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REPORTS

DATE:

Remediacon Incorporated

Geological and Engineering Services mstewart@remediacon.com

April 15, 2004

Mr. Stephen Weathers Duke Energy Field Services, LP 370 Seventeenth Street, Suite 2500 Denver, Colorado 80202

PO Box 302, Evergreen, Colorado 80437 RECEIVED Felephone: 303.674.4370 Facsimile:720.528.8132

APR 28 2004

Oil Conservation Division Environmental Bureau

Summary of Groundwater Sampling Results and A Proposed Monitoring Program Re: for the C-1 Pipeline/U-Bar Ranch Site, Lea County, New Mexico (Case #1R376) Unit H, Section 14, Township 17 South, Range 36 East

Dear Mr. Weathers:

The first part of this letter summarizes the March 11, 2004 groundwater sampling episode conducted at the C-1 Pipeline/U-Bar Ranch Site in Lea County, New Mexico. The final part proposes a groundwater monitoring program to evaluate the benzene decrease in well MW-1.

The study area is located south of Lovington, New Mexico on land owned by Mr. Darr Angell doing business as the U-Bar Ranch. The approximate coordinates are 32 degrees 50 minutes north and 103 degrees 19 minutes west. Well MW-1, the only well containing hydrocarbons, is located in Unit H, Section 14, Township 17 South, Range 36 East.

SUMMARY OF THE MARCH 2004 GROUNDWATER SAMPLING ACTIVITIES

Three wells are located in the study area (Figure 1). All three wells were sampled on March 11, 2004.

The depth to water was first measured in each well. Casing volumes were then derived based upon the calculated thickness. The depth to water in each well is summarized in Table 1 along with the historic measurements. The water level declined approximately 0.3 feet between January 2003 and March 2004.

A minimum of three casing volumes was removed from each well using a disposable bailer. Bailing continued until the temperature, pH and conductivity stabilized to within 10 percent and pH readings remain within 0.2 pH units for three consecutive readings. Unfiltered samples were collected from each well upon stabilization for analysis for BTEX. A duplicate sample was collected from MW-1 to evaluate data quality.

All of samples were placed in an ice-filled chest immediately upon collection. The samples were delivered directly to the analytical laboratory Environmental Labs of Texas in Midland Texas using standard chain-of-custody protocol. The laboratory analytical

Mr. Stephen Weathers April 16, 2004 Page 2

report is attached. All development and purge water was disposed of at an approved OCD facility.

The results of the March 11, 2004 sampling episode are summarized in Table 2 along with the previous sampling results. Constituents that exceed the New Mexico Water Quality Control Commission (NMWQCC) Groundwater Standards are highlighted.

Examination of Table 2 indicates the following:

- The duplicate benzene results from MW-1 had a relative percentage difference of 9.2 percent indicating good agreement between the two samples.
- The benzene concentration in MW-1 declined from 0.033 mg/l to an average value of 0.024 between January 2003 and March 2004.
- Trace concentrations of toluene, ethylbenzene and xylenes were also measured in MW-1. These concentrations are substantially below any NMWQCC Groundwater Standards
- None of the BTEX constituents were measured in wells MW-2 and MW-3.

The 27 percent benzene decline in MW-1 is considered substantial; however, the data are insufficient to conclude whether this decline originates from degradation or from temporal variation.

RECOMMENDED MONITORING PROGRAM

Remediacon recommends that all three wells be sampled in June 2004 and September 2004 so that sample results are available from all four seasons. A report will then be prepared following the receipt and validation of the September 2004 results. The report will summarize the sampling results, conclude upon the origin(s) in sample variation and recommend appropriate additional periodical monitoring and/or additional characterization activities for OCD review and approval.

Thank you for the opportunity to complete this work. Do not hesitate to contact me if you have any questions or comments on this report.

Respectfully Submitted, REMEDIACON INCORPORATED

Michael H. Stewart, P.E. Principal Engineer

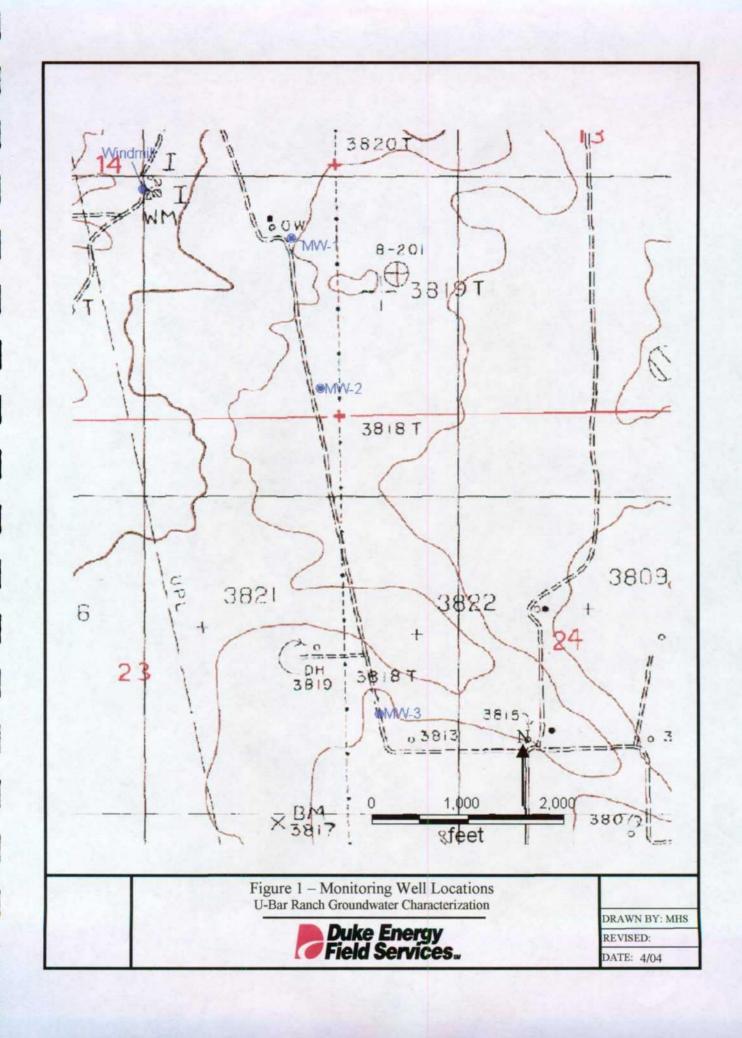
TABLES

Table 2 - Groundwater Monitoring Results

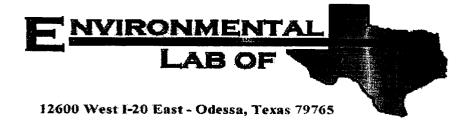
	_	Benzene	Toluene	Ethylbenzene	Xylenes
NMWQCC	CGWS	0.01	0.75	0.75	0.62
MW-1	12/13/2002	0.003	< 0.001	< 0.001	< 0.001
MW-1	1/10/2003	0.041	0.004	0.006	0.003
MW-1T	1/10/2003	0.050	0.0043	0.005	0.0034
MW-1	1/23/2003	0.033	0.004	0.006	0.005
MW-1	3/11/2004	0.025/0.0228	<0.001/<0/001	0.0029/0.00296	0.0018/0.00246
MW-2	12/13/2002	0.02	< 0.001	0.002	0.002
MW-2	1/10/2003	0.001	< 0.001	< 0.001	< 0.001
MW-2T	1/10/2003	< 0.001	< 0.001	< 0.001	< 0.001
MW-2	1/23/2003	0.001	0.001	< 0.001	0.001
MW-2	3/11/2004	< 0.001	< 0.001	< 0.001	< 0.001
MW-3	12/13/2002	< 0.001	< 0.001	< 0.001	< 0.001
MW-3	1/10/2003	< 0.001	< 0.001	< 0.001	< 0.001
MW-3T	1/10/2003	< 0.005	< 0.005	< 0.005	< 0.005
MW-3	1/23/2003	< 0.001	< 0.001	< 0.001	< 0.001
MW-3	3/11/2004	< 0.001	< 0.001	< 0.001	< 0.001
Windmill	12/12/2002	< 0.001	< 0.001	< 0.001	< 0.001
Minana I Inda	• /1				

Notes: Units in mg/l
NMWQCCGWS New Mexico Water Quality Control Commission Groundwater Standards

FIGURES



MARCH 2004 ANALYTICAL LABORATORY REPORT



Analytical Report

Prepared for:

Michael Stewart REMEDIACON P.O. Box 302 Evergreen, CO 80437

Project: Duke Energy Field Services
Project Number: None Given
Location: C-1 Line (U Bar Ranch)

Lab Order Number: 4C12012

Report Date: 03/18/04

REMEDIACON P.O. Box 302 Evergreen CO, 80437 Project: Duke Energy Field Services

Project Number: None Given
Project Manager: Michael Stewart

Fax: 720-528-8132

Reported: 03/18/04 17:44

ANALYTICAL REPORT FOR SAMPLES

Sample 1D	Laboratory ID	Matrix	Date Sampled	Date Received
(MW-3) 0403111050	4C12012-01	Water	03/11/04 10:50	03/12/04 16:25
(MW-2) 0403111135	4C12012-02	Water	03/11/04 11:35	03/12/04 16:25
(MW-1) 0403111225	4C12012-03	Water	03/11/04 12:25	03/12/04 16:25
(Duplicate) 0403112000	4C12012-04	Water	03/11/04 20:00	03/12/04 16:25
Trip Blank	4C12012-05	Water	03/11/04 00:00	03/12/04 16:25

REMEDIACON Project: Duke Energy Field Services

Project Number: None Given

Reported: 03/18/04 17:44

Fax: 720-528-8132

P.O. Box 302 Evergreen CO, 80437 Project Number: None Given
Project Manager: Michael Stewart

Organics by GC Environmental Lab of Texas

				AD OI I	CAUS				
Analyte	Result	Reporting Limit	Units	Dilution	Batch	Prepared	Analyzed	Method	Note
(MW-3) 0403111050 (4C12012-01)									
Benzene	ND	0.00100	mg/L	ī	EC41830	03/16/04	03/16/04	EPA 8021B	
Toluene	ND	0.00100	н	n	n	a	u	Ħ	
Ethylbenzene	ND	0.00100	u	ŧ	**	v	•	O	
Xylene (p/m)	ND	0.00100	Ħ	н	u	н	u	и	
Xylene (o)	ND	0.00100	n			u	tı	a	
Surrogate: a,a,a-Trifluorotoluene		120 %	80-7	20					
Surrogate: 4-Bromofluorobenzene		88.5 %	80-	120	"	"	"	н	
(MW-2) 0403111135 (4C12012-02)									
Benzene	ND	0.00100	mg/L	ı	EC41830	03/16/04	03/16/04	EPA 8021B	
Toluene	ND	0.00100	ų	ts	u	Ħ	10	r r	
Ethylbenzene	ND	0.00100	*	41	Ħ	u	u	н	
Xylene (p/m)	ND	0.00100	P	*	11	н	*	u	
Xylene (o)	ND	0.00100	IF	п	ч	*	ti	n	
Surrogate: a,a,a-Trifluorotoluene		113%	80-1	720					
Surrogate: 4-Bromofluorobenzene		81.0 %	80-1	120	n	"	"	H	
(MW-1) 0403111225 (4C12012-03)									
Benzene	0.0250	0.00100	g/L	1	EC41830	03/16/04	03/16/04	EPA 8021B	
Toluene	ND	0.00100	₩ H	u	n	II		u	
Ethylbenzene	0.00290	0.00100	ы	ĸ	11	r	•	п	
Xylene (p/m)	0.00180	0.00100	n	п	(1	п	4	n	
Xylene (o)	ND	0.00100	Ħ	u	17	u	a	ч	
Surrogate: a,a,a-Trifluorotoluene		116%	80-1	20	ш		, , , , , , , , , , , , , , , , , , ,	,	
Surrogate: 4-Bromofluorobenzene		80.0 %	80-1	20	"	n	n	#	
(Duplicate) 0403112000 (4C12012-04	3)								
Benzene	0.0228	0.00100	mg/L	1	EC41830	03/16/04	03/18/04	EPA 8021B	
Toluene	ND	00100.0	II.	#1	0	n	10	n	
Ethylbenzene	0.00296	0.00100		41	Ħ	u	0	п	
Xylene (p/m)	0.00246	0.00100	Ħ	n	n	п	"	u	
Xylene (o)	J [0.000701]	0.00100	n	1)	11	v	'n	n	1
Surrogate: a,a,a-Trifluorotoluene		118 %	80-1	20		"	· · · · · · · · · · · · · · · · · · ·	·- ·	
Surrogate: 4-Bromofluorobenzene		85.5 %	80-1	20	n	"	"	tr .	

Environmental Lab of Texas

The results in this report apply to the samples analyzed in accordance with the samples received in the laboratory. This analytical report must be reproduced in its entirety, with written approval of Environmental Lab of Texas.

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REMEDIACON Project: Duke Energy Field Services Fax: 720-528-8132
P.O. Box 302 Project Number: None Given Reported:
Evergreen CO, 80437 Project Manager: Michael Stewart 03/18/04 17:44

Organics by GC

Environmental Lab of Texas

Analyte	Result	Reporting Limit	Units	Dilution	Batch	Prepared	Analyzed	Method	Notes
Trip Blank (4C12012-05)		·							
Benzene	ND	0.00100	mg/L	1	EC41830	03/16/04	03/16/04	EPA 8021B	
Toluene	ND	0.00100	*	w		u	n	n	
Ethylbenzene	ND	0.00100	n		*	0	U	u	
Xylene (p/m)	ND	0.00100	II	Ħ	**	H	**)4	
Xylene (o)	ND	0.00100	16	н	D	•	4	n	
Surrogate: a,a,a-Trifluorotoluene		114%	80-1	20				н	
Surrogate: 4-Bromofluorobenzene		84.5 %	80-1	20	u	N	"	ir .	

Environmental Lab of Texas

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Ouality Assurance Review

REMEDIACON

Project: Duke Energy Field Services

Fax: 720-528-8132

P.O. Box 302 Evergreen CO, 80437 Project Number: None Given
Project Manager: Michael Stewart

Reported: 03/18/04 17:44

Organics by GC - Quality Control Environmental Lab of Texas

Analyte	Result	Reporting Limit	Units	Spike Level	Source Result	%REC	%REC Limits	RPD	RPD Limit	Notes
Batch EC41830 - EPA 5030C (GC)										
Blank (EC41830-BLK1)				Prepared	& Analyze	d: 03/16/	04			·
Benzene	ND	0.00100	mg/L							
Toluene	ND	0.00100	#							
Ethylbenzene	ND	0.00100	•							
Xylene (p/m)	ND	0.00100	H							
Xylene (o)	ND	0.00100	H							
Surrogate: a,a,a-Trifluorotoluene	23.4		ug/l	20.0		דוו	80-120			
Surrogate: 4-Bromofluorobenzene	16.7		и	20.0		83.5	80-120			
LCS (EC41830-BS1)				Prepared	& Analyze	d: 03/16/	04			
Benzene	86.3		ug/l	100		86.3	80-120	*************		·
Toluene	87.4		*	100		87.4	80-120			
Ethylbenzene	87.6		n	100		87.6	80-120			
Xylene (p/m)	182		n	200		91.0	80-120			
Xylene (o)	92.3		D	100		92.3	80-120			
Surrogate: a,a,a-Trifluorotoluene	76.8			20.0		84.0	80-120			
Surrogate: 4-Bromofluorobenzene	16.7		H	20.0		83.5	80-120			
Calibration Check (EC41830-CCV1)				Prepared a	& Analyze	d: 03/16/	04			
Benzene	89.6		ug/l	100		89.6	80-120	· · · · · · · · · · · · · · · · · · ·		
Toluene	92.5		п	100		92.5	80-120			
Ethylbenzene	92.8		н	100		92.8	80-120			
Xylene (p/m)	190		н	200		95.0	80-120			
Xylene (o)	99.1		, n	100		99.1	80-120			
Surrogate: a,a,a-Trifluorotoluene	19.7			20.0		98.5	80-120			
Surrogate: 4-Bromofluorobenzene	17.3		"	20.0		86.5	80-120			
Duplicate (EC41830-DUP1)	So	urce: 4C1201	2-03	Prepared:	03/16/04	Analyzed	1: 03/18/04			
Benzene	0.0204	0.00100	mg/L	······································	0.0250			20.3	20	
Toluene	ND	0.00100			ND				20	
Ethylbenzene	0.00265	0.00100	Ħ		0.00290			9.01	20	
Xylene (p/m)	0.00190	0.00100	#		0.00180			5.41	20	
Xylene (o)	ND	00100.0	н		ND				20	
Surrogate: a,a,a-Trifluorotoluene	21.6		ug/l	20.0		108	80-120			
Surrogate: 4-Bromofluorobenzene	16.5		n	20.0		82.5	80-120			

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Quality Assurance Review

REMEDIACON

P.O. Box 302 Evergreen CO, 80437 Project: Duke Energy Field Services

Project Number: None Given
Project Manager: Michael Stewart

Fax: 720-528-8132

Reported: 03/18/04 17:44

Organics by GC - Quality Control

Environmental Lab of Texas

Analyte	Result	Reporting Limit	Units	Spike Level	Source Result	%REC	%REC Limits	RPD	RPD Limit	Notes
Batch EC41830 - EPA 5030C (GC)										
Matrix Spike (EC41830-MS1)	So	urce: 4C1201	2-05	Prepared:	03/16/04	Analyzed	: 03/18/04			
Benzene	88.6		ug/l	100	ND	88.6	80-120			
Toluene	89.6		u	100	ND	89.6	80-120			
Ethylbenzene	93.4		ti	100	ND	93.4	80-120			
Xylene (p/m)	184		u	200	ND	92.0	80-120			
Xylene (o)	94.1		u	100	ND	94.1	80-120			
Surrogate: a,a,a-Trifluorotoluene	22.3		7/	20.0		112	80-120			
Surrogate: 4-Bromofluorobenzene	18.8		at .	20.0		94.0	80-120			

Environmental Lab of Texas

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Ouality Assurance Review

REMEDIACON Project: Duke Energy Field Services Fax: 720-528-8132

P.O. Box 302 Project Number: None Given Reported:

Evergreen CO, 80437 Project Manager: Michael Stewart 03/18/04 17:44

Notes and Definitions

J Detected but below the Reporting Limit; therefore, result is an estimated concentration (CLP J-Flag).

DET Analyte DETECTED

ND Analyte NOT DETECTED at or above the reporting limit

NR Not Reported

dry Sample results reported on a dry weight basis

RPD Relative Percent Difference

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Quality Assurance Review

Page 6 of 6

Environmental Lab of Texas

12600 West I-20 East Odessa, Texas 79765

CHAIN OF CUSTODY RECORD AND ANALYSIS REQUEST

Phone: 432-563-1800 Fax: 432-563-1713

Project Manager Mike Stewart	Stewart		Project Name: Dake Enersy Held Sevices
Company Name Revisecticics, I VIC	Liaceri, Inc.		Project #:
Company Address: P.O. Box 302	x 302		Project Loc. C-1 Line (U Bar Ranc
City/State/Zip: EUCVGVC	City/State/ZIP: EUCVGVC+W, CO 80437		PO #:
Telephone No: 303-674-4370	-4370	Fax No: 725-528-8132	

Sampler Signature:

(U Bar Ranch

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					40,12012	tebe	LAB # (lab use only))0	20								Special Instructions: Invoice to: Steve Weathers Orke Energy Field	Relinquished by: John Fegenson	Refundational by: