



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

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Mark E. Fesmire, P.E.

Director

Oil Conservation Division

Yates Petroleum Corporation
105 S. 4th Street
Artesia, NM 88210
ATTN: Sherry Bonham/Environmental Dept.

June 2, 2006

Reference: Johnston BE Federal 1 Battery A-8-19s-25e API: 30-015-20054

Dear Sherry,

As per your letter dated May 20, 2006 indicating stockpiled materials have been removed from the above referenced site, the New Mexico Oil Conservation Division District 2 Office is considering this incident closed. A Final Report C-141 was approved with stipulations on 4/18/2006. Those stipulations have been met and no further action is required.

Sincerely,

A handwritten signature in black ink that reads "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

MARTIN YATES, III
1912 - 1985
FRANK W. YATES
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Mr. Mike Bratcher
NMOCD - District 2
1301 West Grand
Artesia, NM 88210

May 30, 2006

RE: Johnston BE Federal 1 Battery
Unit A, Sec. 8, T19S, R25E
Eddy County, New Mexico

30-015-20054

Dear Mike,

The stockpiled soils on the Johnston BE Federal 1 Battery which were referenced in your letter dated April 18, 2006 have been removed to an OCD approved facility. You had stated the final report C-141 is being approved, however, the incident would remain open pending disposition of stockpiled materials. Yates Petroleum Corporation has complied with your request to remove the stockpiled materials and respectfully requests this incident to be closed.

Thank you for your attention to this matter. Should you have any questions, please don't hesitate to contact me.

Sincerely,

Sherry Bonham
Environmental Regulatory Agent Trainee