



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

Yates Petroleum Corporation
105 S. 4th St.
Artesia, NM 88210
ATTN: Environmental Dept. (Robert Asher)

October 30, 2006

Reference: McDonald JB 001 A-32-18s-26e API: 30-015-20100

Dear Mr. Asher,

The New Mexico Oil Conservation Division District 2 Office (OCD) is in receipt of your letter dated July 14, 2006 requesting closure of the remediation project at this site. Based on data submitted and OCD inspections of site, the OCD is considering the project completed and requires no further action at this time.

Please be advised that this action does not relieve the operator of liability should their operations have failed to adequately investigate and remediate contamination that pose a threat to ground water, surface water, human health or the environment. In addition, this action does not relieve the operator of responsibility for compliance with any other federal, state, local laws and/or regulations.

Sincerely,

A handwritten signature in black ink, appearing to read "Mike Bratcher".

Mike Bratcher
NMOCD District 2
1301 W. Grand Ave.
Artesia, NM 88210
(505) 748-1283 Ext. 108
(505) 626-0857
mike.bratcher@state.nm.us

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 14, 2006

Mr. Mike Bratcher
NMOCD District II
1301 W. Grand Ave.
Artesia, NM 88210

RECEIVED

JUL 14 2006

OOD-ARTESIA

RECEIVED

JUL 17 2006

OOD-ARTESIA

RE: McDonald JB #1
Section 32, T18S-R26E
Eddy County, New Mexico

30-015-20100

Dear Mr. Bratcher,

The captioned well has been plugged and abandoned. Yates Petroleum Corporation has fulfilled all requirements and obligations for this well per the Oil Conservation Division's letter dated February 13, 2006. Yates Petroleum Corporation requests closure of the site. Please remit written confirmation concerning this request.

If you have any questions, please call me at 505-748-4217.

Thank you.

YATES PETROLEUM CORPORATION

Robert Asher
Environmental Regulatory Agent

/rca
Enclosure(s)