



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

June 8, 2006

Reference: Pennzoil MZ Federal 001 D-11-18s-30e API: 30-015-23188

Operator,

The New Mexico Oil Conservation Division District 2 Office (OCD) is in receipt of a remediation work plan proposal for remediation activities at the above referenced well site. The work plan outlines methods discussed during an onsite meeting with Yates, Bureau of Land Management (BLM), and OCD representatives on May 9, 2006. The work plan is accepted as presented. Please notify the OCD 24 hours prior to commencement of activities and 24 hours prior to obtaining samples where analyses of samples are to be submitted to the OCD.

Please provide like notification to BLM.

Work plan proposal approval subject to like approval by BLM.

Please be advised that OCD acceptance of this 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 OCD acceptance of this work plan does not relieve the operator of responsibility for compliance with any other federal, state, local laws and/or regulations.

Sincerely,

Mike Bratcher

NMOCD District 2

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