

District I  
625 N French Dr Hobbs, NM 88240  
District II  
1301 W Grand Avenue, Artesia, NM 88201  
District III  
1000 Rio Brazos Road  
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

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AUG 21 2008  
HOBBS OGD

Pit or Below-Grade Tank Registration or Closure

Is this 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 <u>Yates Petroleum Corporation</u> Telephone <u>505-748-4500</u> e-mail address <u>mikes@vpcnm.com</u>		
Address <u>105 South 4<sup>th</sup> Street</u> Artesia, NM 88210		
Facility or well name <u>Merle State Unit #18</u> API # <u>30-025-38821</u> U/I, or Qtr/Qtr <u>E</u> Sec <u>23</u> T <u>10S</u> R <u>34E</u>		
County <u>Lea</u> Latitude <u>33 43588</u> Longitude <u>103 43968</u> NAD 1927 <input checked="" type="checkbox"/> 1983 <input type="checkbox"/>		
Surface Owner Federal <input type="checkbox"/> State <input checked="" type="checkbox"/> Private <input type="checkbox"/> Indian <input type="checkbox"/>		
<b>Pit</b> 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>24000</u> bbl	<b>Below-grade tank</b> 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 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 Registration for encapsulation trench The drilling pit contents will be mixed to stiffen the pit contents. A encapsulation trench will be excavated and lined with a 12 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' over lap of the underlying trench areas. The encapsulation trench will then be backfilled to grade using a minimum of 3' of clean soil and like material. A one call and 48 hour notice will be provided to the Oil Conservation Division before pit closure actions begin.

Pit Closure actions to begin by NA Ending date NA

(Attached monitor well data)

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 04/30/2008

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

Signature Chris Williams

Date 7/2/08

PIT CLOSURE FINAL

DATE 8/12/2008