



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 St.
Artesia, NM 88210
ATTN: Environmental Dept. (Sherry Bonham)

July 27, 2006

Reference: Gerard AW 004 O-25-18s-25e API: 30-015-22286

Operator,

The New Mexico Oil Conservation Division District 2 Office (NMOCD) is in receipt of a remediation work plan proposal (plan) dated July 6, 2006. The plan was formulated by your agent, CH2MHill and is based on preliminary site investigation performed by CH2MHill, Yates Petroleum representatives, and NMOCD personnel. The plan proposes to perform further delineation at the site due to the elevated TPH levels determined to be present in soils at the site.

The plan then proposes to formulate and submit to the NMOCD, a corrective action plan based on the delineation results.

The plan is approved as presented with the following stipulations:

- Notify the NMOCD 24 hours prior to commencement of activities.
- Notify the NMOCD 24 hours prior to obtaining samples where analyses of samples are to be submitted to the NMOCD.
- Delineation operations are to commence no later than August 27, 2006.
- Corrective action proposal based on delineation results is to be submitted to NMOCD no later than September 27, 2006.
- At this time, an Initial Report C-141 has not been submitted to the NMOCD; however, a Final Report C-141 is to be submitted to the NMOCD upon satisfactory completion of remediation project.
- The NMOCD is to be provided a copy of analyses results on all sampling events witnessed by NMOCD personnel. Results are to be submitted to the NMOCD within 3 working days of operator's receipt of data.

Please be advised that NMOCD approval 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, NMOCD approval 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 please contact me.

Sincerely,

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