

NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON Governor Joanna Prukop Cabinet Secretary Mark E. Fesmire, P.E. Director Oil Conservation Division

September 8, 2006

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

Reference: Foster AN Battery A-1-20s-24e API: 30-015-26914

Operator,

The New Mexico Oil Conservation Division District 2 Office (OCD) is in receipt of a work plan proposal (plan) for delineation and remediation of contaminants that may be present at the above referenced well site. The plan submitted is to address releases of produced fluids that occurred on 12/21/2005 and on 6/11/2006.

The plan is approved with the following stipulations:

- Notify OCD 24 hours prior to commencement of activities.
- Notify OCD 24 hours prior to obtaining samples where analyses of samples obtained are to be presented to the OCD.
- Analytical data from sampling events witnessed by OCD is to be provided to OCD within three working days of operator's receipt of data, if requested by OCD.
- Delineation of chloride constituents is required.
- Remediation requirements may be subject to modification as conditions warrant.
- Operator is to submit a Final Report C-141 upon satisfactory completion of project.
- Remediation is to be completed no later than December 8, 2006.

Please be advised that OCD approval of this plan 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, OCD approval of this plan does not relieve the operator of responsibility for compliance with any other federal, state, local laws and/or regulations.

If I can be of assistance, please contact me.

Sincerely,

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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

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