

NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

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Director
Oil Conservation Division

Mr. Dan Dolan Yates Petroleum Corporation 105 S 4th Street Artesia, NM 88210 December 29, 2005

REMEDIATION WORK - MALLARD HM NO. 2

In a letter dated December 5, 2005, the New Mexico Oil Conservation Division District 2 Office approved the Remediation Work Plan for the release at the Mallard HM No. 2 (30-015-22052). This approval was given for your proposed enhanced bioremediation and it was understood that this was to be an in-situ or "in place" bioremediation since no mention was made of removal of soils from the location.

Your work plan proposal dated 12-02-05 states that "Any changes that are made will be communicated to you to keep you informed." On Wednesday, December 28, 2005, I witnessed a Badger, Inc., vacuum truck lifting contaminated soils from the location, a change from the approved in-situ bioremediation work plan. The disposition of this contaminated material and source of backfill material is not known to the NMOCD District 2 Office.

Prior to January 6, 2006, please provide the following information on this remediation project:

- 1. Where, on this location, did the contaminated soils originate and to what depth and horizontal extent were they excavated?
- 2. What was the result of samples (if any) used to delineate the horizontal and vertical area of this excavation?
- 3. What is the amount of soils removed / hauled into this location for the purpose of the remediation on December 28, 2005?
- 4. What is the total amount of soils removed / hauled into this location for the purpose of the remediation since the remediation work plan was approved?
- 5. What was the disposition of all removed soils / source of all hauled in soils?
- 6. What method (if any) was used to determine that any removed soils were "Exempt Oilfield Wastes" exempted from Resource Conservation and Recovery Act (RCRA) Subtitle C regulations?

Thank you for your prompt attention to this matter and your efforts in helping to protect our environment and the infrastructure of the oil and gas industry.

Artesia OCD District Office