

MARTIN YATES, III
1912-1985

FRANK W. YATES
1936-1986

S.P. YATES
1914-2008



105 SOUTH FOURTH STREET
ARTESIA, NEW MEXICO 88210-2118

TELEPHONE (575) 748-1471

www.yatespetroleum.com

JOHN A. YATES
CHAIRMAN EMERITUS

JOHN A. YATES JR.
CHAIRMAN OF THE BOARD

DOUGLAS E. BROOKS
PRESIDENT
CHIEF EXECUTIVE OFFICER

JOHN D. PERINI
EXECUTIVE VICE PRESIDENT
CHIEF FINANCIAL OFFICER

JAMES S. BROWN
CHIEF OPERATING OFFICER

June 30, 2015

Mr. Mike Bratcher
NMOCD District II
1301 West Grand
Artesia, NM 88210

Re: State CO SWD System (at the Foster FF #2 Battery)
2RP-2479
30-015-21705
Section 1, T20S-R24E
Eddy County, New Mexico

Dear Mr. Bratcher:

Yates Petroleum Corporation is submitting the enclosed work plan for the above captioned well. The plan is being submitted in response to the C-141 report dated 9/8/2014.

If there are no objections with the scope of work described in the plan, Yates will have a contractor begin work on or after July 8, 2015.

If you have any questions call me at (575) 748-4217

Thank you.

YATES PETROLEUM CORPORATION

Robert Asher
NM Environmental Regulatory Supervisor

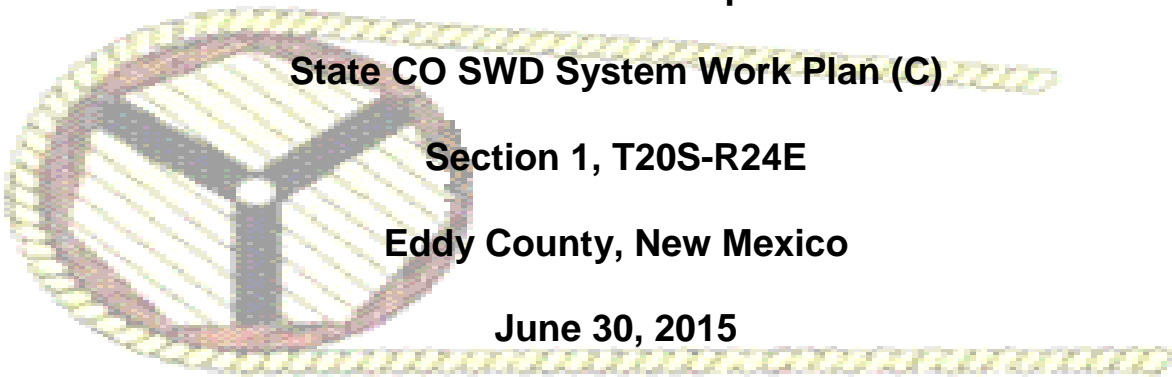
Yates Petroleum Corporation

State CO SWD System Work Plan (C)

Section 1, T20S-R24E

Eddy County, New Mexico

June 30, 2015



State CO SWD System Work Plan (C)

I. Location

The well is located approximately 25 miles south of Artesia, NM. Highway 285 (17 miles south), Rock Daisy Road (approximately 8 miles west) and 0.25 miles east off of Sawbuck Road, as represented by the attached Foster Ranch, NM, USGS Quadrangle Map.

II. Background

On August 25, 2014, Yates submitted to the NMOCD District II office a Form C-141 for a release of approximately 400 B/PW with 200 B/PW recovered. The total affected area is approximately 500 feet by 1500 feet area (off of the east side of the battery). The release was from a 12" main line at a series of three tie horns. The impacted area from the oil skim is being excavated and hauled to an NMOCD approved facility. Initial delineation samples were taken (9/4/2014) and sent to an NMOCD approved laboratory (9/12/2014, results enclosed). After the impacted soils were excavated, the NMOCD requested further delineation sampling that was conducted on May 27, 2015.

III. Surface and Ground Water

Area surface geology ranges from Cenozoic to Paleozoic. The groundwater of record is listed on the ChevronTexaco Trend and shows depth to groundwater approximately 175 feet making the site ranking for this site a zero (0). Watercourses in the area are dry except for infrequent flows in response to major precipitation events.

The ranking for this site is zero (0) based on the as following:

Depth to ground water	>100'
Wellhead Protection Area	> 1000'
Distance to surface water body	> 1000'

IV. Soils

The area consists of soils that are of a loamy top soil and are interspersed with clay seams providing a low permeability barrier to retard vertical percolation of contaminants into the subsurface (approximately twenty (20) feet below the surface based on attached analyticals).

V. Scope of Work

Based on the 5/27/2015 analytical results, (see attached diagrams), Yates Petroleum Corporation will excavate one (1) foot of impacted soils within release area A#1 & B#1, those soils will be taken to an approved NMOCD facility and no further actions taken based on the June 16, 2015 on-site meeting with NMOCD and YPC. A five (5) foot perimeter will be excavated from sample points A#2, A#3, B#3, C#2, C#3, D#2, D#3, E#2, F#2 & G#2 at a depth of two (2) feet, those soils will be taken to an approved NMOCD facility. Sidewall samples will then be obtained and field titrator test strips for Chlorides will be used to determine chloride levels, if test strips record chlorides below 4000ppm (indicating a decreasing trend in chlorides based on the 5/27/2015 analytical results), no further excavating will be conducted. If chlorides are above 4000ppm, further impacted perimeter soils will be removed until test strips show chlorides below 4000ppm (indicating a decreasing trend in chlorides based on the 5/27/2015 analytical results). Based on the 5/27/2015 analytical results, no further analytical testing of TPH, BTEX and chlorides will be conducted outside the excavation. Yates will then backfill the excavated areas (A#1 & B#1, A#2, A#3, B#3, C#2, C#3, D#2, D#3, E#2, F#2 & G#2) with clean, like topsoil's to grade and contour. When work is completed a C-141, Final Report, will be submitted to the NMOCD and request closure of the site. The area will be reseeded per the surface owners recommended seed mixture.