



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

May 23, 2006

Reference: Big Eddy Unit 79Y J-21-21s-28e API: 30-015-23385 (Big Eddy Unit 79Y & 109Y Tank Battery)

Operator,

The New Mexico Oil Conservation Division District 2 Office (OCD) is in receipt of a Delineation Report/Work Plan (work plan) dated April 21, 2006, submitted by your agent, Safety and Environmental Solutions Inc. The work plan proposes to backfill the excavations currently open at the site in order to facilitate borehole delineation of contaminants vertically and horizontally. The work plan indicates a remediation work plan will then be formulated and submitted to the OCD for review.

The work plan proposal is accepted as presented. Please notify the OCD a minimum of 24 hours prior to commencement of activities and 24 hours prior to obtaining samples where analyses of samples obtained are to be submitted to the OCD.

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

Please commence operations no later than June 23, 2006.

If I can be of assistance in this matter please contact me.

Sincerely,

Mike Bratcher
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