

MARTIN YATES, III  
1912-1985

FRANK W. YATES  
1936-1986

S.P. YATES  
1914-2008



JOHN A. YATES  
CHAIRMAN OF THE BOARD  
PRESIDENT

DAVID LANNING  
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105 SOUTH FOURTH STREET  
ARTESIA, NEW MEXICO 88210-2118  
TELEPHONE (575) 748-1471

11/6/2008

NOV - 7 2008  
**OCD-ARTESIA**

Oil Conservation Division  
Att: Mike Bratcher  
1301 West Grand  
Artesia, N.M. 88210

Re: Closure report for L.O.V. dated 03-Jun.-08  
30-015-30765 Lucky Strike AST Federal Com. #1

Dear Mr. Bratcher,

I'm submitting the final closure report for the LOV dated June 3, 2008 which was attached to the Lucky strike AST Federal Com. #1.

The original LOV sited the Lucky Strike AST Federal Com. #1 to be in violation of Rule 116. The LOV stated there appears to have been a large spill from the upper area where pit probably was. A large area of the pad site is impacted. A submittal of a C-141 form was requested by the LOV and corrective actions proposal due date attached.

6/18/2008 a meeting was arranged at the Lucky Strike Location with Yates Petroleum Corporation Environmental Regulatory Agent Mike Stubblefield, BLM Supervision Jim Amos, NMOCD Field Rep. 2 Mike Bratcher and NMOCD Environmental Specialist Sherry Bonham. The source of the impacted area on location was identified to be from run off waters coming across the closed drilling pit area which brought Chlorides onto the location area.

It was agreed during the meeting that this was to be a landowner issue. The landowner being the BLM and it representatives. Jim Amos requested the impacted areas on the location be excavated and the Chlorides impacted soil be hauled to disposal facility. Mr. Amos requested the Chlorides in the impacted areas on location be corrected to a plant range for vegetation. Mike Stubblefield proposed that a 20 Mil. Capping liner be placed over the closed drilling reserve pit area and a 3' soil life of new soil be placed on to the capping liner. Jim Amos accepted this proposal as a corrective action to stop the Chlorides from leaching from the closed drilling pit area onto the location. During a subsequent meeting at the NMOCD office on 6/19/2008 with NMOCD District manager Tim Gum, NMOCD Field Representative 2 Mike Bratcher, YPC Environmental

Coordinator Jerry Fanning and YPC Environmental Regulatory Agent Mike Stubblefield it was agreed upon that the release did not occur as a one time event and was not reportable under Rule 116, Tim Gum and Mike Bratcher informed Jerry Fanning and Mike Stubblefield that a C-141 form would not be required for the LOV.

The excavation of the impacted areas began on 7/14/2008. A Total of 126 cu. yds of impacted soil was removed from the location to Lea Land Inc. and NMOCD approved Solid Waste Disposal facility. A 20 Mil. Capping liner 180'x180' in diameter was placed over the closed drilling reserve pit area. Locations in the area were downsized and the clean soil was placed on to the capping liner in a 3' soil lift and then recon tour to blend with the surrounding area. The soil lift was then reseed with the recommended BLM seed mixture for the area. 9/19/08 a five spot composite soil sample was taken from the excavated areas on the location. The soil sample was tested by Field Test Analytical Methods at YPC lab using EPA method 9253. The analysis found the Chlorides to be 310 ppm. Mike Stubblefield phone BLM/Jim Amos and Jim Amos informed Mr. Stubblefield that a second party Lab analysis would not be required for the soil samples and it would be ok to backfill the excavated areas on location to grade using clean soil.

All actions as requested by the Land owner have been completed. Mike Stubblefield phoned NMOCD Mike Bratcher on 9/23/2008 and Mr. Bratcher informed Mike Stubblefield that the LOV dated 03-Jun.-08 was closed.

Sincerely,

A handwritten signature in black ink that reads "Mike Stubblefield". The signature is written in a cursive, slightly slanted style.

Mike Stubblefield  
Environmental Regulatory Agent

# New Mexico Energy, Minerals and Natural Resources Department

**Bill Richardson**  
Governor

**Joanna Prukop**  
Cabinet Secretary  
**Reese Fullerton**  
Deputy Cabinet Secretary

**Mark Fesmire**  
Division Director  
Oil Conservation Division



Yates Petroleum Corporation  
105 S. 4<sup>th</sup> St.  
Artesia, NM 88210  
ATTN: Mike Stubblefield

January 12, 2009

Re: Lucky Strike AST Fed Com 001 30-015-30765

Dear Mr. Stubblefield,

The NMOCD District 2 Office is in receipt of a Closure Report for a LOV that was issued for the above referenced site dated June 3, 2008. An investigation of this site had determined that there was likely not a release at this site and that the visibly identifiable impacted areas were the result of leaching from the closed drilling pit. Reclamation action was deferred to BLM.

The NMOCD accepts the Closure Report and requires no further action regarding this incident.

Please be advised that acceptance of this Closure Report does not relieve Yates Petroleum 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, acceptance of this Closure Report does not relieve Yates Petroleum of responsibility for compliance with any other federal, state, local laws and/or regulations.

Sincerely,

Mike Bratcher  
NMOCD District 2  
1301 W. Grand Ave.  
Artesia, NM 88210  
575-748-1283 Ext.108

