2R - 799

WORKPLANS

04/20/2010

370 17th Street, Suite 2500
Denver, Colorado 80202
303-605-1893 – main
303-605-1957 – fax

April 20, 2010

UPS Tracking #1ZF469150192001979

Mr. Glenn von Gonten - 3488
Oil Conservation Division
New Mexico Energy, Minerals
& Natural Resources Department
1220 South St. Francis Dr.
Santa Fe, NM 87505

RE: Burton Flats Compressor Station
Lots 4 and 5, Section 1, Township 21 South, Range 27 East
Section N32.5195, W104.1507
Eddy County, New Mexico

Dear Mr. von Gonten:

Per our phone conversation on February 19th, you asked me to provide you a copy of the C-141 report for an unintentional spill on October 5, 2009 and the discharge permit number for the Burton Flats Compressor Station (Site). Based on our conversation, I am providing you with a brief history of the events leading up to the attached proposed work plan.

On October 5, 2009, an unintentional spill occurred when the condensate tank at the Site was reported to be overflowing into its secondary containment. According to DCP Midstream, LP's (DCP) operations personnel the level gauge for the tank malfunctioned and approximately 10 bbls of oil and water overflowed into the condensate tank secondary containment. Immediately two vacuum trucks were dispatched to the Site and an estimated 8 bbls of condensate and/or slop oil mix in the secondary containment was vacuumed out and an estimated 2 bbls remained in soil contained within the secondary containment. On October 12, 2009 the attached C-141 report (Attachment A) was submitted to Mr. Michael Bratcher in your District office. On November 3, 2009, Mr. Paul Evans from BLM was on-site following up on the previously submitted C-141 report. He noted that he needed to be updated on site activities prior to conducting them.

DCP contracted Ocotillo Environmental to trench in the footprint of the release to collect additional Site data. On November 11, 2009, representative soil samples were collected using a backhoe at five foot intervals with a terminal depth of 20 feet below ground surface (bgs), the reach of the backhoe. The attached Table 1 shows the soil analytical results collected from BH-5. Based on the review of the results, the highest concentrations were detected in the samples collected at 5 and 10 feet bgs; however, impacts were detected in the soil at 20 feet bgs. No groundwater or moist soils indicating the presence of groundwater were observed in the trench at the terminal depth.

On December 3, 2009, Ms. Cindy Crain of Ocotillo discussed the aforementioned soil results and the next phase of delineation with Mr. Mike Bratcher. After receiving the New Mexico Oil Conservation Division's verbal approval, drilling activities were conducted on January 14, 2010 at the Site. Five soil borings were drilled to depths ranging from 22 to 27 feet bgs and soil samples were collected at five foot intervals for laboratory analysis. Groundwater was encountered at depths ranging from 16.1 feet bgs to 20.6 feet bgs in boreholes BH-1, BH-2 and BH-3, and a groundwater sample was collected for laboratory analysis of BTEX from boring BH-2. The attached Figure 2 depicts the soil boring locations and the attached Tables 2 and 3 provide a summary of the soil and groundwater analytical results from this event. On February 3, 2010, Mr. Mike Bratcher and Mr. Paul Evans were notified via email of the results from the January 14, 2010 soil delineation activities conducted at the Site.

Mr. Glenn Von Gonten
April 20, 2010

The analytical results of the January 14, 2010 event have been evaluated In accordance with 19.15.29.11 NMAC, DCP will delineate and remediate the impacts resulting from this spill. DCP hereby submits this Burton Flats Compressor Station Work Plan (Attachment B) for New Mexico Oil Conservation Department's approval in accordance with 19.15.29.11 NMAC. DCP is proposing to advance eight soil borings and completing four as groundwater monitoring wells. The attached work plan includes a figure depicting the proposed boring/ monitoring well locations.

Please note that DCP's Burton Flats Compressor Station does not have a discharge permit. The Burton Flat's facility does not "intentionally discharge", and therefore it is appropriate for DCP to pursue obtaining a permit for the facility's two below-grade tanks. On October 30, 2009, DCP provided an inventory/registration list to New Mexico Oil Conservation Division that listed those below grade tanks for which DCP intends to submit permit applications by June 16, 2010 per the Pit Rule 19.15.17.17D NMAC. The two tanks at the Burton Flats Compressor Station were included in that submittal.

We hope to receive your approval of our work plan soon, as DCP is anxious to commence our investigation to delineate and then remediate the impacts from this unintentional spill.

If you have any questions regarding the report, please call at 303-605-1695 or e-mail me CECole@dcpmidstream.com.

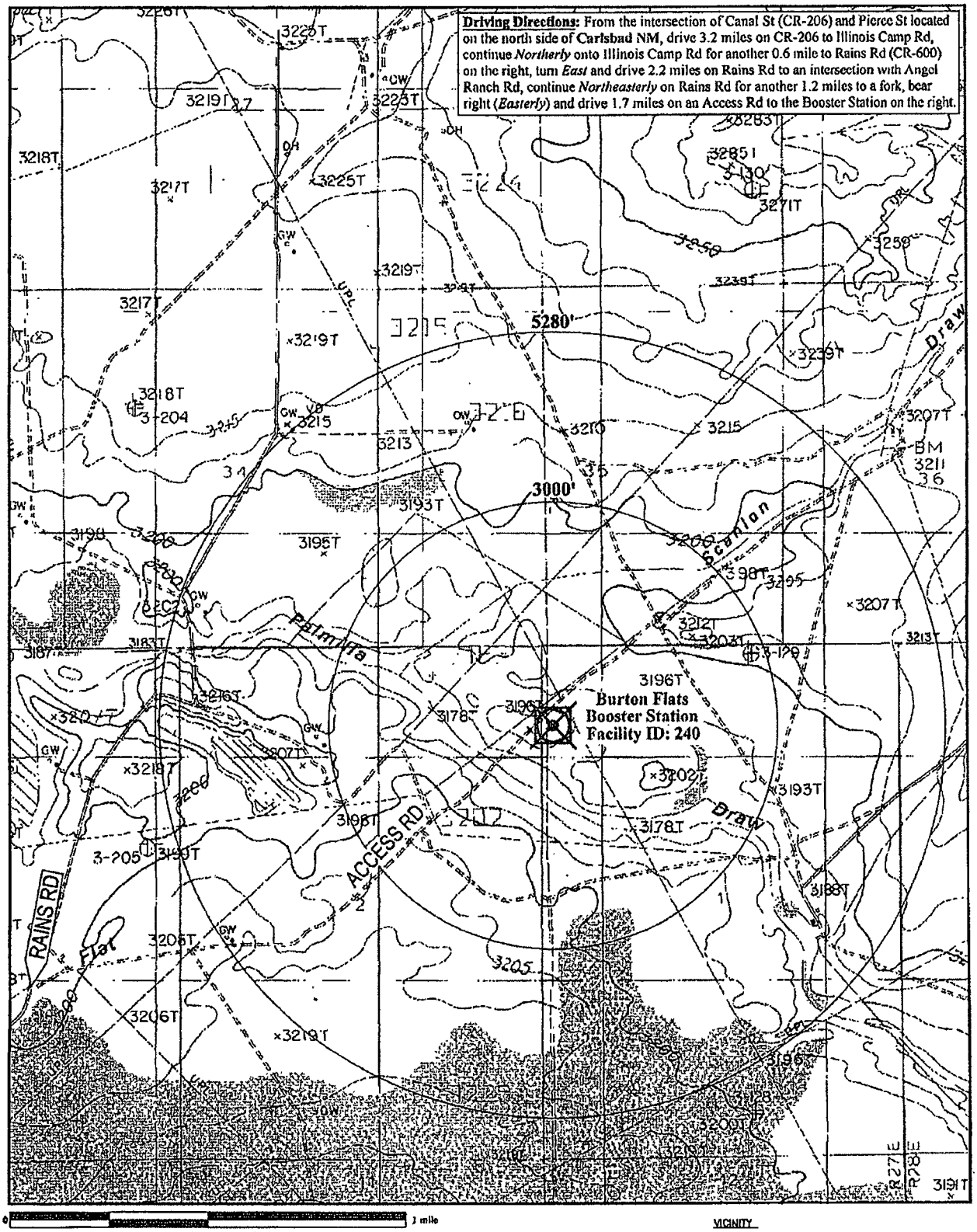
Sincerely,

DCP Midstream, LP

Chandler E. Cole
Senior Environmental Specialist

Enclosure

cc: Mr. Mike Bratcher - NMOCD
Mr. Leonard Lowe – NMOCD
Mr. Paul Evans – BLM Carlsbad
Ms. Ruth Lang - DCP
Mr. Jon Bebbington – DCP
Mr. Lewis Hill – DCP
Mr. Kelly Jamerson – DCP
Environmental Files


Driving Directions: From the intersection of Canal St (CR-206) and Pierce St located on the north side of Carlsbad NM, drive 3.2 miles on CR-206 to Illinois Camp Rd, continue Northerly onto Illinois Camp Rd for another 0.6 mile to Rains Rd (CR-600) on the right, turn East and drive 2.2 miles on Rains Rd to an intersection with Angel Ranch Rd, continue Northeasterly on Rains Rd for another 1.2 miles to a fork, bear right (Easterly) and drive 1.7 miles on an Access Rd to the Booster Station on the right.
Burton Flats Booster Station
Facility ID: 240
5280'
3000'
ACCESS RD
RAINS RD
Draw
Scanlon
Palmillo
Flat
1 mile
1 kilometer
dcp Midstream.
Burton Flats Booster Station
Eddy County, New Mexico
Zone 13 UTMH 579766m UTMV 3598338m
Lat. 32° 31' 10" Long. 104° 09' 02"
PHOTO VERIFIED
VICINITY
New Mexico
32104E2 Angel Draw
Source: USGS 1:24,000 scale
Drawn by: JRE
Revised by:
Date: 10-21-09
ENVIRONMENTAL AFFAIRS DEPARTMENT

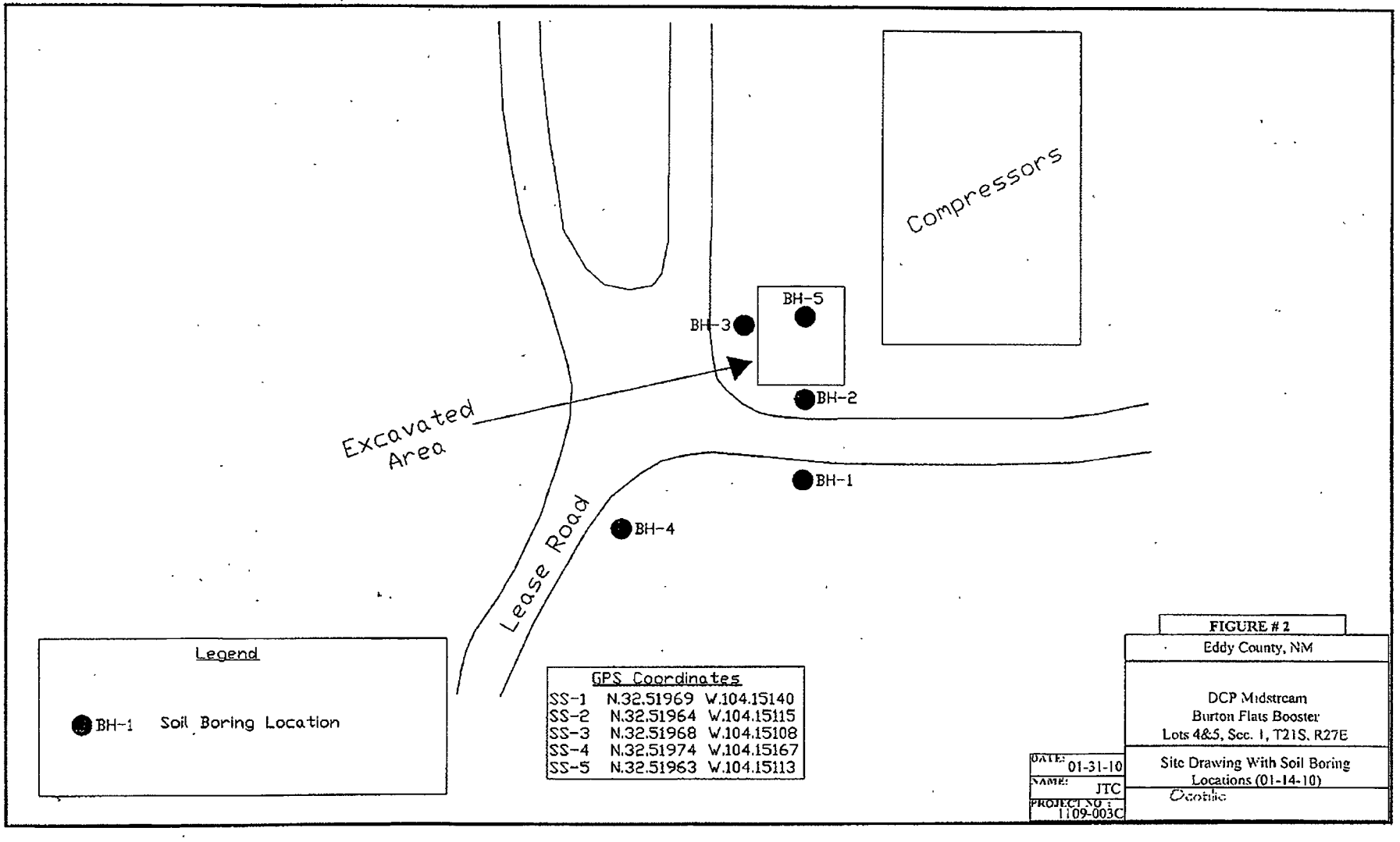

Compressors
BH-5
BH-3
BH-2
Excavated Area
BH-1
BH-4
Lease Road
Legend
BH-1 Soil Boring Location
GPS Coordinates
SS-1 N.32.51969 W.104.15140
SS-2 N.32.51964 W.104.15115
SS-3 N.32.51968 W.104.15108
SS-4 N.32.51974 W.104.15167
SS-5 N.32.51963 W.104.15113
FIGURE # 2
Eddy County, NM
DCP Midstream
Burton Flats Booster
Lots 4&5, Sec. 1, T21S, R27E
Site Drawing With Soil Boring Locations (01-14-10)
DATE: 01-31-10
NAME: JTC
PROJECT NO.: 1109-003C
Ocotillo

Table 1: Summary of Laboratory Analysis of Soil Samples from Excavation With Backhoe
DCP Midstream, Burton Flats Booster
Lots 4 and 5, Section 1, T21S, R27E
Eddy County, New Mexico

Sample Date	Soil Sample Number	Sample Depth (feet BGS)	TPH C6-C12 (mg/kg)	TPH C12-C28 (mg/kg)	TPH C28-C35 (mg/kg)	Total TPH (mg/kg)	Chloride (mg/kg)	Benzene (mg/kg)	Total BTEX (mg/kg)
				Standard (WQCC)		100	250	10	50
11/11/09	BH-5	5	9,410	5,550	<376	[illegible]	3,050	1.885	[illegible]
11/11/09		10	11,600	6,320	424	[illegible]	5,160	2.618	[illegible]
11/11/09		15	3,480	2,120	<362	[illegible]	3,960	0.911	[illegible]
11/11/09		20	3,940	2,390	<185	[illegible]	4,640	1.113	[illegible]

Notes:
1. BGS: Depth in feet below ground surface
2. mg/kg: Milligrams per kilogram
3. ---: No data available
4. <: Below method detection limit

Samples Analyzed by Xenco Laboratories, Odessa, TX

Table 2: Summary of Laboratory Analysis of Soil Samples from Soil Borings
DCP Midstream, Burton Flats Booster
Lots 4 and 5, Section 1, T21S, R27E
Eddy County, New Mexico

Sample Date	Soil Sample Number	Sample Depth (feet BGS)	PID	TPH C6-C10 (mg/kg)	TPH >C10-C28 (mg/kg)	Total TPH (mg/kg)	Field Chloride (mg/kg)	Chloride (mg/kg)	Benzene (mg/kg)	Total BTEX (mg/kg)
			Standard WQCC			100		250	10	50
1/14/10	BH-1	0-2	120	<10.0	461	461	---	<16		
1/14/10		5-7	140				---	256		
1/14/10		10-12	170	<10.0	53	53	49	112		
1/14/10		15-17	300				55	96	<0.050	0.954
1/14/10		20-22	798	<10.0	15.1	15.1	35	144	<0.050	<0.45
1/14/10	BH-2	0-2	314	<10.0	1,150	1,150	---	64	<0.050	0.057
1/14/10		5-7	114				---	96		
1/14/10		10-12	48.6				28	48		
1/14/10		15-17	257	208	1,070	1,278	114	48		
1/14/10		20-22	965	4,070	9,150	13,220	152	624	0.833	48.263
1/14/10		25-27	340	184	942	1,126	456	480	0.091	9.776
1/14/10	BH-3	0-2	112	16.1	190	206	---	320		
1/14/10		5-7	32.8				---	176		
1/14/10		10-12	104	<10.0	78.4	78.4	37	48	<0.050	2.293
1/14/10		15-17	40	<10.0	79.6	79.6	252	1,280	<0.050	<0.45
1/14/10		20-22	2.6				112	128		
1/14/10		25-27	13.9	<10.0	43	43	786	3,040		
1/14/10	BH-4	0-2	3.7	<10.0	23.1	23.1	---	<16		
1/14/10		5-7	9.3	<10.0	10.9	10.9	---	96		
1/14/10		10-12	2.1				68	80		
1/14/10		15-17	1.6				320	352		
1/14/10		20-22	1.9	<10.0	<10.0	<20.0	212	240		
1/14/10	BH-5	25-27	989	1,810	8,760	10,570	773	1,060	0.551	17.951

Notes:
1. BGS: Depth in feet below ground surface
2. mg/kg: Milligrams per kilogram
3. —: No data available
4. <: Below method detection limit

Samples Analyzed by Cardinal Laboratories, Hobbs, NM

Table 3: Summary of Laboratory Analysis of Groundwater from Soil Boring
DCP Midstream, Burton Flats Booster
Lots 4 and 5, Section 1, T21S, R27E
Eddy County, New Mexico

Sample Date	Sample Number	Depth to Groundwater (feet bgs)	Benzene (mg/L)	Toluene (mg/L)	Ethylbenzene (mg/L)	Total Xylenes (mg/L)	Total BTEX (mg/L)
Standard (WQCC)			0.01	0.75	0.75	0.62	
1/14/10	BH-1	18.6	---	---	---	---	---
1/14/10	BH-2	16.1	0.25	1.62	1.8	6.9	10.575
1/14/10	BH-3	20.6	---	---	---	---	---

Notes: Sample Analyzed by Cardinal Laboratories, Hobbs, NM
Depth to groundwater measured approximately 2 hours after soil boring installation

1. bgs: Below ground surface
2. mg/L: Milligrams per liter

dcp Midstream

Attachment A

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-141
Revised October 10, 2003

Submit 2 Copies to appropriate District Office in accordance with Rule 116 on back side of form

Release Notification and Corrective Action

OPERATOR

☒ Initial Report ☐ Final Report

Name of Company DCP Midstream	Contact Jon D. Bebbington
Address 10 Desta Drive, Suite 400 West	Telephone No. 432-620-4207
Facility Name Burton Flats Booster	Facility Type Compressor Station

Surface Owner BLM	Mineral Owner	Lease No.

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County Eddy

Latitude N32.5195 **Longitude** W104.1507

NATURE OF RELEASE

Type of Release Soil	Volume of Release 10.00 bbl/event	Volume Recovered 8.00 bbl/event
Source of Release Condensate Tank	Date and Hour of Occurrence 10/05/2009 6:00AM	Date and Hour of Discovery 10/05/2009 9:00AM
Was Immediate Notice Given? ☐ Yes ☐ No ☒ Not Required	If YES, To Whom?	
By Whom?	Date and Hour	
Was a Watercourse Reached? ☐ Yes ☒ No	If YES, Volume Impacting the Watercourse.	

If a Watercourse was Impacted, Describe Fully.*

Describe Cause of Problem and Remedial Action Taken.*
On October 5, 2009 at 9:00 AM the condensate tank at the Burton Flats Booster was reported to be overflowing into its secondary containment. According to operations personnel the level gauge for the tank was not reporting a level. When environmental arrived approximately 10 bbls of oil and water had overflowed into the condensate tank secondary containment.

Describe Area Affected and Cleanup Action Taken.*
Operations supervisors were notified by the site operator and two vacuum trucks were dispatched to the site. When they arrived 30 bbls of condensate and water were pumped out of the tanks to lower the levels and stop the spill. The estimated 10 bbls of condensate/slop oil in the secondary containment was vacuumed out with an estimated 2 bbls remaining in saturated soil within the secondary containment. Management was notified by email and cell phone with the recommendation to cleanout the containment and repair the malfunctioned level gauge.

I hereby certify that the information given above is true and complete to the best of my knowledge and understand that pursuant to NMOCD rules and regulations all operators are required to report and/or file certain release notifications and perform corrective actions for releases which may endanger public health or the environment. The acceptance of a C-141 report by the NMOCD marked as "Final Report" does not relieve the operator of liability should their operations have failed to adequately investigate and remediate contamination that pose a threat to ground water, surface water, human health or the environment. In addition, NMOCD acceptance of a C-141 report does not relieve the operator of responsibility for compliance with any other federal, state, or local laws and/or regulations.

Signature: Jon D. Bebbington	OIL CONSERVATION DIVISION	
Printed Name: Jon D. Bebbington	Approved by District Supervisor:	
Title: Sr. Env. Engineer	Approval Date:	Expiration Date:
E-mail Address: jdbebbington@dcpmidstream.com	Conditions of Approval:	Attached ☐

Date: 10/12/2009	Phone: 432-620-4207		

* Attach Additional Sheets If Necessary

Attachment B

CONESTOGA-ROVERS
& ASSOCIATES

2420 West 26th Avenue., Suite 450-D, Denver, Colorado 80211
Telephone: (720) 975-9120 Fax: (720) 975-9150
www.CRAworld.com

March 4, 2010 Reference No. 070537

Mr. Chandler Cole
DCP Midstream
370 17th Street, Suite 2500
Denver, Colorado 80202

Re: Site Assessment Workplan
Burton Flats Booster Station
Eddy County, New Mexico

Dear Mr. Cole:

Conestoga-Rovers & Associates (CRA) is submitting this *Site Assessment Workplan* to DCP Midstream (DCP) for the site referenced above (Figure 1). CRA proposes advancing eight soil borings and completing four as groundwater monitoring wells to delineate the magnitude and extent of petroleum hydrocarbons in soil and groundwater. Previous investigations identified soil and groundwater impact near the former aboveground storage tank (AST) area, southwest of the site compressors. CRA understands that DCP submitted an initial C-141 report to the District 2, New Mexico Oil Conservation Division (NMOCD) to notify the agency of the subject release and corrective actions performed. The site background, regulatory framework, proposed scope of work and schedule are described below.

SITE BACKGROUND

The site is a booster station located in Eddy County, New Mexico. The legal description of the site is Lots 4 and 5, Section 1, Township 21 South (T21S), Range 27 East (R27E) (Figure 1). Soil staining was observed near the former AST location. Previous investigations conducted in 2009 and 2010 identified petroleum hydrocarbons in soil above cleanup levels.

REGULATORY FRAMEWORK

The NMOCD has regulatory jurisdiction over oil and gas production operations including hydrocarbon spill/closure in the State of New Mexico. This project will be conducted under the regulatory jurisdiction of the NMOCD, which requires that soil impacted by a condensate spill be remediated in such a manner that the potential for future affects to groundwater or the environment are minimized. The NMOCD petroleum hydrocarbon remediation levels are determined by ranking criteria on a site-by-site basis, which is outlined in the NMOCD *Guidelines for Remediation of Spills, Leaks, and Releases,* dated August 13, 1993. The ranking

criteria are based on three site characteristics: depth to groundwater, wellhead protection and distance to surface water. The site qualifies for the most stringent cleanup levels since depth to groundwater is approximately 20 feet below ground surface (ft bgs). The ranking score is a minimum of 20 without evaluating surrounding domestic wells and surface waters near the site. Based on the NMOCD ranking criteria, the following petroleum hydrocarbon recommended remediation action levels (RRALs) apply at the site:

- Benzene 10 milligrams per kilogram (mg/kg),
- Benzene, Toluene, Ethylbenzene and Xylenes (BTEX) 50 mg/kg, and
- Total Petroleum Hydrocarbons as Gasoline (TPHg) 100 mg/kg.

A well identification survey and surface water study will be conducted for the area surrounding the site following the site assessment.

PROPOSED SCOPE OF WORK

Soil Boring Rationale: Additional assessment is required to define the extent of impact at the site. Boring BH-5 was advanced in 2009 to investigate the former AST area southwest of the compressor station. Soil samples collected from boring BH-5 contained TPH and total BTEX above the NMOCD recommended remediation action levels (RRALs), *NMOCD Guidelines for Remediation of Leaks, Spills and Releases, August 13, 1993,* from approximately 5 to 20 ft bgs. Chlorides were detected above 250 mg/kg in soil samples collected from borings BH-1 though BH-5. Groundwater samples collected from soil boring BH-2 contained benzene, toluene, ethylbenzene, and total xylenes above the NMWQCC standards. CRA proposes advancing eight soil borings, four to be completed as monitoring wells, to define the site hydrogeology and delineate the subsurface magnitude and extent of petroleum hydrocarbons near the former AST area (Figure 2).

Pre-Field Coordination: CRA will obtain necessary permits and coordinate site activities with all associated laboratories, contractors, and DCP. CRA will conduct a pre-field safety meeting with DCP and all appropriate parties prior to the start of field work.

Underground Utility Location: CRA will notify the Digline prior to drilling to clear boring locations with utility companies. Borings will be cleared to 5 ft bgs and with a 10 inch diameter.

Site Health and Safety Plan (HASP): CRA will prepare a HASP to inform all site workers of known hazards and provide health and safety guidance. CRA will review DCP and CRA safety protocols at daily tailgate meetings.

Soil Boring and Well Installation: A trained geologist will supervise the drilling. Borings will be drilled by air rotary drilling, operated by a State of New Mexico licensed driller, to a depth of approximately 30 ft bgs. One boring will be continuously logged to the total explored depth for stratigraphic evaluation. Soil samples will be collected for analyses at lithological changes, signs of subsurface impact and the capillary fringe. Soil samples will be screened with a photo-ionization detector (PID) and described using the Unified Soil Classification System. Select soil samples will be analyzed for petroleum hydrocarbon constituents based on field screening and observations.

The monitoring wells will be installed to approximately 30 ft bgs and constructed with 2-inch diameter Schedule 40 PVC with a 15-foot PVC 0.020-inch slotted screen.

Soil Analytical Methods: Select soil samples will be analyzed for:

- TPHg by Environmental Protection Agency (EPA) Method 8015,
- Total Petroleum Hydrocarbons as Diesel (TPHd) by EPA Method 8015,
- BTEX by EPA Method 8021, and
- Chloride by EPA Method 9056.

Soil Disposal: Soil cuttings produced during drilling will be temporarily stored in 55-gallon United States Department of Transportation-approved drums with appropriate labeling. Soil cuttings will be transported to a NMOCD and DCP approved facility for treatment and disposal following review of laboratory analytical results and disposal is approved by the NMOCD.

Reporting: CRA will prepare a Site Assessment Report presenting the investigation results and recommendations. The report, at a minimum, will contain:

- Summary of the site background and history,
- Descriptions of drilling and soil sampling methods,
- Boring logs,
- Figures and tables,
- Analytical reports and chain-of-custody forms,
- Soil disposal methods,
- Discussion of the hydrocarbon distribution in soil, and
- Conclusions and recommendations.

SCHEDULE

The field work will be scheduled upon workplan approval from DCP. The Site Assessment Report will be submitted following receipt of laboratory analytical results.

CLOSING

CRA appreciates the opportunity to work with DCP on this project. Please call John Riggi (720) 975-9121 with any questions or comments regarding this workplan.

Sincerely,

CONESTOGA-ROVERS & ASSOCIATES

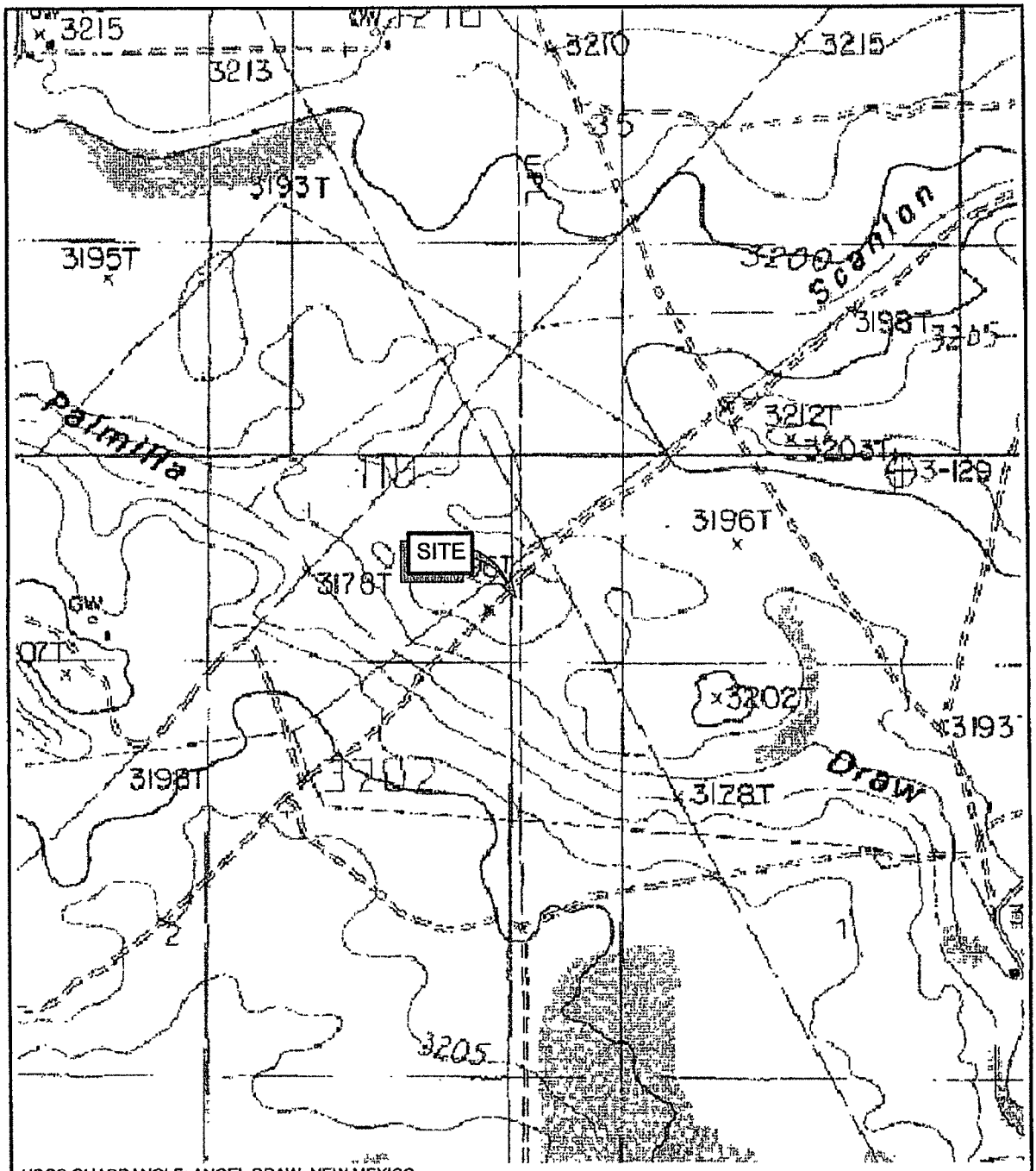
Siobhan Fackelman
Senior Staff Geologist

John Riggi, P.G.
Senior Project Geologist

SF/sf/1
Encl.

Figure 1 Vicinity Map
Figure 2 Proposed Soil Boring Location Map

cc: Chandler Cole, DCP Midstream



USGS QUADRANGLE: ANGEL DRAW, NEW MEXICO
N 32.51969 W 104.15140

0 500 1500ft

figure 1

VICINITY MAP
BURTON FLATS
EDDY COUNTY, NEW MEXICO
DCP Midstream

070537-10(001)GN-MD001 MAR 04/2010

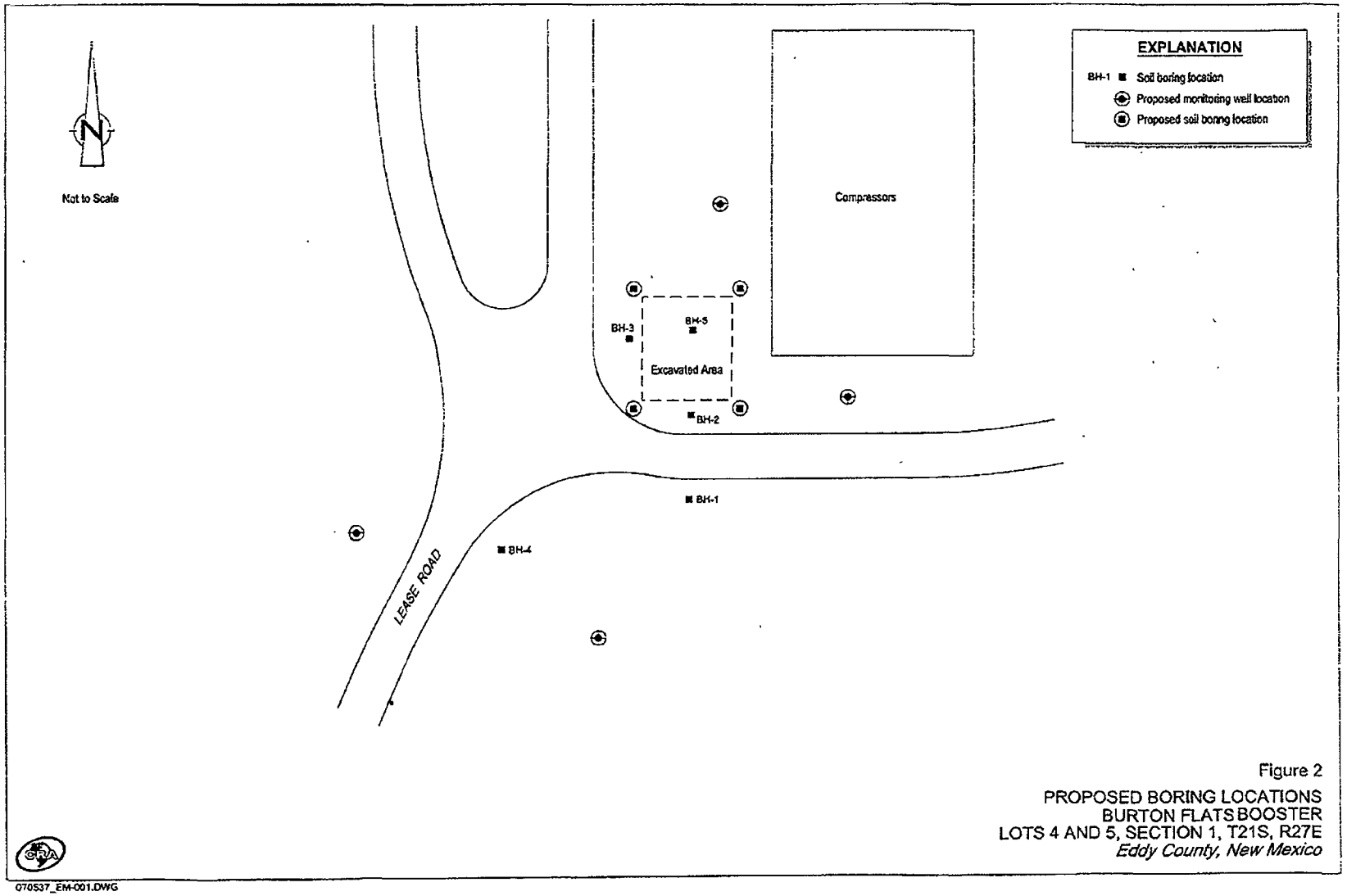


Figure 2
PROPOSED BORING LOCATIONS
BURTON FLATS BOOSTER
LOTS 4 AND 5, SECTION 1, T21S, R27E
Eddy County, New Mexico

070537_EM-001.DWG