



# NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

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Director

**Oil Conservation Division**

Mr. Dan Dolan  
Yates Petroleum Corporation  
105 S 4<sup>th</sup> Street  
Artesia, NM 88210

December 5, 2005

## REMEDIATION WORK PLAN APPROVAL - LILLY ALY NO. 6

The New Mexico Oil Conservation Division District 2 Office is in receipt of your letter dated 12-02-05 which provides an outline for work to remediate the release at the Lily ALY No. 6 (30-015-27276).

Your proposed method of remediation (hauling contaminated materials and replacing with clean soils) is approved for this remediation under the following conditions:

- Contaminated soils requiring remediation should be remediated so that residual contaminant concentrations are below the recommended soil remediation action level. If soil action levels cannot practicably be attained, a detailed evaluation of risk may be performed and provided in writing to OCD for approval showing that the remaining contaminants will not pose a threat to present or foreseeable beneficial use of fresh water, public health and the environment.
- If alternate methods of remediation are to be used, prior approval from the OCD District 2 Office is required prior to beginning any work using these alternate methods. A specific proposal outlining the alternate methods must be submitted in writing.
- If ground water is encountered during the soil/waste characterization, excavation or remediation of the impacted soils, a sample should be obtained to assess the incidents potential impact on ground water quality and the OCD District 2 Office should be notified immediately.
- Notify OCD District 2 Office 24 hours prior to commencement of operations.
- Notify OCD District 2 Office 24 hours prior to obtaining samples where analysis of samples will be submitted to OCD.
- Upon termination of any required remedial actions, the area of a leak, spill or release may be closed, **after obtaining approval for the closure from the OCD District 2 office**, by backfilling any excavated areas, contouring to provide drainage, revegetating the area or other OCD approved methods. Upon completion of remedial activities a final report summarizing all actions taken to mitigate environmental damage related to the leak, spill or release will be provided to OCD for approval.
- For all Federal Lease wells, a "Like Approval" by the United States Bureau of Land Management may be required. It is the operators responsibility to obtain this approval and the approval of any other surface owner that may be required by law, regulation or contractual obligation of the operator and surface owner.

Further discussion of remediation techniques, site ranking criteria, remediation action levels and alternative methods for remediation may be found on our website. You are encouraged to use the OCD publication entitled "Remediation of Leaks, Spills and Releases" as a guide during your remediation of this location. This guide may be found on our web site at: <http://www.emnrd.state.nm.us/emnrd/oed/EH-MiscGuidelines.htm> .

Acceptance of the remediation work 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, NMOCD acceptance of reports and work plans does not relieve the operator of responsibility for compliance with any other federal, state or local laws and/or regulations.

NMOCD District 2 Contact Person: Chris Beadle, Office: (505) 748-1283 x107 / Cell: (505) 626-0831 / Fax: (505) 748-9720 / E-mail: *Chris.Beadle@state.nm.us*

Thank you for your prompt attention to this matter and your efforts in helping to protect our environment and the infrastructure of the oil and gas industry.

Sincerely,

A handwritten signature in black ink, appearing to read "Chris Beadle", written in a cursive style.

Artesia OCD District Office

MARTIN YATES, III  
1912 - 1986  
FRANK W. YATES  
1936 - 1986



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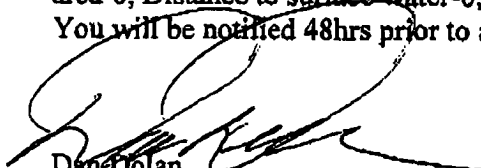
12-02-05  
Chris Beadle  
NM Oil Conservation Division  
1300 W. Grand  
Artesia NM 88210

**RE: Lily ALY Federal #6, API #30-015-27276**

Mr. Beadle;

Reference your letter of violation dated 11-16-05, the remediation work will start again on Monday 12-05-05. The contaminated dirt will be hauled to an OCD authorized Land Fill, and after testing will be replaced with clean soil.

Ranking for this location is as follows, Depth to ground water-0, Wellhead Protection area-0, Distance to surface water-0, all results were from the State Engineers Web Site. You will be notified 48hrs prior to any sampling event.

  
Dan Dolan  
Environmental Regulatory Agent