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**GENERAL
CORRESPONDENCE**

YEAR(S):

2005

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OIL CONSERVATION
DIVISION

June 23, 2005

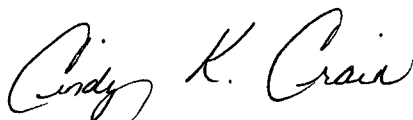
Mr. Wayne Price
New Mexico Oil Conservation Division
Environmental Bureau
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Re: Completion Report, Dynegy Midstream Services, L.P., Unit Letter J (NW/4, SE/4), Section 31, Township 23 South, Range 37 East, Lea County, New Mexico

Dear Mr. Price:

Please find enclosed a copy of the above-referenced report. The report is submitted on behalf of Dynegy Midstream Services, L. P., and presents the results of monitoring well plugging and abandonment. Please call Cal Wrangham at (432) 688-0542 or myself at (432) 687-0901 if you have questions.

Sincerely,
Larson and Associates, Inc.



Cindy K. Crain, CPG
Project Manager

cc: Cal Wrangham – Dynegy
James Lingnau – Dynegy
Chris Williams – NMOCD-District 1

June 23, 2005

Mr. Wayne Price
New Mexico Oil Conservation Division
Environmental Bureau
1220 South St. Francis Drive
Santa Fe, New Mexico

**Re: Completion Report, Dynegy Midstream Services, L.P., Unit Letter J (NW/4, SE/4),
Section 31, Township 23 South, Range 37 East, Lea County, New Mexico (Kelly
Myers Deep Wells Lease)**

Dear Mr. Price:

A Groundwater Investigation Workplan was submitted to the New Mexico Oil Conservation Division (NMOCD) on August 20, 2004, for installation and sampling of one (1) monitoring well at the Dynegy Midstream Services, L.P. (Dynegy) Spill Site #26, located in the northeast quarter (NE/4) of the southwest quarter (SW/4), Section 31, Township 23 South, Range 37 East, Lea County, New Mexico. An Addendum to the Groundwater Investigation Workplan, specifying parameters for laboratory analysis of groundwater samples collected from the proposed monitoring well, was submitted to the NMOCD on September 14, 2004. The NMOCD granted approval of the Workplan Addendum on October 5, 2004. A Groundwater Investigation Report was submitted to NMOCD on December 16, 2004, that provided details of the monitoring well installation and analytical results of groundwater monitoring activities. On January 25, 2005 a request for closure of Site #26 was submitted to the NMOCD in Santa Fe, New Mexico. On May 18, 2005, the NMOCD requested via email, that Dynegy submit documentation of monitor well plugging and abandonment. Site closure is contingent upon receipt of this documentation by the NMOCD.


Current Activities

On May 26, 2005, temporary monitoring well MW-1 was plugged according to New Mexico State Engineer (NMSE) guidelines. The well casing was removed, and the borehole was grouted from bottom to top with a bentonite/cement grout. Appendix A provides the plugging report for temporary monitoring well MW-1.

Dynegy requests that a No Further Action status be granted pertaining to Site #26. Please call Mr. Cal Wrangham at (432) 688-0542 or myself at (432) 687-0901 if you have questions. We may also be reached by email at cal.wrangham@dynegy.com or cindy@laenvironmental.com.

Sincerely,

Larson & Associates, Inc.


Cindy K. Crain, CPG

cc: Cal Wrangham
James Lingnau
Chris Williams – NMOCD District I

APPENDIX A

MONITORING WELL PLUGGING REPORT

STATE ENGINEER OFFICE

WELL RECORD

Section 1. GENERAL INFORMATION

(A) Owner of well Dynegy Midstream Service Owner's Well No. _____
 Street or Post Office Address P.O. Box 1909
 City and State Eunice, New Mexico 88231

Well was drilled under Permit No. _____ and is located in the:

a. _____ $\frac{1}{4}$ _____ $\frac{1}{4}$ _____ $\frac{1}{4}$ _____ of Section _____ Township _____ Range _____ N.M.P.M.

b. Tract No. _____ of Map No. _____ of the _____

c. Lot No. _____ of Block No. _____ of the _____
 Subdivision, recorded in Lea County.

d. X= _____ feet, Y= _____ feet, N.M. Coordinate System _____ Zone in the _____ Grant.

(B) Drilling Contractor _____ License No. _____

Address _____

Drilling Began _____ Completed _____ Type tools _____ Size of hole _____ in.

Elevation of land surface or _____ at well is _____ ft. Total depth of well _____ ft.

Completed well is ☐ shallow ☐ artesian. Depth to water upon completion of well _____ ft.

Section 2. PRINCIPAL WATER-BEARING STRATA

Depth in Feet		Thickness in Feet	Description of Water-Bearing Formation	Estimated Yield (gallons per minute)
From	To			

Section 3. RECORD OF CASING

Diameter (inches)	Pounds per foot	Threads per in.	Depth in Feet		Length (feet)	Type of Shoe	Perforations	
			Top	Bottom			From	To

Section 4. RECORD OF MUDDING AND CEMENTING

Depth in Feet		Hole Diameter	Sacks of Mud	Cubic Feet of Cement	Method of Placement
From	To				

Section 5. PLUGGING RECORD

Plugging Contractor Scarborough drilling, Inc.
 Address P.O. Box 305 Lamesa, Texas 79331
 Plugging Method Bentonite & Cement
 Date Well Plugged 5-26-2005
 Plugging approved by: _____

State Engineer Representative

No.	Depth in Feet		Cubic Feet of Cement
	Top	Bottom	
1	0	130	5 Cement
2			9 Bentonite
3			
4			

FOR USE OF STATE ENGINEER ONLY

Date Received _____

Quad _____ FWL _____ FSL _____

File No. _____ Use _____ Location No. _____

Price, Wayne

RCA APPROVED
JP

From: Price, Wayne
Sent: Wednesday, May 18, 2005 10:59 AM
To: Cal Wrangham (E-mail)
Cc: Mark Larson (E-mail); Anderson, Roger; Sheeley, Paul
Subject: Dynegy Case #1R0430 Kelly Myers Deep Wells Lease spill

Dear Mr. Wrangham and Larson:

During the technical meeting held on May 17, 2005 Dynegy requested closure for the above referenced site. Your request was approved during the meeting. Please provide documentation of the monitor well plugging and abandonment by June 15, 2005. Once OCD receives this information we will close the site in our data base.

Please be advised that NMOCD approval does not relieve (Dynegy) of liability should their operations fail to adequately investigate and remediate contamination that pose a threat to ground water, surface water, human health or the environment. In addition, NMOCD approval does not relieve (Dynegy) of responsibility for compliance with any other federal, state, or local laws and/or regulations.

Sincerely:

Wayne Price
New Mexico Oil Conservation Division
1220 S. Saint Francis Drive
Santa Fe, NM 87505
505-476-3487
fax: 505-476-3462
E-mail: WPRICE@state.nm.us

Price, Wayne

From: Price, Wayne
Sent: Tuesday, January 25, 2005 3:04 PM
To: 'Mark Larson'; Price, Wayne
Cc: Cal.Wrangham@Dynergy.com; David.Harris@Dynergy.com; Sheeley, Paul
Subject: RE: Notification of Groundwater Contamination, Unit Letter J, Section 31, Township 23 South, Range 37 East, Lea County, New Mexico

Dear Mr. Larson:

All groundwater impacts are handled out of the Santa Fe office. Therefore from this point forward please submit all correspondence to this office and copy the Hobbs District office. This project will be assigned OCD Case # 1R0430.

-----Original Message-----

From: Mark Larson [mailto:mark@laenvironmental.com]
Sent: Tuesday, January 25, 2005 11:04 AM
To: Price, Wayne
Cc: Cal.Wrangham@Dynergy.com; David.Harris@Dynergy.com; PSheeley@state.nm.us
Subject: Re: Notification of Groundwater Contamination, Unit Letter J, Section 31, Township 23 South, Range 37 East, Lea County, New Mexico

Dear Mr. Price: Notification is hereby given of an impact to groundwater in Unit Letter J, Section 31, Township 23 South, Range 37 East, in Lea County, New Mexico. The impact (chloride) was detected in a groundwater sample (2,200 mg/L) collected from a temporary monitoring well (MW-1) installed on behalf Dynergy Midstream Services, L.P., in Unit Letter J (NW/4, SE/4), Section 31, Township 23 South, Range 37 East, in Lea County, New Mexico. On December 16, 2004, a report was submitted to the New Mexico Oil Conservation Commission ("Groundwater Investigation Report, Dynergy Midstream Services, L.P., Unit Letter J (NW/4, SE/4), Section 31, Township 23 South, Range 37 East, Lea County, New Mexico (Kelly Myers Deep Wells Lease") that contained the laboratory analysis. Please call Mr. Cal Wrangham with Dynergy at (432) 688-0542 or myself at (432) 687-0901 or by e-mail at Cal.Wrangham@Dynergy.com or Mark@LAEnvironmental.com if you have questions.

Sincerely,
Mark J. Larson
Senior Hydrogeologist/President
Larson and Associates, Inc.
507 N. Marienfeld Street, Suite 202
Midland, Texas 79701
(432) 687-0901 (Office)
(432) 687-0456 (Fax)
(432) 556-8656 (Mobile)
Mark@LAEnvironmental.com

This email has been scanned by the MessageLabs Email Security System.
For more information please visit <http://www.messagelabs.com/email>

January 25, 2005

Mr. Wayne Price
Petroleum Engineer Specialist
Environmental Bureau
New Mexico Oil Conservation Division
1220 S. St. Francis Drive
Santa Fe, New Mexico
87505

RECEIVED

JAN 27 2005

Oil Conservation Division
1220 S. Saint Francis Drive
Santa Fe, NM 87505

Re: Case # 1RO430

Dear Mr. Price:

Per our conversation today, please find enclosed two (2) documents titled, "Pipeline Spill Remediation Work Plan, Dynegy Midstream Service, L.P., Unit Letter J (NW/4, SE/4), Section 31, Township 23 South, Range 37 East, Lea County, New Mexico, April 29, 2004" and "Groundwater Investigation Report, Dynegy Midstream Services, L.P., Unit Letter J (NW/4, SE/4), Section 31, Township 23 South, Range 37 East, Lea County, New Mexico, December 16, 2004". The documents were previously submitted to the New Mexico Oil Conservation Division ("NMOCD") following remediation of a pipeline release involving natural gas liquids (i.e., natural gas condensate) in unit letter J, Section 31, Township 23 South, Range 37 East, Lea County, New Mexico.

On January 25, 2005, Dynegy notified the NMOCD that a groundwater sample collected from a temporary monitoring well (MW-1) installed about 30 feet southeast of the release contained 2,200 milligrams per liter ("mg/L") chloride. Dynegy does not believe that the chloride is a result of the pipeline release since no NGL contaminants (i.e., benzene, toluene, ethylbenzene, xylene or total petroleum hydrocarbon) were detected in the groundwater sample, and low chloride levels in soil samples from borings and the excavation. Dynegy requests closure for Site #26. Please contact Mr. Cal Wrangham at (432) 688-0542 or myself at (432) 687-0901 if you have questions. We may also be reached by email at Cal.Wrangham@Dynegy.com or Mark@LAEnvironmental.com

Larson and Associates, Inc.



Mark J. Larson, P.G., C.P.G., C.G.W.P.
Senior Hydrogeologist/President

Encl.

cc: Cal Wrangham, - Dynegy
David Harris - Dynegy
Paul Sheeley - NMOCD District 1