



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

Yates Petroleum Corporation
105 S. 4th Street
Artesia, NM 88210
ATTN: Environmental Department

February 27, 2006

Reference: Yates Federal Tank Battery B-25-18s-25e

OCD Reference: Yates Federal 003 E-25-18s-25e API: 30-015-22116

Operator,

The New Mexico Oil Conservation Division District II (OCD) is in receipt of a Delineation Report dated December 15, 2005. It was prepared and presented to the OCD by your contractor/representative, Safety and Environmental Solutions Inc. The report includes laboratory analysis of samples obtained at various points in and around the tank battery area utilizing borehole-sampling techniques. The report proposes to leave remaining contaminants in place, backfilling the existing excavation, and take no further action at this site.

An OCD inspector on 2/23/06 made a physical inspection of the site. Visible contamination remains in the battery area where vessels have been removed. The below grade fiberglass tank at this site has not been removed or excavated. This type of tank has proven to be a major source of contamination at other sites. The OCD requests that the visible contamination be removed to meet the Recommended Remediation Action Levels (RRAL) for this site, and the below grade fiberglass tank be excavated to confirm tank integrity.

Due to the elevated contaminant levels that remain at this site and the fact that the site is situated less than 200' from a watercourse, the proposal to close the site with no further action is denied. Please submit a proposal more appropriate for remediation and closure of this site. Measured distance to the watercourse gives this site a ranking of 20 points per OCD Guidelines.

Please have the new proposal submitted to the OCD District 2 office no later than March 15, 2006.

If I can be of assistance or if you would like to discuss the findings and decisions made regarding this project, please contact me to schedule a meeting.

Sincerely,

Mike Bratcher
NMOCD District 2
1301 W. Grand Ave.
Artesia, NM 88210
(505) 748-1283 Ext. 108
(505) 626-0857
Mike.Bratcher@state.nm.us