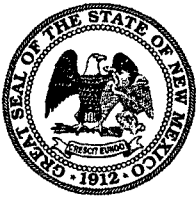

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APPROVALS

YEAR(S):



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Lori Wrotenberg

Director

Oil Conservation Division

March 27, 2003

Mr. Neal Goates
ConocoPhillips
P.O. Box-2197
Midland, Texas 77252-2197

**RE: ANNUAL GROUND WATER REPORT
SAN JUAN BASIN PIT CLOSURE PROJECT**

Dear Mr. Goates:

The New Mexico Oil Conservation Division (OCD) has reviewed ConocoPhillips February 26, 2003 "CONOCO GROUNDWATER REPORT SUMMARY" which was submitted on behalf of ConocoPhillips by their consultant Souder Miller and Associates. This document contains the results of annual ground water monitoring at a number of former unlined pit sites in the San Juan Basin and requests closure approval of site remediation and monitoring actions at 3 pit sites.

Below is the OCD's review of the above referenced document:

A. The soil and ground water remedial activities conducted at the sites listed below are satisfactory and the OCD **approves** of final closure of these sites on the condition that all site monitor wells be plugged and abandoned by cutting the casing off below ground surface and grouting the well annulus from the base to the surface with a cement grout containing 3-5% bentonite. Please be advised that OCD approval does not relieve ConocoPhillips of responsibility if remaining contaminants pose a future threat to ground water, surface water, human health or the environment. In addition, OCD approval does not relieve ConocoPhillips of responsibility for compliance with any other federal, state or local laws and regulations.

1. Farmington C Com #1 (Separator/Dehy pit) Unit L, Sec. 15, T29N, R13W.
2. Farmington C Com #1 (Surface Depression) Unit L, Sec. 15, T29N, R13W.
3. Farmington C Com #1 (Tank drain pit) Unit L, Sec. 15, T29N, R13W.

- B. The report for the Farmington B Com #1E site states that ground water monitoring was ceased until free product recovery from site monitor well MW-1 has been completed. According to the free product recovery log in the report, there has been no measurable free product in MW-1 since March 12, 2002. Therefore, the OCD requires that ConocoPhillips reinstitute the ground water monitoring program for this site.
- C. The report for the Shephard & Kelsey #1 site shows that benzene concentrations in ground water in the furthest downgradient monitor wells MW-NE and SB-12 are consistently above New Mexico Water Quality Control Commission (WQCC) standards. Therefore, the OCD requires that ConocoPhillips install additional downgradient monitor wells, pursuant to ConocoPhillips previously approved work plan, to define the extent of contamination that is above WQCC standards. Once installed these monitor wells shall be included in the ground water monitoring plan for the site.

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

Sincerely,



William C. Olson
Hydrologist
Environmental Bureau

xc: Denny Foust, OCD Aztec District Office
John Hagstrom, Souder Miller and Associates



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON

Governor

Jennifer A. Salisbury

Cabinet Secretary

Lori Wrotenberg

Director

Oil Conservation Division

December 13, 2000

CERTIFIED MAIL

RETURN RECEIPT NO. 5051-3976

Ms. Shirley Ebert
Conoco, Inc.
3315 Bloomfield Hwy.
Farmington, New Mexico 87401

RE: FARMINGTON B COM #1E WELL SITE

Dear Ms. Ebert:

The New Mexico Oil Conservation Division (OCD) has reviewed Conoco's January 7, 2000 "1999 ANNUAL GROUND WATER MONITORING REPORT, CONOCO LOCATION: FARMINGTON B COM #1E, UNIT O, SEC 15, T29N, R13W, NMPM, SAN JUAN CO., NM" which was submitted on behalf of Conoco by their consultant On Site Technologies, Ltd. This document contains the results of Conoco's ground water remediation activities for a former unlined pit at the Farmington B Com #1E well site and recommends changes in the site ground water remediation and monitoring plan.

The above referenced recommendations are approved. Please be advised that OCD approval does not relieve Conoco of responsibility if the plan fails to adequately remediate or monitor contamination related to Conoco's activities. In addition, OCD approval does not relieve Conoco of responsibility for compliance with any other federal, state or local laws and regulations.

If you have any questions, please call me at (505) 827-7154.

Sincerely,

A handwritten signature in black ink, appearing to read "Will Olson".

William C. Olson

Hydrologist

Environmental Bureau

xc: Denny Foust, OCD Aztec District Office
Larry Trujillo, On Site Technologies, Ltd.



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 S. PACHECO
SANTA FE, NEW MEXICO 87505
(505) 827-7131

July 28, 1997

CERTIFIED MAIL
RETURN RECEIPT NO. P-410-431-198

Mr. Neal Goates
Conoco, Inc.
10 Desta Dr., Suite 100W
Midland, Texas 79705-4500

RE: ANNUAL PIT CLOSURE SUMMARY AND GROUND WATER IMPACTS

Dear Mr. Goates:

The New Mexico Oil Conservation Division (OCD) has reviewed Conoco's undated "ANNUAL PIT CLOSURES AND GROUND WATER IMPACT UPDATES, STATE OF NEW MEXICO, 1996" which was received by the OCD on May 20, 1997. This document contains the results of Conoco's recent work on the investigation and remediation of contamination from unlined production pits in the San Juan Basin. The document also contains Conoco's recommendations for future remedial actions.

The recommendations as contained in the above referenced document are approved with the following conditions:

1. **General Conditions**

- a. The ground water reports for each site do not include the cations/anions, metals and PAH ground water sample analyses that were supposed to be taken at each site. The OCD requires that Conoco conduct this sampling pursuant to Conoco's March 24, 1995 San Juan Basin ground water assessment plan which was conditionally approved by the OCD on April 5, 1995. The results of these analyses will be included in subsequent annual reports.

Mr. Neil Goates
July 28, 1997
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- b. Upon review of Conoco's file, the OCD noted that Conoco does not have a long term ground water monitoring plan nor a ground water remediation plan for pit closure sites with ground water contamination. The OCD requires that Conoco submit a comprehensive ground water remediation plan and long term ground water monitoring plan to the OCD by October 10, 1997.
 - c. All future annual ground water reports will be submitted to the OCD by March 1 of each respective year. The ground water reports will present the information on each site as a separate case. Each ground water case report will contain:
 - I. A brief summary of all ground water remediation and monitoring activities which occurred during the prior calendar year.
 - ii. Summary tables of all past and present ground water quality sampling analytical results and copies of the laboratory analytical data sheets for samples taken during the last year.
 - iii. A site map showing the locations of relevant site features (ie. wellhead, pit, monitor wells, etc.)
 - iv. A quarterly ground water potentiometric map using the water table elevation in all site monitor wells.
 - v. A geologic log and well completion diagram for each monitor well.
2. Farmington Com #1, Farmington C Com #1, Farmington B Com #1E and Farmington B Com #1

Due to the potential for public impacts from soil and ground water contamination at these sites, the OCD requires that Conoco conduct the following actions:

- a. By August 29, 1997, Conoco will complete the remediation of contaminated soils at each site according to Conoco's previously approved pit closure plan. Final reports containing the results of the soil remedial actions will be submitted to the OCD by September 26, 1997.
- b. By August 29, 1997, Conoco will submit a ground water remediation work plan for each site to the OCD. The work plan will include information on how Conoco plans to remediate the contaminated ground water, a long term ground water monitoring plan, an implementation schedule and, if not already completed, a plan to define the full extent of ground water contamination at each site.

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3. Shepherd & Kelsey #1E (Separator pit)

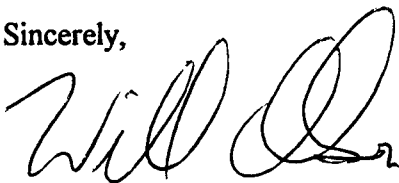
The report recommends no further actions except additional ground water monitoring for this site. However, a review of the report data shows that the extent of ground water contamination at this site has not been determined. Therefore, the OCD requires that Conoco investigate the extent of ground water contamination pursuant to Conoco's March 24, 1995 San Juan Basin ground water assessment plan which was conditionally approved by the OCD on April 5, 1995.

To simplify the approval process for both Conoco and OCD, the OCD requests that future annual reports only address the ongoing actions related to ground water investigation, remediation and monitoring. Pit closure actions involving only contaminated soils need to be reported to the OCD only upon completion of all pit soil remedial actions when Conoco submits a final pit closure report to the OCD for approval. Pit closure actions involving only contaminated soils do not need to be reported to the OCD on an interim basis.

Please be advised that OCD approval does not relieve Conoco of liability if remaining contaminants pose a future threat to surface water, ground water, human health or the environment. In addition, OCD approval does not relieve Conoco of responsibility for any federal, state, tribal, or local laws and/or regulations.

If you have any questions, please contact me at (505) 827-7154.

Sincerely,



William C. Olson
Hydrogeologist
Environmental Bureau

xc: Denny Foust, OCD Aztec District Office
Bill Liess, BLM Farmington District Office
John Andersen, Conoco, Inc.
Robert J. Bowie, City of Farmington