



NEW MEXICO ENERGY, MINERALS & NATURAL RESOURCES DEPARTMENT

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February 18, 1997

Conoco Inc
Attn Mr John Coy
3315 Bloomfield Hwy
Farmington NM 87401

RE: Remedial Work at the Conoco Inc., Shepherd and Kelsey #1E, D-29-29N-11W, 30-045-24316, San Juan County, New Mexico.

Dear Mr. Coy:

The Shepherd and Kelsey #1E had a minor produced water spill shortly after some pit closure work was done on this well site in the fall of 1995. The Gomez family which owns the surface expressed some concern about an adjacent residential water supply well which is used by several households. Conoco agreed to do some follow up testing. This testing was done by Onsite Technologies personnel during the summer of 1996. The landowners had contacted Denny Foust, NMOCD Environmental Geologist, expressing some concern despite the initial tests. Conoco agreed to resample the site as a good will gesture. On November 11, 1996, Denny Foust witnessed sampling in the closed production pit area. Sampling was by Myke Lane of Onsite Technologies utilizing auger test holes. During this sampling period the production tank was observed to have a corrosion leak around the base. Only produced water was observed leaking into the soil less than 200 feet from a running surface drainage. Subsequently, Conoco has installed different tanks and agreed to do some more excavation to alleviate landowner concerns about the residential water well. This plan of action was verbally approved by Denny Foust.

On February 12-13, 1997, Onsite Technologies, environmental contractor for Conoco, supervised the excavation of two areas in question. The relatively long time lapse was due to muddy conditions. Denny Foust was a witness to portions of the excavation on both days. Two monitor wells were installed to make sure no groundwater impact above standards has taken place. The Gomez family has given some indication of satisfaction to the NMOCD but Conoco is responsible for resolving relations with the Gomez family. NMOCD will follow up on any groundwater contamination above standards with the proximity of a water supply well being a significant factor.

If you have questions please feel free to contact Denny Foust.

Yours truly,

Denny G. Foust
Environmental Geologist

XC: Bill Olson-Santa Fe Environmental File DGF File Myke Lane- Onsite Technologies