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APPROVALS

YEAR(S):

1995



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 S. PACHECO
SANTA FE, NEW MEXICO 87505
(505) 827-7131

March 27, 1995

CERTIFIED MAIL
RETURN RECEIPT NO. P-667-242-228

Mr. Paul Ragsdale
Yates Petroleum Corporation
105 South Fourth St.
Artesia, New Mexico 88210

**RE: STINKING DRAW SPILL REPORT
YATES PETROLEUM COMPANY**

Dear Mr. Ragsdale:

The New Mexico Oil Conservation Division (OCD) has completed a review of Yates Petroleum Corporation's (YPC) January 31, 1995 correspondence and January 1995 "PRODUCED WATER PIPELINE RELEASE INVESTIGATION, STINKING DRAW, EDDY COUNTY, NEW MEXICO". These documents contain the results of YPC's investigation of the extent of contamination related to a spill of produced water from a pipeline which crosses Stinking Draw in Eddy County, New Mexico. The report also recommends that no further action is required at the site due to a risk analysis and the low levels of contaminants in the soils.

The investigation actions are satisfactory and the recommendations as contained in the above referenced report are approved.

Please be advised that OCD approval does not relieve YPC of liability if remaining contaminants are found to pose a future threat to surface water, ground water, human health or the environment. In addition, OCD approval does not relieve YPC of responsibility for compliance with any other federal, state or local laws and/or regulations.

If you have any questions, please call me at (505) 827-7154.

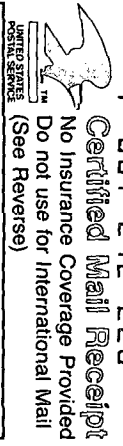
Sincerely,

A handwritten signature in cursive script, appearing to read "William C. Olson".

William C. Olson
Hydrogeologist
Environmental Bureau

xc: Tim Gum, OCD Artesia District Supervisor

P 657 242 228



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