



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

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Director

Oil Conservation Division

Guadalupe Operating Co
1407 Cuthbert Ave.
Midland, TX 79701

September 13, 2005

Reference: Yates Federal 009 O-6-20s-27e 30-015-01027 Eddy County, New Mexico

Operator,

An inspection of this well site on 9/9/2005 indicates site has had another release of produced fluids since remediation work was performed earlier this year. An inspection on 7/22/05 indicated a roustabout crew to be on location replacing flow lines. It was also noticed during this inspection that the fiberglass water tank at the tank battery has a small leak on the East side approximately 1 foot up from ground level.

At this time, the NMOCD is requesting a remediation action work plan be submitted for clean up of this site. Work plan is to include site ranking per OCD guidelines, estimated volume of fluids released, along with plans for delineation of extent and type of contaminants. Please have this work plan submitted for review no later than October 4, 2005.

Water tank at tank battery is to be repaired as soon as possible but no later than October 4, 2005.

Prior to closure of this incident, confirmation samples will be required. Also, repairs must be made or actions taken to lessen possibility of future releases at this site.

NMOCD District 2 office requires 24 hour notice prior to commencement of any remediation activities and 24 hour notice prior to obtaining samples where analysis of such samples are to be presented to the OCD.

If I can be of assistance in this matter, my contact information is listed below.

Sincerely,

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