MARTIN YATES, III 1912-1985

FRANK W. YATES



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JOHN A. YATES CHAIRMAN OF THE BOARD

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JOHN A. YATES, JR. SENIOR VICE PRESIDENT

December 21, 2006

Ms. Patricia Caperton NMOCD District I 1625 French Drive Hobbs, NM 88240

Re: Wynona State Unit #1 30-025-37013 Section 20, T12S-R34E Lea County, New Mexico

RP115:

Dear Ms. Caperton:

WTR < 50'

2627282930

Yates Petroleum Corporation would like to submit for your consideration the enclosed work plan for the above captioned well. The plan is being submitted in response to the C-141 dated December 19, 2006. Scope of work described in the plan will be conducted as soon as the work plan is approved and a contractor can be scheduled. Yates would like to begin on this project in January 2007, your consideration and approval will be greatly appreciated.

If you have any questions call me at (505) 748-4217

Thank you.

YATES PETROLEUM CORPROATION

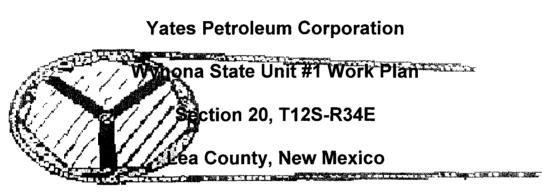
Robert Asher Environmental Regulatory Agent

Enclosure(s)

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DAVID L. LANNING

DENNIS G. KINSEY TREASURER



December 21, 2006

I. Location

The well is located approximately 12 miles west of Tatum, NM, approximately 3 miles west of Simonola Valley Road (T-151), as represented by the attached 'Dallas Store; NM', USGS Quadrangle Map.

II. Background

On December 19, 2006, Yates submitted to the NMOCD District I office a C-141 report reflecting a release of approximately 100 barrels of condensate from a BS & W line that froze and broke the valve at the production tank, a vacuum truck was called; there was 60 barrels of condensate recovered. The affected area is approximately 28 feet by 75 feet, inside the berm with a small amount seeping through, soils to be excavated. The valve has been replaced.

III. Surface and Ground Water

Area surface geology is Cenozoic. The nearest groundwater of record listed on the ChevronTexaco, Lea County Depth to Groundwater Water Well Facilities Trend Map dated 2/9/2005 shows the depth to groundwater at approximately 45 feet (Unit Letter A, Section 20, T12S-R34E) making the site ranking twenty (20). Watercourses in the area are dry.

The ranking for this site is twenty (20) based on the as following:

Depth to ground water< 50'</th>Wellhead Protection Area> 1000'Distance to surface water body> 1000'

IV. Soils

The area consists of sand, caliche and clay seams providing a low permeability barrier to retard vertical percolation of contaminants into the subsurface.

V. Scope of Work

Yates Petroleum Corporation will take soil samples within the effected areas (soils used for berm and inside the berm) for vertical and horizontal delineation. These samples will be sent to a certified lab and analyzed for BTEX, TPH. Based on the Total Ranking Score of twenty (20), the RRAL's for BTEX is 50 ppm and TPH is 100 ppm. If results are within the OCD Guidelines, closure will be requested. If results are above OCD guidelines, then remediation will be implemented to the bermed materials by removing soil and placing on plastic on location at an approximate depth of one (1) foot and applying nitrogen fertilizer, water and tilling. The bermed materials will then be tested and if it meets RRAL's, Yates will request from the OCD approval to re-use materials to re-build the berm. Remediation inside the berm will consist of vertical and horizontal delineation to determine the extent of the contamination; Yates will then submit a corrective action plan to the OCD for consideration and approval.

