MARTIN YATES, III 1912-1985 FRANK W. YATES

1936-1986 S.P YATES 1914-2008



105 SOUTH FOURTH STREET

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July 14, 2016

Mr. Mike Bratcher or Ms. Heather Patterson NMOCD District II 811 South First Artesia, NM 88210

RE:

Satchmo SWD State #1

30-015-42492

Section 36, T25S-R31E Eddy County, New Mexico

Mr. Bratcher or Ms. Patterson,

Yates Petroleum Corporation would like to submit the following plan of work to you regarding the release that occurred at the above mentioned facility on June 3, 2016 (2RP-3736). The release was 15 barrels of produced water with 10 barrels of produced water recovered.

With NMOCD approval of this work plan, Yates will hold a bid meeting allowing several contractors the opportunity to submit bids on this remediation project. Bids that are received will be forwarded to Yates Management for review. Once Yates Management reviews the bids and gives approval, the remediation project will be awarded to a contractor for work to commence.

If you have any questions or concerns, I can be reached at (575) 748-4111 or by email at agriffin@yatespetroleum.com.

Thank You,

Amber Griffin

Environmental Regulatory Agent

Yates Petroleum Corporation

Yates Petroleum Corporation
Satchmo SWD State #1
Section 36, T25S-R31E
Eddy County, New Mexico
July 14, 2016

I. Location

Travel east out of Carlsbad on Highway 62-180 for 17 miles to Highway 31 and turn south. Travel 14.5 to Highway 128 and turn east. Travel 22.5 to Lea County Road 1 (Orla Road) and turn south. Travel 10.4 miles to a pipeline lease road and turn west. Travel 4.9 miles and turn north. Travel 1.9 miles and turn east. Travel 1 miles and turn east. Travel 0.6 miles to location.

II. Background

On June 3, 2016, Yates had a release of 15 barrels produced water with 10 barrels produced water recovered. The area affected from this release was within a lined/bermed battery, along parts of the production pad to the east and south sides of the battery, and an area 18' x 10' off of the production pad. An initial Form C-141 was submitted, via e-mail, to the NMOCD District II on June 10, 2016.

During initial clean-up of the release, approximately 1' of soils were excavated from the Off Pad area. The production pad areas were scraped to remove all visible contamination. All initially excavated soils were hauled to a NMOCD approved disposal facility.

On June 9, 2016 Yates visited the site and collected soil samples from the release area using a hand auger or shovel. The release area was split into four sections — Off Pad, Pad 1, Pad 2, and Pad 3. The soil samples were sent to an approved NMOCD laboratory and tested for BTEX 8021B, TPH 8015M, and Chlorides 300.0. Yates received the analytical results on June 21, 2016 (Report 1606764 attached to this work plan). Analytical results showed that both TPH and BTEX were below NMOCD RRAL's. Chloride levels were shown to be at elevated levels in the Off Pad, Pad 2 and Pad 3 areas.

On June 15, 2016 Yates visited the site and collected further soil samples from the Off Pad, Pad 2 and Pad 3 areas with a backhoe. These soils samples were sent to an approved NMOCD laboratory and tested for Chlorides 300.0. Yates received the analytical results on June 27, 2016, June 28, 2016, July 14, 2016 (Reports 1606A44, 1606A45, and 1607217 attached to this work plan). Analytical results show that chlorides were fully delineated to acceptable levels.

III. Surface and Ground Water

Area surface geology is Cenozoic. The ChevronTexaco depth to ground water map shows the depth to groundwater to be approximately 300' feet making the site ranking for this site a zero (0). Watercourses in the area are dry except for infrequent flows in response to major precipitation events.

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

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

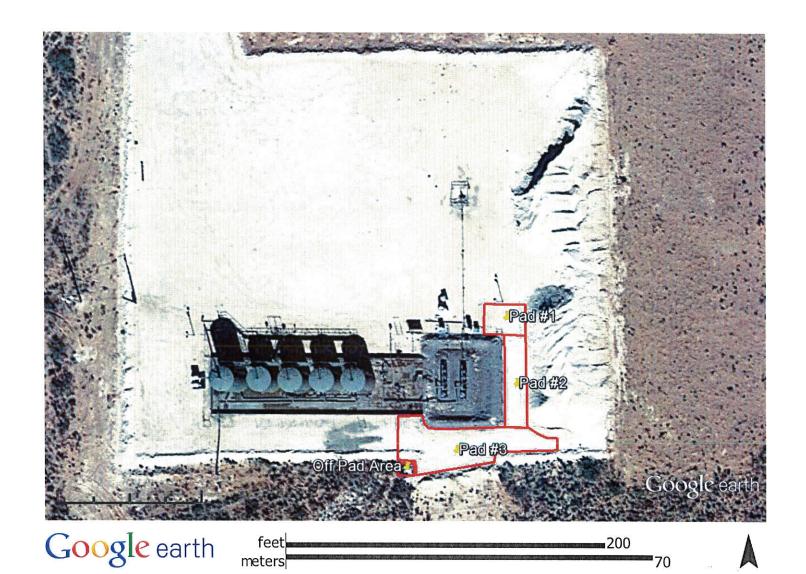
IV. Soils

The area consists of soils that are sand and caliche.

V. Scope of Work

Based on the enclosed analytical reports, Yates proposes the following excavation work:

- Excavate 6" from Pad 1, Pad 2 and Pad 3 areas. These three areas will then be backfilled with clean caliche.
- Excavate an additional 3' from the Off Pad area (an area approximately 18' x 10'). The total excavation will be then be to a depth of 4' below the surface level and will remove all soils with chloride concentrations greater than 1,000 ppm. The excavation will be backfilled with caliche up to 2' below the surface level. The backfill process will be completed with 2' of clean, like topsoil. Due to the small area that was disturbed off of the production pad and the limited impact on wildlife and livestock in the area, it will not be re-seeded. The 180 ft² area will be allowed to re-vegetate naturally by seed from the surrounding vegetation.
- Contaminated soils that are excavated will be hauled to a NMOCD approved disposal facility.
- Once all excavation and backfill work is complete, Yates will submit a Final Form C-141 to NMOCD requesting closure of this release.



Satchmo SWD State #1

	Sample Area	Sample Date	Analytical Report	Sample Type	Depth	В	Т	Е	х	BTEX	GRO	DRO	TOTAL	Chloride
Off Pad 1'	Release Area	6/9/2016	1606764	Grab/Hand Auger	1' (2' BSL)	ND	ND	ND	ND	ND	ND	ND	ND	8,600
Off Pad 2'	Release Area	6/9/2016	1606764	Grab/Hand Auger	2' (3' BSL)	ND	ND	ND	ND	ND	ND	ND	ND	14,000
Off Pad 3'	Release Area	6/15/2016	1606A44	Grab/Backhoe	3' (4' BSL)									3,200
Off Pad 4'	Release Area	6/15/2016	1606A44	Grab/Backhoe	4' (5' BSL)		-	-		-	-	-	-	47
Off Pad 5'	Release Area	6/15/2016	1606A44	Grab/Backhoe	5' (6' BSL)	-					-		-	380
Off Pad 6'	Release Area	6/15/2016	1607217	Grab/Backhoe	6' (7' BSL)			•	•	•	-		-	330
Off Pad 7'	Release Area	6/15/2016	1607217	Grab/Backhoe	7' (8' BSL)				,	-	-		-	38
Off Pad 8'	Release Area	6/15/2016	1607217	Grab/Backhoe	8' (9' BSL)			-		-			-	61
Pad 1 - Surface	Release Area	6/9/2016	1606764	Grab/Shovel	Surface	ND	ND	ND	ND	ND	ND	42	42	1,300
Pad 2 - Surface	Release Area	6/9/2016	1606764	Grab/Shovel	Surface	ND	ND	ND	ND	ND	ND	62	62	26,000
Pad 2 - 1'	Release Area	6/15/2016	1606A45	Grab/Backhoe	1'	ND	ND	ND	ND	ND	ND	ND	ND	640
Pad 2 - 2'	Release Area	6/15/2016	1606A44	Grab/Backhoe	2'				-	-		-	-	ND
Pad 2 - 3'	Release Area	6/15/2016	1606A44	Grab/Backhoe	3'	-			-	-	-	·•	-	ND
Pad 3 - Surface	Release Area	6/9/2016	1606764	Grab/Shovel	Surface	ND	ND	ND	ND	ND	ND	670	670	18,000
Pad 3 - 1'	Release Area	6/15/2016	1606A45	Grab/Backhoe	1'	ND	ND	ND	ND	ND	ND	DN	ND	120
Pad 3 - 2'	Release Area	6/15/2016	1606A44	Grab/Backhoe	2'				-				-	ND
Pad 3 - 3'	Release Area	6/15/2016	1606A44	Grab/Backhoe	3'	-	-	-	-	-	-	-	-	ND

Site Ranking is ZERO (0). Depth to Ground Water >100' (approx. 300', per ChevronTexaco Trend Map).

All results are ppm.

Released: 15 B/PW; Recovered: 10 B/PW. Release Date: 6/3/2016. 2RP-3736