

NM2 -

20

**GENERAL
CORRESPONDENCE
YEAR(S):**

2002-2004

Kieling, Martyne

From: Kieling, Martyne
Sent: Tuesday, May 04, 2004 12:29 PM
To: 'Jerry Fanning'
Subject: RE: Guidelines

Jerry.

The following language is what is required in the permit. The only thing I can see that needs to be set is the frequency (items in Bold). What frequency have you been testing in house thus far? is it daily? If daily, your In house tests could be backed up by weekly tests from an independent lab. We probably need to talk or place something formal on paper regarding this initial frequency.

Martyne

PHASE I: The initial field trial of the produced water treatment system will include monitoring and testing of the treated water. Water will be stored and disposed of at the existing produced water disposal well during this initial system trial. The treatment system must be operational for a minimum of **30 days and must demonstrate consistency** in operation in removing total organic carbon (TOC), total carbon (TC), and volatile organic compounds (VOC) to a level of 5 milligrams per liter (mg/l) or less and producing water that contains 2000 mg/l or less of total dissolved solids (TDS). Over the trial period the treated water must be tested for the constituents listed in Water Quality Control Commission Regulations (WQCC) NMAC 20.6.2.3103 **at a frequency appropriate to demonstrate the performance** of the equipment and treatment method. The treated water must also be tested for the toxic pollutants as listed in NMAC 20.6.2.7.VV, benzene, toluene, ethyl benzene, and xylene (BTEX) and total petroleum hydrocarbons (TPH).

Upon completion of the Phase I field trial, a report must be submitted for review and approval along with a request to proceed to Phase II. At a minimum the report must include operational results and laboratory analyses performed during the duration of the trial period for TOC, TC, VOC, TDS, BTEX, TPH and the constituents listed in Water Quality Control Commission Regulations (WQCC) NMAC 20.6.2.3103 and NMAC 20.6.2.7.VV.

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

From: Jerry Fanning [mailto:jerryf@ypcnm.com]
Sent: Monday, May 03, 2004 10:17 AM
To: Martyne Kieling
Subject: Guidelines

Hope this Monday finds you well.

I wanted to ask you if you have given any more thought to the 30 day sampling and documentation process for our project. This week is looking good for the start of the 30 days. We will be installing some equipment today or tomorrow which should allow us to operate at somewhere between 1000-2000 bbls/day. This is a target number which we believe will help us determine our potential plant capabilities. If you can give me a call today or tomorrow on this it will help me set up what you will need for your end.

Thanks for your help.

Jerry

505-748-4195 - Office

505-365-8393 - Cell

5/4/2004

This email has been scanned by the MessageLabs Email Security System.
For more information please visit <http://www.messagelabs.com/email>

Yates Petroleum Corporation Permit NM-02-0020
Photos Sent May 19, 2003, Facility not yet operational.



Photo 1: Yates produced water treatment facility



Photo 2: Yates produced water treatment facility at center. To the left are the treated, clean water tanks. Injection well is at the center right. Pump house roof in the foreground.

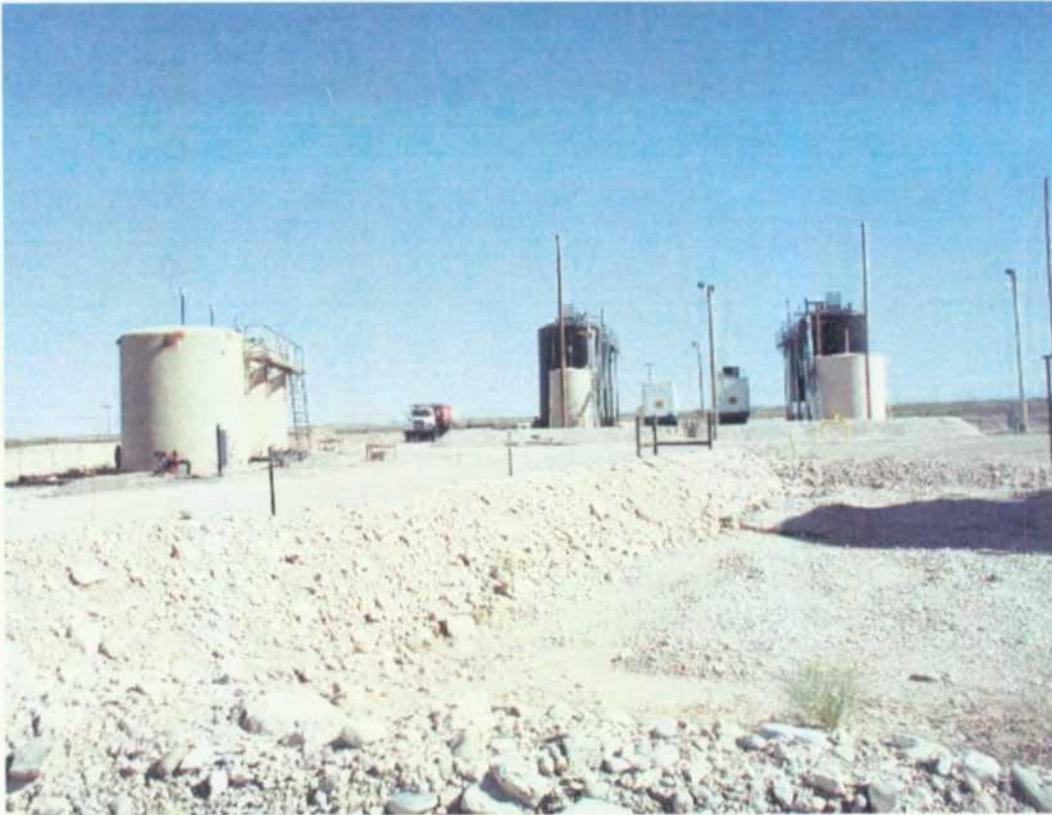


Photo 3: Yates produced water treatment facility center. Treated, clean water tanks on the left.





THE REPRODUCTION OF

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DOCUMENT (S)

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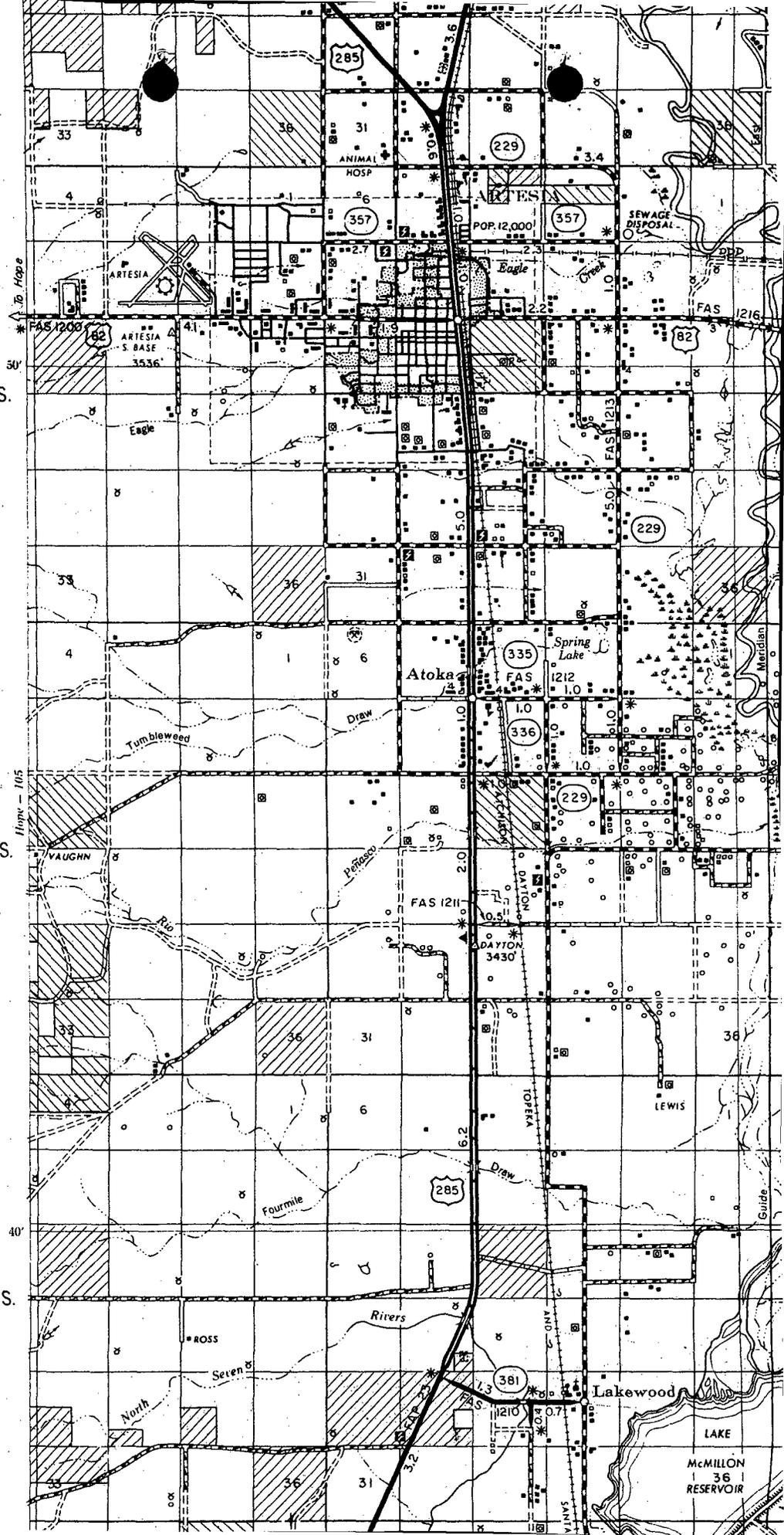
THE CONDITION OF

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T.17 S.

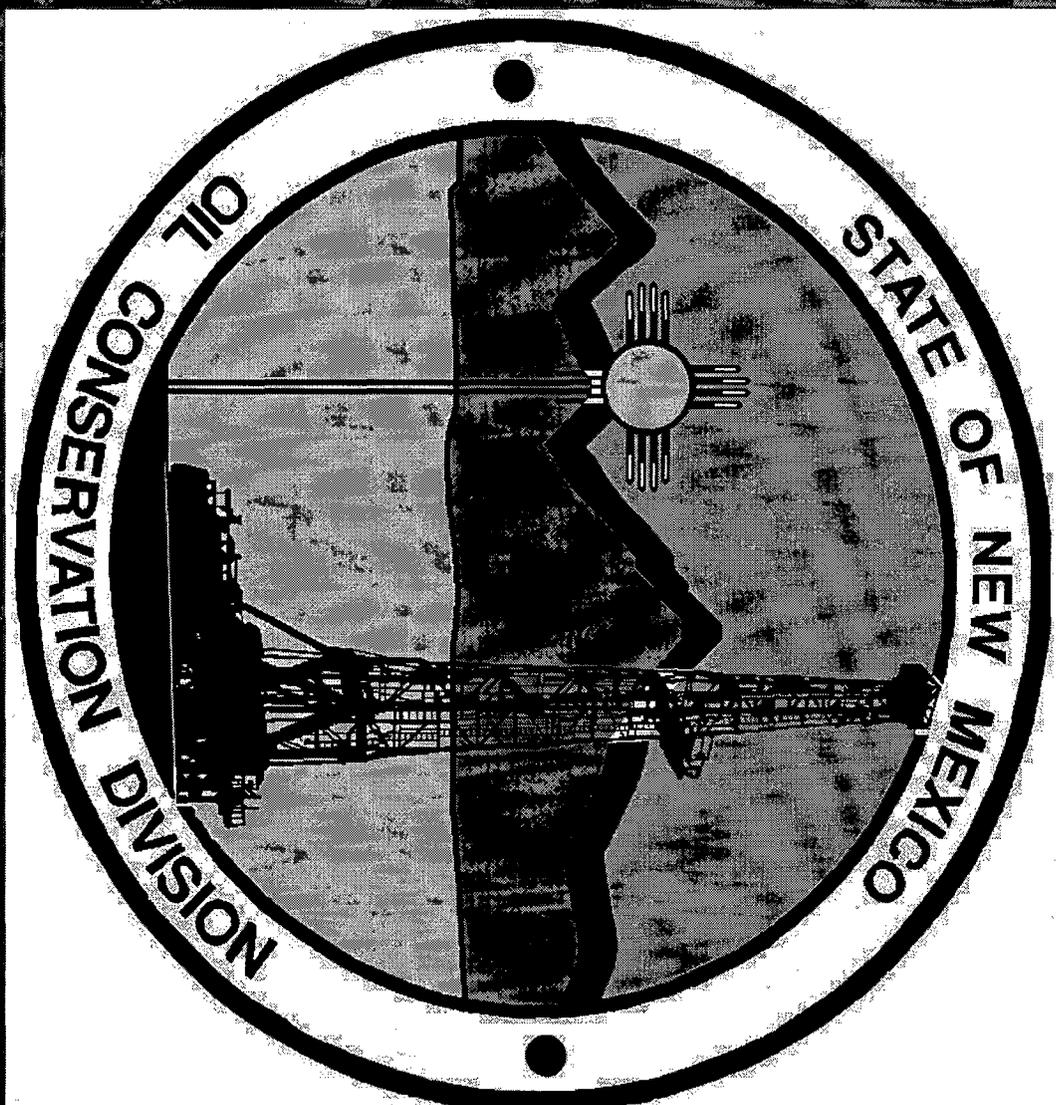
T.18 S.

T.19 S.



ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION
DIVISION



ENVIRONMENTAL MERIT AWARD

2002

Criteria:

1. Voluntary and innovative program or project that protects and enhances the environment.
2. Commitment to the continuation of the program or project.
3. Projection of a positive image of the industry.

ENVIRONMENTAL MERRIT AWARD

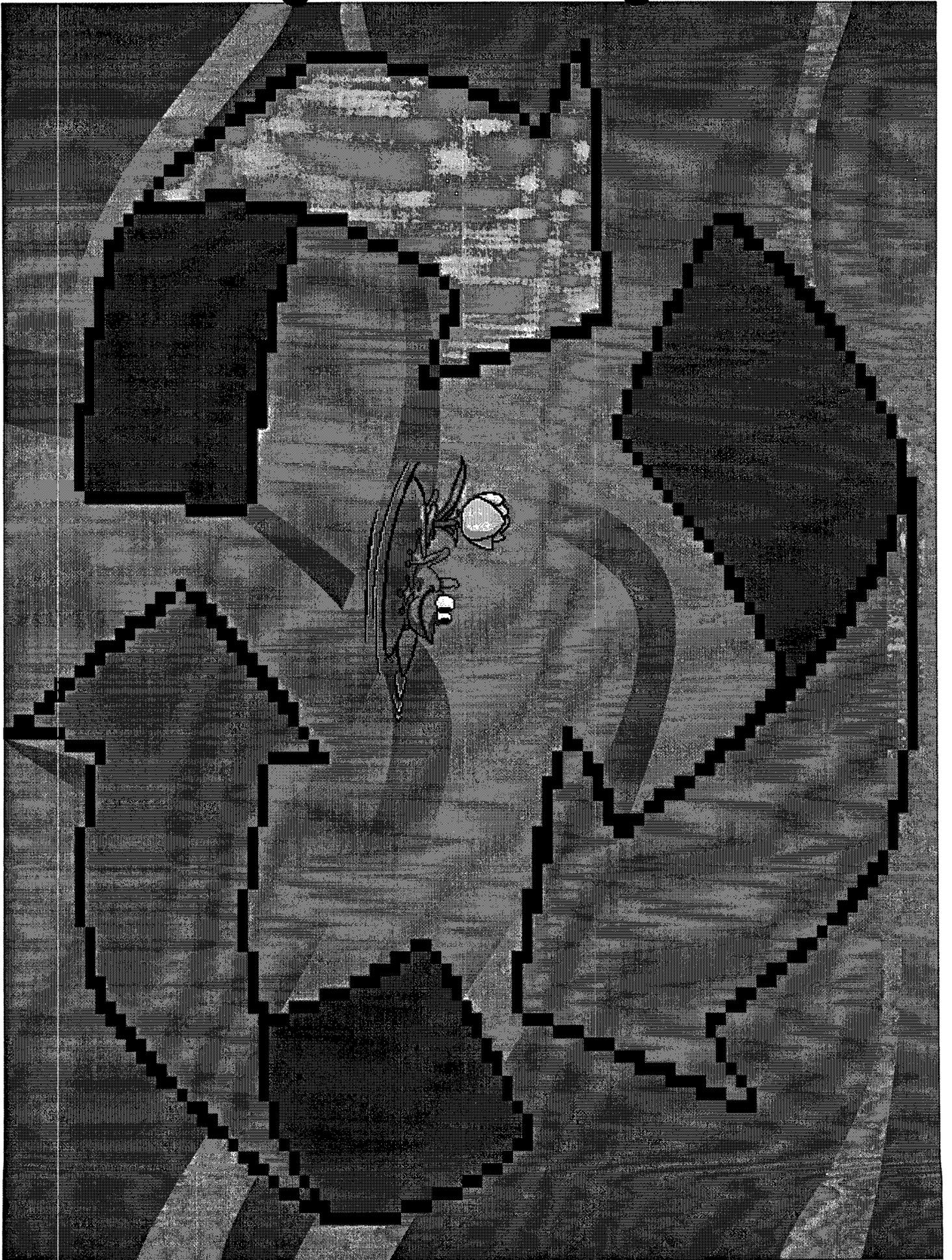
2002

Awarded to:

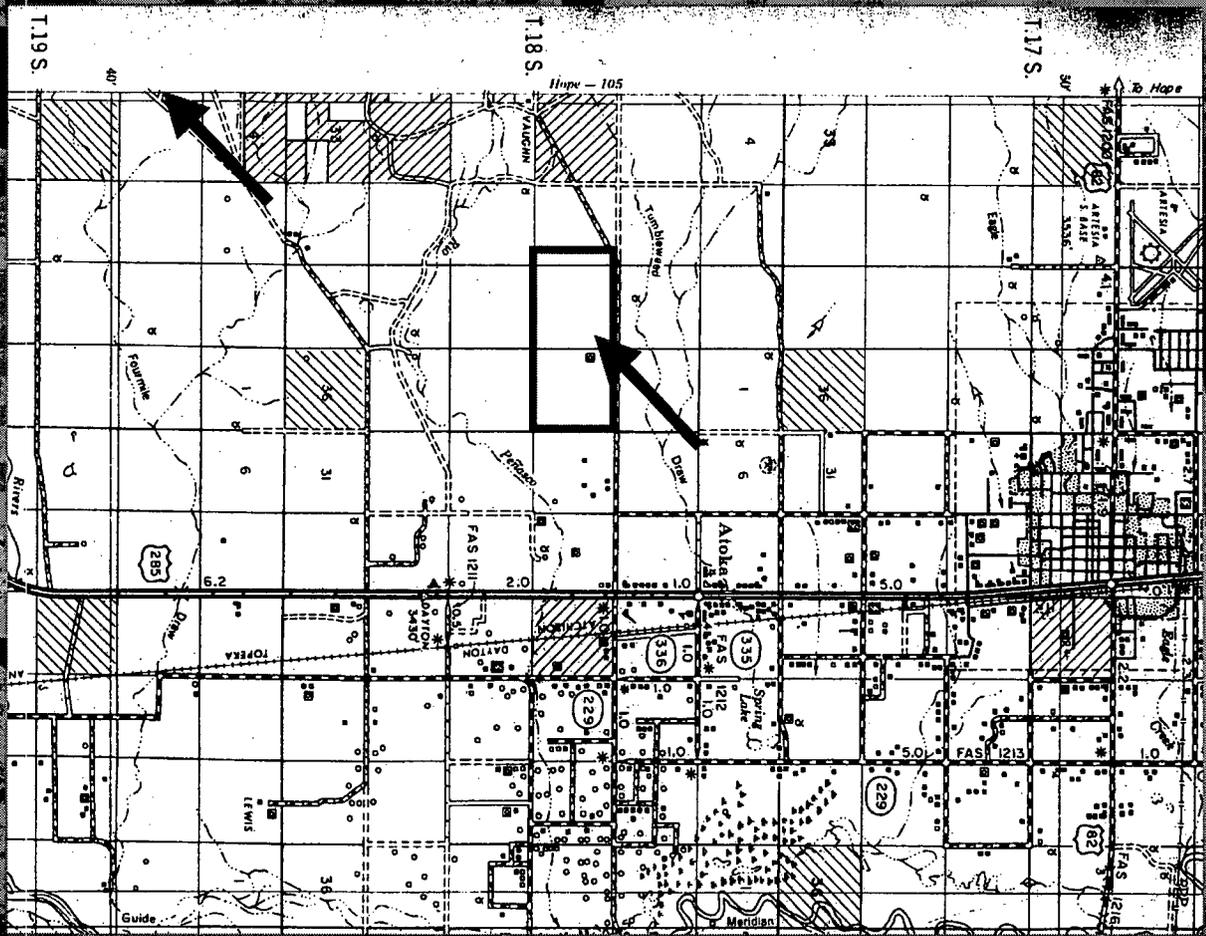
**YATES PETROLEUM
CORPORATION**

**YATES PETROLEUM
CORPORATION**

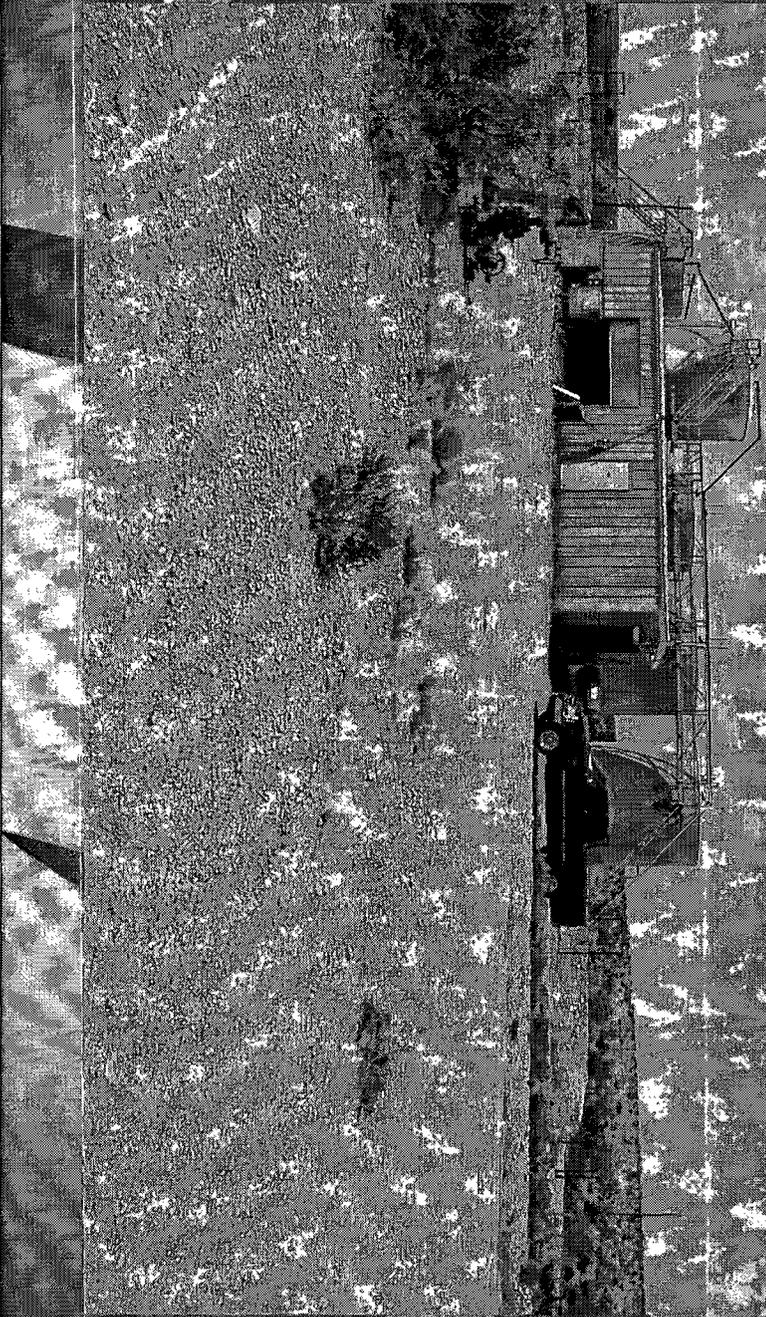
**COMMITMENT TO THE
PRESERVATION OF NEW
MEXICO'S WATER
RESOURCES**



Location



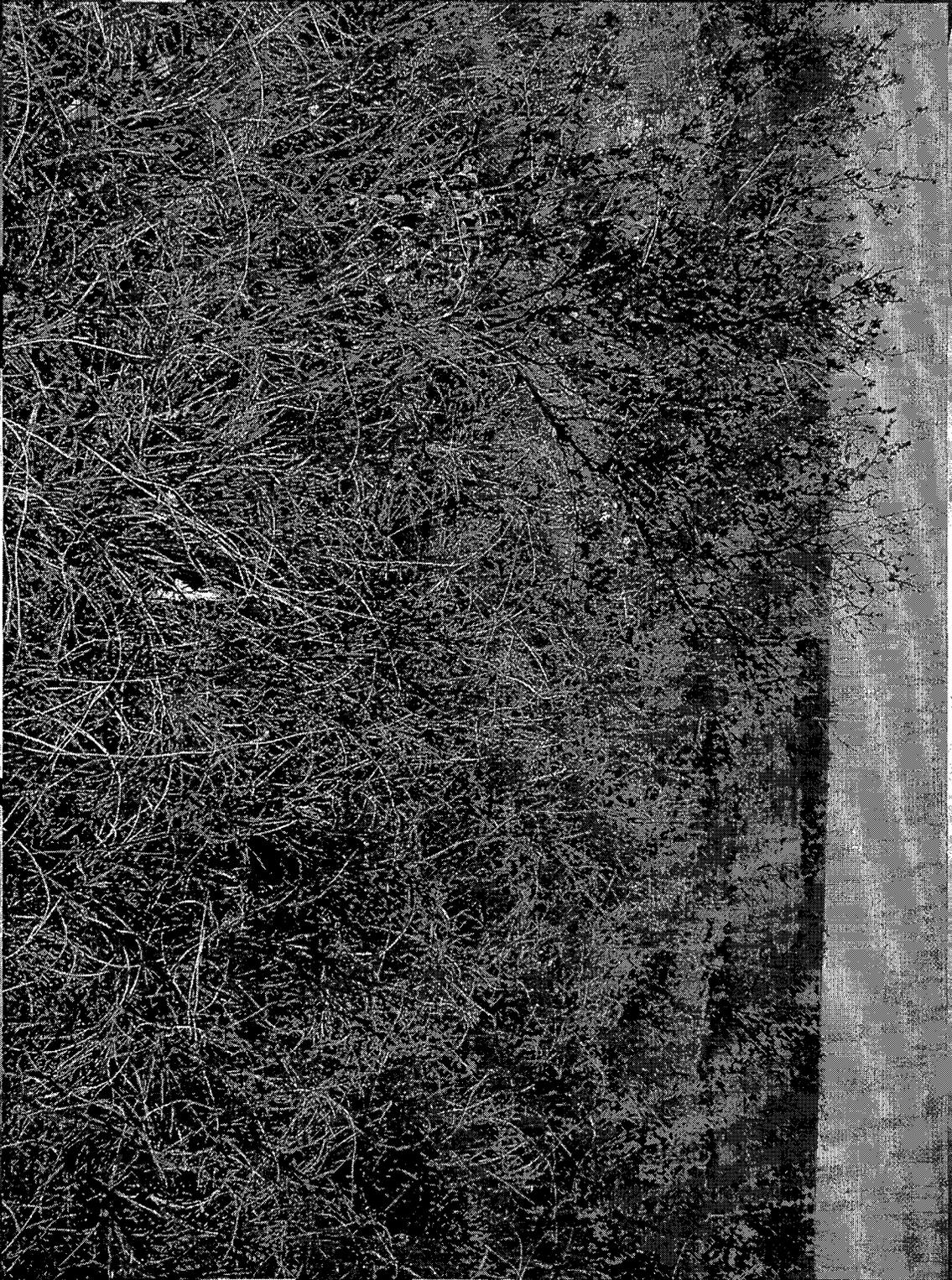
Treatment Site ROY AET #3



Treatment Facility



Irrigation Area



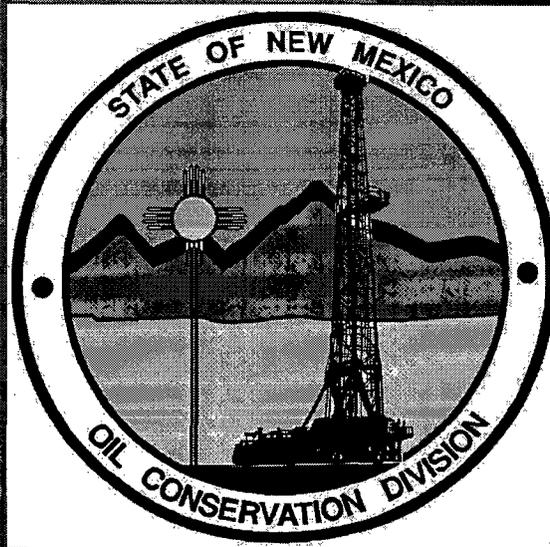
**YATES PETROLEUM
CORPORATION**

President

- Vice President

-Operations Manager

**ENERGY, MINERALS AND
NATURAL RESOURCES
DEPARTMENT**



**OIL CONSERVATION
DIVISION**

ENVIRONMENTAL MERIT AWARD 2002

Criteria:

- 1. Voluntary and innovative program or project that protects and enhances the environment.**
- 2. Commitment to the continuation of the program or project.**
- 3. Projection of a positive image of the industry.**

1. The Winner of the 2002 Environmental Merit Award proposes to construct a Produced Water Treatment Facility to treat produced water for irrigation purposes. The treated water will enhance vegetation, promote stock and wildlife habitat and will not degrade existing groundwater beneath the irrigation area.
2. The company proposes to transfer a bench top model to the field to begin treating 2000 bbl/day. If the model proves successful it will have the capacity for 10,000 bbl/day.
3. This proposal breaks new ground using technology and innovative disposal methods to promote recycling and the enhancement of the New Mexico landscape creating a positive image for New Mexico's Oil and Gas Industry.

ENVIRONMENTAL MERIT AWARD

2002

Awarded to:

**YATES PETROLEUM
CORPORATION**

Not only will Yates Petroleum Corporation be testing out new ways to recycle and reuse waste water, but they will be berming the entire treatment facility to protect against catastrophic breach or rain event.

The treatment area will contain cone/false bottom tanks and sludge drying roll-offs all placed on a lined and bermbed containment area.

All systems that monitor fluid level, water quality and H2S detection, will be automated and will be linked via satellite to their corporate computer system.

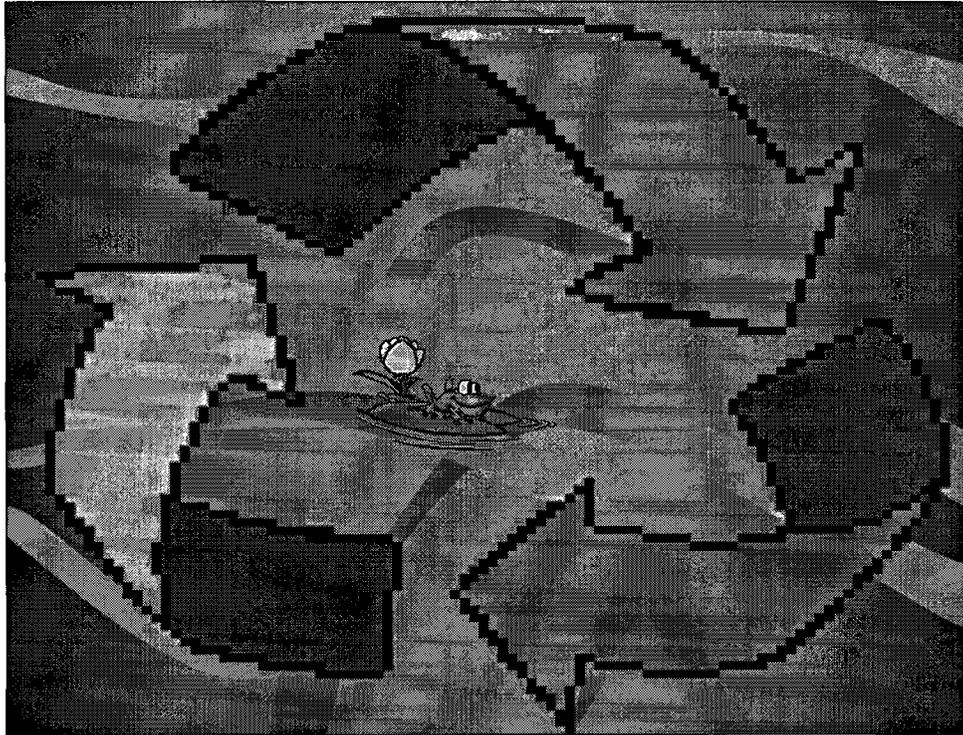
Visual checks will be performed every day by field personnel.

YATES PETROLEUM CORPORATION

COMMITMENT TO THE PRESERVATION OF NEW MEXICO'S WATER RESOURCES

The treated water will be pumped to the disposal location and held in storage tanks. The water will then be applied to the land surface on the 4-Dinkus Ranch via sprinklers. This test phase proposes to be able to irrigate just under 1,440 acres.

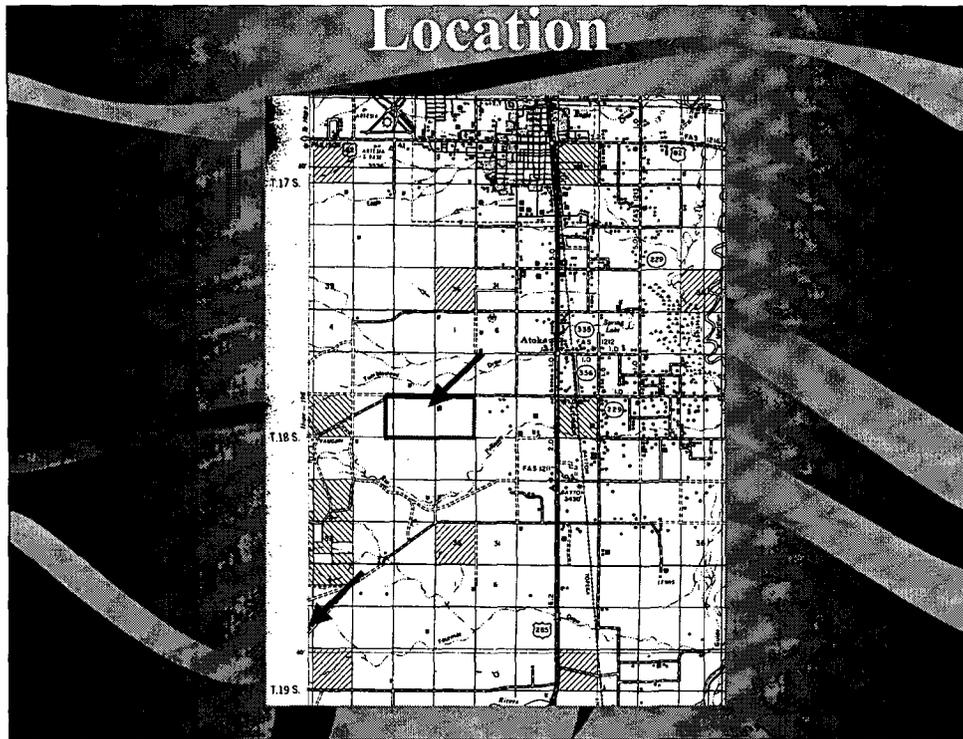
The water will meet OCD standards that will enhance vegetation, stock/wildlife and will not degrade existing groundwater.



The key to this environmental award winner

- 1. Is a project that proposal to manage waste to have ZERO discharges.**
- 2. To treat the waste water, and**
- 3. Then recycle the treated water to promote a healthy New Mexico landscape.**

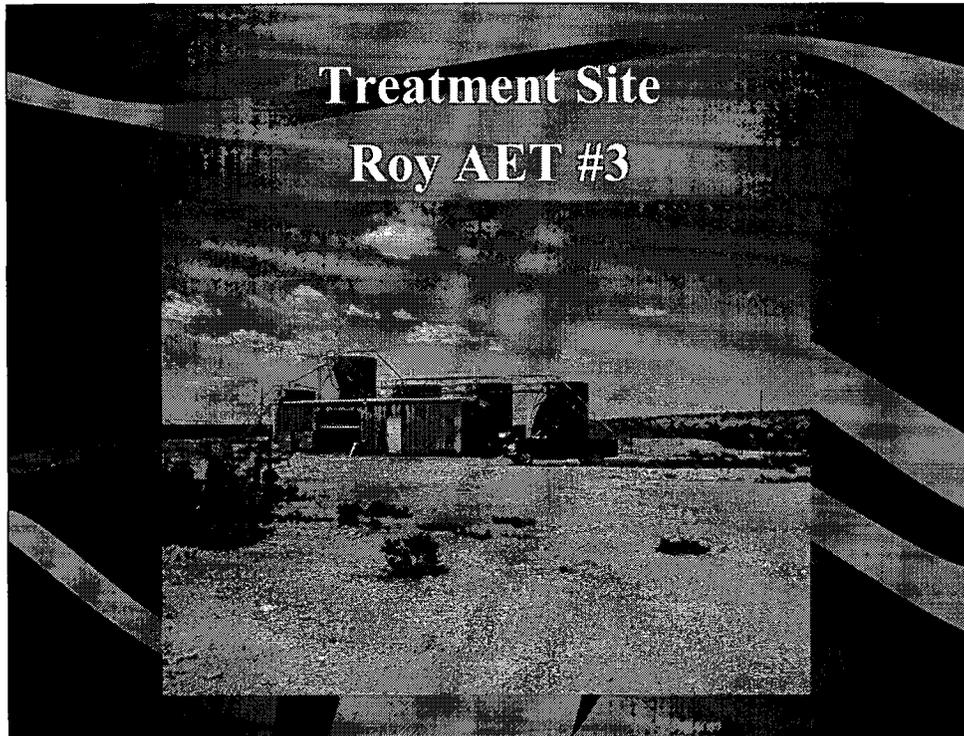
Yates Petroleum Corporation is taking that first step in recycling and reusing one of New Mexico's valued resources



The proposed facility will be located south of Artesia, New Mexico.

The Treatment location is along Fourmile Draw at the existing Roy ATE #3 SWD

The water will be piped northward to the Irrigation/Disposal location on the 4-Dinkus Ranch.



The expansion will occur here at the Roy AET #3 SWD.

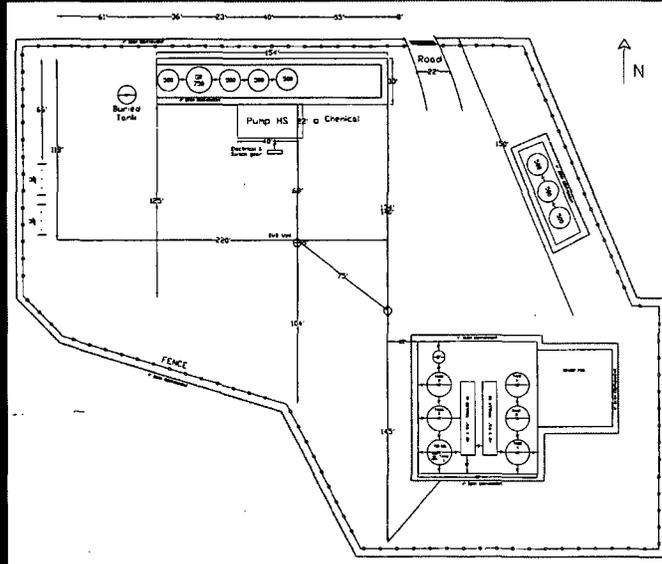
Any failures in the treatment system will cause the produced water to be automatically routed to the primary disposal method of injection.

Treatment Facility

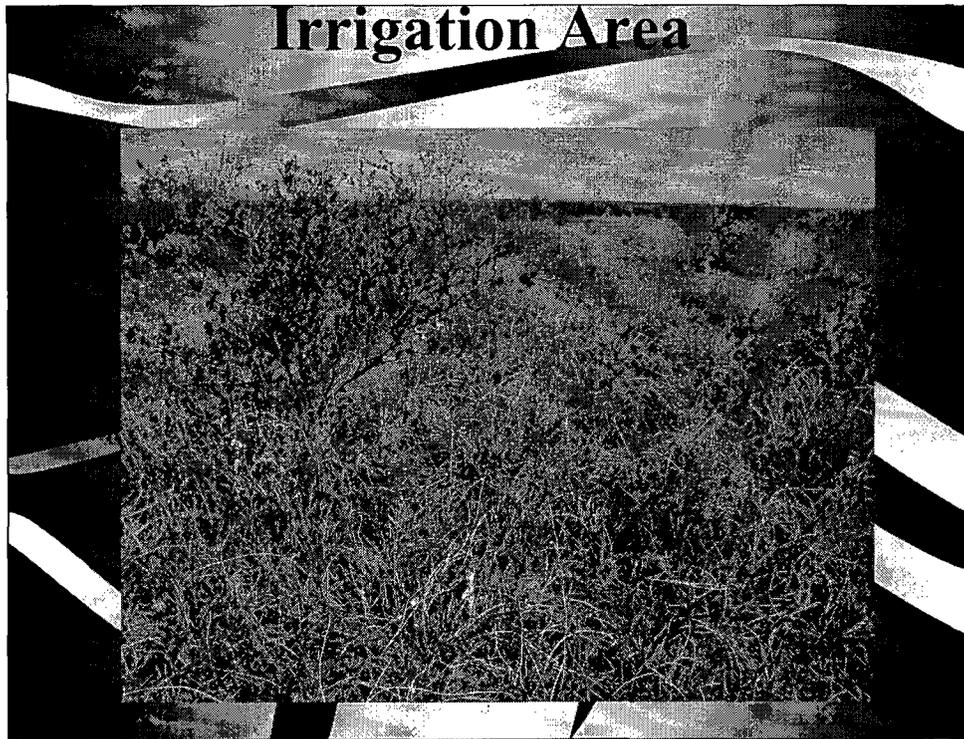


**Future Home of the proposed
Yates Petroleum Corporation's
Produced Water Treatment Facility**

Lined & Bermed Treatment Area



- 1. Existing SWD facility and Injection well.**
- 2. Addition of a facility encompassing berm.**
- 3. 7 Treatment tanks and 2 equipment trailers**
- 4. Treated water holding tanks and pipeline**



When watered the rangeland grasses of New Mexico have the potential to grow tall and thick. As shown here in a pocket of grass that has had the benefit of holding the run-off from a July thunderstorm.

**YATES PETROLEUM
CORPORATION**

President

- Vice President

-Operations Manager

**Accepting Today's award are the following
representatives:**

Frank Yates Jr., Vice President

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



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

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

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Oil Conservation Division

November 6, 2002

Martyne J. Kieling
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, NM 87505

Subject: OCD 711 Permit Draft Response

Dear Martyne J. Kieling

In reviewing the proposed **DRAFT** we have listed items, which raise concern or that, we feel may need additional definition before we can endorse the document.

If you have any questions or concerns toward our reply please feel free to give me a call. My office number is (505) 748-4195.

Sincerely,

Jerry D. Fanning, Jr.
Environmental Field Tech
Yates Petroleum Corporation

RESPONSE TO DRAFT OCD 711 PERMIT APPROVAL

Yates Petroleum Corporation

PRODUCED WATER TREATMENT AND DISPOSAL FACILITY

November 6, 2002

PAGE #2

PRODUCED WATER TREATMENT AND DISPOSAL FACILITY OPERATION

PARAGRAPH:

1. a. Is the disposal facility referred to in this section the **Disposal Site** or the **Treatment Facility**?

b. What is considered a **load**?

3. Why does natural precipitation have to be removed?

4. Would like wording changed to read:

All samples collected for OCD reporting purposes will be analyzed by an approved lab using appropriate EPA Test Methods.

5. PHASE I:

a. Would like to see wording changed from "all total organic -", to read "to have removed total organic (TOC), total carbon (TC), volatile organic compounds (VOC) to a level of 5 ppm or less".

b. Is the section referring to "producing water that is at least 2000 ppm or less TDS" setting the standard for discharge limits at the **Disposal Site**?

PAGE #3

PHASE II: a. Would like wording changed to read:

The treated produced water will be stored in a series of tanks located at the treatment facility and transferred via pipeline to storage tanks or other OCD approved storage containment located at the 4-Dinkus Ranch land application disposal site.

b. Paragraph 3 addresses subsurface monitoring and testing of **ground water**. Where are these samples to be obtained?

c. Paragraph 4- section addressing soil sampling and backfilling.

Would like wording changed to read:

After soil samples are obtained, bore holes will be filled with removed material and adjacent native soil.

PAGE #4

PHASE III: a. Paragraphs 1 and 2 discuss ground water sampling and analysis. The concern is the source of the samples and is the ground water quality influenced naturally by seasonal changes?

7. Define a “major change” ?

9. Visual evidence of occasional leaks and spills around oilfield operations are common to the industry. Any areas showing evidence of frequent releases will be addressed immediately to alleviate the problem. Any releases of reportable quantities will be reported and addressed in accordance with OCD rules and regulations.

PAGE #5

10. Requested wording change:

Contaminated soil may be removed or remediated on site in accordance with OCD approved methods.

A plan of no action may be appropriate in the event of a fresh water release.

11. Additional requested wording to be added:

Alternate solid waste disposal methods may be approved pending OCD review.

H2S PREVENTION & CONTINGENCY PLAN

PAGE #5

- a. We feel the order of action should be reversed, ii to i to eliminate source of release and insure safety as soon as possible.
- b. The same situation is true for this section.
We feel the order of events should be reversed, iii, ii, i , for the same reasons as mentioned above.

CLOSURE

PAGE #7

- d. Wording changed to read:
The area may be contoured, and / or seeded with native grasses as necessary in order to restore the area to an acceptable status.

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



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

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Oil Conservation Division

Martyne J. Kieling
Environmental Geologist
New Mexico Energy, Minerals and Natural Resources Department
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

RE: Yates Petroleum Corporation
Centralized Surface Waste Management Facility Application Review Response

Dear Mrs. Kieling,

Attached is the additional information you requested in your letter dated August 28, 2002 pertaining to our request for the permitting of our Centralized Surface Waste Management Facility to be located in Eddy County, New Mexico.

I truly hope that the enclosed information will provide you the additional information for the issuance of the 711 permit for the proposed facility.

A copy of this letter along with the enclosed information has been forwarded to the Artesia District office.

If you have any questions please do not hesitate to contact me at (505) 748-4195.

Sincerely,

A handwritten signature in cursive script, appearing to read 'Jerry D. Fanning, Jr.', is written over the typed name and title.

Jerry D. Fanning, Jr.
Environmental Field Tech
Yates Petroleum Corporation

2. Section six (6) Application Form C-137, A
3. Section seven (7) Application Form C-137, A.C.

Facility Diagram:
Design For Treatment Area Containment
Spill Prevention

Enclosed is a "new" scale diagram of the treatment facility site.

As shown by the diagram the site is bordered on all sides by a berm that is triangular in shape, four feet in height, tapering from a top peak down to a base of eight feet in width. This berm is in addition to an existing berm around the tank battery for the Roy AET #3 salt-water disposal well at the same site.

Total volumes for all tanks on site containing materials other than fresh water including the existing tanks for the Roy SWD will be approximately 7,810 barrels.

Estimated volume of the bermed treatment site is 59,691 barrels. This is approximately 7.6 times the volume of all tanks on site containing materials other than fresh water. The berm exceeds requirements by approximately 5 times that of one and one-third volume of all interconnected tanks. Because of the extra precaution shown by the berm size and process monitoring equipment, we are requesting you remove your requirement for the impermeable plastic liner that is suggested in 2.A and 3. A.

All drums and containers containing materials other than fresh water will be stored in accordance as suggested.

2 B.

Pipe:

Pipeline from the SWD pump house to the treatment facility will be buried 1-3 feet below ground surface.

Pipeline from the treatment facility to the freshwater storage tanks will be buried 1-3 feet below ground surface.

All pipelines connecting treatment facility to treatment tanks will be above ground.

All below ground pipelines associated with the treatment facility will be pressure tested annually.

2 C.

Entrance Gate:

As illustrated in the attached diagram a cattle guard is installed at the entrance to the treatment facility site. A lockable gate will be installed across the cattle guard to secure the site when Yates personnel are not present at the facility.

The site has been fenced and entrance signs designating the name of the facility, the company name along with phone number and legal description will be placed near the gate / cattle guard entrance.

2 D.

Storm Water Containment:

As described in Section 2 A., berms around the treatment site are sufficient to control storm water run-off.

All berms will be routinely inspected and maintained to insure their soundness and viability.

3 (B) a., b., c., d., e.

7. (A)

Treated Waste Water Land Application:

Geological Hydrologic Evidence

The initial field trial of the treatment system will include extensive monitoring and testing. Water will be stored and disposed of at the existing Salt Water Disposal well during this initial system trial.

After the efficiency of the system has been demonstrated testing and monitoring will be adjusted to a frequency to assure cleanup targets are met. Additionally, the system includes several failsafe systems that prevent untreated or insufficiently treated water being applied to the surface.

1. TOC, TC and VOC will be monitored on a continuous basis prior to the water circulating to the RO portion of the treatment system. If TOC, TC and VOC's are present in any quantity, the water will be diverted to the beginning of the system and reprocessed. Should any quantity of these constituents reach the RO system, shutdown will occur. Because this could potentially result in the fouling of the membranes and expensive replacement, continuous monitoring for the life of the project is essential.
2. Testing for constituents listed in WQCC (NMAC 20.6.2.3193) will be performed on a monthly basis during the first six-month (6) period. After evaluation, a sampling schedule will be instituted at a frequency that will demonstrate the efficiency of the system. Samples will be taken at a minimum of every six (6) months. Samples will be analyzed at an approved lab using appropriate EPA Test Methods.

Results will be provided to OCD prior to initial surface application and then annually.

Rate of Application

Treated wastewater will be transferred via a buried pipeline to the disposal site where it will be stored in 500-barrel fiberglass tanks. The water will be piped from the tanks into a system, which will feed a "big gun" type sprinkler.

The sprinkler will disperse the water at a rate of approximately 350 gallons per minute covering an area 360 feet in diameter (2.4 acres). The sprinkler is trailer mounted to allow it to be moved to different locations within the disposal site as needed. The application rate will be monitored by an inline-metering device. Daily visual inspection of the disposal site will insure that no pooling or runoff occurs.

Distribution rates will be correlated to the attached Penasco Irrigation Project, Natural Resources Conservation Service Report. The report establishes guidelines based on soil types and consumption rate of plants found at the site. As stated in the report, native vegetation should improve as a result of the application of the water. This, however, is not the purpose of the project. Water disposal is the project goal. Yates would like to remove the requirement of vegetation enhancement.

Data presented in the 1999 Penasco Irrigation Report and the National Resource Conservation Service Report demonstrate that water applied at the proposed rate will not impact groundwater.

Monitoring wells at the disposal site will be tested quarterly during the first year of surface disposal of the water. After this initial test period of the project, testing will be performed every six (6) months.

To document the predictions made in the report prepared by the Natural Resource Conservation Service, soil profile samples will be performed prior to application and then at six-month (6) intervals during the first year of the project. After the initial test period of the project, samples will be taken annually.

Testing, Monitoring and Reporting Schedule

After water has been disposed of at the site for one year (1), Yates will prepare a summary report and review conditions of the permit with the OCD. At this time, Yates and the OCD may agree to adjust testing, monitoring and/or reporting schedules.

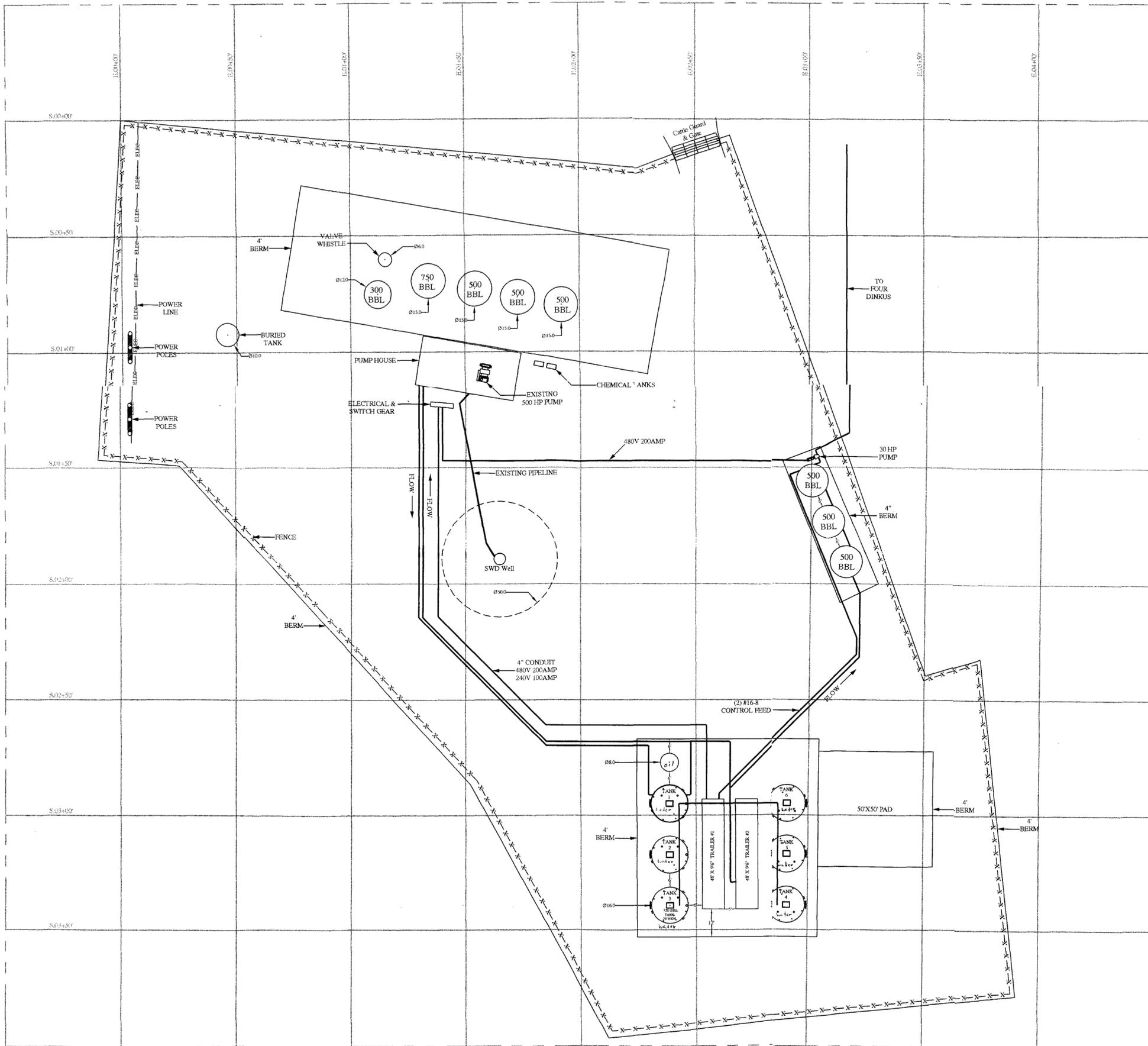
Constituents in Treated Water	Initial Test / Monitoring Frequency	Life of Project Test / Monitoring Frequency	Report to OCD
TOC, TC and VOC	Continuous	Continuous	Prior to first surface disposal and then Annual Summary.
Constituents listed in WQCC (NMAC 20.6.2.3193)	Monthly during first six months of operation of treatment system. Prior to first surface disposal.	Once every six months.	Prior to first surface disposal and then Annual Summary.
Groundwater Monitor Well			
Constituents listed in WQCC (NMAC 20.6.2.3193)	Prior to first surface disposal. Quarterly during first year of surface disposal.	Once every six months.	Prior to first surface disposal and then Annual Summary.
Soil			
Constituents listed in WQCC (NMAC 20.6.2.3193)	Prior to first surface disposal. Once every six months during first year of surface disposal.	Annually.	Prior to first surface disposal and then Annual Summary.

3C. see 2A

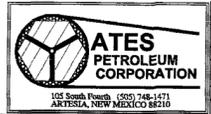
3D. **Waste Management:**

A solid sludge waste stream will be generated at the water treatment facility. Solids removed from the produced water will be transferred from the treatment tank bottoms to de-water bins onsite near the treatment plant as illustrated in the diagram.

The exact waste solids and waste stream composition is unknown at this time. Based on initial water samples it is believed that the solid waste stream will consist of Sulphates, Chlorides, Calcium, Potassium, Magnesium, Sodium, and small amounts of trace metals. Samples from the solid stream will be pulled and sent to a certified independent lab for analysis of composition and quantities of each constituents. After analysis the solids will be disposed of at a licensed, certified landfill; permitted to accept these type of waste. Waste disposal records along with manifest will be kept on file with Yates Petroleum Corporation, Environmental Section, 105 S. 4th Street, Artesia, NM 88210.



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 Environmental Bureau
 Oil Conservation Division



YATES PETROLEUM CORP 168 SOUTH 4TH ST ARTESIA, NEW MEXICO 88210	
JOB NAME: NEW WATER	DESCRIPTION: PLOT PLAN
LOCATION: RPT #3 SWD	SCALE: N/A
SEC. 7 T199 R256	DATE: 9/12/02
SIZE: ANSI C	DRAWING NUMBER:
DRAFTING: TWH	CHK: BY: OJ
	SHEET 1 OF 1



Natural Resources Conservation Service
3105 W. Main St
Artesia NM. 88210

Penasco Irrigation Project:
4 - - Dinkus Ranch

Attached is a water budget for the proposed waist disposal site on the 4-Dinkus ranch. The budget attempts to balance the consumptive use of vegetation and the amount of water to be disposed of. The budget is based on warm season native vegetation and cool season pasture. The budget uses Natural Resources Conservation Service consumptive use rates for the Artesia area. The budget is based on 1000 barrels of treated water per day. ($1000 \times 42 \text{ gal/barrel} = 42000 \text{ gal/day}$ divided by $27,154 \text{ gal/ac in} = 1.5 \text{ ac in/day}$)

The budget does not take into consideration efficiency of the system or evaporation loss.

Water quality will be important to the long-term viability of the project. As indicated in the Penasco Irrigation Report - 1999 salt management in the root zone will be critical if the treated water has a high salt content. Water quantity is limited and will not be adequate to leach salt from the root zone. Water with a high salt content will eventually cause the disposal area to salt out and a loss of the native vegetation. (See: Table 1A guidelines for use of high chloride and high conductance irrigation water)

Native vegetation on the site should flourish in the summer months provided water quality is suitable. A cool season forage should be considered on acres to be irrigated during the winter months. For those months when the vegetation is using little or no moisture and treated water is still being applied an alternative would be to continue to irrigate a 50-acre area with an application of 3 to 4 inches to fill the soil profile each year.

A handwritten signature in cursive script that reads "Garth Grizzle".

Garth Grizzle
District Conservationist.

Penasco Irrigation Project

4 - Dinkus Ranch

Water Budget based on
1000 barrels of water / day

Mouth	CU	Days	inches needed/ month/ac	acres/gun	in water applied / 2.4 acres	reclaimed	surplus	ac needed
Jan.	0	30	0	0	0	45	45	
Feb.	0.03	28	0.84	2.4	2	42	39.6	50
March	0.06	30	1.8	2.4	4.3	45	40.7	25
April	0.11	30	3.3	2.4	7.9	45	37.1	14
May	0.17	31	5.27	2.4	12.6	47	34.4	9
June	0.23	30	6.9	2.4	16.5	45	28.5	6.5
July	0.25	31	7.75	2.4	18.6	47	28.4	6
Aug.	0.22	31	6.82	2.4	16.3	47	30.7	7
Sept.	0.16	30	4.8	2.4	11.5	45	33.5	9
Oct.	0.09	31	2.79	2.4	6.7	47	40.3	17
Nov.	0.04	30	1.2	2.4	2.8	45	42.2	37.5
Dec.	0	31	0	0	0	47	47	

100 ac in 547 ac in 447 ac in

Kieling, Martyne

From: Jerry Fanning [jerryf@ypcnm.com]
Sent: Thursday, October 31, 2002 2:23 PM
To: Martyne Kieling
Subject: Soil sampling plan



SOIL TESTING
OGRAM FOR WATER

I hope this will be of some help to you in addressing the sampling plan in the permit. If not call me and I'll do something else!!

Jerry

SOIL TESTING PROGRAM FOR WATER TREATMENT DISPOSAL SITE :

- A. Proposed disposal units within the approved disposal site will be sized to 50 acres each.
- B. Before actual water disposal begins within each 50-acre unit, three random soil-sampling points will be selected in that particular unit.
- C. Soil samples will be taken at these points on the surface and at a depth of 3 feet.
- D. This type of sampling will be conducted at six-month intervals within the units where treated water has been applied.

Kieling, Martyne

From: Jerry Fanning [jerryf@ypcnm.com]
Sent: Thursday, October 03, 2002 12:58 PM
To: Martyne Kieling
Subject: Tank construction

I am FAXing you the general notes for the specifications on the tanks. Because the exact designs are proprietary I am not sending those to you at this time. The tanks will be cone bottom fiberglass 820 bbl. I hope what I am sending will answer question pertaining to what you are looking at.

Secondly, because we are using fiberglass tanks and the likelihood of an undetectable leak occurring is really slim. The gravel ring could be an option. I would still like to avoid the liner issue. The idea of another smaller berm closer to the treatment tanks may be better option.

Talk to you soon,

Jerry

Phone: 505-748-1471
Fax: 505-748-4660

Yates Petroleum Corporation
105 SOUTH 4TH STREET
ARTESIA, NEW MEXICO 88210

Fax

To: Martyne J. Kieling **From:** Jerry D. Fanning, Jr.

Fax: 505-476-3462 **Date:** October 4, 2002

Phone: 505-476-3488 **Pages:** 2

Re: TANK SPECIFICATIONS **CC:**

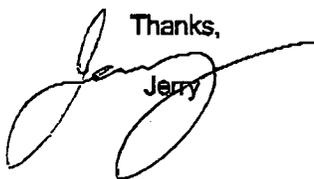
Urgent For Review Please Comment Please Reply Please Recycle

•Comments:

Here are the specs directly off of the engineered drawings. I hope this will answer some of the questions regarding the integrity of the tanks.

I will be in the office Monday, 10-7 and until mid morning 10-8. I will be out most of the rest of the week. Hopefully we can bring some closer to these few issues and get the permit finished by then.

Any questions please give me a call.

Thanks,

 Jerry

GENERAL NOTES

1. ALL F.F. FLANGES TO BE ANSI 150# BOLT PATTERN RATED AT 50 PSI
2. FLANGE BOLT HOLE PATTERN TO STRADDLE NATURAL CENTERLINE OF TANK
3. FLANGE OUTSIDE PROJECTION TO BE 6" UNLESS OTHERWISE NOTED
4. FLANGE NECK INSIDE PROJECTION TO BE 5" ±1" UNLESS OTHERWISE NOTED
5. PROVIDE STAINLESS STEEL NAME PLATE
6. ALL TANK CUTOUTS TO BE SAVED AND TAGGED FOR 1 YEAR
7. HYDROTEST TANK AFTER COMPLETION (HOLD FULL OF WATER FOR 2 HOUR MIN.)

FRP SPECIFICATIONS

LINER	RESIN	ORTHOTHALIC
	CATALYST	MEKP
	MATRIX	E-GLASS
	THICKNESS	10 MIL
CORROSION BARRIER	RESIN	ORTHOTHALIC
	CATALYST	MEKP
	MATRIX	E-GLASS (CHOP)
	THICKNESS	100 MIL

"B" STAGE LINER AND CORROSION BARRIER NO

STRUCTURE	RESIN	ORTHOTHALIC				
	CATALYST	MEKP				
	MATRIX	E-GLASS				
EXTERIOR COLOR	PIGMENT BLACK (CT 80012)					
TANK ORIENTATION	VERTICAL	<table border="1"> <tr> <td>TOP TYPE</td> <td>DOME</td> </tr> <tr> <td>BOTTOM TYPE</td> <td>FLAT</td> </tr> </table>	TOP TYPE	DOME	BOTTOM TYPE	FLAT
TOP TYPE	DOME					
BOTTOM TYPE	FLAT					

BRACKETS AND LUGS

ITEM	STYLE	MATERIAL
LIFT LUGS	#3	GALVANIZED CARBON STEEL
WALKWAY BRKTS	STD.	GALVANIZED CARBON STEEL
CONDUIT SUPPORTS	UNI-STRUT	2" FRP SQUARE TUBING

GASKET AND BOLTING

SIDE MANWAY	GASKET: 3/16" THK NEOPRENE	
	BOLTS: (28) 1/2" DIA x 4" LG. CARBON STEEL	
	NUTS: (28) 1" DIA. HEX CARBON STEEL	
THIEF HATCH	GASKET: 3/16" THK. NEOPRENE EPDM	
	BOLTS: (8) 1/2" DIA x 2 1/2" LG. CARBON STEEL	
	NUTS: (8) 1/2" DIA. HEX CARBON STEEL	
DOME	GASKET: 3/16" THK. NEOPRENE OF19264 ONLY EPDM	
	BOLTS: (100) 1/2" DIA x 2 1/2" LG. CARBON STEEL OF19264 ONLY	
	NUTS: (100) 1/2" DIA. HEX CARBON STEEL OF19264 ONLY	

DRAWING REVISIONS

NO.:	DATE:	BY:	NO.:	DATE:	BY:
1	9/17/02	M.T.M.			
2	9/19/02	M.T.M.			

NAME PLATE

SERIAL NUMBER	OF19259 THRU OF19264	
YEAR BUILT	2002	
SIZE	15'-6" I.D. x 26'-0" TALL	
OWNER'S NAME	YATES PETROLEUM CORP.	
CHEMICAL ENVIRONMENT SERVICE	PRODUCED OIL & WATER	
DESIGN PRESSURE IN PSIG	ATMOSPHERIC	
DESIGN VACUUM	ATMOSPHERIC	
DESIGN TEMPERATURE IN F	180 F.	
SPECIFIC GRAVITY OF PROCESS FLUID	1.00	
RESINS USED IN CONSTRUCTION	ISOPHTHALIC	
TANK CAPACITY IN GALLONS/BARRELS	820 BARREL	
INNER SURFACE REINFORCEMENTS	10 MIL E-GLASS	



PALMER OF TEXAS
P.O. BOX 1069
ANDREWS, TX. 79714

15'-6" I.D x 26'-0" TALL 820 BARREL
 FIBERGLASS FLOCCULATION TANK
 ARTESIA, NEW MEXICO

DESIGN TEMPERATURE IN F 180 F.
 SPECIFIC GRAVITY OF PROCESS FLUID 1.00
 RESINS USED IN CONSTRUCTION PHTHALIC
 TANK CAPACITY IN GALLONS/BARRELS 820 BARREL
 INNER SURFACE REINFORCEMENTS 10 MIL E-GLASS
 SEISMIC ZONE AND CODE 0 (WIND LOAD: 80 MPH)
 CONSTRUCTION CODES PALMER STANDARD

15'-6" I.D x 26'-0" TALL 820 BARREL
 FIBERGLASS FLOCCULATION TANK
 ARTESIA, NEW MEXICO

CUSTOMER P.O. NO.:	~	SCALE: NONE	DATE: 9/8/02
TANK TAG NO.:	~	DRAWN BY: M.T.M.	APPROVED: J.D.L
CUSTOMER: YATES PETROLEUM CORP.		SHEET NO.:	DRAWING NO.:
		1 OF 3	OF 19259-26

TRANSACTION REPORT

P. 01

OCT-04-2002 FRI 09:59 AM

FOR:

RECEIVE

DATE	START	SENDER	RX TIME	PAGES	TYPE	NOTE	M#	DP
OCT-04	09:58 AM	505 748 4585	59"	1	RECEIVE	OK		

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

MEMORANDUM OF MEETING OR CONVERSATION

Telephone Personal Time 10:00 Date 9-25-02

Originating Party

Other Parties

Jerry Fanning
Lisah
Frank Yates

Marlye Kieling

Subject Item 3.B. in Letter Dated August 28, 2002

Targets 2000 TDS & 0 Hydrocarbons Because of Ro unit will be damaged and Shutdown.

Discussion Application Rates to be \approx 350 gpm on a 2.4 acres
Yates Shooting for 2000 TDS water quality. They have
researched the NRCS Application Rates for infiltration and
consumptive use for Native Plants. at this rate the
12 month Infiltration would be 4 feet of Profile.

we will set targets such as Analytical Results once they
meet their 2000 TDS target in treatment and Down Hole
Disposal. Analytical Results will be supplied. Then
after they are up and running for 1 month test
and send in Results. Then again at 6 mo and 1 year.
Subsurface Analyt at Farm at 1 month 6 mo & 1 year.
then at 2 years.

Fail safe mechanisms and computer monitoring safety will be detailed.

Conclusions or Agreements write a Permit Permit. with Targets and
Evaluations so that OCP can modify the Permit if needed.
Yates can request modification at any time.

Distribution

Signed

Marlye

Kieling, Martyne

From: Jerry Fanning [jerryf@ypcnm.com]
Sent: Monday, September 16, 2002 10:53 AM
To: Martyne Kieling
Subject: YATES PETROLEUM CORPORATION



newwaterh2s
9-16-02.doc

I am sending this revised contingency plan for H2s. I would like for you to review it and see if it meets the needs you requested in your letter dated August 28, 2003, #9.

Let me know if I need to make any changes.

Thanks,

Jerry

EXHIBIT F

YATES PETROLEUM CORPORATION
ROY "AET" #3 SWD
"NEW WATER" TREATMENT SITE
Surface Location: 810 FT. FSL & 660 FT. FEL
Section 7, TWP 19S, RNG 25
Eddy County, NM

H2S Operations Plan

Personnel employed at the water treatment site shall receive training in H2S detection and contingency plans. H2S safety equipment shall be installed and functional at all times personnel are onsite.

Submitted with 711 application.

- 1.) Map of facility site
- 2.) Location of access road.

Primary briefing area will be established 150' from treatment facility and up wind of prevailing wind direction. Secondary briefing area will be established 180 degrees from primary briefing area

A H2S warning sign will be posted at the entrance of the facility site. Depending on conditions, a green, yellow, or red flag will be displayed.

Green- Normal conditions

Yellow-Potential danger

Red - Danger H2S present

Wind indicators will be placed at facility site at strategic, highly visible areas. H2S monitors (a minimum of three) will be positioned on location for best coverage and response.

H2S concentrations of 1 ppm or greater will trigger a flashing light. Concentrations of 10 ppm or greater will trigger an audible alarm.

Activation of the alarm system indicating a release will trigger the Emergency Response Plan (attached).

H2S breathing equipment will consist of:

1.) 30 minute "pressure demand" type working units or 5 minute escape packs for each operations crewmember or as specified by contracted safety firm.

Breathing equipment will be stored in weatherproof cases or facilities.

They will be inspected and maintained weekly or as specified by contract safety firm.

Roy "AET" #3 SWD, "NEW WATER" TREATMENT SITE

Page 2

The water treatment system will be designed to minimize or eliminate the escape of H₂S at the facility site. This will be accomplished through the use of vapor recovery units and destruction of the H₂S in the water treatment process.

All lines, valves and sensors will be suitable for anticipated H₂S encounters.

Radio and or mobile telephone communication will be available on site. Mobile telephone communication will be available in company vehicles.

Yates Petroleum Corporation
“NEW WATER” TREATMENT SITE

Emergency Response Plan

H2S concentrations of 1 ppm or greater will trigger a flashing light.

1. **Notification:**
 - a. Yates Petroleum Corporation Employees
 - b. Contract Safety Personnel

2. **Evacuate:** *The first priority of action for all incidents is safety of personnel and general public.*
 - a. Exit the area.
 - b. Stay upwind/crosswind
 - c. Continue primary briefing area
 - d. Secure the site

3. **Respond**
 - a. Initiate Yates Petroleum Corporation internal emergency incident call list.
 - b. Notify Artesia Office of the OCD.
 - c. Begin operations to shut facility down or mitigate the source of the release.

Concentrations of 10 ppm or greater will trigger an audible alarm.

Based on the current concentrations of H2S and the proposed production capacity of the facility, the potential risk of an incident impacting outside the facility fence line is minimal.

1. **Notification**
 - a. Yates Petroleum Corporation Employees
 - b. Contract Safety Personnel

2. **Evacuate:** *The first priority of action for all incidents is safety of personnel and general public.*
 - a. Exit the area.
 - b. Stay upwind/crosswind
 - c. Continue primary briefing area
 - d. Secure the site
 - e. The nearest residence is located .8 miles to the Southeast. Situation will be monitored and residents notified as warranted.

3. **Respond**
 - a. Initiate Yates Petroleum Corporation internal and external emergency incident call lists.
 - b. Notify Artesia Office of the OCD
 - c. Begin operations to shut facility down or mitigate the source of the release.
 - d. Provide facility security including evacuating people, establishing roadblocks or other safety measures until local public safety authorities arrive to assume these responsibilities.
 - e. Company personnel and/or the responding safety contractor will monitor the atmospheric conditions around the site.
 - f. Personnel and equipment will be provided by Yates or authorized contractors as necessary.

Yates Petroleum Corporation

“NEW WATER” TREATMENT SITE

Internal Incident Notification List

Yates Petroleum Corporation 505-748-1471

(Answering Service after normal business hours)

Answering Service or Key Personnel will initiate appropriate calls.

Name	Department	Cell Phone	Home
Jerry Fanning, Jr.	Environmental	505-365-8393	505-746-6970
Ron Beasley	Production	505-365-8888	505-748-3161
Lisa Norton	Environmental	505-365-8395	505-746-3205
Indian Fire & Safety (or first available)	Contract Safety	800-530-8693	

External Incident Notification List

For immediate emergency assistance call 911

If the incident causes imminent danger to the public or exceed company resources contact the following.

Name	Phone
New Mexico State Police	505-748-9718
Artesia Fire Department	505-746-5050
Eddy County Sheriff	505-746-9888
LEPC (Joel Arnwine – Emergency Preparation Coord.)	505-887-9511

Agency Contact

Artesia OCD	505-748-1283
-------------	--------------

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
SEP 09 2002
Environmental Bureau
Oil Conservation Division

September 4, 2002

Martyne J. Kieling
Environmental Geologist
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, NM 87505

Dear Mr. Kieling:

Enclosed are the certified copies of all the surface owners listed in exhibit B. Also enclosed are copies of the envelopes that were unable to be delivered.

If you have any questions please do not hesitate to contact me at (505) 748-4195.

Sincerely,

A handwritten signature in black ink, appearing to read 'Jerry Fanning Jr.', is written over the typed name.

Jerry Fanning Jr.
Environmental Field Technician

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

State of New Mexico
Director Lori Wrotenbery
OIL CONSERVATION DIVISION
P.O. Box 2088
Santa Fe, NM 87501

COMPLETE THIS SECTION ON DELIVERY

A. Signature
X *M. Balint*

B. Received by (Printed Name)
M. Balint

C. Date of Delivery
JUL 25 2002

D. Is delivery address different from item 1? Yes
If YES, enter delivery address below: No

3. Service Type
 Certified Mail Registered Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes

2. Article Number
(Transfer from service label) **7002 0510 0002 6869 7669**

PS Form 3811, August 2001 Domestic Return Receipt 102595-02-M-1035

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Orphia Anderson, ET AL
c/o Burnell Anderson
1130 Balo Eagle Road North
Hudson, WI 54016

COMPLETE THIS SECTION ON DELIVERY

A. Received by (Please Print Clearly)
Burnell Anderson

B. Date of Delivery
8/5/02

C. Signature
X *B. Anderson*

D. Is delivery address different from item 1? Yes
If YES, enter delivery address below: No

3. Service Type
 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes

2. Article Number (Copy from service label) **7002 0510 0002 6869 7966**

PS Form 3811, July 1999 Domestic Return Receipt 102595-00-M-0952

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Albert P. and Wilma R. Bach
1603 West Washington
Artesia, NM 88210

COMPLETE THIS SECTION ON DELIVERY

A. Received by (Please Print Clearly)
Albert Bach

B. Date of Delivery
8/5/02

C. Signature
X *Albert Bach*

D. Is delivery address different from item 1? Yes
If YES, enter delivery address below: No

3. Service Type
 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes

2. Article Number (Copy from service label) **7002 0510 0002 6869 7881**

PS Form 3811, July 1999 Domestic Return Receipt 102595-00-M-0952

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

L.B. Boellner Estate
% Greg Alpers
First Baptist Church Roswell, ET AL
1909 West 27th
Roswell, NM 88201

COMPLETE THIS SECTION ON DELIVERY

A. Signature Agent
[Signature] Addressee

B. Received by (Printed Name) C. Date of Delivery

D. Is delivery address different from item 1? Yes
If YES, enter delivery address below: No

[Postmark: ROSWELL NM 88201 AUG 6 1998]

3. Service Type
 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes

2. Article Number

(Transfer from service label) **7002 0510 0002 6869 7379**

PS Form 3811, August 2001

Domestic Return Receipt

102595-02-M-1035

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Harriet Byers Brinton, ET AL
3514 West 102nd Street
Leawood, KS 66206-2411

COMPLETE THIS SECTION ON DELIVERY

A. Received by (Please Print Clearly) B. Date of Delivery

C. Signature Agent
[Signature] Addressee

D. Is delivery address different from item 1? Yes
If YES, enter delivery address below: No

[Postmark: AUG - 6 2002]

3. Service Type
 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes

2. Article Number

PS Form

2595-00-M-0952

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

W. Edd Brown
William E. Brown, Jr.
915 S. Main
Floydada, TX 79235

COMPLETE THIS SECTION ON DELIVERY

A. Received by (Please Print Clearly) B. Date of Delivery
E Brown *8-5-02*

C. Signature Agent
[Signature] Addressee

D. Is delivery address different from item 1? Yes
If YES, enter delivery address below: No

3. Service Type
 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes

2. Article Number (Copy from service label)

7002 0510 0002 6869 7942

PS Form 3811, July 1999

Domestic Return Receipt

102595-00-M-0952

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Bureau of Land Management
620 East Green Street
Carlsbad, NM 88220-6292

2. Article Number

(Transfer from service label)

7002 0510 0002 6869 7713

PS Form 3811, August 2001

Domestic Return Receipt

102595-02-M-1035

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

H. Silva

Agent

Addressee

B. Received by (Printed Name)

H. Silva

C. Date of Delivery

7-25

D. Is delivery address different from item 1? Yes

If YES, enter delivery address below: No

3. Service Type

Certified Mail

Express Mail

Registered

Return Receipt for Merchandise

Insured Mail

C.O.D.

4. Restricted Delivery? (Extra Fee)

Yes

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Wilma Conner & Dorothy Smith
P.O. Box 1463
Artesia, NM 88211-1463

2. Article Number

(Transfer from service label)

7002 0510 0002 6869 7362

PS Form 3811, August 2001

Domestic Return Receipt

102595-02-M-1035

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

W. C. Conner

Agent

Addressee

B. Received by (Printed Name)

W. C. Conner

C. Date of Delivery

7-26-02

D. Is delivery address different from item 1? Yes

If YES, enter delivery address below: No

3. Service Type

Certified Mail

Express Mail

Registered

Return Receipt for Merchandise

Insured Mail

C.O.D.

4. Restricted Delivery? (Extra Fee)

Yes

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Eddy County
Board of Commissioners
101 N. Greene St., Suite 225
Carlsbad, NM 88220

2. Article Number

(Transfer from service label)

7002 0510 0002 6869 7652

PS Form 3811, August 2001

Domestic Return Receipt

102595-02-M-1035

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

Peggy Marrs

Agent

Addressee

B. Received by (Printed Name)

Peggy Marrs

C. Date of Delivery

7-22

D. Is delivery address different from item 1? Yes

If YES, enter delivery address below: No

3. Service Type

Certified Mail

Express Mail

Registered

Return Receipt for Merchandise

Insured Mail

C.O.D.

4. Restricted Delivery? (Extra Fee)

Yes

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Genestet Farms Partnership, ET AL
 175 North Columbia 27
 Waldo, AR 71770

COMPLETE THIS SECTION ON DELIVERY

A. Received by (Please Print Name) B. Date of Delivery

Alexie MORRIS 8

C. Signature Agent Addressee

Alexie Morris

D. Is delivery address different from item 1? Yes
 If YES, enter delivery address below: No

3. Service Type
 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes

2. Article Number (Copy from service label)

7002 0510 0002 6869 7959

PS Form 3811, July 1999

Domestic Return Receipt

102595-00-M-0952

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Hubert Calvin Hervey, Jr.
 203 Hervey Dairy Road
 Stonewall, LA 71078

COMPLETE THIS SECTION ON DELIVERY

A. Signature Agent Addressee

H.C. Hervey Jr

B. Received by (Printed Name) C. Date of Delivery

H.C. Hervey Jr 8-14-02

D. Is delivery address different from item 1? Yes
 If YES, enter delivery address below: No

3. Service Type
 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes

2. Article Number (Transfer from service label)

7002 0510 0002 6869 7874

PS Form 3811, August 2001

Domestic Return Receipt

102595-02-M-1035

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Richard Lee Hervey
 1806 Rowlett Road
 Rowlette, TX 75088-6017

COMPLETE THIS SECTION ON DELIVERY

A. Signature Agent Addressee

RL Hervey

B. Received by (Printed Name) C. Date of Delivery

RL Hervey 8/5

D. Is delivery address different from item 1? Yes
 If YES, enter delivery address below: No

3. Service Type
 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes

2. Article Number (Transfer from service label)

7002 0510 0002 6869 7867

PS Form 3811, August 2001

Domestic Return Receipt

102595-02-M-1035

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

William G. and Betty L. Kennedy
P.O. Box 5
Des Moines, NM 88418-0005

COMPLETE THIS SECTION ON DELIVERY

- A. Received by (Please Print Clearly) *Kennedy* B. Date of Delivery *8/7/02*
- C. Signature *Kennedy* Agent Addressee
- D. Is delivery address different from item 1? Yes
If YES, enter delivery address below: No

3. Service Type
- Certified Mail Express Mail
- Registered Return Receipt for Merchandise
- Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes

2. Article Number (Copy from service label)

7002 0510 0002 6869 7751

PS Form 3811, July 1999

Domestic Return Receipt

102595-00-M-0952

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

James and Betty Howell
P.O. Box 75
Lakewood, NM 88254

COMPLETE THIS SECTION ON DELIVERY

- A. Signature *Alan Howell* Agent Addressee
- B. Received by (Printed Name) *Alan Howell* C. Date of Delivery
- D. Is delivery address different from item 1? Yes
If YES, enter delivery address below: No

3. Service Type
- Certified Mail Express Mail
- Registered Return Receipt for Merchandise
- Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes

2. Article Number
(Transfer from service label)

7002 0510 0002 6869 7683

PS Form 3811, August 2001

Domestic Return Receipt

102595-02-M-1035

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Merilyn S. Howard, ET AL
6028 Folsom Drive
La Jolla, CA 92037

COMPLETE THIS SECTION ON DELIVERY

- A. Received by (Please Print Clearly) B. Date of Delivery *8/6/02*
- C. Signature *Merilyn Howard* Agent Addressee
- D. Is delivery address different from item 1? Yes
If YES, enter delivery address below: No

3. Service Type
- Certified Mail Express Mail
- Registered Return Receipt for Merchandise
- Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes

2. Article Number (Copy from service label)

7002 0510 0002 6869 7768

PS Form 3811, July 1999

Domestic Return Receipt

102595-00-M-0952

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Douglas C. Koch and Richard Coats
P.O. Box 540244
Houston, TX 77254

COMPLETE THIS SECTION ON DELIVERY

A. Received by (Please Print Clearly) B. Date of Delivery

DOUGLAS KOCH 07 200

C. Signature

X

 Agent AddresseeD. Is delivery address different from item 1? YesIf YES, enter delivery address below: No

3. Service Type

 Certified Mail Express Mail Registered Return Receipt for Merchandise Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee)

 Yes

2. Article Number (Copy from service label)

7002 0510 0002 6869 7973

PS Form 3811, July 1999

Domestic Return Receipt

102595-00-M-0952

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Richard F. Martin
520 Garst
Artesia, NM 88210

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

 Agent Addressee

B. Received by (Printed Name)

RICHARD F. MARTIN

C. Date of Delivery

7-26-02

D. Is delivery address different from item 1? YesIf YES, enter delivery address below: No

3. Service Type

 Certified Mail Express Mail Registered Return Receipt for Merchandise Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee)

 Yes

2. Article Number

(Transfer from service label) 7000 1530 0000 1625 2976

PS Form 3811, August 2001

Domestic Return Receipt

102595-02-M-1035

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Roberta Matson
2153 Dame Shirley Way
Rancho Cordova, CA 95670-7663

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

 Agent Addressee

B. Received by (Printed Name)

ROBERTA MATSON

C. Date of Delivery

8-8-02

D. Is delivery address different from item 1? YesIf YES, enter delivery address below: No

3. Service Type

 Certified Mail Express Mail Registered Return Receipt for Merchandise Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee)

 Yes

2. Article Number

(Transfer from service label) 7002 0510 0002 6869 7850

PS Form 3811, August 2001

Domestic Return Receipt

102595-02-M-1035

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

J.E. Parker, ET AL
1335 Thistlewood
De Soto, TX 75115

COMPLETE THIS SECTION ON DELIVERY

A. Received by (Please Print Clearly) _____ B. Date of Delivery **08-05-02**

C. Signature **[Signature]** Agent Addressee

D. Is delivery address different from item 1? Yes No
 If YES, enter delivery address below: _____

3. Service Type
 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes

2. Article Number (Copy from service label) _____

7002 0510 0002 6869 7935

PS Form 3811, July 1999

Domestic Return Receipt

102595-00-M-0952

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

Article Addressed to:

Elizabeth Nunn Moon

MOONS25 7337062023 1502 41 08/06/02
MOON
502 DEERFIELD FOREST PKWY
BOONE NC 28607-8452

COMPLETE THIS SECTION ON DELIVERY

A. Signature **[Signature]** Agent Addressee

B. Received by (Printed Name) _____ C. Date of Delivery **8-2-02**

D. Is delivery address different from item 1? Yes No
 If YES, enter delivery address below: _____

2. Article Number (Transfer from service label) _____

7002 0510 0002 6869 7119

Receipt for Merchandise

Yes

102595-02-M-1035

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Barbara A. Malone, ET AL-Trustees
4424 80th Street
Lubbock, TX 79424

COMPLETE THIS SECTION ON DELIVERY

A. Signature **[Signature]** Agent Addressee

B. Received by (Printed Name) **Barbara Malone** C. Date of Delivery **8-2-02**

D. Is delivery address different from item 1? Yes No
 If YES, enter delivery address below: _____

3. Service Type
 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes

2. Article Number (Transfer from service label) _____

7002 0510 0002 6869 7812

PS Form 3811, August 2001

Domestic Return Receipt

102595-02-M-1035

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Mrs. G.M. Phelps
421 West Fern Ave.
Redlands, CA 92373

2. Article Number

(Transfer from service label)

7002 0510 0002 6869 7355

PS Form 3811, August 2001

Domestic Return Receipt

102595-02-M-1035

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X *Borleana Phelps* Agent
 Addressee

B. Received by (Printed Name)

C. Date of Delivery

7-29-02

D. Is delivery address different from item 1? YesIf YES, enter delivery address below: No

3. Service Type

- Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee)

 Yes**SENDER: COMPLETE THIS SECTION**

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Michael M. Tower
Robert D. Tower
4812 Valleydale CT.
Arlington, TX 76013

2. Article Number

(Transfer from service label)

7002 0510 0002 6869 7782

PS Form 3811, August 2001

Domestic Return Receipt

102595-02-M-1035

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X *Jo Tower* Agent
 Addressee

B. Received by (Printed Name)

C. Date of Delivery

D. Is delivery address different from item 1? YesIf YES, enter delivery address below: No

3. Service Type

- Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee)

 Yes**SENDER: COMPLETE THIS SECTION**

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

T.E. Vandiver
2406 Cerro Road
Artesia, NM 88210

2. Article Number

(Transfer from service label)

7000 1530 0000 1625 2983

PS Form 3811, August 2001

Domestic Return Receipt

102595-02-M-1035

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X *Bambi B. Vandiver* Agent
 Addressee

B. Received by (Printed Name)

C. Date of Delivery

Bambi B. Vandiver 7/20/02

D. Is delivery address different from item 1? YesIf YES, enter delivery address below: No

3. Service Type

- Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee)

 Yes

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

D. Bart Zimmerman, ET AL
 18594 Andrew Jackson
 Prairieville, LA 70769

2. Article Number (Copy from service label)

7002 0510 0002 6869 7263

PS Form 3841, July 1999

Domestic Return Receipt

102595-00-M-0952

COMPLETE THIS SECTION ON DELIVERY

A. Received by (Print Clearly) *Daniel Bart Zimmerman* B. Date of Delivery *8-12-02*
 C. Signature *x Daniel Bart Zimmerman* Agent Addressee
 D. Is delivery address different from item 1? Yes
 If YES, enter delivery address below: No

3. Service Type
 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.
 4. Restricted Delivery? (Extra Fee) Yes

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Lillie M. Yates, ET AL
 P.O. Box 840
 Artesia, NM 88210

2. Article Number (Transfer from service label)

7002 0510 0002 6869 7843

PS Form 3811, August 2001

Domestic Return Receipt

102595-02-M-1035

COMPLETE THIS SECTION ON DELIVERY

A. Signature *x Cristin Day* Agent Addressee
 B. Received by (Printed Name) *Cristin Day* C. Date of Delivery *8-2-02*
 D. Is delivery address different from item 1? Yes
 If YES, enter delivery address below: No

3. Service Type
 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.
 4. Restricted Delivery? (Extra Fee) Yes

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Thomas BR & Wanda Wilson
 David D. & Diana Wilson
 1312 South First St.
 Artesia, Nm 88210

2. Article Number (Transfer from service label)

7000 1530 0000 1625 2990

PS Form 3811, August 2001

Domestic Return Receipt

102595-02-M-1035

COMPLETE THIS SECTION ON DELIVERY

A. Signature *x Wacey Wilson* Agent Addressee
 B. Received by (Printed Name) *Wacey Wilson* C. Date of Delivery *7-22-02*
 D. Is delivery address different from item 1? Yes
 If YES, enter delivery address below: No

3. Service Type
 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.
 4. Restricted Delivery? (Extra Fee) Yes

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

D. Bart Zimmerman, ET AL
18594 Andrew Jackson
Prairieville, LA 70769

2. Article Number

(Transfer from service label)

7002 0510 0002 6869 7287

PS Form 3811, August 2001

Domestic Return Receipt

102595-02-M-1035

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X *D. Bart Zimmerman* Agent Addressee

B. Received by (Printed Name)

D. Bart Zimmerman 7-27-02

C. Date of Delivery

D. Is delivery address different from item 1? Yes

If YES, enter delivery address below: No

3. Service Type

- Certified Mail Express Mail
- Registered Return Receipt for Merchandise
- Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee)

Yes



YATES BUILDING - 105 SOUTH FOURTH ST.
ARTESIA, NEW MEXICO 88210-2118

ADDRESS SERVICE REQUESTED



7002 0510 0002 6869 7676

RETURN TO SENDER NOT DELIVERABLE AS ADDRESSED

PHOENIX, AZ 85028 07/25 10:42

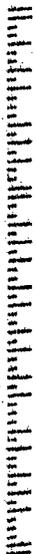


NAME
1st Neil Thomas
2nd % Virginia Struck
Return Sun Lakes, AZ 85248

NOT DELIVERABLE
AS ADDRESSED.
UNABLE TO FORWARD



6869 7676



CERTIFIED MAIL



YATES BUILDING - 105 SOUTH FOURTH ST.
ARTESIA, NEW MEXICO 88210-2118

ADDRESS SERVICE REQUESTED

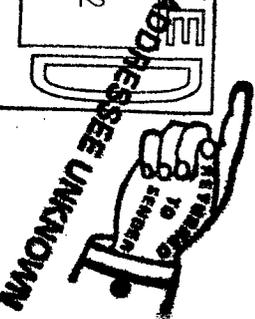
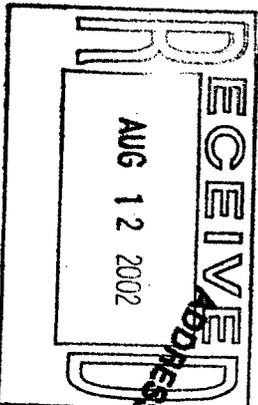


7002 0510 0002 6869 7775



Donna Ray Michel Arne
Steven Richard Michel Arne
33102 Daniel Drive
Dana Point, CA 92629

dukk 7810



SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Donna Ray Michel Arney
 Steven Richard Michel Arney
 33102 Daniel Drive
 Dana Point, CA 92629

2. Article Number
 (Transfer from service label) 7002 0510 0002 6869 7775

PS Form 3811, August 2001

Domestic Return Receipt

102595-02-M-1035

COMPLETE THIS SECTION ON DELIVERY

A. Signature Agent
 Addressee

B. Received by (Printed Name) C. Date of Delivery

D. Is delivery address different from item 1? Yes
 if YES, enter delivery address below: No

3. Service Type Express Mail
 Certified Mail Return Receipt for Merchandise
 Registered Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Ray Neil Thomas
 % Virginia Struck
 12702 S. Desert Drive
 Sun Lakes, AZ 85248

2. Article Number
 (Transfer from service label) 7002 0510 0002 6869 7676

PS Form 3811, August 2001

Domestic Return Receipt

102595-02-M-1035

COMPLETE THIS SECTION ON DELIVERY

A. Signature Agent
 Addressee

B. Received by (Printed Name) C. Date of Delivery

D. Is delivery address different from item 1? Yes
 if YES, enter delivery address below: No

3. Service Type Express Mail
 Certified Mail Return Receipt for Merchandise
 Registered Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes

NMPRC Corporation Information Inquiry

Public Regulation Commission

9/3/2002

- [Follow this link to start a new search.](#)

YATES PETROLEUM CORPORATION (NO STOCKHOLDERS' LIABILITY)

SCC Number: **0425736**
Tax & Revenue Number: **01508451009**
Incorporation Date: **MARCH 23, 1960, in NEW MEXICO**
Corporation Type: **IS A DOMESTIC PROFIT**
Corporation Status: **IS ACTIVE**
Good Standing: **In GOOD STANDING through 6/15/2004**
Purpose: **OIL AND GAS EXPLORATION AND PRODUCTION**

CORPORATION DATES

Taxable Year End Date: 03/31/02
Filing Date: 05/05/02
Expiration Date: 03/23/2060

SUPPLEMENTAL POST MARK DATES

Supplemental: 04/30/01
Name Change:
Purpose Change:

MAILING ADDRESS

105 S 4TH STREET ARTESIA , NEW MEXICO 88210

PRINCIPAL ADDRESS

105 S 4TH STREET ARTESIA NEW MEXICO 88210

PRINCIPAL ADDRESS (Outside New Mexico)

REGISTERED AGENT

RANDY G. PATTERSON

105 SOUTH FOURTH STREET ARTESIA NEW MEXICO 88210

COOP LICENSE INFORMATION

Number:

Type:

Expiration Year:

OFFICERS

President *YATES, JOHN A.*

Vice President *YATES, PEYTON*

Secretary *PATTERSON, RANDY G.*

Treasurer *KINSEY, DENNIS G.*

DIRECTORS

Date Election of Directors: 06/30/02

YATES, S P ,



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Betty Rivera
Cabinet Secretary

August 28, 2002

Lori Wrotenbery
Director
Oil Conservation Division

Jerry D. Fanning, Jr.
Yates Petroleum Corporation
105 South Fourth St.
Artesia, New Mexico 88210

**RE: Yates Petroleum Corporation
Centralized Surface Waste Management Facility Application Review
SE/4 SE/4 Section 7, Township 19 South, Range 25 East, and
Sections 14, 15 and 16 Township 18 South, Range 25 East, N.M.P.M.,
Eddy County, New Mexico**

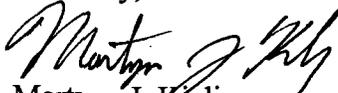
Dear Mr. Fanning:

The Oil Conservation Division (OCD) has received and is in the process of reviewing the above referenced application for a Rule 711 centralized surface waste management facility. The following comments and requests for additional information are based on review of Yates Petroleum Corporation application, dated June 26, 2002.

In order for the review process to continue the OCD requires Yates Petroleum Corporation to submit the additional information requested in Attachment 1. Submission of the requested information will allow the review process to continue. In addition, please send a copy of your response to the Artesia District office.

If you have any questions please do not hesitate to contact me at (505) 476-3488.

Sincerely,


Martyne J. Kieling
Environmental Geologist

xc with attachments:
Artesia OCD Office

ATTACHMENT 1
REQUEST FOR ADDITIONAL INFORMATION
YATES PETROLEUM CORPORATION
SE/4 SE/4 Section 7, Township 19 South, Range 25 East, and
Sections 14, 15 and 16 Township 18 South, Range 25 East, N.M.P.M.,
Eddy County, New Mexico
August 28, 2002

1. Sections one, two, three, four and five (1,2, 3, 4 and 5) Application Form C-137.
 - A. Yates Petroleum Corporation has completed sections one, two, three, four and five (1,2, 3, 4and 5).

2. Section six (6) Application Form C-137.
 - A. Facility Diagram: It is not clear from the diagram if the berm and containment area beneath the proposed treatment facility and 50x50 foot pad are impermeable. Yates Petroleum Corporation must address the following items.

All above-ground tanks located at the facility and containing materials other than fresh water must be placed on an impermeable pad with an impermeable berm so that the area will contain one and one-third the volume of the largest tank or all interconnected tanks, whichever is greater.

The tank containment pad and berm must be constructed to protect the impermeable plastic liner from sharp objects both above and below the liner. A layer of sand or other such "soft" material must be placed both above and below the liner.

All drums containing materials other than fresh water must be stored on an impermeable pad with curbing. All empty drums should be stored on their sides with the bungs in place and lined up on a horizontal plane. Chemicals or wastes in other containers such as sacks or buckets must also be stored on an impermeable pad with impermeable curbing.
 - B. Pipe: In the synopsis it is stated that the four system areas will be connected via pipe line. However, it is not stated if the pipeline will be below ground or above ground. Below-grade pipelines associated with the facility must be pressure tested annually.

Yates Petroleum Corporation must clarify weather the pipelines will be above or below ground.
 - C. Entrance gate: The facility diagram shows an entrance road with either a cattle guard or a gate or both. The facility must be fenced and have a sign at the

entrance

Yates Petroleum Corporation must clarify this portion of the facility diagram.

- D. Storm water containment: The facility must be constructed such that there will be no storm water runoff beyond the boundaries of the facility. The berm is also shown constructed outside of the facility fence giving animals and people access to the berm. The berm must be inspected to ensure that its integrity is maintained.

Yates Petroleum Corporation must supply a diagram showing the berm dimensions surrounding the facility. The portion of the berm that flanks the arroyo is of particular concern because it is down gradient from the facility and borders an arroyo that has approximately 20 feet of relief to the channel bottom with a fairly vertical embankment bordering the west and south edge of the facility. The facility should be constructed to leave access between the fence and arroyo to enable maintenance of the berm as needed.

3. Section seven (7) Application Form C-137.

- A. Designs for treatment area containment: All above-ground tanks located at the facility and containing materials other than fresh water must be placed on an impermeable pad with an impermeable berm so that the area will contain one and one-third the volume of the largest tank or all interconnected tanks, whichever is greater.

Yates Petroleum Corporation must supply a diagram showing how the impermeable berm and containment will be constructed. Please include the calculated volume that the containment will hold to show that the area will manage one and one-third the volume of the largest tank or all interconnected tanks, whichever is greater.

- B. Treated wastewater land application: Yates Petroleum Corporation must supply data regarding the water quality of the treated produced water and rate of application that will be applied to the pasture. Please supply the OCD with the quality of the treated water that will be applied to the pasture. The proposed quality of the treated water must include the Water Quality Control Commission (WQCC) list of constituents (NMAC 20.6.2.3103). OCD requirements that must be met are:

- a. Monitoring and testing of the treated water at the treatment facility must be performed at some regular, frequent schedule to assure that cleanup levels are met,
- b. the application rate must not allow runoff beyond the pasture boundary,
- c. the treated water applied must enhance the vegetation,

- d. the treated water applied must not cause the ground water beneath the facility to exceed WQCC water quality standards or if already in excess not to allow any additional degradation.
- e. monitoring of the surface and subsurface to ensure that these standards are met.

Please describe the location, type and volume of tank storage that will be placed at the pasture recycling/disposal location. In addition, please provide information regarding the type of sprinkler system that will be used and how the sprinklers will move, or be moved around the pasture area.

- C. Spill prevention: Please describe in more detail how the produced water will be received, treated, and disposed of in regards to prevention of spills, overtopping of tanks or introduction of non-treated water into the treated water tanks and then applied to the pasture. Will the treatment facility have personnel on site during operation or will there be computer assisted electronic/automatic shutoffs? If the treatment facility has down times for maintenance how will the produced water be stored or disposed of?
- D. Waste management. Please describe in detail the type of waste expected to be generated (solid, sludge, liquid). How will the waste be managed at the treating facility and how and where will it be disposed of.

4. Section eight (8) Application Form C-137.

- A. Yates Petroleum Corporation has completed section eight (8).

5. Section nine (9) Application Form C-137.

- A. Yates Petroleum Corporation has completed section nine (9).

6. Section ten (10) Application Form C-137.

- A. Yates Petroleum Corporation has completed section ten (10).

7. Section eleven (11) Application Form C-137.

- A. Geological hydrologic evidence: Yates Petroleum Corporation must submit evidence that the treated water to be applied to the pasture will not adversely impact groundwater and will enhance or promote vegetation. If the constituents in the treated water exceed ground water standards how will operations at the facility be conducted to ensure that the ground water quality will not exceed standards. Please provide the data and modeling evidence that supports your proposal. Please see Item 3.B above.

8. Section twelve (12) Application Form C-137.

- A. Notice Requirements: Proof that notice requirements have been met must be supplied. The OCD has received the affidavit of publication for the Artesia Daily Press. However, the OCD has not received proof that all surface owners of record listed in exhibit B have been notified. In addition, the application refers to an Exhibit E, which cannot be located in either the original or the copy.

9. Section thirteen (13) Application Form C-173.

- A. H₂S contingency plan: The H₂S concentrations proposed in the contingency plan provided are protective of worker safety. However, Rule 711.B.1.h requires that the H₂S prevention and contingency plan protect public health.

Yates Petroleum Corporation must develop a prevention and contingency plan for ambient H₂S levels to protect public health. The H₂S prevention and contingency plan must be submitted to the OCD Santa Fe office for approval. The plan must address how Yates Petroleum Corporation will monitor for H₂S to ensure the following:

- a. If H₂S of 1.0 ppm or greater leaves the property;
 - i. the operator must notify the Artesia office of the OCD immediately; and
 - ii. the operator must begin operations or treatment that will mitigate the source.

- b. If H₂S of 10.0 ppm or greater leaves the property:
 - i. the operator must immediately notify the Artesia office of the OCD and the following public safety agencies:

New Mexico State Police;
Eddy County Sheriff; and
Eddy County Fire Marshall;
 - ii. the operator must notify all persons residing within one-half (1/2) mile of the fence line and assist public safety officials with evacuation as requested; and
 - iii. the operator must begin operations or treatment that will mitigate the source.

10. Section fourteen (14) Application Form C-173.

Yates Petroleum Corporation has completed section fourteen (14).

11. Section fifteen (15) Application Form C-137

A. Yates Petroleum Corporation has completed section fifteen (15).

RECEIVED

AUG 19 2002

Environmental Bureau
Oil Conservation Division

Affidavit of Publication

NO. 17821

STATE OF NEW MEXICO

County of Eddy:

Gary D. Scott being duly

sworn, says: That he is the Publisher of The

Artesia Daily Press, a daily newspaper of general

circulation, published in English at Artesia, said county

and county and state, and that the here to attached

Legal Notice

was published in a regular and entire issue of the said

Artesia Daily Press, a daily newspaper duly qualified

for that purpose within the meaning of Chapter 167 of

the 1937 Session Laws of the state of New Mexico for

1 consecutive weeks/days on the same

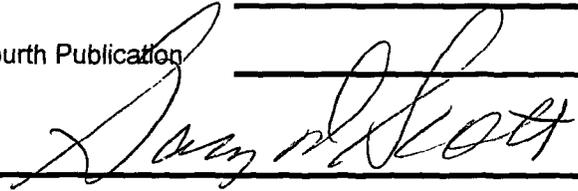
day as follows:

First Publication August 2 2002

Second Publication _____

Third Publication _____

Fourth Publication _____



Subscribed and sworn to before me this

6th day of August 2002


Notary Public, Eddy County, New Mexico

My Commission expires September 23, 2003

Copy of Publication:

LEGAL NOTICE

NOTICE OF PUBLICATION

Notice is hereby given that pursuant to the New Mexico Oil Conservation Division Regulations, the following application has been submitted to the Director of the Oil Conservation Division, 1220 South Saint Frances Drive, Santa Fe, New Mexico 87505, Telephone (505) 476-3440:

Yates Petroleum Corporation, Operator, Jerry D. Fanning, Jr.,

Contact, 105 South Fourth St., Artesia, New Mexico 88210, has submitted for approval an application to construct and operate a Rule 711 centralized produced water treatment and disposal facility located in the SE/4 SE/4 Section 7, Township 19 South, Range 25 East, N.M.P.M., Eddy County, New Mexico. Produced water associated with oil and gas production operations will be treated to remove gases, solids and hydrocarbons. Produced water treated to New Mexico Oil Conservation Division standards for above ground surface disposal will be disposed of within sections 14, 15 and 16 Township 18 South, Range 25 East, N.M.P.M., Eddy County, New Mexico. Ground water is estimated to be at a depth of 133 feet below ground surface with total dissolved solids concentration of 714 to 2,540 parts per million and chloride at 18 to 23 parts per million. The proposed facility is underlain by Quaternary alluvium. The Quaternary deposits rest unconformably upon Permian rocks. The permit application addresses the construction, operations, spill/leak prevention and monitoring procedures to be incorporated at the

proposed site.

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 application may be viewed at the above address or at the Artesia district office at 1301 W. Grand Avenue, Artesia, New Mexico between 8:00 a.m. and 4:00 p.m., Monday thru Friday.

Prior to ruling on any proposed application the Director of the Oil Conservation Division shall allow at least thirty (30) days after the date of publication of this notice during which comments may be submitted and public hearing may be requested by any interested person. Request for public hearing shall set forth the reasons why a hearing shall be held. A hearing will be held if the director determines that there is significant public interest.

Published in the Artesia Daily Press, Artesia, N.M. August 2, 2002.

Legal 17821



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
BETTY RIVERA
Cabinet Secretary

Lori Wrotenbery
Director
Oil Conservation Division

July 29, 2002

CERTIFIED MAIL
RETURN RECEIPT NO. 7001-1940-0004-3929-8027

Jerry D. Fanning, Jr.
Yates Petroleum Corporation
105 South Fourth St.
Artesia, New Mexico 88210

**RE: Public Notice for Yates Petroleum Corporation
Centralized Surface Waste Management Facility Permit Application
SE/4 SE/4 Section 7, Township 19 South, Range 25 East, and
Sections 14, 15 and 16 Township 18 South, Range 25 East, N.M.P.M.,
Eddy County, New Mexico**

Dear Mr. Fanning:

The New Mexico Oil Conservation Division (OCD) has received Yates Petroleum Corporation (Yates) application for Rule 711 centralized surface waste management facility dated June 26, 2002. The application proposes to construct a produced water treatment and disposal facility. The facility is to be located in the SE/4 SE/4 Section 7, Township 19 South, Range 25 East, and sections 14, 15 and 16 Township 18 South, Range 25 East, N.M.P.M., Eddy County, New Mexico.

Based on the information provided with the application Form C-137 the OCD has prepared a public notice statement that Yates must published in the Artesia Daily Press newspaper. In addition, a notice shall be sent certified mail to all landowners within one mile of the centralized surface waste management facility area and the county commission where the facility is proposed to be located.

Yates must send the original certified affidavit of publication from the Artesia Daily Press to the OCD Santa Fe office and a copy to the Artesia District office. In addition, Yates must send copies of the postal receipt and signed certified return receipt from each of the landowners and county commission to both the OCD Santa Fe office and Artesia District office.

Mr. Fanning
July 29, 2002
Page 2

If you have any questions please do not hesitate to contact me at (505) 476-3488.

Sincerely,

A handwritten signature in cursive script, appearing to read "Martyne J. Kieling".

Martyne J. Kieling
Environmental Geologist

attachments

xc with attachments: Artesia OCD Office

NOTICE OF PUBLICATION

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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 application may be viewed at the above address or at or at the Artesia district office at 1301 W. Grand Avenue, Artesia, New Mexico between 8:00 a.m. and 4:00 p.m., Monday thru Friday. Prior to ruling on any proposed application, the Director of the Oil Conservation Division shall allow at least thirty (30) days after the date of publication of this notice during which comments may be submitted and public hearing may be requested by any interested person. Request for public hearing shall set forth the reasons why a hearing shall be held. A hearing will be held if the director determines that there is significant public interest.

Kieling, Martyne

From: Davidson, Florene
Sent: Tuesday, July 30, 2002 6:53 AM
To: Kieling, Martyne
Subject: RE: Docket

I forwarded this to Kathy and she'll send it with the August 22 docket. I know what you mean about memory. I choose to think your memory is good; it's just that you don't have to do this very often, okay?

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

From: Kieling, Martyne
Sent: Monday, July 29, 2002 5:10 PM
To: Davidson, Florene
Subject: Docket

Florene,

I have a public notice that needs to go out with the next docket. I can never remember who these are supposed to go to Shows you how often I do them ... Or.... how bad my memory is..... you choose. ;)

<< File: PN0702.doc >>

Thanks so much

Martyne J. Kieling
Martyne J. Kieling
Environmental Geologist

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

July 29, 2002

CERTIFIED RETURN RECEIPT

Mr. John Doe
P.O. Box XXX
Happyville, USA

Dear Mr. Doe,

Enclosed please find a copy of the official **NOTICE OF PUBLICATION** issued by the **New Mexico Oil Conservation Division** pertaining to Yates Petroleum Corporation's Application for a Waste Management Facility.

This notice is in addition to the letter you received from Yates Petroleum Corporation dated July 9, 2002 pertaining to the same proposed facility.

Should you have any questions, please feel free to contact me at (505) 748-1471.

Sincerely,
Yates Petroleum Corporation

Jerry D. Fanning, Jr.
Environmental Field Tech.

JF/mr

Enclosure

NOTICE OF PUBLICATION

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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 application may be viewed at the above address or at or at the Artesia district office at 1301 W. Grand Avenue, Artesia, New Mexico between 8:00 a.m. and 4:00 p.m., Monday thru Friday. Prior to ruling on any proposed application, the Director of the Oil Conservation Division shall allow at least thirty (30) days after the date of publication of this notice during which comments may be submitted and public hearing may be requested by any interested person. Request for public hearing shall set forth the reasons why a hearing shall be held. A hearing will be held if the director determines that there is significant public interest.

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Revised January 24, 2001

Submit Original
Plus 1 Copy
to Santa Fe
1 Copy to Appropriate
District Office

APPLICATION FOR WASTE MANAGEMENT FACILITY

(Refer to the OCD Guidelines for assistance in completing the application)

Commercial Centralized

1. Type: Evaporation Injection Other
 Solids/Landfarm Treating Plant

2. Operator: **Yates Petroleum Corporation**

Address: **105 South Fourth St. – Artesia, NM 88210**

Contact Person: **Jerry Fanning, Jr.** Phone: **505-748-4195**

3. Location: **Treatment Facility (Roy AET #3) 810 FT FSL, 660 FT FEL Section 7 Township 19S Range 25E**
Disposal Site (4-Dinkus Ranch) Section 14, 15, 16 Township 18S Range 25E
(See attached Exhibit A - large-scale topographic map showing exact location.)

4. Is this a modification of an existing facility? Yes No

5. Attach the name and address of the landowner of the facility site and landowners of recorded within one mile of the site. *(See attached Exhibit B – Landowner List)*

6. Attach description of the facility with a diagram indicating location of fences, pits, dikes, and tanks on the facility. *(See attached Exhibit C – Facility Site Diagram)*

7. Attach designs prepared in accordance with Division guidelines for the construction/installation of the following: pits or ponds, leak-detection systems, aeration systems, enhanced evaporation (spray) systems, waste treating systems, security systems, and landfarm facilities. *(See attached Exhibit D – Facility Design)*

8. Attach a contingency plan for reporting and clean-up for spills or releases.

- a. **Standard company procedure is to immediately secure the area to insure the safety of personnel and the public.**
- b. **The Yates Supervisor or designee will notify the NMOCD Santa Fe office and the Artesia field office of any fire, break, leak, spill, blowout or any other circumstance that could constitute a hazard or contamination in accordance with NMOCD Rule 116.**
- c. **Employees and contract personnel are dispatched to the spill area with material and equipment necessary to control and contain spill and initiate clean-up program.**
- d. **Notification and any necessary follow-up reports will be made to agencies (NMOCD, etc.) pursuant to regulations.**

9. Attach a routine inspection and maintenance plan to ensure permit compliance.

- a. **Company personnel will make daily inspections of the site. Malfunctions or breakdowns are documented and repaired.**
- b. **A regular maintenance program will be diligently carried out on all of the equipment.**
- c. **The status of fencing, security gates, signs and access roads will be documented.**
- d. **The presence of ponds or pools will be noted and if persistent after storm events will be removed.**

10. Attach a closure plan. **The NMOCD Artesia and Santa Fe offices will be notified of cessation of operations for more that six months or a decision is made to close the facility. A closure plan will be developed in accordance with NMOCD requirements.**

11. Attach geological/hydrological evidence demonstrating that disposal of oilfield wastes not adversely impact groundwater. Depth to and quality of groundwater must be included. Reference previously submitted "Penasco "Irrigation Report-1999 – 4Dinkus Ranch"
12. Attach proof that the notice requirements of OCD Rule 711 have been met. (See Exhibit E)
13. Attach a contingency plan in the event of a release of H2S. (See Exhibit F)
14. Attach such other information as necessary to demonstrate compliance with any other OCD rules, regulations and orders.

15. CERTIFICATION

I hereby certify that the information submitted with this application is true and correct to the best of my knowledge and belief.

Name: **Jerry Fanning, Jr.**

Title: **Environmental Field Technician**

Signature: _____

Date: **June 26, 2002**

SYNOPSIS OF PRODUCED WATER PROJECT

Produced water being collected for down hole injection at the Yates Petroleum Corporation, Roy "AET" #3 SWD, will be diverted to a treatment facility constructed on the same site.

A proprietary process to remove dissolved gases, suspended solids and hydrocarbons will treat the water.

All gases, solids and hydrocarbons removed from the produced water will be controlled on site within applicable regulatory guidelines.

Water will be processed to standards designated by the New Mexico Oil Conservation Division, to allow for above ground surface disposal.

Processed water will be stored temporarily in tanks on site.

Processed water will be transferred from on site tanks via pipeline, to storage tanks located at the designated discharge site.

Water stored at the discharge site will be pumped from the tanks through a pipeline to a sprinkler system for disposal on the ground surface.

Monitoring wells are installed at disposal site to detect fluid migration .

Company personnel will make daily inspections of sites to insure systems are operating within designated guidelines.

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

July 17, 2002

RECEIVED

JUL 26 2002
Environmental Bureau
Oil Conservation Division

CERTIFIED RETURN RECEIPT

State of New Mexico
Director Lori Wrotenbery
OIL CONSERVATION DIVISION
P.O. Box 2088
Santa Fe, NM 87501

Dear Director,

Enclosed please find our Application For Waste Management Facility to treat produced water from our Roy "AET" #3 Saltwater Disposal Battery Site located in Section 7-19S-25E of Eddy County, NM.

If you have any questions, you may contact me at (505) 748-4195. Thank you.

Sincerely,

Jerry D. Fanning, Jr.
Environmental Field Tech.

JF/mr

Enclosure

July 9, 2002

CERTIFIED RETURN RECEIPT

Mr. John Doe
P.O. Box XXX
Happyville, USA

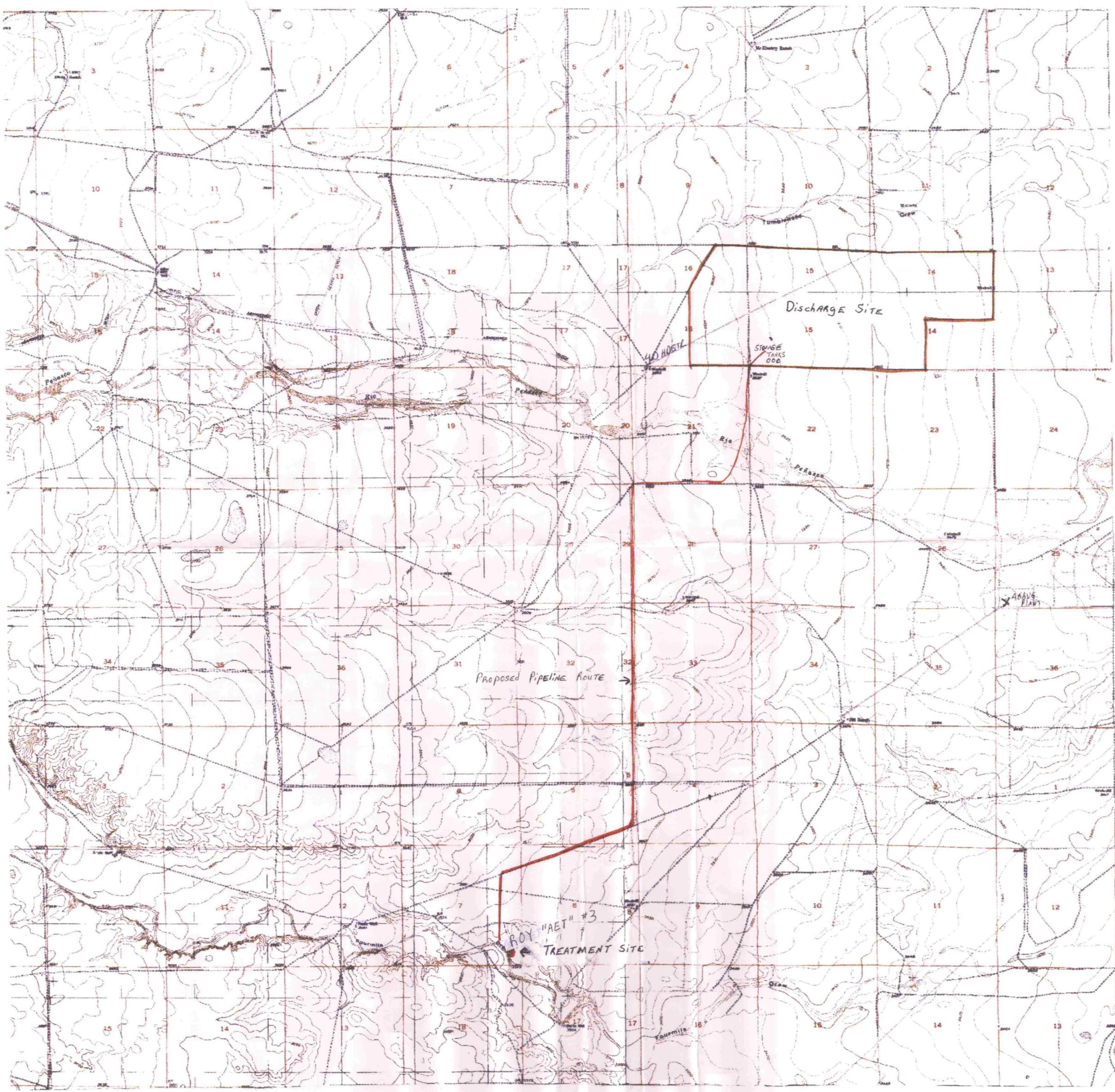
Dear Mr. Doe,

Enclosed please find a copy of form C-137 (Application for Waste Management Facility) on Yates' Roy "AET" #3 located in Unit P of Section 7-Twp19S-Rg25E , Eddy County , New Mexico. Discharge point for treated water will be in Sections 14, 15, 16, - Twp18S-Rg25E (4-Dinkus Ranch) Eddy County , New Mexico.

Should you have any questions , please feel free to contact me at (505) 748-1471.

Sincerely ,

Jerry D. Fanning, Jr.
Environmental Field Tech



Discharge Site

STORAGE TANKS 000

Proposed Pipeline Route →

ROY "AET" #3
TREATMENT SITE

AGAVE PLANT

McKinley Bank

Perasco

Rio

Perasco

McKinley

Fourmile

Perasco

Exhibit B

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



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

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

July 3, 2002

Jerry Fanning, Jr.

RE: 711 Permit Application Landowner Notification
Roy "AET" #3
810' FSL & 660' FEL
Section 7, T19S-R25E
Eddy County, New Mexico

Below are surface owners of record within one (1) mile of the above captioned well.

James and Betty Howell
P.O. Box 75
Lakewood, NM 88254

Sec 12, 19S-24E
S2

Sec 5, 19S-25E
SW4, SE4

Sec 6, 19S-25E
SW4, SE4

Sec 7, 19S-25E
All

Sec 8, 19S-25E
N2N2, S2S2

Sec 17, 19S-25E
N2, SW4, S2SE

Sec 18, 19S-25E
S2NENW, S2NWNE, NENE, S2N2, S2

Ray Neil Thomas
C/o Virginia Struck
12702 S. Desert Dr.
Sun Lakes, AZ 85248

Sec 8, 19S-25E
S2N2, N2S2

Bureau of Land Management
Sec 18, 19S-25E
NWNW, N2NENW, N2NWNE

Sec 13, 19S-24E
N2, NWSW, S2SW

/rca

July 15, 2002

Jerry Fanning, Jr.

RE: 711 Permit Application Landowner Notification
Discharge Point - 4-Dinkus Ranch
Sections 14, 15, 16, - T 18S - Rg 25E
Eddy County, New Mexico

Below are surface owners of record within one (1) mile of the above captioned discharge point.

Yates Petroleum Corporation
105 South 4th Street
Artesia, NM 88210

Sec 8, 18S-25E
SW4

Sec 14, 18S-25E
W2,NE4

Sec 17, 18S-25E
SW4, E2

Sec 9, 18S-25E
S2NW,NWNW, NENW

Sec 16, 18S-25E
All

Sec 20, 18S-25E
E2SE, N2NW, S2NW, W2SW
SENE

Sec 21, 18S-25E
W2SE, W2, NE4

Sec 22, 18S-25E
NW4, NE,

Bureau Of Land Management
P.O. Box 1778
Carlsbad, NM 88220-6292

Sec 8, 18S-25E
N2, SE

Sec 13, 18S-25E
SE

William G. & Betty L. Kennedy
P.O. Box 5
Des Moines, NM 88418-0005

Sec 9, 18S-25E
S2

Sec 12, 18S-25E
W2NE, SENE, NENE

Sec 10, 18S- 25E
ALL

Sec 11, 18S-25E
W2

Marilyn S. Howard, ET AL
6028 Folsom Drive
La Jolla, CA. 92037

Sec 9, 18S-25E
NE4

Donna Ray Michel Arney & Steven Richard Michel Arney
33102 Daniel Drive
Dana Point, CA. 92629

Sec 11, 18S-25E
SE

Michael M. Tower & Robert D. Tower
4812 Valleydale CT.
Arlington, TX. 76013

Sec 11, 18S-25E
NE4

Elizabeth Nunn Moon
12525 3rd ST. East #305
Treasure Island, FL. 33706

Sec 12, 18S-25E
SE4

Richard F. Martin
520 Garst
Artesia, NM 88210

Sec 12, 18S-25E
SW, NW,

Barbara A. Malone ET AL – Trustees
% Yates Brothers
105 S. 4th
Artesia, NM 88210

Sec 13, 18S-25E
E2SW

T.E. Vandiver
2406 Cerro Road
Artesia, NM 88210

Sec 13, 18S-25E
N2, W2SW

Thomas BR & Wanda Wilson
David D. & Diana L. Wilson
1312 South 1st
Artesia, NM. 88210

Sec 14, 18S-25E
SE4

Sec 23, 18S-25E
S2SENE, W2NE,

Sec 24, 18S-25E
SW, E2NWNE, NWNENE, NWNWNE

Lillie M. Yates ET AL
PO BOX 840
Artesia, NM 88210

Sec 15, 18S-25E
S2

Sec 16, 18S-25E

Roberta Matson
2153 Dame Shirley Way
Rancho Cordova, CA 95670-7663

Sec 17, 18S-25E
NW4

Richard Lee Hervey
1806 Rowlett Road
Rowlette, TX 75088-6017

Sec 20, 18S-25E
W2SE

Hubert Calvin Hervey, Jr.
203 Hervey Dairy Road
Stonewall, LA 71078

Sec 20, 18S-25E
E2SW

Albert P. & Wilma R. Bach
1603 West Washington
Artesia, NM 88210

Sec 20, 18S-25E
N2NE, SWNE

L.B. Boellner Estate
% Greg Alpers
First Baptist Church Roswell ET AL
1909 West 27th
Roswell, NM 88201

Sec 21, 18S-25E
E2SE

Sec 22, 18S-25E
SW

Wilma Conner & Dorothy Smith
PO BOX 1463
Artesia, NM 88211-1463

Sec 22, 18S-25E
SE4

Sec 23, 18S-25E
SW

Yates Brothers
105 South 4Th
Artesia, NM 88210

Sec 23, 18S-25E
NWSE

Mrs. G.M. Phelps
421 West Fern Ave.
Redlands, CA. 92373

Sec 23, 18S-25E
NW4

Harriet Byers Brinton ETAL
3514 w. 102nd St.
Leawood, KS. 66206-2411

Sec 23, 18S-25E
E2NE

J.E. Parker ET AL
1335 Thistlewood
De Soto, TX 75115

Sec 24, 18S-25E
SWSE

W. Edd Brown
William E Brown, Jr.
915 S. Main
Floydada, TX 79235

Sec 24, 18S-25E
N2SE, SESE

Genestet Farms Partnership ET AL
175 North Columbia 27
Waldo, AR. 71770

Sec 24, 18S-25E
S2NW

Orphia Anderson ET AL
%Burnell Anderson
1130 Balo Eagle Rd. North
Hudson, WI. 54016

Sec 24, 18S-25E
N2NW

Douglas C. Koch
Richard Coats
PO BOX 540244
Houston, TX. 77254

Sec 24, 18S-25E
E2NENE

D. Bart Zimmerman ET AL
18594 Andrew Jackson
Prairieville, LA. 70769

Sec 24, 18S-25E
SWNWNE, S2NE, SWNENE

61' 36' 23' 55' 8'

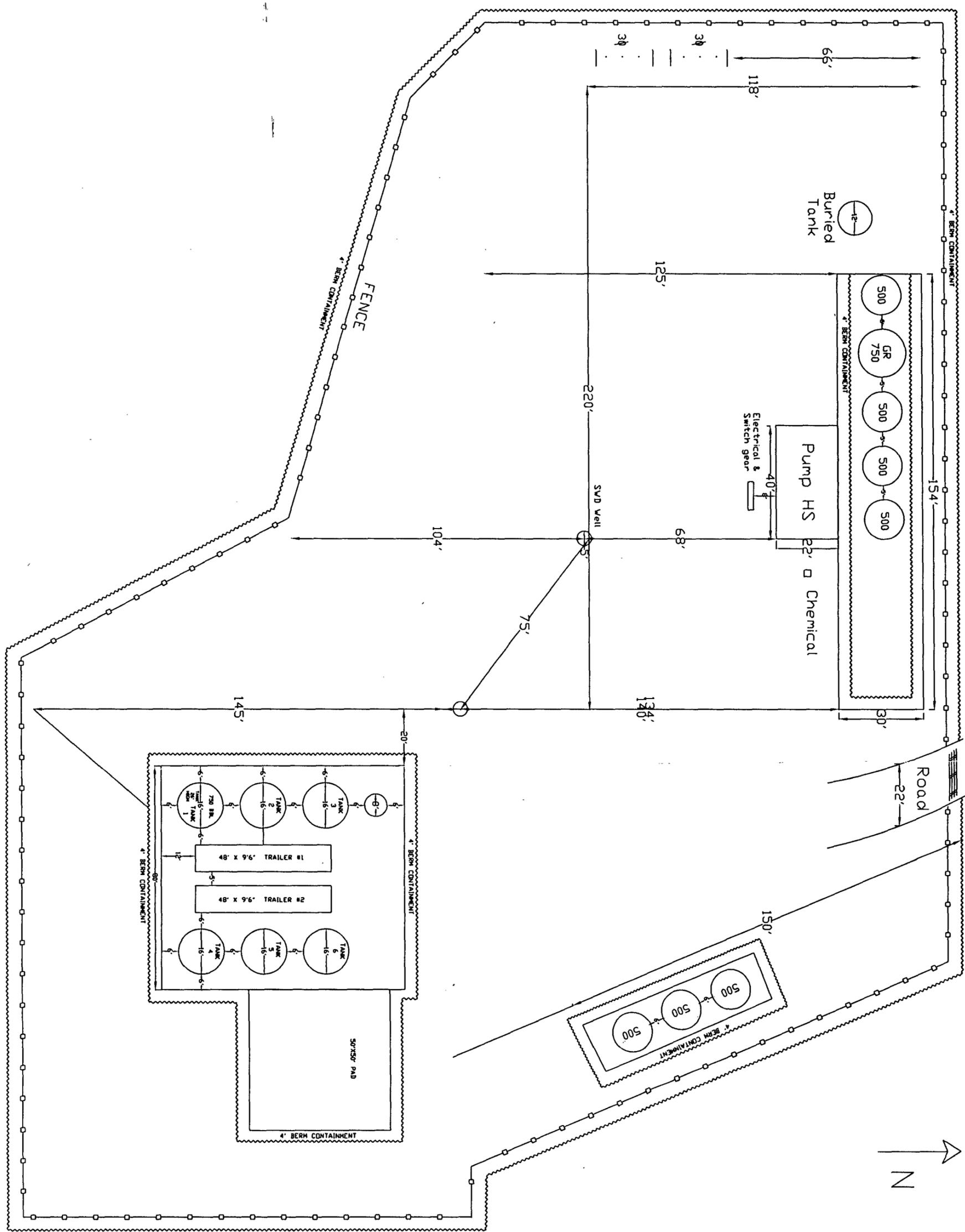


Exhibit C+D

L-111111 LTD

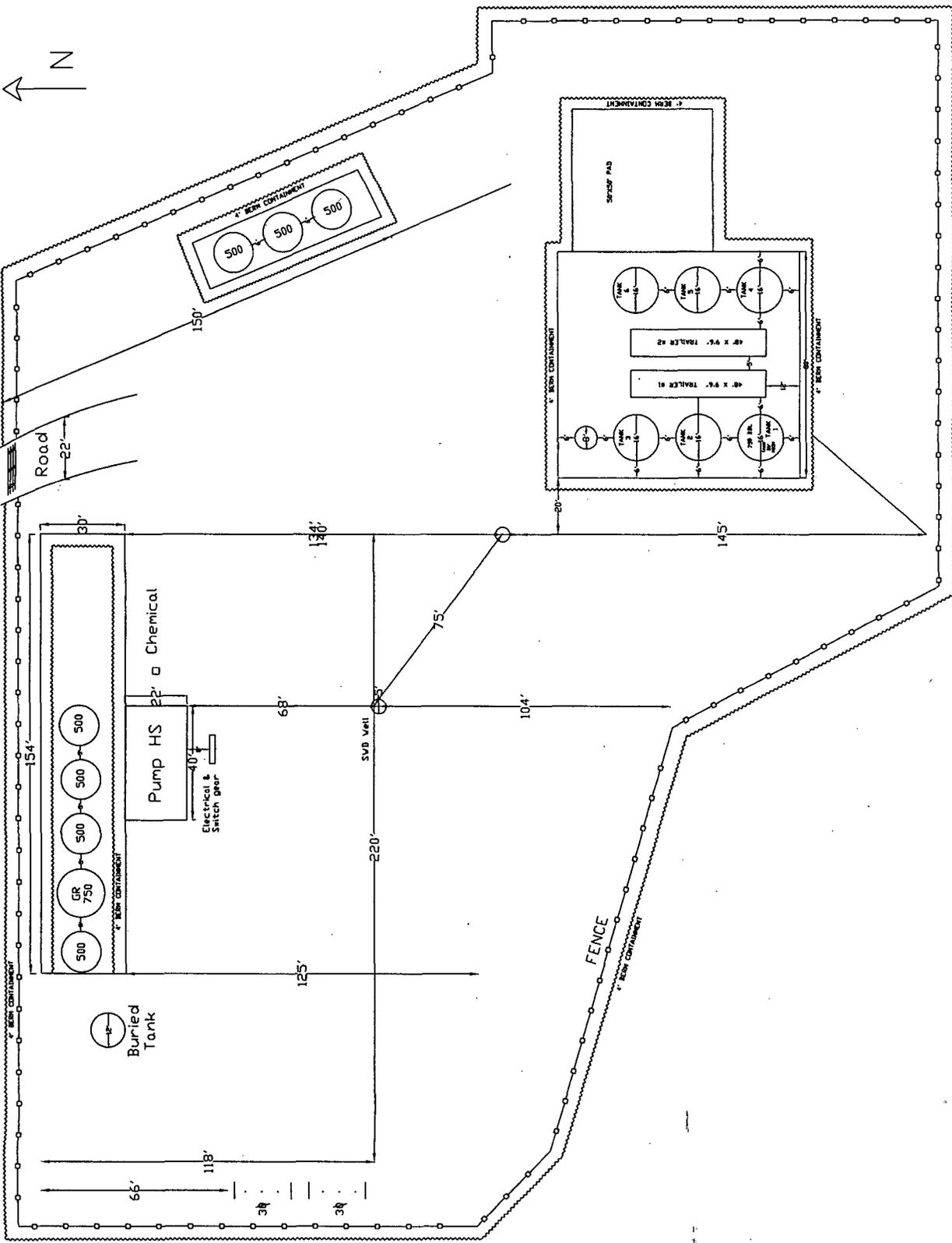


EXHIBIT F

YATES PETROLEUM CORPORATION
ROY "AET" #3 SWD
"NEW WATER" TREATMENT SITE
Surface Location: 810 FT. FSL & 660 FT. FEL
Section 7, TWP 19S, RNG 25
Eddy County, NM

H2S Operations Plan

Personnel employed at the water treatment site shall receive training in H2S detection and contingency plans. H2S safety equipment shall be installed and functional at all times personnel are onsite.

Submitted with 711 application.

- 1.) Map of facility site
- 2.) Location of access road.

Primary briefing area will be established 150' from treatment facility and up wind of prevailing wind direction. Secondary briefing area will be established 180 degrees from primary briefing area

A H2S warning sign will be posted at the entrance of the facility site. Depending on conditions, a green, yellow, or red flag will be displayed.

Green- Normal conditions

Yellow-Potential danger

Red - Danger H2S present

Wind indicators will be placed at facility site at strategic, highly visible areas. H2S monitors (a minimum of three) will be positioned on location for best coverage and response. H2S concentrations of 10 ppm will trigger a flashing light and 20 ppm will trigger an audible siren.

H2S breathing equipment will consist of:

- 1.) 30 minute "pressure demand" type working units or 5 minute escape packs for each operations crewmember or as specified by contracted safety firm..

Breathing equipment will be stored in weatherproof cases or facilities.

They will be inspected and maintained weekly or as specified by contract safety firm.

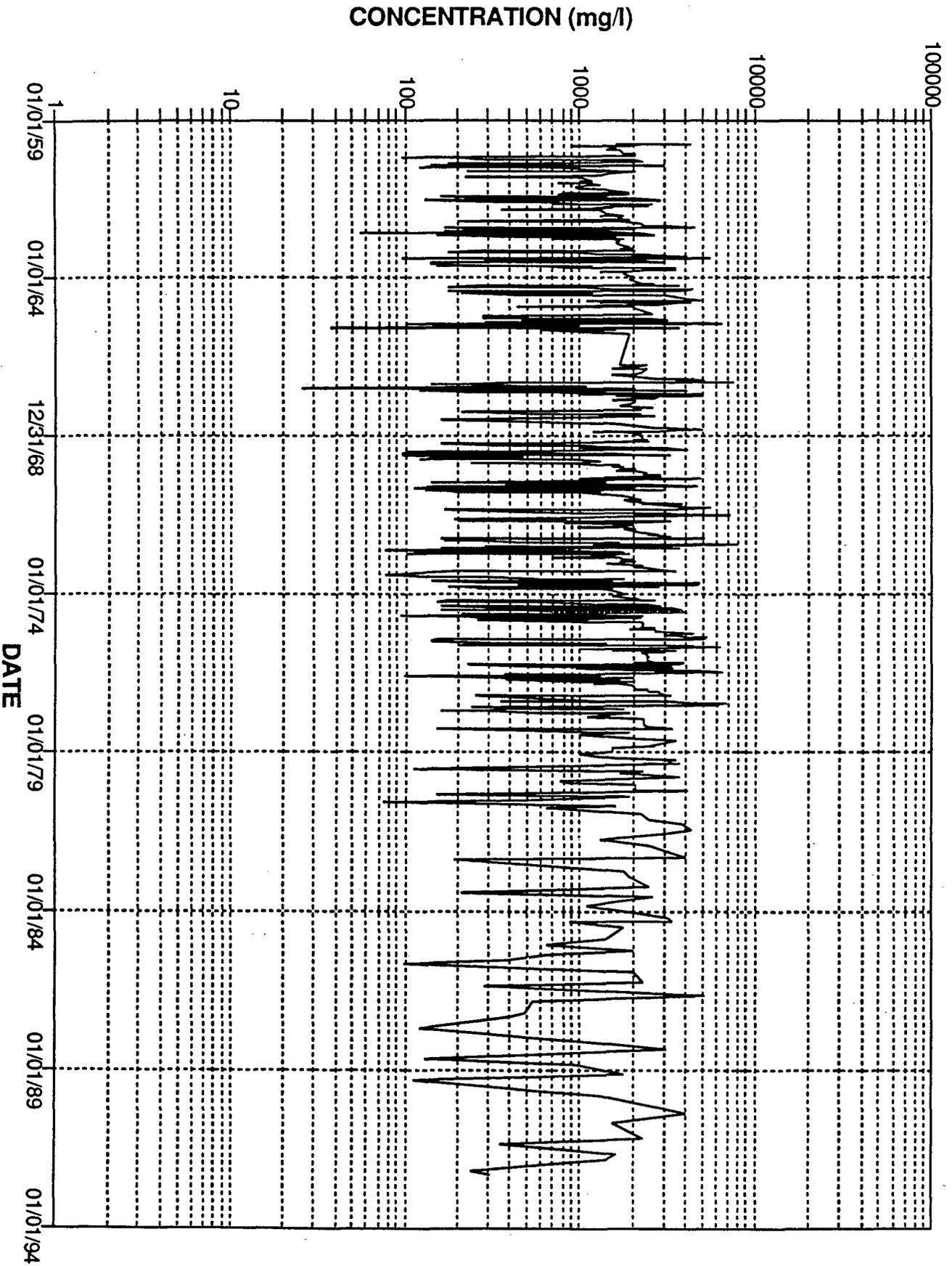
Roy "AET" #3 SWD, "NEW WATER" TREATMENT SITE
Page 2

The water treatment system will be designed to minimize or eliminate the escape of H₂S at the facility site. This will be accomplished through the use of vapor recovery units and destruction of the H₂S in the water treatment process.

All lines, valves and sensors will be suitable for anticipated H₂S encounters.

Radio and or mobile telephone communication will be available on site. Mobile telephone communication will be available in company vehicles.

ARTESIA GAGING STATION
CHLORIDE (Cl)



October 6, 1998

**YATES PETROLEUM CORPORATION PROPOSAL TO NMOCD TO USE
CERTAIN PRODUCED WATERS FOR A PILOT FARMING PROJECT**

AGENDA

1. Overview of existing produced water disposal system and Yates proposed pilot project to use produced water for pilot project.
2. Discussion of existing regulations permitting procedure.
3. Discussion of information required by OCD to permit the project.



Table 4-2. Surface Water Quality Stations

Station ID	Station Name	Latitude	Longitude	Period of Record	Number of Records	Drainage Area (acres)
8386000	Pecos River near Acme (Acme)	333210	1042234	1959-1992	734	11,380
8396500	Pecos River near Artesia (Artesia)	325025	1041923	1959-1992	1007	15,300
8399500	Pecos River near Lakewood (Kaiser Channel)	324122	1041753	1970-1979	8	---
8398500	Rio Peñasco at Dayton	324436	1042449	1951-1992	1	1,060
8401500	Pecos River below Brantley Dam (Brantley Dam)	323238	1042200	1978-1992	53	17,650
8390500	Rio Hondo at Diamond 'A' Ranch (Rio Hondo (DAR))	332057	1045105	1960-1962	6	947

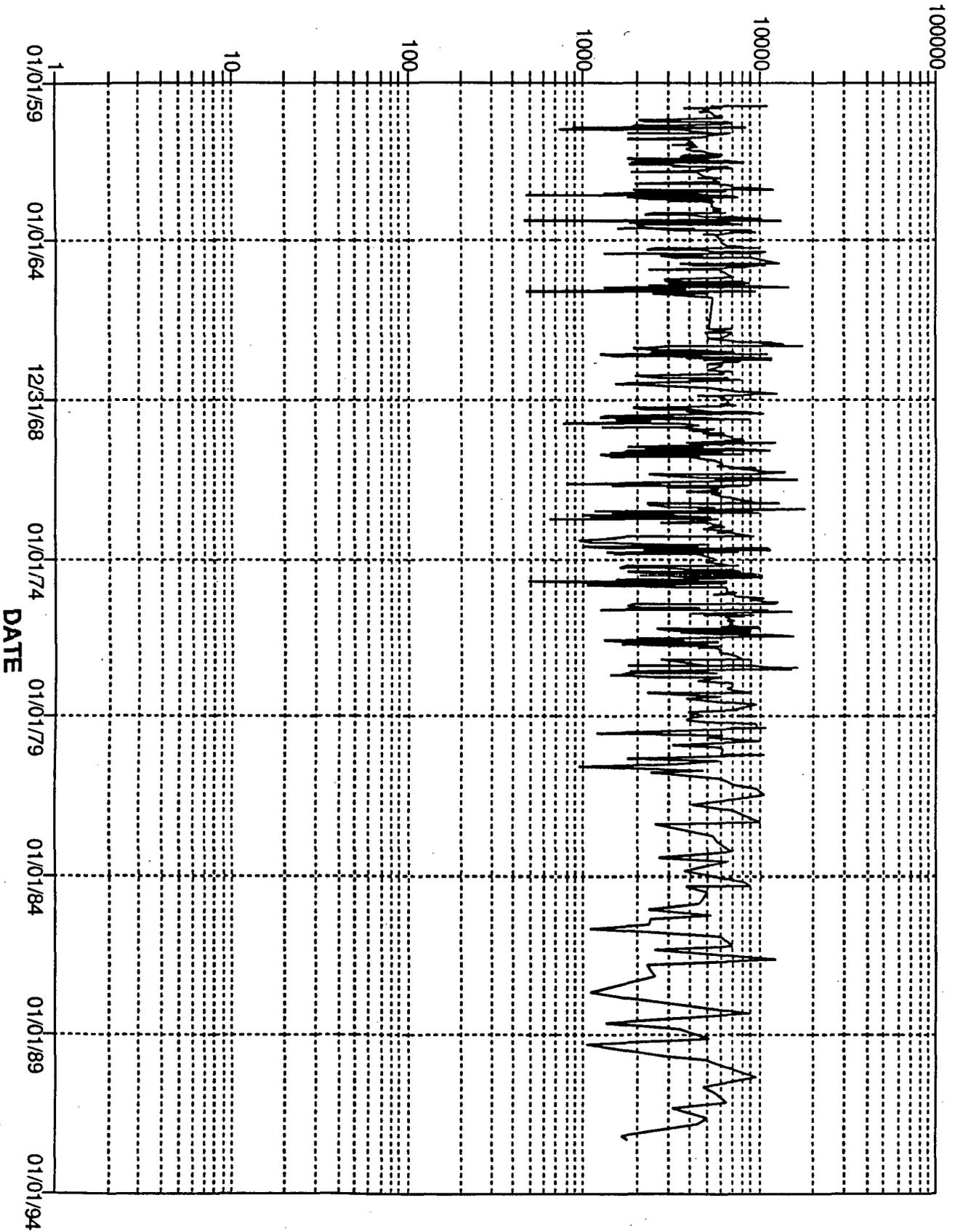
Table 4-3. Average Concentration of Inorganic Ions

Gaging Station	Average Concentration (mg/L)						
	Ca	Mg	Na+K	SO ₄	Cl	HCO ₃	TDS
Acme	436.00	94.00	361.22	1376.00	522.00	118.82	2868.08
Artesia	513.32	158.36	971.84	1662.76	1571.98	144.56	5007.79
Kaiser Channel	575.00	197.38	1200.61	1837.50	1952.50	136.00	5878.75
Brantley Dam	466.98	126.00	510.55	1467.55	861.51	119.00	3537.36
Rio Hondo (DAR)	179.83	35.20	28.90	400.00	33.20	211.67	840.33
Rio Peñasco	62.00	6.20	6.00	0.00	0.00	180.00	225.00

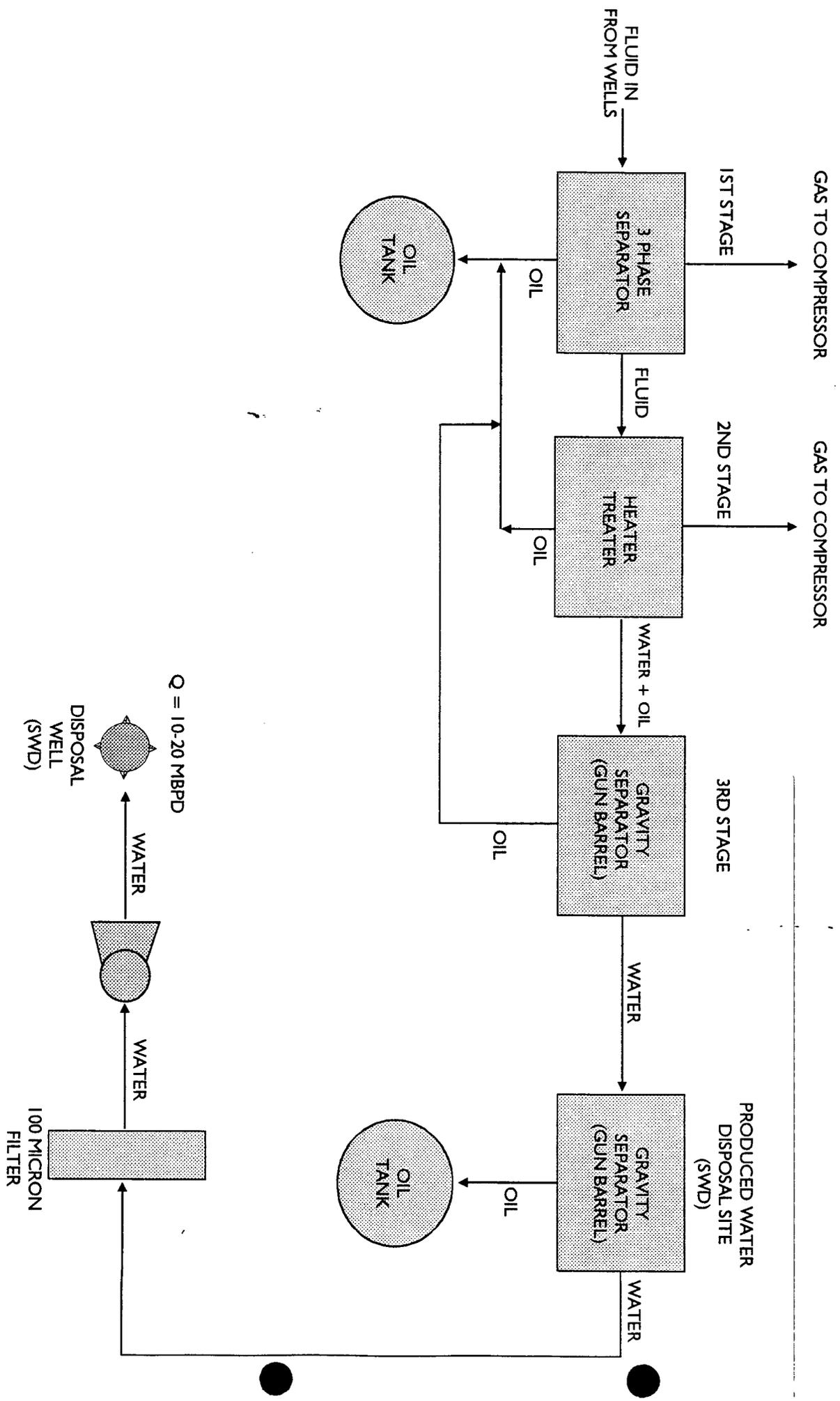
for the period of record available for each gage, and Figure 4-1 shows the Stiff diagrams for the five gages with complete general chemistry data. Although the total concentrations of inorganic compounds will vary with discharge, comparison of the average concentrations in the Stiff diagrams of percent milliequivalents appears to be valid because the cation/anion balances are

ARTESIA GAGING STATION
TOTAL DISSOLVED SOLIDS (TDS)

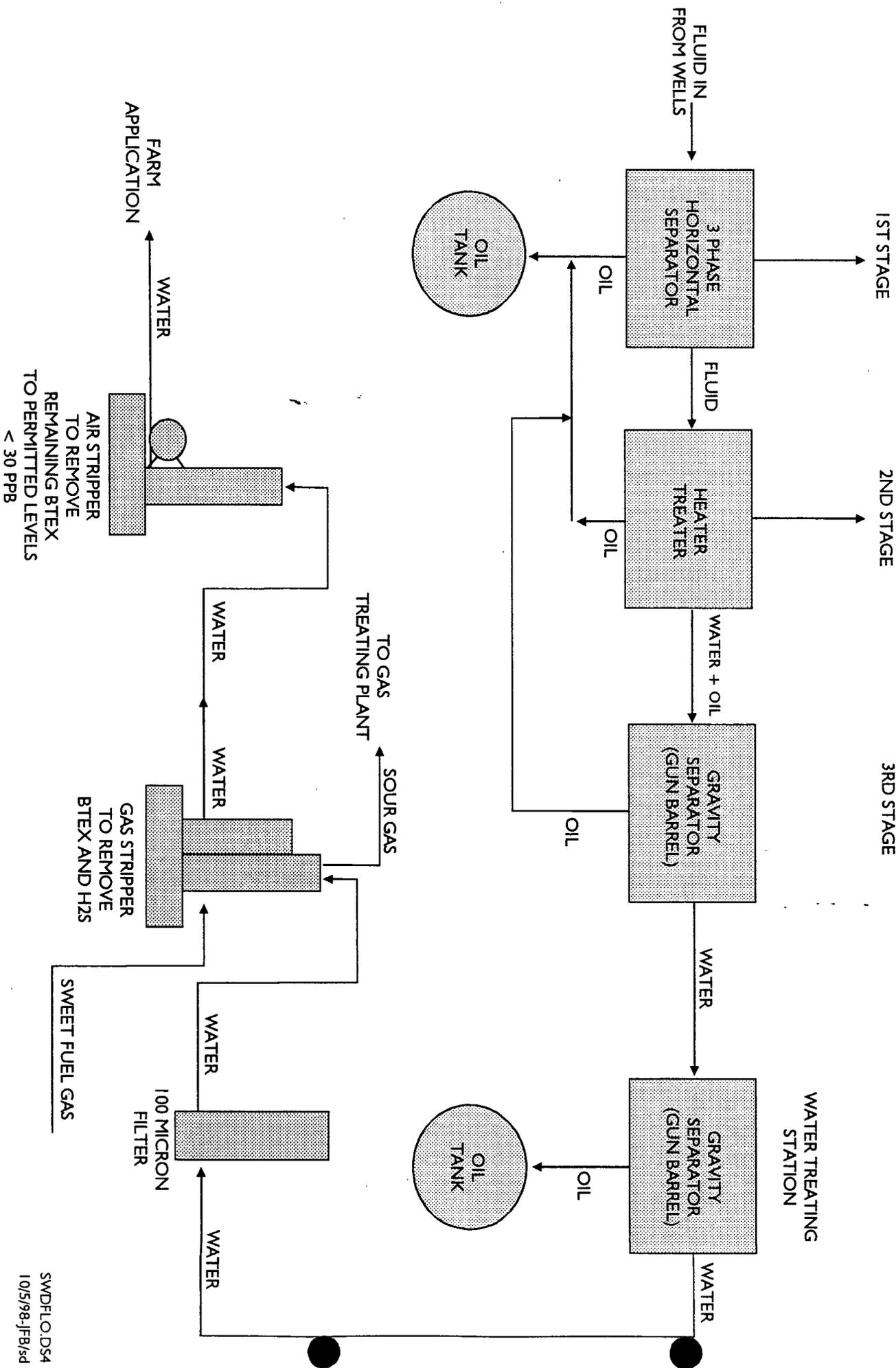
CONCENTRATION (mg/l)



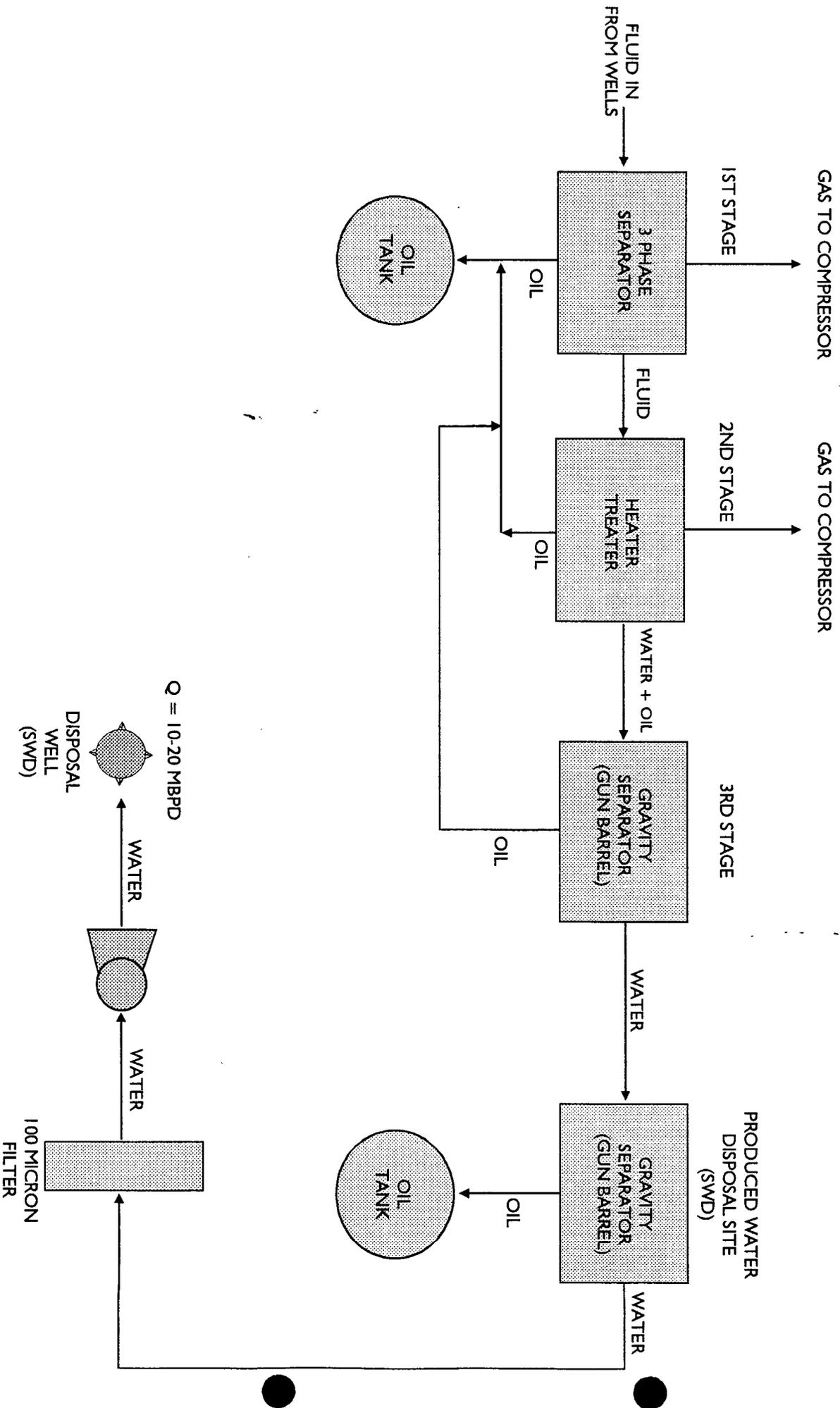
FLOW DIAGRAM FOR CURRENT PRODUCED WATER DISPOSAL



FLOW DIAGRAM FOR PROPOSED WATER DISPOSAL



FLOW DIAGRAM FOR CURRENT PRODUCED WATER DISPOSAL



FLOW DIAGRAM FOR PROPOSED WATER DISPOSAL

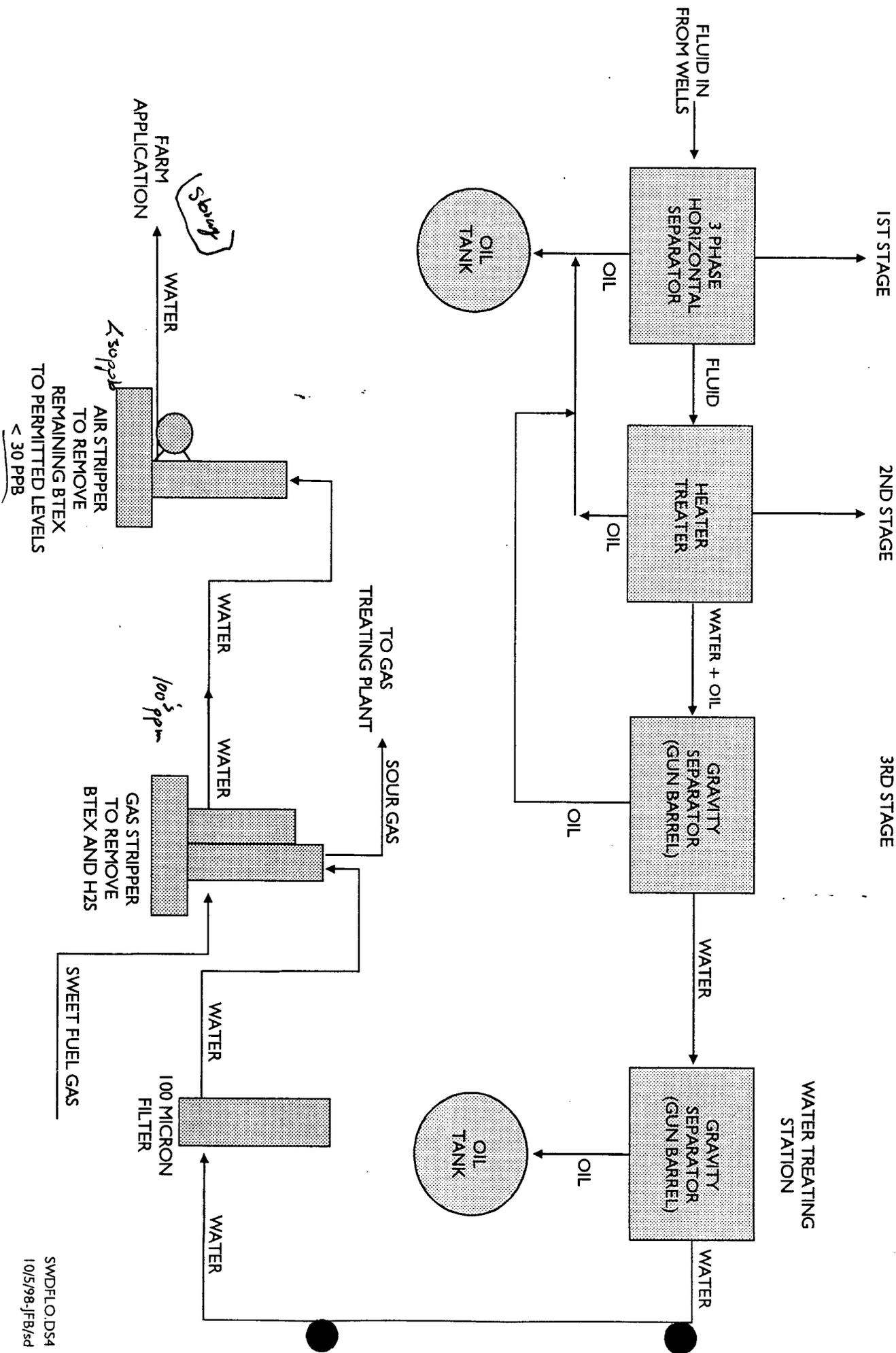




Table 4-2. Surface Water Quality Stations

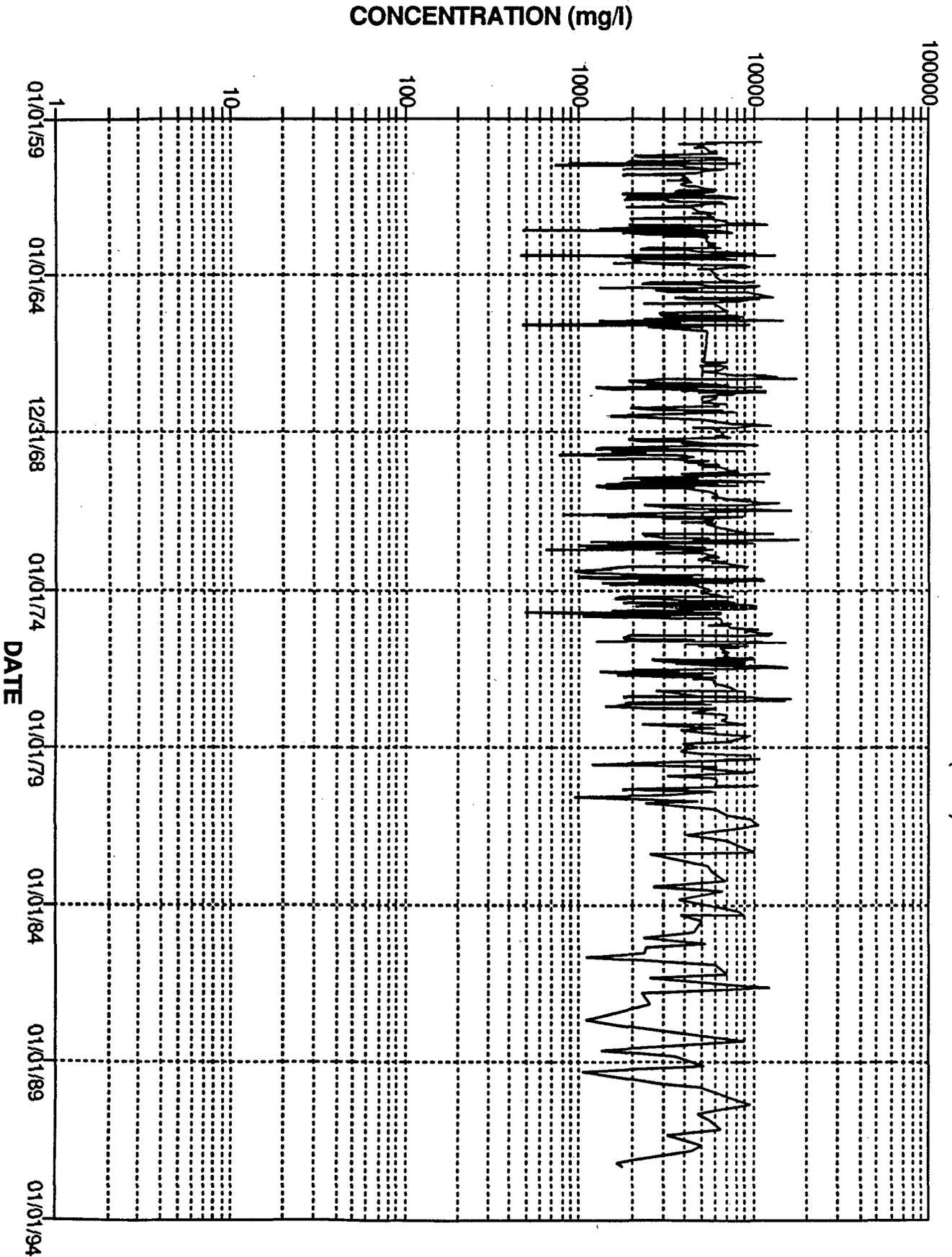
Station ID	Station Name	Latitude	Longitude	Period of Record	Number of Records	Drainage Area (acres)
8386000	Pecos River near Acme (Acme)	333210	1042234	1959-1992	734	11,380
8396500	Pecos River near Artesia (Artesia)	325025	1041923	1959-1992	1007	15,300
8399500	Pecos River near Lakewood (Kaiser Channel)	324122	1041753	1970-1979	8	---
8398500	Rio Peñasco at Dayton	324436	1042449	1951-1992	1	1,060
8401500	Pecos River below Brantley Dam (Brantley Dam)	323238	1042200	1978-1992	53	17,650
8390500	Rio Hondo at Diamond 'A' Ranch [Rio Hondo (DAR)]	332057	1045105	1960-1962	6	947

Table 4-3. Average Concentration of Inorganic Ions

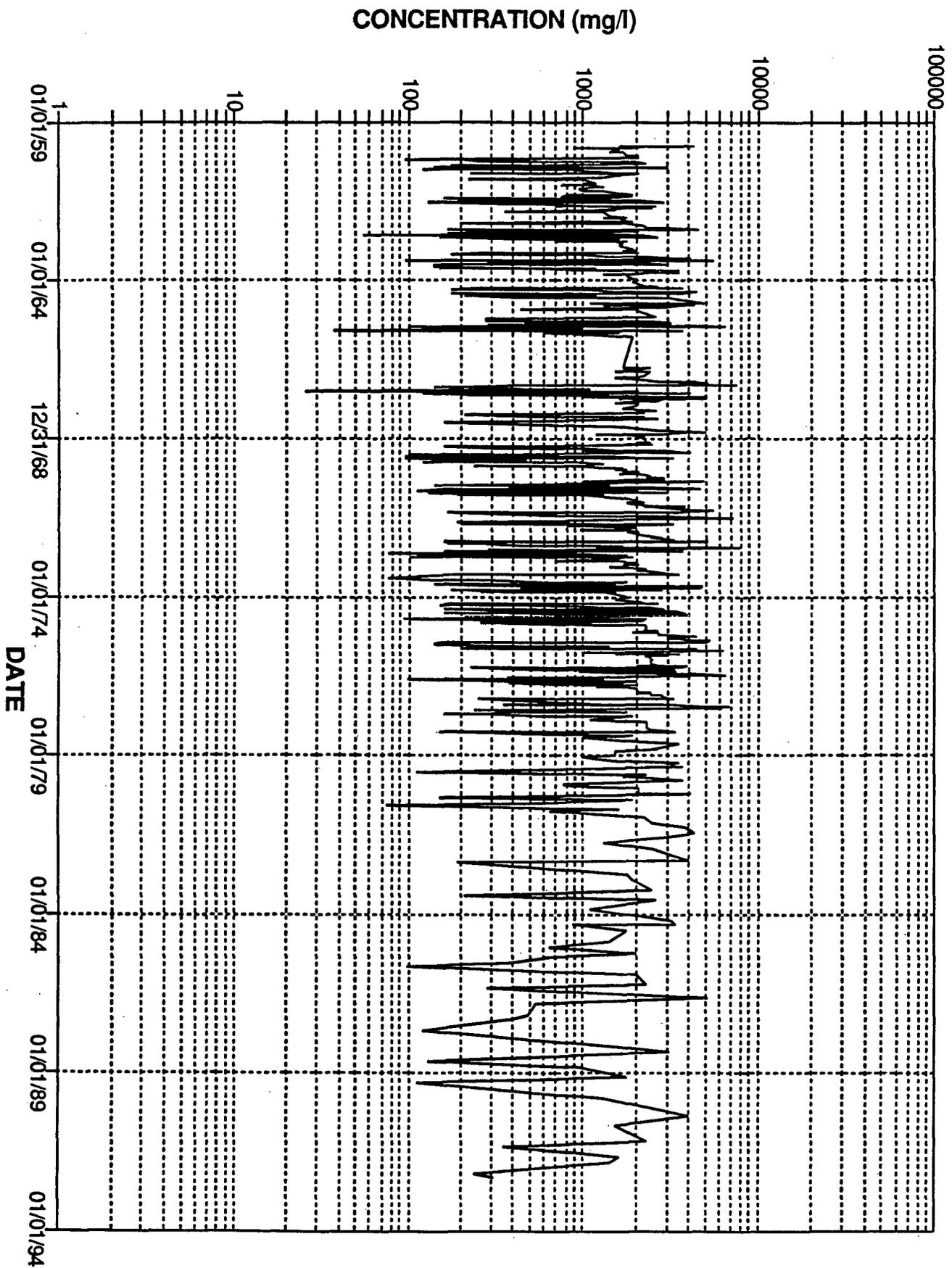
Gaging Station	Average Concentration (mg/L)						
	Ca	Mg	Na+K	SO ₄	Cl	HCO ₃	TDS
Acme	436.00	94.00	361.22	1376.00	522.00	118.82	2868.08
Artesia	513.32	158.36	971.84	1662.76	1571.98	144.56	5007.79
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for the period of record available for each gage, and Figure 4-1 shows the Stiff diagrams for the five gages with complete general chemistry data. Although the total concentrations of inorganic compounds will vary with discharge, comparison of the average concentrations in the Stiff diagrams of percent milliequivalents appears to be valid because the cation/anion balances are

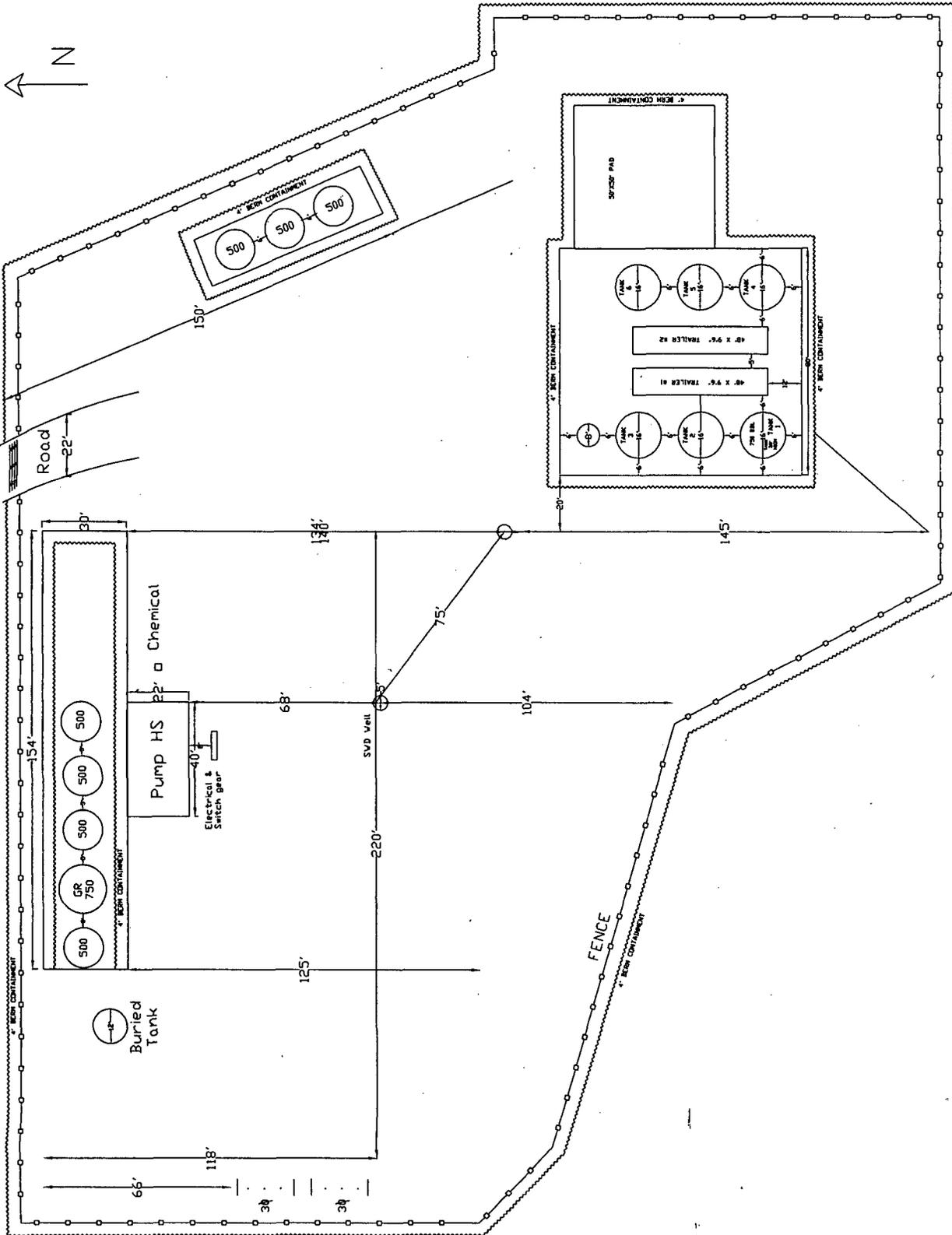
ARTESIA GAGING STATION
TOTAL DISSOLVED SOLIDS (TDS)



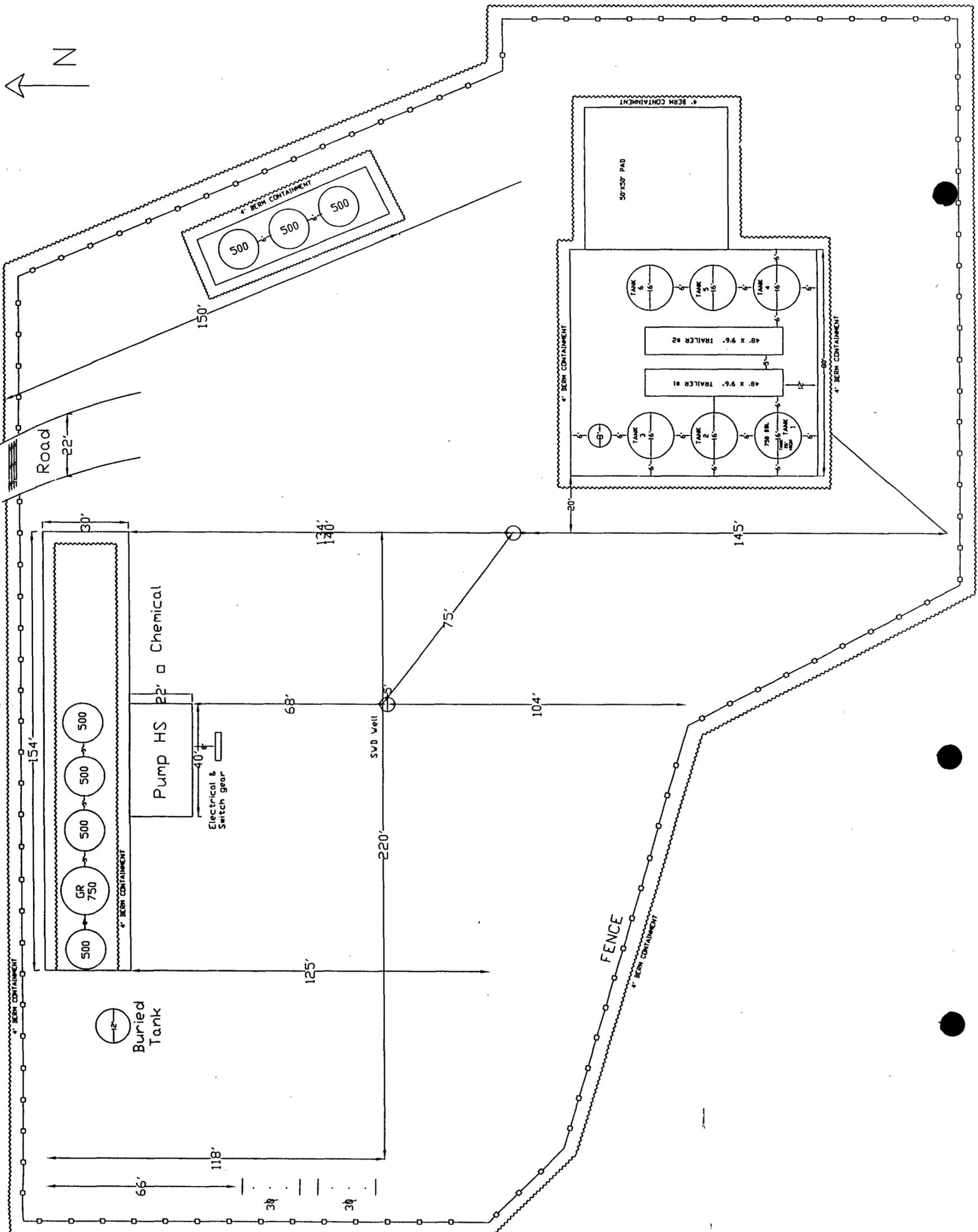
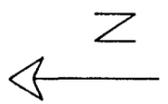
ARTESIA GAGING STATION
CHLORIDE (Cl)

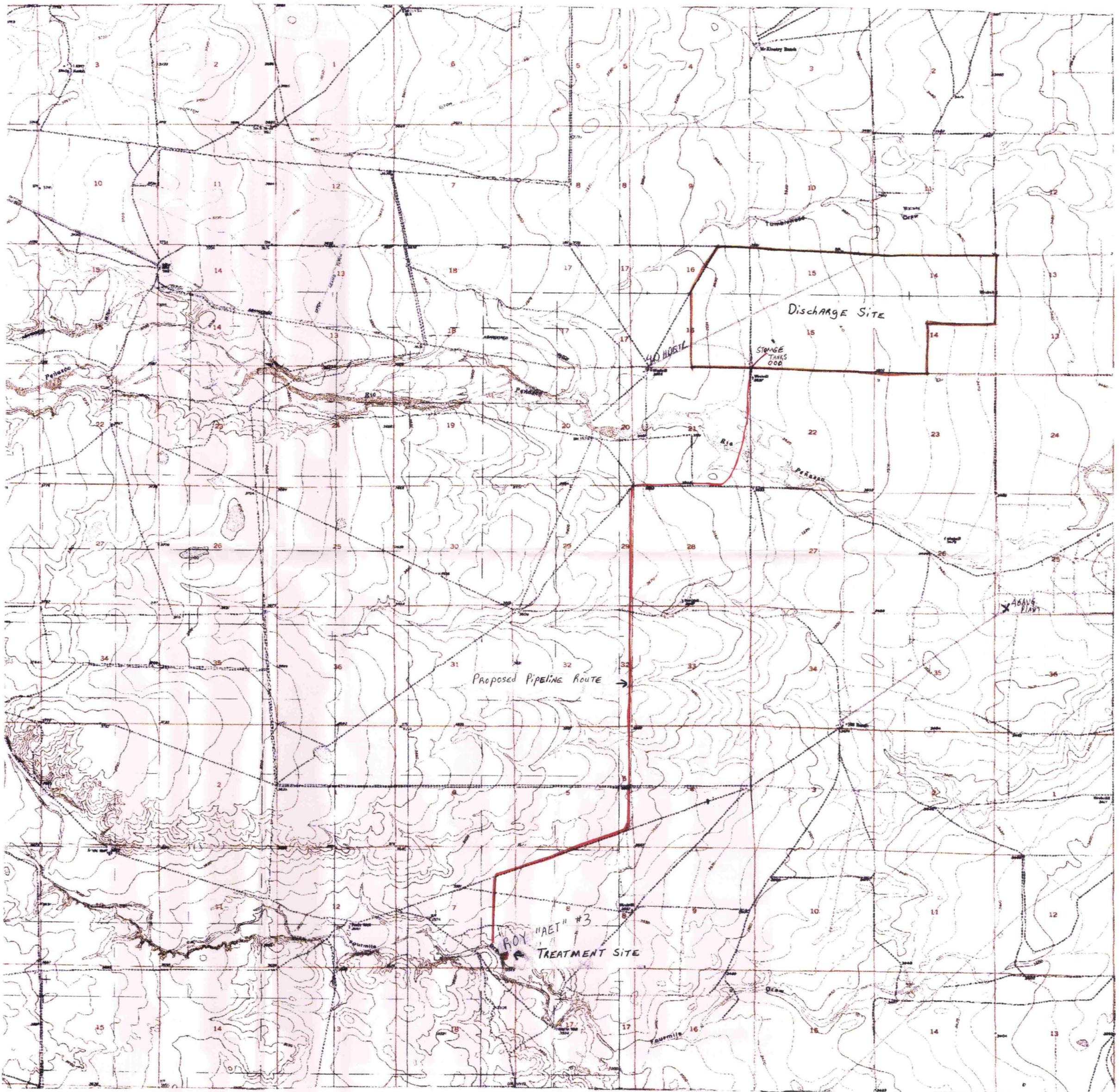


L-AM/D/1 U-T/D



61' 36' 23' 40' 55' 8'





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



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November 6, 2002

Martyne J. Kieling
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, NM 87505

Subject: OCD 711 Permit Draft Response

Dear Martyne J. Kieling

In reviewing the proposed **DRAFT** we have listed items, which raise concern or that, we feel may need additional definition before we can endorse the document.

If you have any questions or concerns toward our reply please feel free to give me a call. My office number is (505) 748-4195.

Sincerely,

Jerry D. Fanning, Jr.
Environmental Field Tech
Yates Petroleum Corporation

RESPONSE TO DRAFT OCD 711 PERMIT APPROVAL

Yates Petroleum Corporation

PRODUCED WATER TREATMENT AND DISPOSAL FACILITY

November 6, 2002

PAGE #2

PRODUCED WATER TREATMENT AND DISPOSAL FACILITY OPERATION

PARAGRAPH:

1. a. Is the disposal facility referred to in this section the **Disposal Site** or the **Treatment Facility**?

b. What is considered a **load**?

3. Why does natural precipitation have to be removed?

4. Would like wording changed to read:

All samples collected for OCD reporting purposes will be analyzed by an approved lab using appropriate EPA Test Methods.

5. **PHASE I:**

a. Would like to see wording changed from “**all total organic -**”, to read “**to have removed total organic (TOC), total carbon (TC), volatile organic compounds (VOC) to a level of 5 ppm or less**”.

b. Is the section referring to “**producing water that is at least 2000 ppm or less TDS**” setting the standard for discharge limits at the **Disposal Site**?

PAGE #3

PHASE II: a. Would like wording changed to read:

The treated produced water will be stored in a series of tanks located at the treatment facility and transferred via pipeline to storage tanks or other OCD approved storage containment located at the 4-Dinkus Ranch land application disposal site.

b. Paragraph 3 addresses subsurface monitoring and testing of **ground water**. Where are these samples to be obtained?

c. Paragraph 4- section addressing soil sampling and backfilling.
Would like wording changed to read:

After soil samples are obtained, bore holes will be filled with removed material and adjacent native soil.

PAGE #4

PHASE III: a. Paragraphs 1 and 2 discuss ground water sampling and analysis. The concern is the source of the samples and is the ground water quality influenced naturally by seasonal changes?

7. Define a **“major change”** ?

9. Visual evidence of occasional leaks and spills around oilfield operations are common to the industry. Any areas showing evidence of frequent releases will be addressed immediately to alleviate the problem. Any releases of reportable quantities will be reported and addressed in accordance with OCD rules and regulations.

PAGE #5

10. Requested wording change:

Contaminated soil may be removed or remediated on site in accordance with OCD approved methods.

A plan of no action may be appropriate in the event of a fresh water release.

11. Additional requested wording to be added:

Alternate solid waste disposal methods may be approved pending OCD review.

H2S PREVENTION & CONTINGENCY PLAN

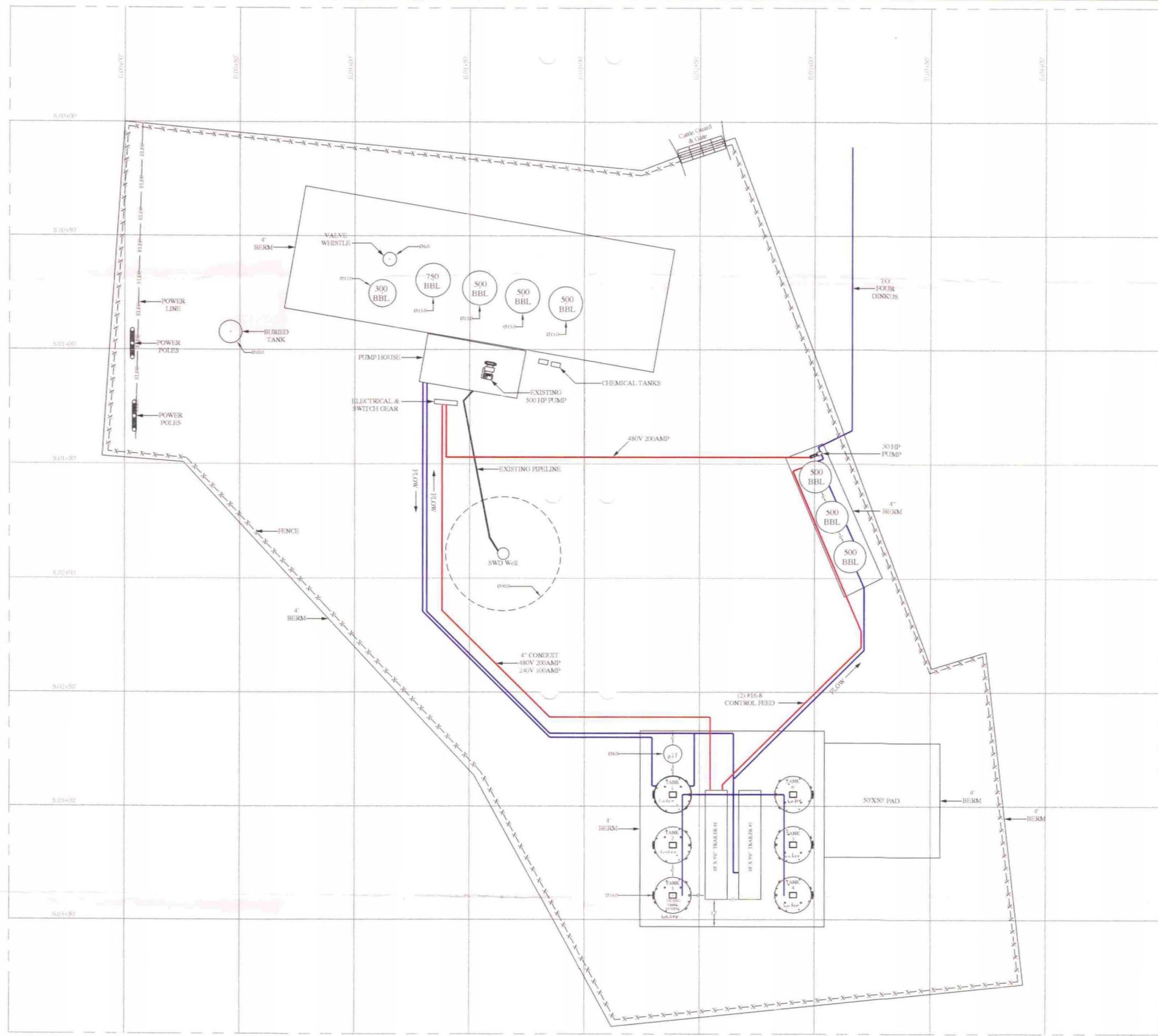
PAGE #5

- a. We feel the order of action should be reversed, ii to i to eliminate source of release and insure safety as soon as possible.
- b. The same situation is true for this section.
We feel the order of events should be reversed, iii, ii, i , for the same reasons as mentioned above.

CLOSURE

PAGE #7

- d. Wording changed to read:
The area may be contoured, and / or seeded with native grasses as necessary in order to restore the area to an acceptable status.



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OCT 14 2002
Environmental Bureau
Oil Conservation Division



YATES PETROLEUM CORP 105 SOUTH 4TH ST ARTESIA, NEW MEXICO 88210	
JOB NAME: NEW WATER	DESCRIPTION: PLOT PLAN
LOCATION: ROT "AET" #3 SWD	SCALE: NA
SHEET: 7 1195 P25E	DATE: 9/12/02
SIZE: ANSI C	DRAWING NUMBER:
DRAWING: TWH	CHECKED BY: GJ
	SHEET 1 OF 1