



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 (Robert Asher)

July 27, 2006

Reference: Anemone ANE Federal 005 A-9-22s-24e API: 30-015-31323

Operator,

The New Mexico Oil Conservation Division District 2 Office (OCD) is in receipt of a work plan proposal (plan), dated July 6, 2006, for remediation of a release of produced fluids that occurred at the above referenced site on June 20, 2006. The plan is accepted with the following stipulations:

- Notify the OCD 24 hours prior to commencement of activities
- Notify the OCD 24 hours prior to obtaining samples where analysis of samples obtained are to be presented to the OCD.
- Sample analysis by an OCD approved laboratory may be required as conditions warrant.
- Remediation requirements may be subject to change as conditions warrant.
- Submit a C-141 Final Report upon satisfactory completion of project.
- Initial sampling is to be performed no later than August 27, 2006. The six-month re-sampling event is to be performed no later than March 27, 2007.
- The OCD is to be provided a copy of analyses results on all sampling events witnessed by the OCD. Data is to be submitted to OCD within 3 working days of operator's receipt of data.

Please be advised that NMOCD acceptance of this plan does not relieve the operator of liability should their operations have failed to adequately investigate and remediate contamination that may pose a threat to ground water, surface water, human health or the environment. In addition, NMOCD acceptance of this plan 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

NMOCD Tracking: nMLB0620834669