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APPROVALS

YEAR(S):

2003



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Lori Wrotenbery

Director

Oil Conservation Division

July 21, 2003

Mr. Stephen Weathers
Duke Energy Field Services, Inc.
370 17th St., Suite 900
Denver, Colorado 80202

**RE: CASE #1R376
C-1 PIPELINE/U-BAR RANCH SITE
LOVINGTON, NEW MEXICO**

Dear Mr. Weathers:

The New Mexico Oil Conservation Division (OCD) has completed a review of Duke Energy Field Services, Inc. (Duke) June 3, 2003 "RESPONSES TO REQUESTS CONTAINED IN MAY 7, 2003 OIL CONSERVATION DIVISION LETTER REGARDING DUKE REMEDIATION ACTIVITIES AT THE U-BAR RANCH, LOVINGTON, NEW MEXICO (CASE #1R376, UNIT H, SECTION 14, TOWNSHIP 17 SOUTH, RANGE 36 EAST)" and April 11, 2003 "REPORT ON GROUNDWATER CHARACTERIZATION ACTIVITIES ON THE U-BAR RANCH, LEA COUNTY, NEW MEXICO". These documents contain the results of Duke's installation of ground water monitoring wells for investigating petroleum contamination from Duke's C-1 pipeline located in Section 16 and Sections 14, 23 and 24 of Township 17 South, Range 36 East, Lea County, New Mexico. The documents also contain recommendations for additional quarterly monitoring of contaminated ground water at the site, and, if necessary, installation of additional ground water monitoring wells.

The above-referenced recommendations are approved with the following conditions:

1. Sampling and analysis of ground water from monitor wells MW-2 and MW-3 shall be included in each sampling event.
2. For each monitoring event, ground water from all monitor wells shall be sampled and analyzed for concentrations of benzene, toluene, ethylbenzene and xylene (BTEX) using EPA approved methods and quality assurance/quality control.
3. All new monitor wells shall be constructed with at least a 2-3 foot hydrated bentonite plug above the well gravel pack and the remaining annulus from the bentonite plug to the surface shall be grouted with a cement grout containing 3-5% bentonite.
4. All wastes generated shall be disposed of at an OCD approved facility.

5. Duke shall submit the results of the investigations and quarterly monitoring to the OCD by January 16, 2004. The report shall be submitted to the OCD Santa Fe Office with a copy provided to the OCD Hobbs District Office and shall include:
- a. A description of the investigation activities which occurred including conclusions and recommendations.
 - b. A site map showing the locations of pipelines, leaks and spills, monitor wells, water wells and any other pertinent site features.
 - c. A water table map for each sampling event showing the direction and magnitude of the hydraulic gradient created using the water table elevation from each monitor well.
 - d. All information on prior excavation activities including a description of all soil remediation activities that have occurred at the site, maps showing the areas excavated, the locations of all soil sampling points, summary tables of all soil sampling results and copies of all soil laboratory analytical results and QA/QC data.
 - e. Summary tables of all ground water quality sampling results and copies of all laboratory analytical data sheets and associated QA/QC data.
 - f. The disposition of all wastes generated.
 - g. Any other relevant information generated during implementation of the recommendations and work plans.
6. Duke shall notify the OCD at least 48 hours in advance of all scheduled activities such that the OCD has the opportunity to witness the events and split samples.

Please be advised that OCD approval does not relieve Duke of responsibility should the investigation actions fail to adequately define the extent of contamination related to Duke's operations, or if contamination exists which is outside the scope of the work plan. In addition, OCD approval does not relieve Duke of responsibility for compliance with any other federal, state or local laws and regulations.

If you have any questions, please call me at (505) 476-3491.

Sincerely,



William C. Olson
Hydrologist
Environmental Bureau

cc: Chris Williams, OCD Hobbs District Office
Michael H. Stewart, Remediacom Inc.