

Bratcher, Mike, EMNRD

From: Bratcher, Mike, EMNRD
Sent: Tuesday, April 12, 2011 9:36 AM
To: 'Bob Asher'; Dade, Randy, EMNRD
Cc: Jerry Fanning
Subject: RE: Dagger Draw Water System Release

Bob,

This may be one of those sites that looks much worse than the data shows. That has been the case on a site or two in the past, and, with the release being "Dagger Draw" water, the chloride levels are not a surprise. However, when I visited the site last Friday, there were several areas where there remains small puddles of oil (still fluid) along with the rather large area that is heavily coated in oil and produced fluids residues.

Any agreement between Yates and the Reedy Family is just that, and would not affect any OCD regulatory requirements. OCD will require some type remediation at this site regardless of any agreement with the surface owner. I understand the preliminary sample analyses have come back below RRAL, but to use composite sampling method on an area this large will not produce a true representation of existing contamination.

If you have any questions or concerns, or would like to schedule an onsite or in office meeting to discuss options, please contact me. Otherwise I will look for the requested 4/21 proposal.

Thanks,

Mike Bratcher

NMOCD DISTRICT 2
1301 W. GRAND AVE.
ARTESIA, NM 88210
575-748-1283 EXT.108
mike.bratcher@state.nm.us

From: Bob Asher [mailto:BobA@yatespetroleum.com]
Sent: Monday, April 11, 2011 4:43 PM
To: Bratcher, Mike, EMNRD; Dade, Randy, EMNRD
Cc: Jerry Fanning
Subject: RE: Dagger Draw Water System Release

Mike,

I had been in contact with a Mrs. Virginia Reedy on February 16, 2011. At that time I informed her that Yates was willing to pay her surface damages or Yates would remediate the surface and monitor the process for a period of two years (I informed her that I would submit a work with the NMOCD for remediation). She mentioned that her family was thinking of selling the property and she would discuss these options with them, I have not gotten a response back from her. I will call her again and inform her that Yates does have a deadline with the NMOCD of 4/21/2011.

I have sampled (enclosed, with chlorides for documentation), based on the results with a site ranking of ten (10); results are below the RRAL's and should not pose a threat to human health, wildlife or groundwater, but if the Reedy's do not want a surface damage payment, Yates will remediated the release area.

Please contact me if you have any further questions.

Thank you.

Robert Asher
Yates Petroleum Corporation
Office: (575) 748-4217
Cell: (575) 365-4021
Fax: (575) 748-4662
boba@yatespetroleum.com

-----Original Message-----

From: Bratcher, Mike, EMNRD [mailto:mike.bratcher@state.nm.us]
Sent: Monday, April 11, 2011 11:49 AM
To: Bob Asher; Jerry Fanning
Cc: Dade, Randy, EMNRD
Subject: Dagger Draw Water System Release

Reference: Yates Petroleum * Dagger Draw Water System * A-11-19s-25e * 32.67963 x 104.44838 * Eddy County, New Mexico

OCD Tracking: Yates Petroleum * Arrow ARW Fed Com 1 * 30-015-28898 * J-11-19s-25e * **2RP-576**

Mr. Asher,

On March 2, 2011, a complaint was filed with OCD by persons representing to be surface owners of the property where the above referenced release occurred. Due to the surface owners having reported the release in the wrong Section, and, oversight on my part in not realizing the magnitude of the release when it was first reported by Yates, I have not requested action on this site in as timely a manner as it deserves. I did visit the site this past Friday, April 8, 2011. Although the site has been fenced, there was no evidence of Yates having taken any remedial action at this site. We are now over 90 days out from the date of release.

The Initial Report Form C-141 was processed 3/21/2011. I typically request a remediation proposal be submitted within 30 days of OCD's processing of the Form (even where the forms aren't processed by OCD in a timely manner). Per the approved C-141, a remediation proposal is due 4/21/2011.

Ground water data obtained from the State Engineer data base does indicate ground water may encountered at less than 100' at the site. There does not appear to be any water wells in section 11, however there are two

listed in section 2, north of the release site. One is permitted as stock watering with the other listed as domestic. East of the site, there are numerous domestic wells situated in 5-19s-26e (Havenhill Road area). Ground water movement is believed to trend Easterly beneath the release site, towards the wells in the Havenhill area. (Geology and Ground- Water Resources of Eddy County, New Mexico by G.E. Hendrickson and R.S. Jones – Ground Water Report 3, New Mexico Bureau of Mines & Mineral Resources). While the likelihood of contaminants from this site being a threat, at this time, to existing surrounding water source wells, data would indicate there could be some potential threat in the future if the release is not addressed. The greater potential for ground water impact would be to any as yet, untapped water directly underlying the release site. The surface owner has also indicated they may be in negotiation to sell the property and are concerned this incident may de-value the property or jeopardize the sale. While OCD cannot be solely concerned with this issue, OCD is concerned with the potential threat to ground water and imminent threat to the environment posed by this release.

Please provide any analytical data that may have been obtained from the site or schedule, as soon as possible, to commence the delineation process, or, advise as to Yates' plan for remedial operations at this site.

Thank you,

Mike Bratcher

NMOCD DISTRICT 2
1301 W. GRAND AVE.
ARTESIA, NM 88210
575-748-1283 EXT.108
mike.bratcher@state.nm.us

Bratcher, Mike, EMNRD

From: Bob Asher [BobA@yatespetroleum.com]
Sent: Monday, April 11, 2011 4:43 PM
To: Bratcher, Mike, EMNRD; Dade, Randy, EMNRD
Cc: Jerry Fanning
Subject: RE: Dagger Draw Water System Release
Attachments: MX-5500N_20110411_144655.pdf; MX-5500N_20110411_144719.pdf

Mike,

I had been in contact with a Mrs. Virginia Reedy on February 16, 2011. At that time I informed her that Yates was willing to pay her surface damages or Yates would remediate the surface and monitor the process for a period of two years (I informed her that I would submit a work with the NMOCD for remediation). She mentioned that her family was thinking of selling the property and she would discuss these options with them, I have not gotten a response back from her. I will call her again and inform her that Yates does have a deadline with the NMOCD of 4/21/2011.

I have sampled (enclosed, with chlorides for documentation), based on the results with a site ranking of ten (10), results are below the RRAL's and should not pose a threat to human health, wildlife or groundwater, but if the Reedy's do not want a surface damage payment, Yates will remediate the release area.

Please contact me if you have any further questions.

Thank you.

Robert Asher
Yates Petroleum Corporation
Office: (575) 748-4217
Cell: (575) 365-4021
Fax: (575) 748-4662
boba@yatespetroleum.com

-----Original Message-----

From: Bratcher, Mike, EMNRD [<mailto:mike.bratcher@state.nm.us>]
Sent: Monday, April 11, 2011 11:49 AM

To: Bob Asher; Jerry Fanning
Cc: Dade, Randy, EMNRD
Subject: Dagger Draw Water System Release

Reference: Yates Petroleum * Dagger Draw Water System * A-11-19s-25e * 32.67963 x 104.44838 * Eddy County, New Mexico

OCD Tracking: Yates Petroleum * Arrow ARW Fed Com 1 * 30-015-28898 * J-11-19s-25e * **2RP-576**

Mr. Asher,

On March 2, 2011, a complaint was filed with OCD by persons representing to be surface owners of the property where the above referenced release occurred. Due to the surface owners having reported the release in the wrong Section, and, oversight on my part in not realizing the magnitude of the release when it was first reported by Yates, I have not requested action on this site in as timely a manner as it deserves. I did visit the site this past Friday, April 8, 2011. Although the site has been fenced, there was no evidence of Yates having taken any remedial action at this site. We are now over 90 days out from the date of release.

The Initial Report Form C-141 was processed 3/21/2011. I typically request a remediation proposal be submitted within 30 days of OCD's processing of the Form (even where the forms aren't processed by OCD in a timely manner). Per the approved C-141, a remediation proposal is due 4/21/2011.

Ground water data obtained from the State Engineer data base does indicate ground water may encountered at less than 100' at the site. There does not appear to be any water wells in section 11, however there are two listed in section 2, north of the release site. One is permitted as stock watering with the other listed as domestic. East of the site, there are numerous domestic wells situated in 5-19s-26e (Havenhill Road area). Ground water movement is believed to trend Easterly beneath the release site, towards the wells in the Havenhill area. (Geology and Ground- Water Resources of Eddy County, New Mexico by G.E. Hendrickson and R.S. Jones – Ground Water Report 3, New Mexico Bureau of Mines & Mineral Resources). While the likelihood of contaminants from this site being a threat, at this time, to existing surrounding water source wells, data would indicate there could be some potential threat in the future if the release is not addressed. The greater potential for ground water impact would be to any as yet, untapped water directly underlying the release site. The surface owner has also indicated they may be in negotiation to sell the property and are concerned this incident may de-value the property or jeopardize the sale. While OCD cannot be solely concerned with this issue, OCD is concerned with the potential threat to ground water and imminent threat to the environment posed by this release.

Please provide any analytical data that may have been obtained from the site or schedule, as soon as possible, to commence the delineation process, or, advise as to Yates' plan for remedial operations at this site.

Thank you,

Mike Bratcher

NMOCD DISTRICT 2
1301 W. GRAND AVE.
ARTESIA, NM 88210
575-748-1283 EXT.108
mike.bratcher@state.nm.us

Bratcher, Mike, EMNRD

From: Bratcher, Mike, EMNRD
Sent: Monday, April 11, 2011 11:49 AM
To: 'Bob Asher'; Jerry Fanning
Cc: Dade, Randy, EMNRD
Subject: Dagger Draw Water System Release

Reference: Yates Petroleum * Dagger Draw Water System * A-11-19s-25e * 32.67963 x 104.44838 * Eddy County, New Mexico

OCD Tracking: Yates Petroleum * Arrow ARW Fed Com 1 * 30-015-28898 * J-11-19s-25e * **2RP-576**

Mr. Asher,

On March 2, 2011, a complaint was filed with OCD by persons representing to be surface owners of the property where the above referenced release occurred. Due to the surface owners having reported the release in the wrong Section, and, oversight on my part in not realizing the magnitude of the release when it was first reported by Yates, I have not requested action on this site in as timely a manner as it deserves. I did visit the site this past Friday, April 8, 2011. Although the site has been fenced, there was no evidence of Yates having taken any remedial action at this site. We are now over 90 days out from the date of release.

The Initial Report Form C-141 was processed 3/21/2011. I typically request a remediation proposal be submitted within 30 days of OCD's processing of the Form (even where the forms aren't processed by OCD in a timely manner). Per the approved C-141, a remediation proposal is due 4/21/2011.

Ground water data obtained from the State Engineer data base does indicate ground water may encountered at less than 100' at the site. There does not appear to be any water wells in section 11, however there are two listed in section 2, north of the release site. One is permitted as stock watering with the other listed as domestic. East of the site, there are numerous domestic wells situated in 5-19s-26e (Havenhill Road area). Ground water movement is believed to trend Easterly beneath the release site, towards the wells in the Havenhill area. (Geology and Ground- Water Resources of Eddy County, New Mexico by G.E. Hendrickson and R.S. Jones – Ground Water Report 3, New Mexico Bureau of Mines & Mineral Resources). While the likelihood of contaminants from this site being a threat, at this time, to existing surrounding water source wells, data would indicate there could be some potential threat in the future if the release is not addressed. The greater potential for ground water impact would be to any as yet, untapped water directly underlying the release site. The surface owner has also indicated they may be in negotiation to sell the property and are concerned this incident may de-value the property or jeopardize the sale. While OCD cannot be solely concerned with this issue, OCD is concerned with the potential threat to ground water and imminent threat to the environment posed by this release.

Please provide any analytical data that may have been obtained from the site or schedule, as soon as possible, to commence the delineation process, or, advise as to Yates' plan for remedial operations at this site.

Thank you,

Mike Bratcher

NMOCD DISTRICT 2
1301 W. GRAND AVE.
ARTESIA, NM 88210
575-748-1283 EXT.108
mike.bratcher@state.nm.us

Bratcher, Mike, EMNRD

From: Microsoft Outlook
To: Bob Asher; Jerry Fanning
Sent: Monday, April 11, 2011 11:50 AM
Subject: Relayed: Dagger Draw Water System Release

Delivery to these recipients or groups is complete, but no delivery notification was sent by the destination server:

Bob Asher (BobA@yatespetroleum.com)

Jerry Fanning (jerryf@yatespetroleum.com)

Subject: Dagger Draw Water System Release

Bratcher, Mike, EMNRD

From: Microsoft Outlook
To: Dade, Randy, EMNRD
Sent: Monday, April 11, 2011 11:50 AM
Subject: Delivered: Dagger Draw Water System Release

Your message has been delivered to the following recipients:

Dade, Randy, EMNRD (Randy.Dade@state.nm.us)

Subject: Dagger Draw Water System Release