



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

Yates Petroleum Corporation
105 S. 4th Street
Artesia, NM 88210
ATTN: Environmental Department/Jerry Fanning

May 23, 2006

Reference: Yates Federal Tank Battery B-25-18s-25e
OCD reference: Yates Federal 003 E-25-18s-25e API: 30-015-22116

Dear Mr. Fanning,

The New Mexico Oil Conservation Division District 2 Office (OCD) is in receipt of your letter dated March 15, 2006 and the attached Delineation Report and Closure Proposal (report) dated March 13, 2006. Your agent, Safety and Environmental Solutions, Inc, formulated the report. In your letter it is proposed to further excavate the West side of the battery area, obtain samples to document any contaminants left in place, install a 20 mil liner, and backfill the excavation to original grade.

Based on data provided in the report, this closure proposal is accepted. Please notify the OCD 24 hours prior to commencement of activities, 24 hours prior to installation of the 20 mil liner, and 24 hours prior to obtaining samples where analyses of samples obtained are to be submitted to the OCD.

Closure activities are to commence no later than June 23, 2006.

Please be advised that OCD acceptance of this proposal 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 acceptance of this proposal 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 in this matter, please contact me.

Sincerely,

A handwritten signature in black ink, appearing to read "Mike Bratcher".

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