

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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December 4, 2006

Ms. Patricia Caperton  
NMOCD District I  
1625 French Drive  
Hobbs, NM 88240

RP 1119

Re: Kiwi AKX State #8  
30-025-31889  
Section 16, T22S-R32E  
Lea County, New Mexico



Dear Ms. Caperton:

Yates Petroleum Corporation would like to submit for your consideration the enclosed work plan for the above captioned well. The plan is being submitted in response to the C-141 dated November 6, 2006. Scope of work described in the plan will be conducted as soon as the work plan is approved and a contractor can be scheduled. Yates would like to start as soon as possible to have the work completed before the spring of 2007.

If you have any questions call me at (505) 748-4217

Thank you.

YATES PETROLEUM CORPORATION

Robert Asher  
Environmental Regulatory Agent

Enclosure(s)

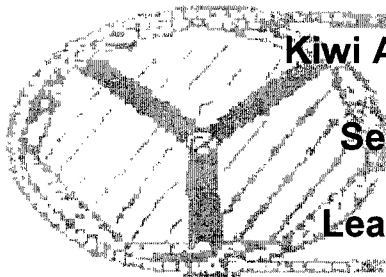
**Yates Petroleum Corporation**

**Kiwi AKX State #8 Work Plan**

**Section 16, T22S-R32E**

**Lea County, New Mexico**

**December 4, 2006**



**I. Location**

The well is located approximately 40 miles east-southeast of Carlsbad, NM, approximately 3 miles east of Campbell Road, as represented by the attached The Divide, NM, USGS Quadrangle Map.

**II. Background**

On November 6, 2006, Yates submitted to the NMOCD District I office a C-141 report reflecting a release of approximately 250 barrels of produced water from a water line that ruptured, approximately 40 barrels of produced water were recovered. The affected area is approximately 50 feet by 300 feet, southwest of the location. The water line has been repaired and a berm has been constructed around the well pad.

**III. Surface and Ground Water**

Area surface geology is Cenozoic. The nearest groundwater of record listed on the ChevronTexaco, Lea County Depth to Groundwater Water Well Facilities Trend Map dated 2/9/2005 shows the depth to groundwater at approximately 300 feet (Unit Letter F, Section 16, T22S-R32E) making the site ranking a zero (0). Watercourses in the area are dry.

The ranking for this site is zero (0) based on the as following:

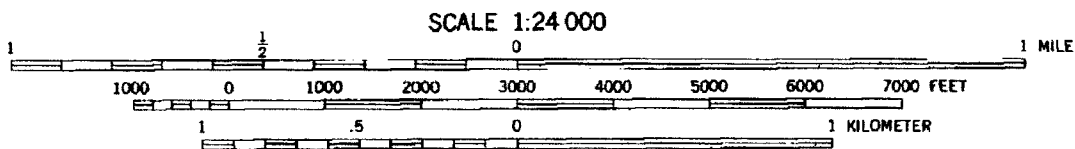
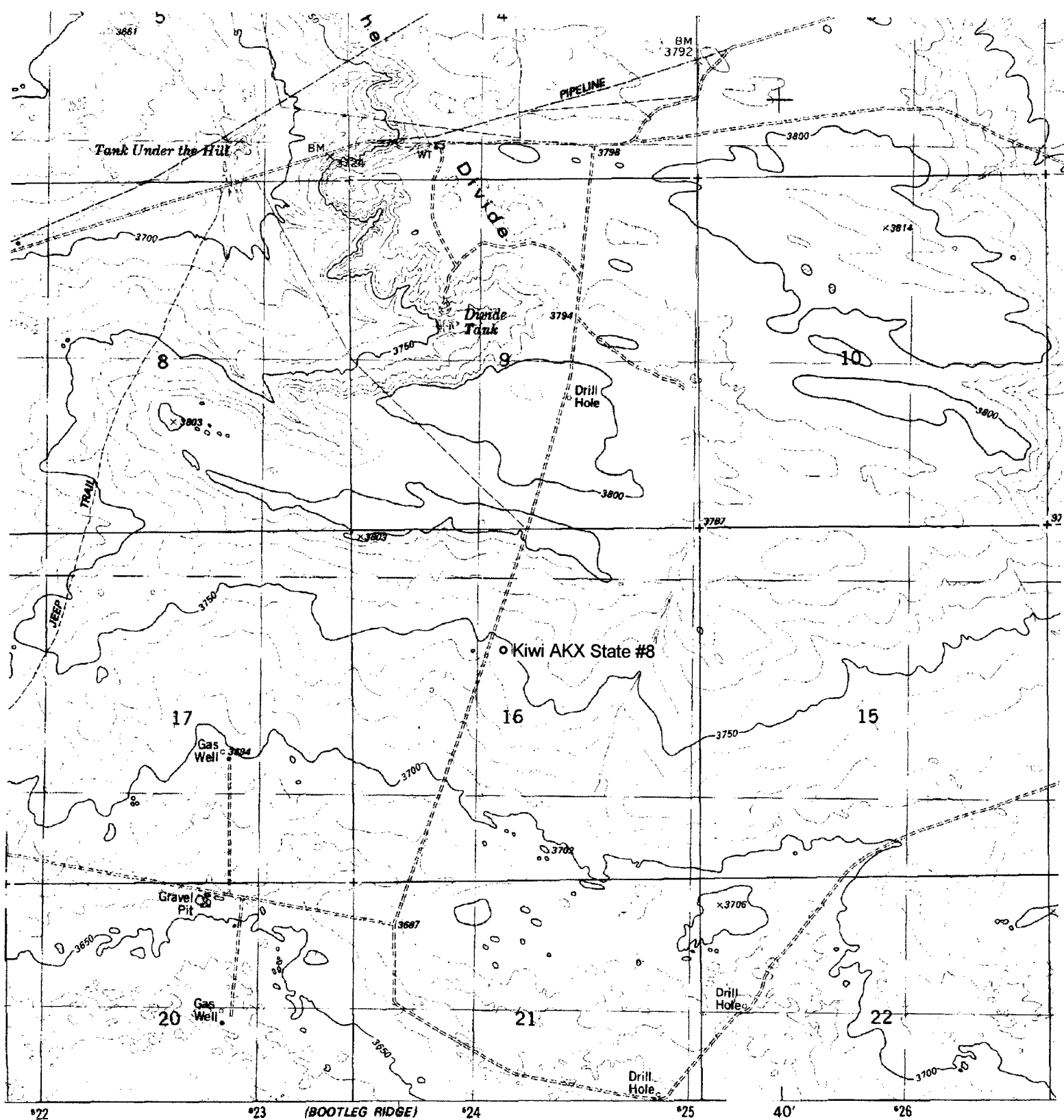
Depth to ground water	> 100'
Wellhead Protection Area	> 1000'
Distance to surface water body	> 1000'

**IV. Soils**

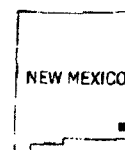
The area consists of sand, interspersed with caliche and clay seams providing a low permeability barrier to retard vertical percolation of contaminants into the subsurface.

**V. Scope of Work**

Upon approval of this work plan, Yates Petroleum Corporation will take soil samples within the effected area for delineation. These samples will be sent to a certified lab and analyzed for BTEX, TPH and Chlorides (for reference purposes). Based on the Total Ranking Score of zero (0), the RRAL's for BTEX is 50 ppm and TPH is 5000 ppm. If these results are above OCD guidelines, then remediation will be implemented by applying nitrogen fertilizer, straw and water that will be roto tilled into the affected area (this will aid in building up of the soil structure to assist in the re-growth and re-vegetation to the release area) and re-apply fertilizer, water and tilled monthly for a period of three (3) months. After three months, Yates will resample within the release area, if results are above OCD guidelines, and then further remediation will be implemented to attain the acceptable limits. If lab analysis reflects closure levels then Yates will contact the Oil Conservation Division to give opportunity to witness a final sampling event. A final C-141 and attached analytical results will be submitted to the OCD requesting closure.



CONTOUR INTERVAL 10 FEET  
NATIONAL GEODETIC VERTICAL DATUM OF 1929



QUADRANGLE LOCATION

THIS MAP COMPLIES WITH NATIONAL MAP ACCURACY STANDARDS

'The Divide; NM' Scale: 1" = 0.379Mi 610M 2,000Ft, 1 Mi = 2.640", 1 cm = 240M R RESTON, VIRGINIA 22092