



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

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Mark E. Fesmire, P.E.

Director

Oil Conservation Division

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

February 28, 2006

Reference: Big Eddy Unit 079Y J-21-21s-28e API: 30-015-23385

Operator,

The New Mexico Oil Conservation Division District 2 office (OCD) is in receipt of a document titled "Yates Petroleum Company Big Eddy Unit 79Y & 109Y Delineation Report/Work Plan"(report). The report was formulated by your contractor/representative, Safety and Environmental Solutions, Inc. The report is dated December 9, 2005 and includes sample analysis, site ranking and closure proposal for an ongoing remediation project at the above referenced well site.

The report indicates estimated depth to groundwater to be 60' and gives the site a ranking of 20 points per OCD Guidelines. The report indicates vertical and horizontal extent of contamination has not been determined. Sample analysis taken at this time, show TPH levels present at 9' below ground surface (bgs) to be as high as 23,300 mg/kg (North Wall Area A) and chloride levels present as high as 8,960 mg/kg (East Wall Area A-depth sample obtained is not listed).

The report proposes to backfill the excavations currently open at the site and utilize soil borings to properly delineate contamination. The report requests that "cosmetic cleanup be performed on the surface and the results of the delineation be documented. Any contamination left in place will be addressed at a time when the battery is no longer active."

The proposal to leave contaminated materials in place until battery is no longer active is denied. Please submit an alternate remediation plan to adequately address the contamination present at this site. Please submit this plan to the OCD 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

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