

AP - 023

**GENERAL
CORRESPONDENCE**

YEAR(S):

2005 - 2000



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

July 18, 2005

CERTIFIED MAIL
RETURN RECEIPT NO: 7923 4559

Mr. Dan Dolan
Yates Petroleum Corporation
105 South Fourth St.
Artesia, New Mexico 88210

**RE: YATES PETROLEUM COMPANY
AMENDED STAGE 1 ABATEMENT PLAN PROPOSAL AND WORK PLAN
LATTION PIT SITE (AP-23)**

Dear Mr. Dolan:

The New Mexico Oil Conservation Division (OCD) has reviewed the Yates Petroleum Corporation's (Yates) AMENDED STAGE 1 ABATEMENT PLAN PROPOSAL AND WORK PLAN - LATTION PIT SITE (AP-23) submitted on February 15, 2005, in response to OCD's letter of October 6, 2004. OCD required Yates to submit this workplan because it had not completely defined the extent of the ground water contamination at the Lattion pit site. Yates requested and received a 45 day extension to the required due date of December 31, 2004.

As discussed below in detail, OCD has noted several problems with this proposed workplan that must be addressed before the workplan can be approved.

- 1) Figure 3 depicts the former pit as being located immediately north of the Lattion No. 1 (API No. 30-015-23403), which is located in Unit "O", not Unit "K" of section 23. Previous Yates submittals consistently refer to Unit "K". Please resolve the pit location issue.
- 2) There appears to be some discrepancy between the figures depicting the pit location and configuration in the 2005 Amended Stage 1 Abatement Plan and those in previous submittals (2000, 2001). Also, Yates does not discuss the previous collected soil boring data in Section III

(Background). Yates must revise this section to resolve the location issue and to summarize the soil contamination addressed in previous submittals.

3) Yates has not adequately characterized the site conditions at the Lattion pit site using all the data that it has collected. Yates must revise its Stage 1 workplan by providing an interpretation of the previously collected data supported by an appropriate number of isoconcentration maps and cross sections that depict the contamination that has been released from the former pit. Only after it interprets the existing data can Yates propose a meaningful workplan to complete its investigation.

The workplan must be revised to propose a sufficient number of additional soil borings beneath and adjacent to the former pit that will enable Yates to completely characterize the release from the Williams pit. The workplan must also propose a sufficient number of additional downgradient monitor wells that will enable Yates to characterize the ground water contamination beneath and downgradient from its pit and for use in a ground water monitoring program. The workplan must also propose additional contingent soil borings and monitor wells if the next phase of the Stage 1 investigation fails to completely delineate the release. The workplan must also specify that Yates will analyze for all of the constituents specified by OCD in its February 1, 2002 conditional approval letter. OCD notes that Yates has not analyzed samples for the New Mexico Water Quality Control Commission (WQCC) metals as required.

The workplan must also address the requirement for Yates to provide the data necessary to select and design an effective abatement option, which it must propose in a separate Stage 2 Abatement Plan to be submitted after the Stage 1 investigation has been concluded. Of course, Yates may propose appropriate remedial actions to be taken concurrently with the Stage 1 investigation.

4) In its proposed Action Plan, Yates proposes to plug monitor well MW-4. This pit well is the single most useful data point that Yates has at this site and the proposal to abandon this well appears to be completely without merit. OCD will not approve Yates' proposal to plug and abandon monitor well MW-4.

OCD requires Yates to submit a revised Stage 1 Abatement Plan for its Lattion pit site that addresses the above items in accordance with OCD's 1993 remediation guidelines by August 19, 2005, with a copy provided to OCD's Artesia District Office.

If you have any questions, please contact me at (505) 476-3488.

Sincerely,



Glenn von Gonten
Senior Hydrologist

xc: Tim Gum, OCD Artesia District Office



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

October 6, 2004

Mr. Dan Dolan
Yates Petroleum Corporation
105 South Fourth St.
Artesia, New Mexico 88210

**RE: STAGE 1 ABATEMENT PLAN PROPOSALS
WILLIAMS PIT SITE (AP-22)
LATTION PIT SITE (AP-23)
INEX PIT SITE (AP-24)
SCRIPP PIT SITE (AP-25)**

Dear Mr. Dolan:

The New Mexico Oil Conservation Division (OCD) has reviewed the Yates Petroleum Corporation's (Yates) February 19, 2004 correspondence and the following accompanying documents:

- June 2003 "PRELIMINARY SITE INVESTIGATION REPORT, FORMER WILLIAMS PIT LOCATION, NE ¼ OF THE NW ¼ OF SECTION 25, TOWNSHIP 18 SOUTH, RANGE 26 EAST, EDDY COUNTY, NEW MEXICO".
- June 2003 "PRELIMINARY SITE INVESTIGATION REPORT, FORMER LATTION PIT LOCATION, NE ¼ OF THE SW ¼ OF SECTION 23, TOWNSHIP 18 SOUTH, RANGE 26 EAST, EDDY COUNTY, NEW MEXICO".
- June 2003 "PRELIMINARY SITE INVESTIGATION REPORT, FORMER INEX PIT LOCATION, SE ¼ OF THE NW ¼ OF SECTION 26, TOWNSHIP 18 SOUTH, RANGE 26 EAST, EDDY COUNTY, NEW MEXICO".
- June 2003 "PRELIMINARY SITE INVESTIGATION REPORT, FORMER SCRIPPS PIT LOCATION, NW ¼ OF THE SW ¼ OF SECTION 25, TOWNSHIP 18 SOUTH, RANGE 26 EAST, EDDY COUNTY, NEW MEXICO".

These documents contain the results of Yates' Stage 1 investigation of the extent of contamination related to former unlined pits at Yates' Williams Pit Site located in Unit C, Section 25, Township 18 South, Range 26 East, Eddy County, New Mexico; the Lattion Pit Site located in Unit K, Section 23, Township 18 South, Range 26 East, Eddy County, New Mexico; the Inex Pit Site located in Unit F, Section 26, Township 18 South, Range 26 East, Eddy County and; the Scripp Pit Site located in Unit L, Section 25, Township 18 South, Range 26 East, Eddy County, New Mexico.

A review of the above-referenced reports shows that the extent of ground water contamination at each site has not been completely determined. The OCD requires that Yates submit a work plan to the OCD to complete the definition of the extent of ground water contamination at each site. The work plan shall be submitted to the OCD Santa Fe Office by December 31, 2004 with a copy provided to the OCD Artesia District Office.

If you have any questions, please contact me at (505) 476-3491.

Sincerely,

A handwritten signature in black ink, appearing to read "William C. Olson". The signature is fluid and cursive, with the first name "William" being more prominent.

William C. Olson
Hydrologist
Environmental Bureau

cc: Tim Gum, OCD Artesia District Office
B.R. Wilson



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON

Governor
Betty Rivera
Cabinet Secretary

Lori Wrotenbery
Director
Oil Conservation Division

August 5, 2002

Ms. Lisa Norton
Yates Petroleum Corporation
105 South Fourth St.
Artesia, New Mexico 88210

**RE: ABATEMENT PLAN AP-22, WILLIAMS PIT SITE
ABATEMENT PLAN AP-23, LATTION PIT SITE
ABATEMENT PLAN AP-24, INEX PIT SITE
ABATEMENT PLAN AP-25, SCRIPP PIT SITE**

Dear Ms. Norton:

The New Mexico Oil Conservation Division (OCD) has reviewed Yates Petroleum Corporation's (Yates) July 31, 2002 correspondence titled "ABATEMENT PLANS AP-22 WILLIAMS PIT SITE, ABATEMENT PLANS AP-23 LATTION PIT SITE, ABATEMENT PLANS AP-24 INEX PIT SITE,, ABATEMENT PLANS AP-25 SCRIPP PIT SITE". This document contains Yates' request for an extension of the deadline for submission of Stage 1 investigation reports for the abatement plans on the above listed sites due to the closing of their consultants office.

The above-referenced request to extend the Stage 1 investigation report submission deadline from August 1, 2002 to September 1, 2002 is approved.

If you have any questions, please contact me at (505) 476-3491.

Sincerely,

A handwritten signature in black ink, appearing to read "Will Olson".

William C. Olson
Hydrologist
Environmental Bureau

xc: Tim Gum, OCD Artesia District Office
B.R. Wilson

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 OF THE BOARD
JOHN A. YATES
PRESIDENT
PEYTON YATES
EXECUTIVE VICE PRESIDENT
RANDY G. PATTERSON
SECRETARY
DENNIS G. KINSEY
TREASURER

RECEIVED

AUG 02 2002

ENVIRONMENTAL BUREAU
OIL CONSERVATION DIVISION

Mr. William C. Olson
New Mexico Energy, Minerals and
Natural Resources Department
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, NM 87505

July 31, 2002

RE: Abatement Plans AP-22 Williams Pit Site
Abatement Plans AP-23 Lattion Pit Site
Abatement Plans AP-24 Inex Pit Site
Abatement Plans AP-25 Scripp Pit Site

Dear Mr. Olson,

Yates is in the process of preparing Stage I investigation reports for abatement plans for the above sites. These reports were due to be submitted to the Division on August 1, 2002.

Mr. Jeffrey Minchak with Harding ESE, Inc. had been retained to prepare the reports. Harding ESE, Inc. is now in the process of closing their Albuquerque office and is unable to complete the project. Yates is now in the process of contracting with another firm to complete the project and requests an extension until September 1, 2002.

We apologize for the delay and hope that you will recognize our situation and allow the extension. If you have any questions, please contact me at 505-748-4185 or via email at lnorton@ypcnm.com.

Sincerely,

Lisa Norton
Environmental
Coordinator

cc: Tim Gum, OCD Artesia District Office
Ron Beasley
file

nm\facilities\h&s\7-31-02corres.doc



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON

Governor
Betty Rivera
Cabinet Secretary

Lori Wrotenberg
Director
Oil Conservation Division

June 28, 2002

Ms. Lisa Norton
Yates Petroleum Corporation
105 South Fourth St.
Artesia, New Mexico 88210

**RE: ABATEMENT PLAN AP-22, WILLIAMS PIT SITE
ABATEMENT PLAN AP-23, LATTION PIT SITE
ABATEMENT PLAN AP-24, INEX PIT SITE
ABATEMENT PLAN AP-25, SCRIPP PIT SITE**

Dear Ms. Norton:

The New Mexico Oil Conservation Division (OCD) has reviewed Yates Petroleum Corporation's (Yates) February 21, 2002 correspondence titled "REQUEST FOR EXTENSION OF STAGE 1 INVESTIGATION REPORTS, ABATEMENT PLAN AP-25 SCRIPP PIT SITE, ABATEMENT PLAN AP-24 INEX PIT SITE, ABATEMENT PLAN AP-23 LATTION PIT SITE, ABATEMENT PLAN AP-22 WILLIAMS PIT SITE". This document contains Yates' request for an extension of the deadline for submission of Stage 1 investigation reports for the abatement plans on the above listed sites from April 1, 2002 to August 1, 2002.

The above-referenced request is approved.

If you have any questions, please contact me at (505) 476-3491.

Sincerely,

William C. Olson
Hydrologist
Environmental Bureau

xc: Tim Gum, OCD Artesia District Office
Jeffrey D. Minchak, Harding ESE, Inc.
B.R. Wilson



Harding ESE
A MACTEC COMPANY

Harding ESE, Inc.

6400 Uptown Boulevard NE
Suite 310E

Albuquerque, NM 87110

Telephone: 505/248-0017

Fax: 505/248-0021

Home Page: www.mactec.com

OIL CONSERVATION DIV.
02 FEB 22 PM 4:22

February 21, 2002

53470.1

Mr. Roger Anderson
Environmental Bureau Chief
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Re: Request for Extension of Stage 1 Investigation Reports
Abatement Plan AP-25 Scripp Pit Site
Abatement Plan AP-24 Inex Pit Site
Abatement Plan AP-23 Lattion Pit Site
Abatement Plan AP-22 Williams Pit Site

Dear Mr. Anderson:

At the request of Yates Petroleum Corporation (Yates), Harding ESE is requesting an extension of time for the submittal of the Stage I Investigation Reports for the four above-referenced sites. Yates is requesting a 120-day extension of the due date for the submittal of the four Stage I Investigation Reports from April 1, 2002 to August 1, 2002. Yates has budgeted the Stage I work for initiation during the second quarter of calendar year 2002. Scheduling the work within this time frame allows Yates to more effectively monitor their non-recurring environmental expenses during this period of depressed oil and natural gas prices.

In 1997, Yates purchased production facilities, including the above referenced sites, from H&S Oil Company (H&S). H&S was a small, privately operated oil and gas producer that did not maintain an effective environmental management or compliance program. Since purchasing the facilities, Yates has made a considerable investment of both time and financial resources which has resulted in significant improvements to the environmental conditions of the Sites. The primary result of the improvements made to-date by Yates is the removal of the hydrocarbon source areas by properly closing the former unlined waste disposal pits, as presented in the Stage I Abatement Plan Proposals for each of the four sites. Once investigation activities are underway, the scope of work from each of the Stage I Abatement Plan Proposals will be

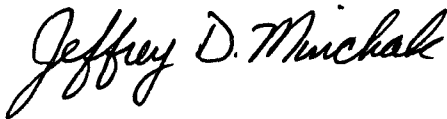
Mr. Roger Anderson
Environmental Bureau Chief
Oil Conservation Division
February 21, 2002

Page 2 of 2

implemented. Additionally, the four conditions set forth in the Oil Conservation Division (OCD) letter dated February 1, 2002 will be met.

Please direct any questions or comments regarding this request or the Stage I Investigation Reports to me at (505) 248-0017 or to Ms. Lisa Norton, Yates Environmental Coordinator, at (505) 748-4185.

Sincerely,
HARDING ESE, Inc.



Jeffrey D. Minchak, P.G.
Senior Project Geologist

cc: Mr. Tim Gumm
OCD District 2 Office
1301 W. Grand Avenue
Artesia, NM 88210

Lisa Norton, Yates Petroleum Corporation



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Jennifer A. Salisbury
Cabinet Secretary

Lori Wrotenberg
Director
Oil Conservation Division

September 25, 2001

CERTIFIED MAIL
RETURN RECEIPT NO: 5357-7942

Ms. Lisa Norton
Yates Petroleum Corporation
105 South Fourth St.
Artesia, New Mexico 88210

RE: STAGE 1 ABATEMENT PLAN PROPOSALS
WILLIAMS PIT SITE (AP-22)
LATTION PIT SITE (AP-23)
INEX PIT SITE (AP-24)
SCRIPP PIT SITE (AP-25)

Dear Ms. Norton:

The New Mexico Oil Conservation Division (OCD) has reviewed the following Yates Petroleum Corporation (Yates) documents:

- July 3, 2001 "TRANSMITTAL OF STAGE 1 ABATEMENT PLAN PROPOSALS, ABATEMENT PLAN AP-25 SCRIPP PIT SITE, ABATEMENT PLAN AP-24 INEX PIT SITE, ABATEMENT PLAN AP-23 LATTION PIT SITE, ABATEMENT PLAN AP-22 WILLIAMS PIT SITE"
- July 2, 2001 "STAGE 1 ABATEMENT PLAN PROPOSAL, ABATEMENT PLAN AP-22, WILLIAMS PIT SITE, EDDY COUNTY, NEW MEXICO".
- July 2, 2001 "STAGE 1 ABATEMENT PLAN PROPOSAL, ABATEMENT PLAN AP-23, LATTION PIT SITE, EDDY COUNTY, NEW MEXICO".
- July 2, 2001 "STAGE 1 ABATEMENT PLAN PROPOSAL, ABATEMENT PLAN AP-24, INEX PIT SITE, EDDY COUNTY, NEW MEXICO".
- July 2, 2001 "STAGE 1 ABATEMENT PLAN PROPOSAL, ABATEMENT PLAN AP-25, SCRIPP PIT SITE, EDDY COUNTY, NEW MEXICO".

These documents, which were submitted on behalf of Yates by their consultant Harding ESE, contain Yates' proposed Stage 1 abatement plan proposals for investigation of the extent of contamination related to former unlined pits at Yates' Williams Pit Site located in Unit C, Section 25, Township 18 South, Range 26 East, Eddy County, New Mexico; the Lattion Pit Site located in Unit K, Section 23, Township 18 South, Range 26 East, Eddy County, New Mexico; the Inex Pit Site located in Unit F, Section 26, Township 18 South, Range 26 East, Eddy County and; the Scripp Pit Site located in Unit L, Section 25, Township 18 South, Range 26 East, Eddy County, New Mexico

The OCD has determined that the above referenced Stage 1 Abatement Plan Proposals are administratively complete. Before the OCD can complete a review of the Stage 1 proposals, the OCD requires that:

1. Yates issue by October 10, 2001 the enclosed Stage 1 notice of publication in the Albuquerque Journal and Artesia Daily Press pursuant to OCD Rule 19.G.(2).
2. Prior to issuing public notice, Yates shall issue written notice of the Stage 1 proposals pursuant to OCD Rule 19.G.(1). Enclosed you will find a 3.5" disk containing a "Word" listing "those persons, as identified by the Director, who have requested notification" pursuant to OCD Rule 19.G.(1).(d). The disk also contains the contact for the New Mexico Trustee for Natural Resources.
3. Yates provide the OCD with proof of publication and proof of written notice by October 24, 2001.

If you have any questions, please contact Bill Olson of my staff at (505) 476-3491.

Sincerely,



Roger C. Anderson
Environmental Bureau Chief

RCA/wco

enclosures

cc: Tim Gum, OCD Artesia District Office
Jeffrey D. Minchak, Harding ESE, Inc.

NOTICE OF PUBLICATION

STATE OF NEW MEXICO ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT OIL CONSERVATION DIVISION

Notice is hereby given that pursuant to New Mexico Oil Conservation Division Regulations, the following Stage 1 Abatement Plan Proposals have been submitted to the Director of the Oil Conservation Division, 1220 St. Francis Dr., Santa Fe, New Mexico 87505, Telephone (505) 476-3440:

Yates Petroleum Corporation, Lisa Norton, Environmental Coordinator, Telephone (505) 748-4185, 105 South Fourth St., Artesia, New Mexico, 88210, has submitted a Stage 1 Abatement Plan Proposal (AP-22) for the Williams Pit Site, located in Unit C of Section 25, Township 18 South, Range 26 East, NMPM, Eddy County, New Mexico. An unlined disposal pit was formerly operated at the site. Petroleum-related contamination in excess of New Mexico Water Quality Control Commission standards has been observed in ground water at the site. The Stage 1 Abatement Plan Proposal presents the following activities: determine site geology and hydrogeology; conduct a registered water well search within a 1 mile radius of the site; install monitoring wells; collect soil samples for field screening and/or laboratory analysis from each boring; collect ground water samples for laboratory analysis from each monitoring well; obtain depth to ground water measurements and calculate the ground water gradient and direction; survey all well locations by a professional land surveyor registered in the State of New Mexico; preparation of a report; and a schedule for implementation of all investigation activities.

Yates Petroleum Corporation, Lisa Norton, Environmental Coordinator, Telephone (505) 748-4185, 105 South Fourth St., Artesia, New Mexico, 88210, has submitted a Stage 1 Abatement Plan Proposal (AP-23) for the Lattion Pit Site, located in Unit K of Section 23, Township 18 South, Range 26 East, NMPM, Eddy County, New Mexico. An unlined disposal pit was formerly operated at the site. Petroleum-related contamination in excess of New Mexico Water Quality Control Commission standards has been observed in ground water at the site. The Stage 1 Abatement Plan Proposal presents the following activities: determine site geology and hydrogeology; conduct a registered water well search within a 1 mile radius of the site; install monitoring wells; collect soil samples for field screening and/or laboratory analysis from each boring; collect ground water samples for laboratory analysis from each monitoring well; obtain depth to ground water measurements and calculate the ground water gradient and direction; survey all well locations by a professional land surveyor registered in the State of New Mexico; preparation of a report; and a schedule for implementation of all investigation activities.

Yates Petroleum Corporation, Lisa Norton, Environmental Coordinator, Telephone (505) 748-4185, 105 South Fourth St., Artesia, New Mexico, 88210, has submitted a Stage 1

Abatement Plan Proposal (AP-24) for the Inex Pit Site, located in Unit F of Section 26, Township 18 South, Range 26 East, NMPM, Eddy County, New Mexico. An unlined disposal pit was formerly operated at the site. Petroleum-related contamination in excess of New Mexico Water Quality Control Commission standards has been observed in ground water at the site. The Stage 1 Abatement Plan Proposal presents the following activities: determine site geology and hydrogeology; conduct a registered water well search within a 1 mile radius of the site; install monitoring wells; collect soil samples for field screening and/or laboratory analysis from each boring; collect ground water samples for laboratory analysis from each monitoring well; obtain depth to ground water measurements and calculate the ground water gradient and direction; survey all well locations by a professional land surveyor registered in the State of New Mexico; preparation of a report; and a schedule for implementation of all investigation activities.

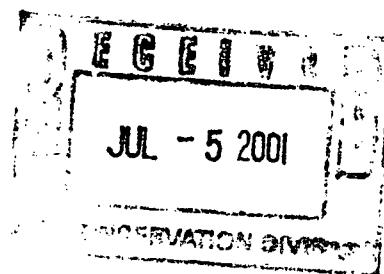
Yates Petroleum Corporation, Lisa Norton, Environmental Coordinator, Telephone (505) 748-4185, 105 South Fourth St., Artesia, New Mexico, 88210, has submitted a Stage 1 Abatement Plan Proposal (AP-25) for the Scripp Pit Site, located in Unit L of Section 25, Township 18 South, Range 26 East, NMPM, Eddy County, New Mexico. An unlined disposal pit was formerly operated at the site. Petroleum-related contamination in excess of New Mexico Water Quality Control Commission standards has been observed in ground water at the site. The Stage 1 Abatement Plan Proposal presents the following activities: determine site geology and hydrogeology; conduct a registered water well search within a 1 mile radius of the site; install monitoring wells; collect soil samples for field screening and/or laboratory analysis from each boring; collect ground water samples for laboratory analysis from each monitoring well; obtain depth to ground water measurements and calculate the ground water gradient and direction; survey all well locations by a professional land surveyor registered in the State of New Mexico; preparation of a report; and a schedule for implementation of all investigation activities.

Any interested person may obtain further information from the Oil Conservation Division and may submit written comments to the Director of the Oil Conservation Division, at the address given above. The Stage 1 Abatement Plan Proposals may be viewed at the above address or at the Oil Conservation Division Hobbs District Office, 1625 N. French Drive, Hobbs, New Mexico 88240, Telephone (505) 393-6161 between 8:00 a.m. and 4:00 p.m., Monday through Friday. Prior to ruling on the proposed Stage 1 Abatement Plan Proposals, the Director of the Oil Conservation Division shall allow at least thirty (30) days after the date of publication of this notice during which written comments may be submitted.

July 3, 2001

53470.1

Mr. Roger Anderson
Environmental Bureau Chief
New Mexico Energy, Minerals, and
Natural Resources Department
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505



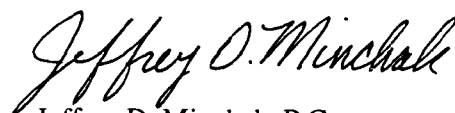
Re: Transmittal of Stage 1 Abatement Plan Proposals
Abatement Plan AP-25 Scripp Pit Site
Abatement Plan AP-24 Inex Pit Site
Abatement Plan AP-23 Lattion Pit Site
Abatement Plan AP-22 Williams Pit Site

Dear Mr. Anderson:

Harding ESE is providing you with a copy of each of the above referenced Stage I Abatement Plan Proposals (Abatement Plans) for four former pit locations. The Abatement Plans have been prepared in accordance with the Oil Conservation Division (OCD) requirements set forth in the letter of March 7, 2001 to Yates Petroleum Corporation (Yates). Harding ESE is also transmitting one copy of each Abatement Plan to Mr. Mike Stubblefield, in the OCD-Artesia office.

Please direct any questions or comments regarding the Abatement Plans to me at (505) 248-0017 or to Ms. Lisa Norton, Yates Environmental Coordinator, at (505) 748-4185.

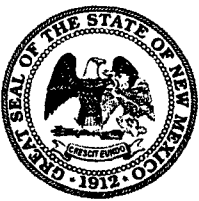
Sincerely,
HARDING ESE



Jeffrey D. Minchak, P.G.
Senior Project Geologist

cc: Mike Stubblefield
OCD District 2 Office
1301 W. Grand Avenue
Artesia, NM 88210

Lisa Norton, Yates Petroleum Corporation



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Jennifer A. Salisbury
Cabinet Secretary

Lori Wrotenberg
Director
Oil Conservation Division

May 14, 2001

Ms. Lisa Norton
Yates Petroleum Corporation
105 South Fourth St.
Artesia, New Mexico 88210


**RE: ABATEMENT PLAN AP-22, WILLIAMS PIT SITE
ABATEMENT PLAN AP-23, LATTION PIT SITE
ABATEMENT PLAN AP-24, INEX PIT SITE
ABATEMENT PLAN AP-25, SCRIPP PIT SITE**

Dear Ms. Norton:

The New Mexico Oil Conservation Division (OCD) has reviewed Yates Petroleum Corporation's (Yates) April 27, 2001 correspondence titled "ABATEMENT PLAN AP-25 SCRIPP PIT SITE, ABATEMENT PLAN AP-24 INEX PIT SITE, ABATEMENT PLAN AP-23 LATTION PIT SITE, ABATEMENT PLAN AP-22 WILLIAMS PIT SITE". This document contains Yates' request for an extension of the deadline for submission of abatement plans for the above listed sites from May 7, 2001 to July 7, 2001.

The above-referenced request is approved. If you have any questions, please contact Bill Olson at (505) 827-7154.

Sincerely,


for **Roger C. Anderson**
Environmental Bureau Chief

xc: Tim Gum, OCD Artesia District Office

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 OF THE BOARD
JOHN A. YATES
PRESIDENT
PEYTON YATES
EXECUTIVE VICE PRESIDENT
RANDY G. PATTERSON
SECRETARY
DENNIS G. KINSEY
TREASURER

Roger Anderson
Environmental Bureau Chief
New Mexico Energy, Minerals and
Natural Resources Department
Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

RECEIVED
MAY - 7 2001

April 27, 2001

**RE: Abatement Plan AP-25 Scripp Pit Site
Abatement Plan AP-24 Inex Pit Site
Abatement Plan AP-23 Lattion Pit Site
Abatement Plan AP-22 Williams Pit Site**

Dear Mr. Anderson,

Your letters dated March 7, 2001 request a "Stage 1 abatement plan investigation proposal" pursuant to OCD Rule 10.E.1 and OCD Rule 19.E.3 by May 7, 2001 for the above locations.

Yates is requesting an extension of sixty (60) days and proposes submission of plans on or before July 7, 2000. We have retained Jeff Minchak with Harding ESE to prepare the plans.

Please contact me at 505-748-4185 or Mr. Minchak at 505-248-0017 if you have questions or need additional information.

Sincerely,

Lisa Norton
Environmental
Coordinator

cc: Darrell Atkins
Jeff Minchak, Harding ESE
file



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON

Governor

Jennifer A. Salisbury

Cabinet Secretary

Lori Wrotenberg

Director

Oil Conservation Division

March 7, 2001

CERTIFIED MAIL

RETURN RECEIPT NO. 5051-4188

Ms. Lisa Norton
Yates Petroleum Corporation
105 South Fourth St.
Artesia, New Mexico 88210

**RE: ABATEMENT PLAN AP-23
LATTION PIT SITE**

Dear Ms. Norton:

The New Mexico Oil Conservation Division (OCD) has reviewed Yates Petroleum Corporation's (Yates) December 15, 2000 "PIT CLOSURE FOR LATTION PIT SITE" and accompanying December 15, 2000 "PIT REMEDIATION AND CLOSURE REPORT", November 2000 "PRELIMINARY SITE INVESTIGATION REPORT, LATTION PIT SITE, EDDY COUNTY, NEW MEXICO" and February 28, 2000 "FINAL CLOSURE OF UNLINED SURFACE IMPOUNDMENTS - EDDY COUNTY, NEW MEXICO". These documents contain information on the closure and investigation of the extent of contamination at Yates' Lattion Pit Site located in the NE/4 of the SW/4 of Section 23, Township 18 South, Range 26 East, NMPM, Eddy County, New Mexico. The documents also request closure of the site remediation actions.

A review of the information provided shows that ground water underlying the pit is contaminated with chloride in excess of the New Mexico Water Quality Control Commission (WQCC) standards. Therefore, the OCD cannot issue final closure approval for the site. Pursuant to 19 NMAC 15.A.19.C.1, the OCD requires an abatement plan for the Lattion Pit Site to abate ground water pollution. To initiate the abatement plan process, the OCD requires that Yates submit to the OCD by May 7, 2001 a Stage 1 abatement plan investigation proposal pursuant to OCD Rule 19.E.1. and OCD Rule 19.E.3. If you have any questions, please contact Bill Olson at (505) 827-7154.

Sincerely,

Roger C. Anderson

Environmental Bureau Chief

xc: Tim Gum, OCD Artesia District Office

MARTIN YATES, III
1912 - 1985
FRANK W. YATES
1936 - 1986



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Mike Stubblefield
New Mexico Oil Conservation Division
811 S. 1st Street
Artesia, NM
88210

15 December, 2000

RECEIVED

DEC 19 2000

ENVIRONMENTAL BUREAU
OIL CONSERVATION DIVISION

Ref: Pit Closure for Lattion Pit Site

Dear Mike:

Yates Petroleum Corporation requests closure of the Lattion Unlined Surface Impoundment located in Eddy County New Mexico with no further action required. A brief explanation of the history of our actions at this site follows, and is supplemented with reports from the contractors hired to close the pit. These actions followed OCD guidelines, and included scientific evidence obtained through analytical soil and water testing samples. The narrative explains our risk based analysis and request for closure. These results are contained in the "Preliminary Site Investigation Report" produced by Environmental Technology Group, Inc. (ETGI) and field activity notes and analytical results prepared by Bioremediation Contractors & Consultants, Inc. (BCC).

This Lattion Unlined Surface Impoundment site is located in the NE ¼ of the SW ¼ of Section 23, Township 18 S, Range 26 East in Eddy County, New Mexico approximately 9 miles South of Artesia.

In 1997, Yates Petroleum Corporation purchased the H & S Production facilities. These facilities included unlined surface impoundments. As part of the purchase we had an Environmental Assessment done by Harding Lawson Associates (HLA) on this pit. HLA recommended we proceed with closure of this pit. In 1998 we received a bid from BCC to remove liquids, excavate and remediate the contaminated soil via an onsite land farm and to conduct analytical sampling until the pit site was clean enough to pursue closure activities.

Once BCC thought the pit was remediated to proper levels, they sent a closure request dated February 28, 2000 to Donna Williams at the OCD office in Hobbs. When I met with Donna in August 2000, she informed me that the closure report submitted by BCC (see enclosure) was inadequate for three reasons:

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- The soil and water were not sampled for Chlorides
- There was inadequate soil sampling done
- There was no site map or narrative explanation of activities enclosed

In addition to this, BCC inadvertently sent the closure request to the OCD office in Hobbs when in fact the Artesia office had jurisdiction. Once we brought these situations to the attention of Mike Stubblefield, and discussed the deficiencies of the closure request, we contracted ETGI to conduct further analysis of this pit and assist us in our closure.

A complete closure report produced by ETGI is enclosed. Per that report, we drilled bore holes to ground water and sampled for Chlorides, TPH and BTEX, as well as took analytical samples and PID samples on the way down. We completed a site map with sample locations and narrative of all activities.

The results of the soil and water sampling, and an analysis of ground water subsurface flow along with a risk based analysis of the complete situation, lead us to the conclusion that the risk is acceptable and we should proceed with this closure request.

Please review the enclosed materials, and if acceptable grant us our closure request. If you have any questions on this request please do not hesitate to contact me at (505) 748-4223. We would like an approval for this pit closure request by January 26th, 2001.

Sincerely,



David Haggith
Yates Petroleum Corporation
Environmental Coordinator

3 enclosures (Pit closure form, BCC report, ETGI report)

CC: Bill Olsen, OCD
Darrell Atkins
Ron Beasley
File