

MARTIN YATES, III
1912-1985

FRANK W. YATES
1936-1986



105 SOUTH FOURTH STREET
ARTESIA, NEW MEXICO 88210-2118
TELEPHONE (505) 748-1471

S.P. YATES
CHAIRMAN EMERITUS

JOHN A. YATES
CHAIRMAN OF THE BOARD

PEYTON YATES
PRESIDENT

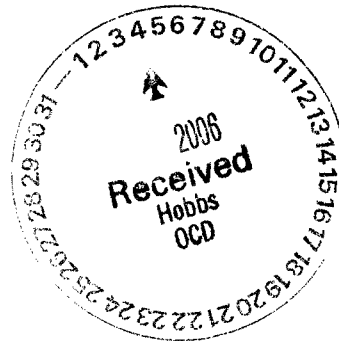
FRANK YATES, JR.
EXECUTIVE VICE PRESIDENT

JOHN A. YATES, JR.
SENIOR VICE PRESIDENT

November 30, 2006

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

Re: Van Dyke State Unit #1
30-025-37438
Section 17, T10S-R33E
Lea County, New Mexico



Dear Ms. Caperton:

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 October 13, 2006. Scope of work described in the plan will be conducted as soon as the work plan is approved.

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

Thank you.

YATES PETROLEUM CORPROATION

Robert Asher
Environmental Regulatory Agent

Enclosure(s)

IRP # 1085

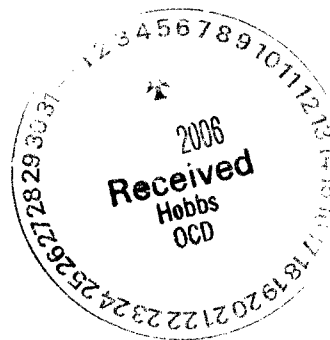
Yates Petroleum Corporation

Van Dyke State Unit #1

Work Plan

Section 17 T10S- R33E

November 30, 2006



I. Location

The well is located approximately 20 miles west of Tatum, NM and one (1) mile west of Lane Road, as represented by the attached Lane Salt Lake, NM, USGS Quadrangle Map.

II. Background

On October 13, 2006, Yates submitted to the NMOCD District I office a C-141 report reflecting a release of 5 barrels of crude oil from a heater dump that stuck open. Approximately 2.5 barrels of fluids were recovered; contaminated soils were excavated and hauled to an OCD approved land facility. The affected area is approximately 4 feet by 30 feet.

III. Surface and Ground Water

Area surface geology is Cenozoic. The nearest groundwater of record is listed on the ChevronTexaco, Eddy County Depth to Groundwater Water Well Facilities Trend Map dated 2/9/2005 shows the depth to groundwater is approximately 35 feet (Unit Letter O, Section 17, T10S-R33E) making the site ranking for this site a twenty (20). Any watercourses in the area are dry except for infrequent flows in response to major precipitation events.

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

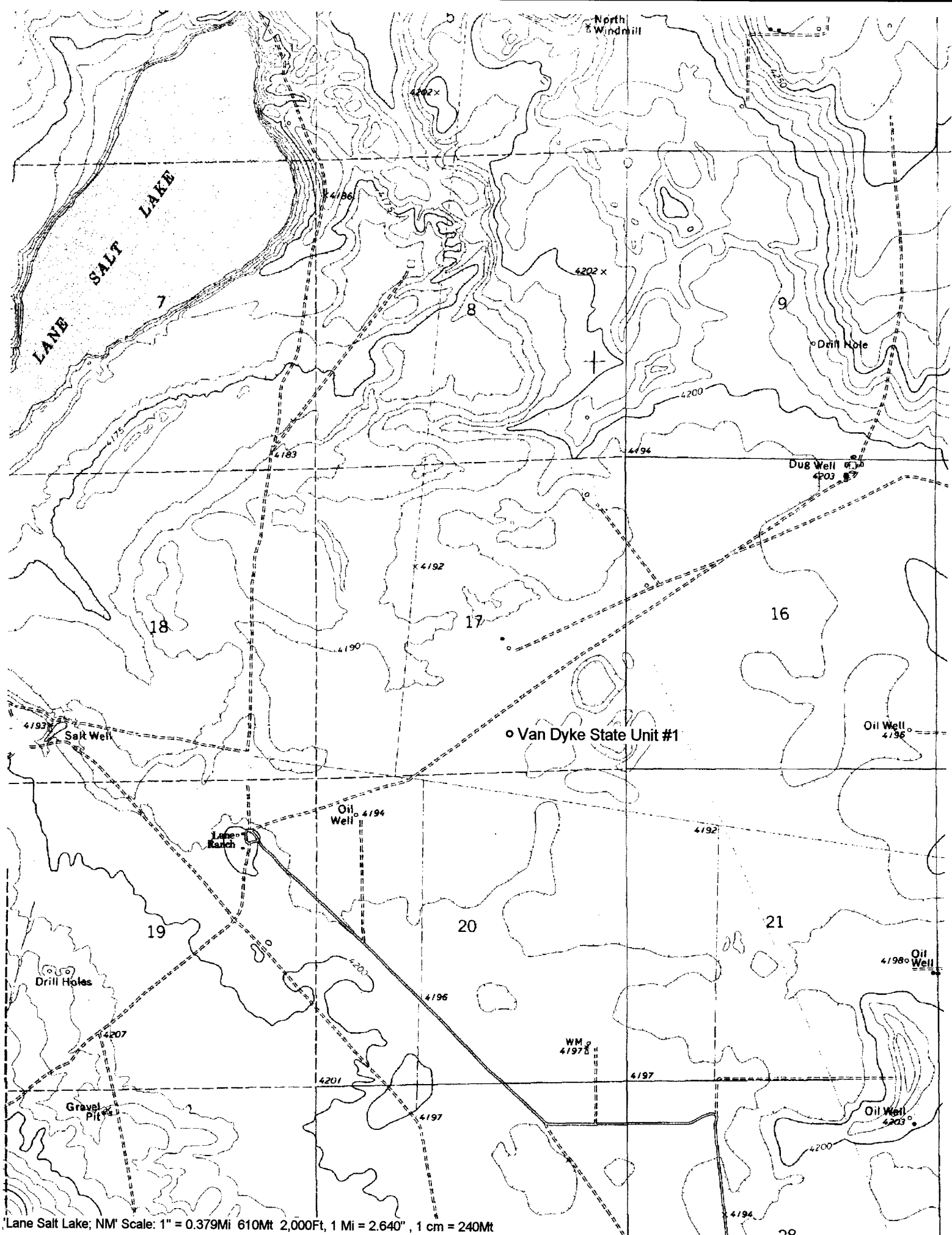
Depth to ground water	< 50'
Wellhead Protection Area	> 1000'
Distance to surface water body	> 1000'

IV. Soils

The area consists of soils that are sand and interspersed with caliche and clay seams providing a low permeability barrier to retard vertical percolation of contaminants into the subsurface.

V. Scope of Work

Upon approval of this work plan, Yates Petroleum Corporation will take soil samples within the effected area for delineation. These samples will be analyzed in-house for TPH (EPA Method 9074, approved 4/15/2004) and Chlorides (EPA Method 9253, approved 4/15/2004), for reference purposes only. If results are above OCD guidelines, Yates would like to treat the site in-situ for a period of ninety (90) days by an initial application of fertilizers, tilling of affected area and apply water, then every thirty (30) days for three (3) months, the affected area will be tilled and watered. Yates will re-sample, if results are above OCD guidelines, then further remediation as described above will be implemented to attain the acceptable limits. If lab analysis reflects closure levels then Yates will contact the Oil Conservation Division to give opportunity to witness a final sampling event.



Lane Salt Lake; NM Scale: 1" = 0.379Mi 610Mt 2,000Ft, 1 Mi = 2.640" , 1 cm = 240Mt