be emplaced into the encapsulation trench. A 20 mil synthetic liner will then be placed over the pit contents with a minimum of a 3" overlap of the underlying trench areas. The encapsulation trench will then be backfilled to grade using a minimum of 3" of clean soil and lime material. 48 hour notice will be provided to the Oil Conservation Division before pit closure actions begin.

Pit Closure action to begin by NA Ending date NA

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/is to be constructed or closed according to NMOC District guidelines ☐ as a general permit ☒ or an (attached) alternative OCD-approved plan ☐.

Date 03/25/2008

Printed Name/Title Mike Surpalefield / Environmental Regulatory Agent

Signature [Signature]

Your certification and NMOC District 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

Signature [Signature] ENVIRONMENTAL ENGINEER

Date 3/26/08

PIT CLOSURE FINAL  
DATE 6/2/2008

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