



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON
Governor
Joanna Prukop
Cabinet Secretary

Mark E. Fesmire, P.E.
Director
Oil Conservation Division

HOBBS
TR002

November 1, 2004

Mr. Paul Mulkey
Duke Energy Field Services
11525 W. Carlsbad Hwy
Hobbs, NM 88240

pdmulkey@duke-energy.com

Re: Closure Approval: C-Extension #1 - #130001
Site Reference UL-F, Sec-30 T-20S R-37E
Initial Notification Date: April 5, 2004
Closure Request Dated: October 12, 2004

Dear Mr. Mulkey,

The **Final Closure Document** submitted to the New Mexico Oil Conservation Division (OCD) by Environmental Plus, Inc. for Duke Energy Field Services is **hereby approved**. According to the information provided, no further action is required at this time.

Please be advised that OCD approval does not relieve Duke Energy Field Services of liability should remaining contaminants pose a future threat to ground water, surface water, human health or the environment. Additionally, OCD approval does not relieve Duke Energy Field Services of responsibility for compliance with any other federal, state, or local laws and/or regulations.

If you have any questions or need assistance please feel free to call me at (505) 393-6161, x111 or email lwjohnson@state.nm.us

Sincerely,

Larry Johnson - Environmental Engineer

Cc: Chris Williams - District I Supervisor
Ed Martin - Environmental Bureau
Paul Sheeley - Environmental Engineer
Iain Olness - EPI Consultant iolness@hotmail.com



ENVIRONMENTAL PLUS, INC. *Micro-Blaze Micro-Blaze Out™*

STATE APPROVED LAND FARM AND ENVIRONMENTAL SERVICES

12 October 2004

Mr. Larry Johnson
NM Energy, Minerals, and Natural Resources Department
New Mexico Oil Conservation Division – Environmental Bureau
1625 North French Drive
Hobbs, NM 88240

Re: Site Closure Documentation Duke Energy C-Extension #1 - #130001
UL-F Section 30 T20S R37E, Lea County, New Mexico
Land Owner: State of New Mexico

Dear Mr. Johnson,

Environmental Plus, Inc. (EPI), on behalf of Mr. Paul Mulkey, Duke Energy Field Services (DEFS), submits for your consideration this *Site Closure Documentation* for the above-referenced site. This report documents the delineation of the vertical and horizontal extents of hydrocarbon contamination at the site, the removal and disposal of the contaminated soil above NMOCD remedial thresholds and the backfilling of the excavation with clean soil obtained from the surrounding area. The completion of this project is consistent with the initial C-141 submitted to the NMOCD on April 6, 2004. EPI, on behalf of DEFS, therefore requests that the NMOCD consider the information included in this report and issue a “*No Further Action*” letter for the site.

All official correspondence should be addressed to:

Mr. Paul Mulkey
Duke Energy Field Services
1625 West Marland
Hobbs, NM 88240

Should you have any questions or concerns, please feel free to contact me at EPI's office or via e-mail at iolness@hotmail.com. Mr. Paul Mulkey of DEFS can be contacted at (505) 391-5716 or via e-mail at pdmulkey@duke-energy.com.

Sincerely,

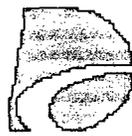
ENVIRONMENTAL PLUS, INC.

Iain Olness, P.G.
Hydrogeologist

cc: Paul Mulkey, DEFS – Hobbs
Lynn Ward, DEFS – Midland
Steve Weathers, DEFS - Denver
Sherry Miller, EPI President
Ben Miller, EPI Vice President and General Manager



ENVIRONMENTAL PLUS, INC.



**Duke Energy®
Field Services**

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**SITE INVESTIGATION,
REMEDICATION AND FINAL C-141
CLOSURE DOCUMENTATION**

C-EXTENSION RELEASE SITE

DEFS REF: 130001

UL-F (SE¼ OF THE NW¼) OF SECTION 30 T20S R37E

~6 MILES SOUTHWEST OF MONUMENT

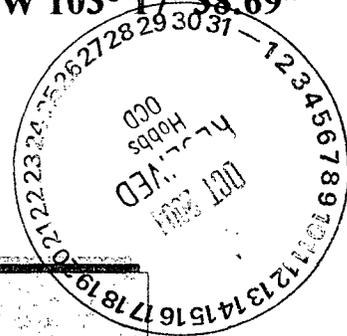
LEA COUNTY, NEW MEXICO

LATITUDE: N 32° 32' 43.70"

LONGITUDE: W 103° 17' 38.69"

OCTOBER 12, 2004

PREPARED BY:



Environmental Plus, Inc.

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Eunice, NM 88231
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FAX: (505)394-2601
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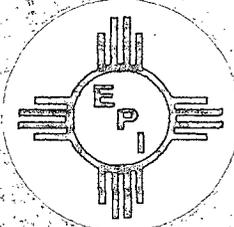


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1.0 Introduction & Background

This report addresses the site investigation and remediation of the Duke Energy Field Services (DEFS) "C-Extension" 16-inch natural gas gathering line remediation site. On April 5, 2004, Environmental Plus, Inc. (EPI) was notified by DEFS regarding a recently discovered natural gas and associated natural gas liquid (NGL) release along the C-Extension. This site is located approximately 6 miles southwest of Monument, Lea County, New Mexico (*reference Figure 1*). The initial C-141 Form submitted to the New Mexico Oil Conservation Division (NMOCD) on April 6, 2004, reports the release volume as approximately 180-barrels with 120-barrels recovered. EPI performed GPS surveying, photography and characterization of the site on April 5, 2004. The initial site consisted of an approximate 58,000 square feet (ft²) visibly affected surface area (*reference Figure 3*).

Initial activities at the site consisted of the removal of saturated soil along the flow paths and transporting the soil to the South Monument Land Farm for disposal. Upon removal of the saturated soils, two soil borings were advanced on either side of the point of release to delineate the vertical extent of contamination. Samples were collected from the soil borings and analyzed in the field for the presence of organic vapors utilizing an UltraRae photoionization detector (PID) equipped with a 10.6 electron-volt (eV) lamp. In addition, samples were submitted for laboratory confirmation to ensure the extents of contamination had been delineated.

Once the extents of contamination had been delineated, remediation activities commenced. Remediation of this site consisted of excavation and disposal of approximately 2,618 cubic yards (yds³) of contaminated soil. The contaminated soil was disposed of at the South Monument Land Farm. The excavation bottom(s) and sidewalls associated with the point of release were sampled on April 23, 2004 and analyzed in the field for the presence of organic vapors utilizing an UltraRae photoionization detector (PID) equipped with a 10.6 electron volt (eV) lamp and submitted for laboratory quantification. Analytical results indicated all analytes were below the NMOCD remedial thresholds with the exception of chlorides. Chloride concentrations for these samples ranged from 336 parts per million (ppm) to 592 ppm. Discussions with Mr. Larry Johnson of the Hobbs office of the New Mexico Oil Conservation Division (NMOCD) resulted in the chloride impacted soil to remain in place. Analytical results for samples collected from the flow paths were below the NMOCD remedial thresholds for all analytes.

This release site is located in Unit Letter F, (SE¹/₄ of the NW¹/₄), Section 30, T20, R37E, N32° 32' 43.70" and W103° 17' 38.69". The site is approximately 6-miles southwest of Monument, New Mexico. The property is owned by the State of New Mexico (*reference Figures 1 through 3*).

2.0 Site Description

2.1 Geological Description

The United States Geological Survey (USGS) Ground-Water Report 6, "Geology and Ground-Water Conditions in Southern Lea County, New Mexico," A. Nicholson and A. Clebsch, 1961, describes the near surface geology of southern Lea County as "an intergrade of the Quaternary Alluvium (QA) sediments, i.e., fine to medium sand, with the mostly eroded Cenozoic Ogallala (CO) formation. Typically, the QA and CO formations in the area are capped by a thick interbed of caliche and generally overlain by sandy soil."

The release site is located in the Eunice Plain physiographic subdivision, described by Nicholson & Clebsch as an area “underlain by a hard caliche surface and is almost entirely covered by reddish-brown dune sand”. The thickness of the sand cover ranges from 2-5 feet in most areas to as much as 20-30 feet in drift areas.

2.2 Ecological Description

The area is typical of the Upper Chihuahuan Desert Biome consisting primarily of hummocky sand hills covered with Harvard Shin Oak (*Quercus harvardi*) interspersed with Honey Mesquite (*Prosopis glandulosa*) along with typical desert grasses, flowering annuals and flowering perennials. Mammals represented, include Orrd’s and Merriam’s Kangaroo Rats, Deer Mouse, White Throated Wood Rat, Cottontail Rabbit, Black Tailed Jackrabbit, Mule Deer, Bobcat, Red Fox and Coyote. Reptiles, amphibians, and birds are numerous and typical of area. A survey of Listed, Threatened, or Endangered species was not conducted.

2.3 Area Ground Water

The unconfined groundwater aquifer at this site was projected to be 35-feet below ground surface (bgs) based on limited water depth data obtained from the New Mexico State Engineers Office data base. Due to the uncertainty as to the depth of groundwater, one of the soil borings, advanced to delineate the vertical extent of contamination, was advanced until groundwater was encountered. Groundwater was encountered at a depth of 57-feet bgs. Groundwater gradient in this area is generally to the east-southeast.

2.4 Area Water Wells

All recorded wells are greater than 1,000 horizontal feet from the site.

2.5 Area Surface Water Features

No surface water bodies exist within 1,000 horizontal feet of the site.

3.0 NMOCD Site Ranking

Contaminant delineation and remedial work done at this site indicate that the chemical parameters of the soil and the physical parameters of the groundwater were characterized consistent with the characterization and remediation/abatement goals and objectives set forth in the following New Mexico Oil Conservation Division (NMOCD) publications:

- ◆ **Guidelines for Remediation of Leaks, Spills and Releases (August 13, 1993)**
- ◆ **Unlined Surface Impoundment Closure Guidelines (February 1993)**

Acceptable thresholds for contaminants/constituents of concern (CoC), i.e., TPH^{8015m}, benzene, and the mass sum of benzene, toluene, ethylbenzene, and total xylenes (BTEX), were determined based on the NMOCD Ranking Criteria as follows:

- ◆ *Depth to Ground water, i.e., distance from the lower most acceptable concentration to the ground water.*
- ◆ *Wellhead Protection Area, i.e., distance from fresh water supply wells.*
- ◆ *Distance to Surface Water Body, i.e., horizontal distance to all down gradient surface water bodies.*

Based on the proximity of the site to protectable area water wells, surface water bodies, and depth to groundwater from the lower most contamination, the NMOCD ranking score for the site is 10 points with the soil remedial goals highlighted in the Site Ranking table presented below.

1. Ground Water		2. Wellhead Protection Area	3. Distance to Surface Water
Depth to GW <50 feet: 20 points	If <1,000' from water source, or; <200' from private domestic water source: 20 points	<200 horizontal feet: 20 points	
Depth to GW 50 to 99 feet: 10 points		200-1,000 horizontal feet: 10 points	
Depth to GW >100 feet: 0 points	If >1,000' from water source, or; >200' from private domestic water source: 0 points	>1,000 horizontal feet: 0 points	
Ground Water Score = 10	Wellhead Protection Score= 0	Surface Water Score= 0	
Site Rank (1+2+3) = 0 + 0 + 0 = 10 points			
Total Site Ranking Score and Acceptable Remedial Goal Concentrations			
Parameter	20 or >	10	0
Benzene ¹	10 ppm	10 ppm	10 ppm
BTEX ¹	50 ppm	50 ppm	50 ppm
TPH	100 ppm	1,000 ppm	5,000 ppm

¹ A field soil vapor headspace measurement of 100 ppm may be substituted for a laboratory analysis of the benzene and BTEX concentration limits.

4.0 Subsurface Soil Investigation

The vertical extent of hydrocarbon contamination at the site was determined by advancing two soil borings along side the point of release. Field analyses of soil samples collected during the advancement of the soil borings indicated contamination was restricted to the near surface (i.e., <5 feet bgs). Submission of samples to an independent laboratory confirmed the field analyses (reference Table 1).

Excavation of the flow paths continued until field analyses of soil samples indicated organic vapor concentrations were below 50 ppm. The flow paths were divided into five separate quadrants (reference Figure 4), with excavation depths varying from 1 to 3 feet below ground surface in each of the quadrants. Grab samples were collected from each quadrant and analyzed in the field for the presence of organic vapors utilizing an UltraRae® photoionization detector (PID) equipped with a 10.6 electron volt (eV) lamp. Once field analyses indicated organic vapor concentrations were below 50 ppm, samples were collected and submitted to an independent laboratory for quantification of GRO, DRO, BTEX and chloride. Analytical results for these samples reported contaminant concentrations below the NMOCD remedial thresholds for all analytes (reference Table 1).

Approximately 33 cubic yards of soil (22 feet long X 10 feet wide X 4 feet deep) were removed from the excavation at the point of release (reference Figure 5). Grab samples were collected from each sidewall and the bottom of the excavation and analyzed in the field for the presence of organic vapors utilizing an UltraRae® PID equipped with a 10.6 eV lamp. Once field analyses indicated organic vapor concentrations were below 50 ppm, samples were collected and submitted to an

independent laboratory for quantification of GRO, DRO, BTEX and chloride. Analytical results for these samples reported contaminant concentrations below the NMOCD remedial thresholds for all analytes with the exception of chloride, which was above the NMOCD remedial threshold of 250 milligrams per kilogram (mg/Kg) for all the samples. (*reference Table 1*).

5.0 Ground Water Investigation

The projected depth to ground water at this site was ~35-feet bgs. However, during the advancement of the soil borings to delineate the vertical extent of contamination, one of the soil borings was advanced until groundwater was encountered. Groundwater was encountered at a depth of 57-feet bgs in this soil boring. Field analyses for soil samples collected from the soil borings indicated organic vapor concentrations ranging from 0.5 to 33.4 ppm (*reference Table 1*). In addition, analytical results for samples collected from the surface, 5-feet bgs and 10-feet bgs in soil boring BH-1 indicated concentrations below NMOCD remedial thresholds (*reference Table 1*). The soil borings were sealed utilizing bentonite pellets.

Soil samples were collected from the flow paths during the excavation of the impacted soil along the flow paths. The samples were analyzed in the field utilizing an UltraRae PID equipped with a 10.6 eV lamp. Excavation activities continued until field analyses indicated organic vapor concentrations were below 50 ppm. Soil samples were then collected and submitted to an independent laboratory for quantification of GRO, DRO, BTEX and chloride.

Based on the removal of impacted soil to below remedial goal concentrations and adequate depth to ground water, there is no need for further groundwater investigation at this site.

6.0 Remediation Process

Remediation of the site commenced on April 6, 2004 and continued through May 7, 2004. Remedial activities at the site consisted of excavation and disposal of 2,618 yd³ of NGL contaminated soil from the site. The contaminated soil was disposed of at the South Monument Land Farm. After field analyses of soil samples collected from the excavation indicated successful removal of impacted soil, samples were submitted to an independent laboratory to verify remedial goals had been attained. The only analyte that was reported above NMOCD remedial thresholds was chloride in the samples collected from the sidewalls and bottom of the excavation at the point of release. Subsequent conversations with Mr. Larry Johnson of the Hobbs, New Mexico office of the NMOCD resulted in verbal approval of leaving the chloride impacted soil in place and the excavation was backfilled with soil from the surrounding area (i.e., sand dunes). The backfilling and contouring of the site were completed on May 7, 2004.

7.0 Closure Justification

This report documents successful removal of impacted soil above the remedial thresholds discussed in Section 3 above and confirmed via laboratory analyses for this release site. The only exceptions were the samples collected from the excavation associated with the point of release, which indicated chloride concentrations above the NMOCD remedial thresholds. However, conversations with Mr. Larry Johnson of the Hobbs office of the NMOCD resulted in verbal approval of leaving the soil in place. Due to the depth to groundwater (i.e., >50 feet), it is suggested that the remaining impacted soil will not impact the groundwater and can be left in place. The impacted soil was excavated and disposed of at the South Monument Land Farm. Clean soil was obtained from the surrounding area to backfill the excavation. Based on the data presented in this report, Environmental Plus, Inc., on

behalf of Duke Energy Field Services, requests that the NMOCD require “no further action” at this site and issue a *Site Closure Letter*.

FIGURES

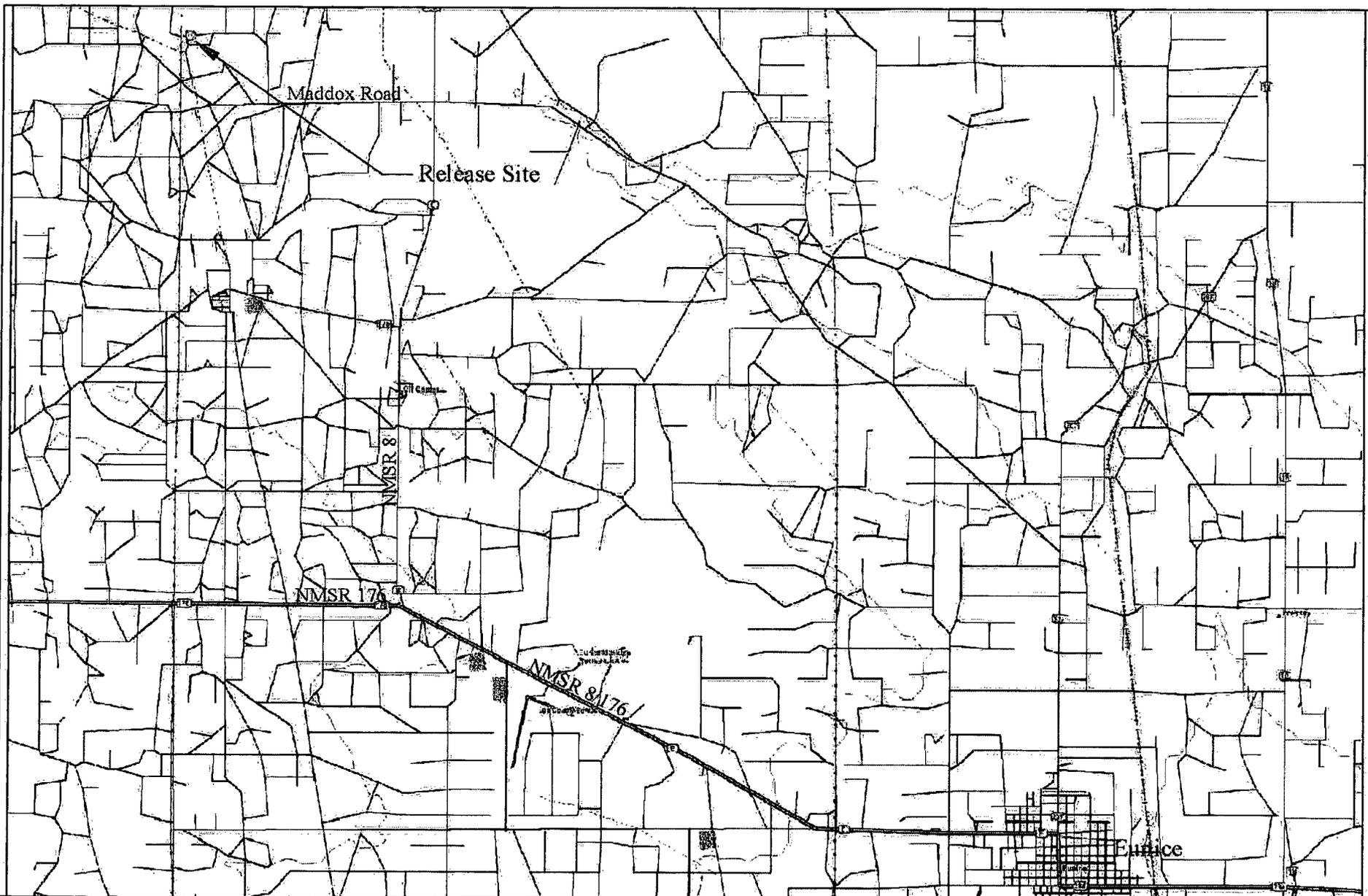


Figure 1
Area Map
 Duke Energy Field Services
 C-Extension #1 04-05-04

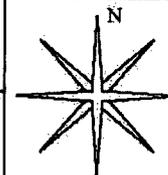
Lea County, New Mexico
 SE 1/4 of the NW 1/4, Sec. 30, T20S, R37E
 N 32° 32' 43.7" W 103° 17' 38.7"
 Elevation: 3,535 feet amsl

DWG By: Iain Olness
 April 2004

REVISED:



SHEET
 1 of 1



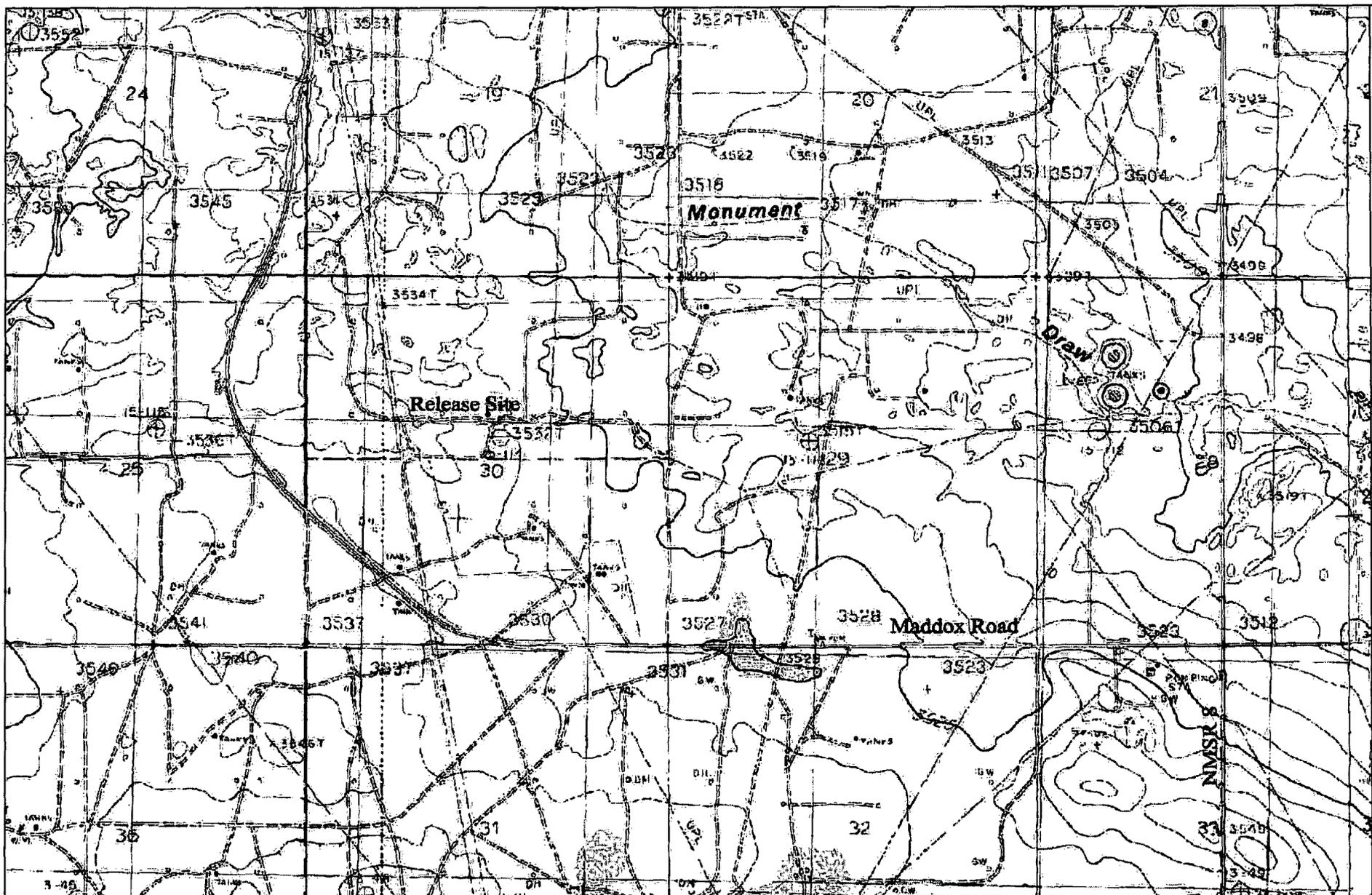


Figure 2
Site Location Map
 Duke Energy Field Services
 C-Extension #1 04-05-04

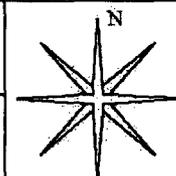
Lea County, New Mexico
 SE 1/4 of the NW 1/4, Sec. 30, T20S, R37E
 N 32° 32' 43.7" W 103° 17' 38.7"
 Elevation: 3,535 feet amsl

DWG By: Iain Olness
 April 2004

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SHEET
 1 of 1



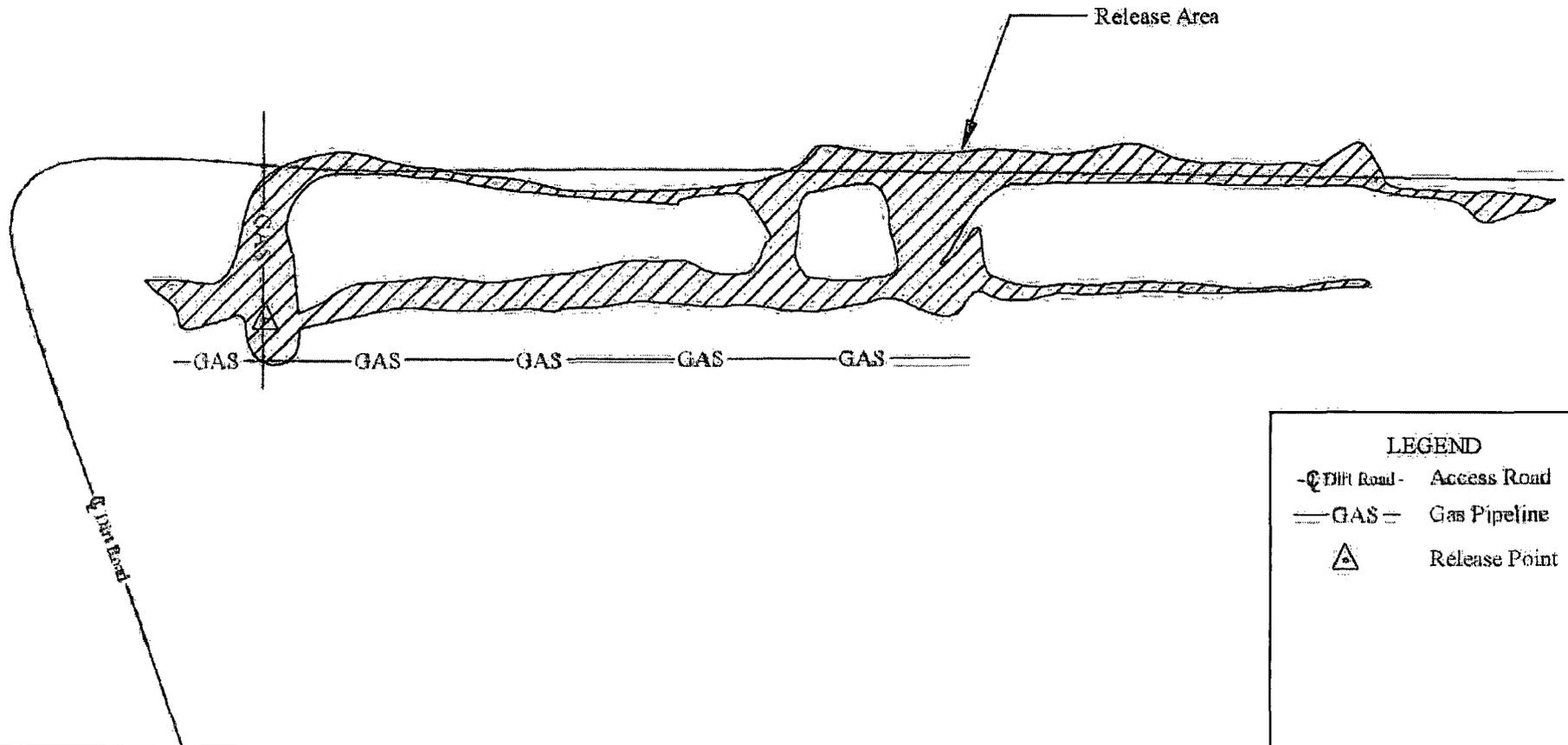


Figure 3
Site Map
 Duke Energy Field Services
 C-Extension #1 04-05-04

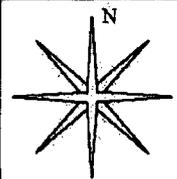
Lea County, New Mexico
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 N 32° 32' 43.7" W 103° 17' 38.7"
 Elevation: 3,535 feet amsl

DWG By: Iain Olness
 March 2004

REVISED:



SHEET
 1 of 1



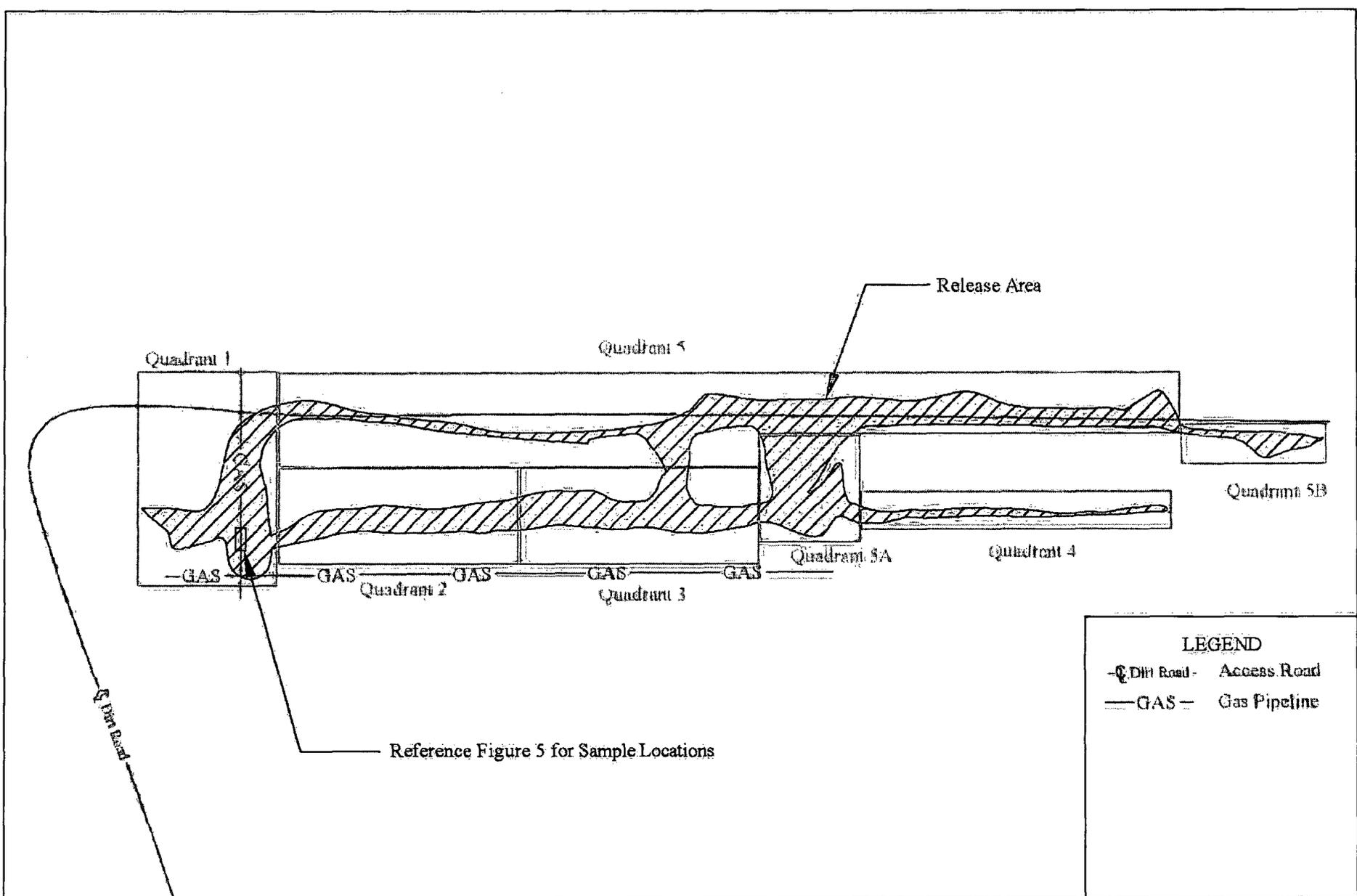


Figure 4
Sample Location Map
 Duke Energy Field Services
 C-Extension #1 04-05-04

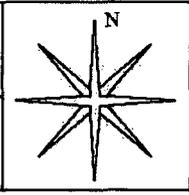
Lea County, New Mexico
 SE 1/4 of the NW 1/4, Sec. 30, T20S, R37E
 N 32° 32' 43.7" W 103° 17' 38.7"
 Elevation: 3,535 feet amsl

DWG By: Iain Olness
 March 2004

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SHEET
 1 of 1



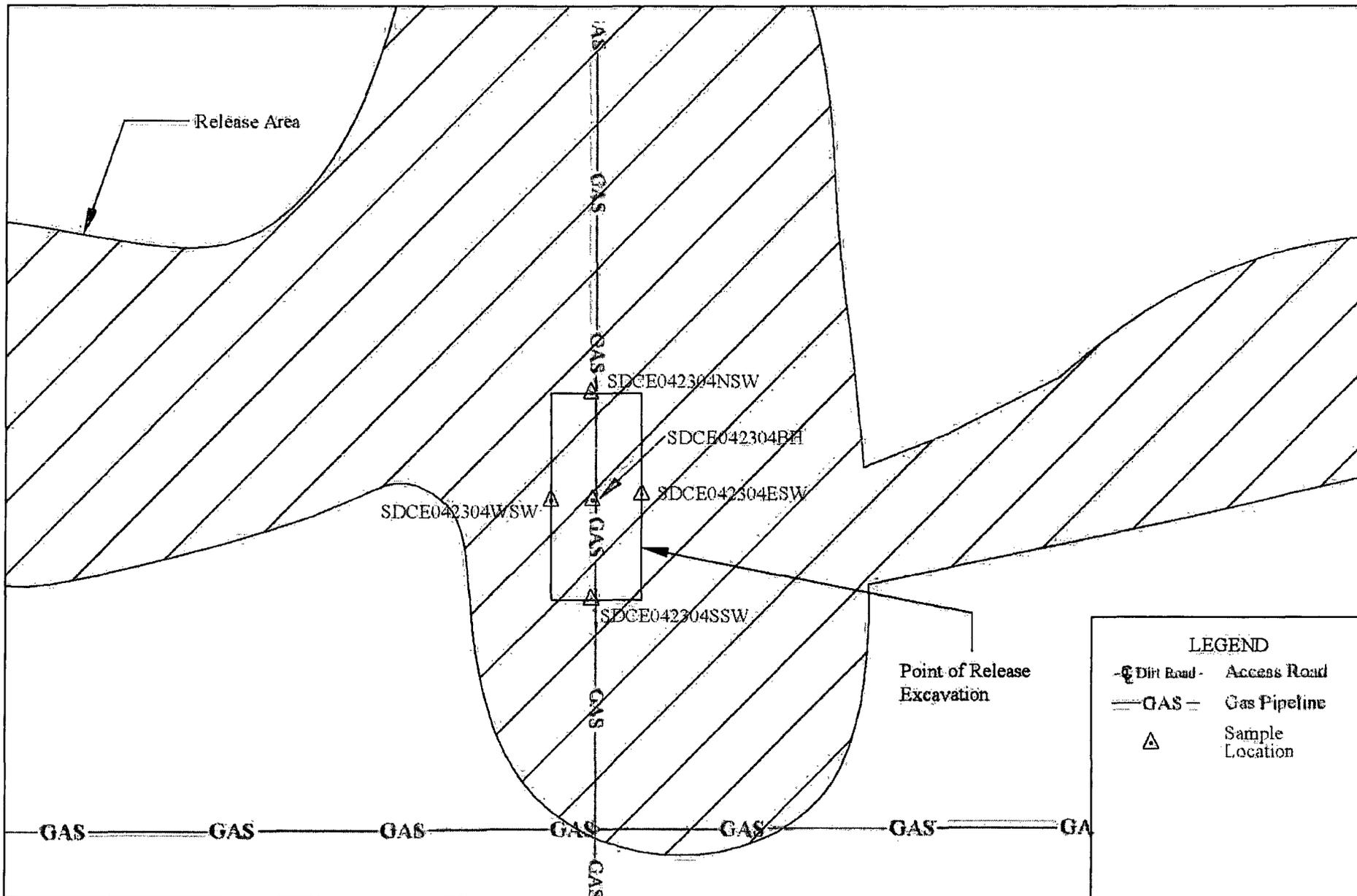
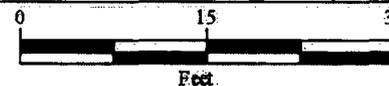


Figure 5
 POR Sample Location Map
 Duke Energy Field Services
 C-Extension #1 04-05-04

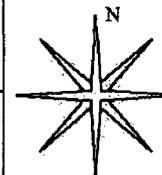
Lea County, New Mexico
 SE 1/4 of the NW 1/4, Sec. 30, T20S, R37E
 N 32° 32' 43.7" W 103° 17' 38.7"
 Elevation: 3,535 feet amsl

DWG By: Iain Olness
 August 2004

REVISED:



SHEET
 1 of 1



TABLES

TABLE 1
Summary of Soil Analytical Results
C-Extension - Ref #130001

Sample ID	Sample Date	Sample Location	Field Analysis	Depth	Benzene	Toluene	Ethylbenzene	Total Xylenes	Total BTEX	GRO (C6-C10)	DRO (>C10-C28)	TPH	Chloride	Sulfate
			(ppm)	(ft)	(mg/Kg)	(mg/Kg)	(mg/Kg)	(mg/Kg)	(mg/Kg)	(mg/Kg)	(mg/Kg)	(mg/Kg)	(mg/Kg)	(mg/Kg)
SDCE041304BH1-1'	13-Apr-04	Soil Boring BH-1	33.4	1	<0.005	0.051	0.022	0.039	0.11	<10.0	<10.0	<20.0	96	6.24
SDCE041304BH1-5'	13-Apr-04	Soil Boring BH-1	10.9	5	<0.005	<0.005	<0.005	<0.015	<0.030	<10.0	<10.0	<20.0	208	83.9
SDCE041304BH1-10'	13-Apr-04	Soil Boring BH-1	2.5	10	<0.005	<0.005	<0.005	<0.015	<0.030	<10.0	<10.0	<20.0	208	68.9
SDCE041304BH1-15'	13-Apr-04	Soil Boring BH-1	1.4	15	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
SDCE041304BH1-20'	13-Apr-04	Soil Boring BH-1	0.5	20	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
SDCE041304BH1-25'	13-Apr-04	Soil Boring BH-1	0.8	25	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
SDCE041304BH1-30'	13-Apr-04	Soil Boring BH-1	1.3	30	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
SDCE041304BH1-35'	13-Apr-04	Soil Boring BH-1	1.3	35	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
SDCE041304BH1-40'	13-Apr-04	Soil Boring BH-1	1.0	40	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
SDCE041304BH1-45'	13-Apr-04	Soil Boring BH-1	1.0	45	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
SDCE041304BH1-50'	13-Apr-04	Soil Boring BH-1	0.9	50	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
SDCE041304BH1-55'	13-Apr-04	Soil Boring BH-1	0.5	55	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
SDCE041304BH1-56'	13-Apr-04	Soil Boring BH-1	1.0	56	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
SDCE041304BH2-1'	13-Apr-04	Soil Boring BH-2	19.9	1	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
SDCE041304BH2-5'	13-Apr-04	Soil Boring BH-2	1.7	5	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
SDCE041304BH2-10'	13-Apr-04	Soil Boring BH-2	0.5	10	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
SDCE041304Q1C	19-Apr-04	Quadrant 1 - Composite	38.2	1	<0.005	<0.005	<0.005	<0.015	<0.030	<10.0	137	137	128	NA
SDCE041304Q2C	19-Apr-04	Quadrant 2 - Composite	27.0	3	<0.005	<0.005	<0.005	<0.015	<0.030	<10.0	541	541	64	NA
SDCE041304Q3C	19-Apr-04	Quadrant 3 - Composite	10.2	3	<0.005	<0.005	<0.005	<0.005	<0.030	<10.0	557	557	48	NA
SDCE041304Q4C	19-Apr-04	Quadrant 4 - Composite	10.0	1	<0.005	<0.005	<0.005	<0.015	<0.030	<10.0	48.8	48.8	80	NA
SDCE041304Q5A	19-Apr-04	Quadrant 5A - Composite	45.2	1	<0.005	<0.005	<0.005	<0.015	<0.030	<10.0	271	271	48	NA
SDCE041304Q5B	19-Apr-04	Quadrant 5B - Composite	22.1	1	<0.005	<0.005	<0.005	<0.015	<0.030	<10.0	576	576	4	NA
SDCE041304Q5C	20-Apr-04	Quadrant 5 - Composite	22.7	2	<0.005	<0.005	<0.005	<0.015	<0.030	<10.0	431	431	80	NA
SDCE042304NSW	23-Apr-04	North Sidewall - Composite	16.7	0-4	<0.005	0.054	0.011	<0.015	0.065	<10.0	350	350	496	NA
SDCE042304ESW	23-Apr-04	East Sidewall - Composite	12.5	0-4	<0.005	0.006	0.013	<0.015	0.019	<10.0	213	213	560	NA
SDCE042304SSW	23-Apr-04	South Sidewall - Composite	16.5	0-4	<0.005	<0.005	0.006	<0.015	0.006	<10.0	50.3	50.3	336	NA
SDCE042304WSW	23-Apr-04	West Sidewall - Composite	2.2	0-4	<0.005	<0.005	<0.005	<0.015	<0.030	<10.0	35.0	35.0	592	NA
SDCE042304BH	23-Apr-04	Bottomhole Composite	21.6	4	<0.005	<0.005	<0.005	<0.015	<0.030	<10.0	411	411	336	NA
NMOC Remedial Thresholds					10				50			1,000	250	

BTEX = Benzene, Toluene, Ethylbenzene, Total Xylenes

GRO = Gasoline Range Organics

DRO = Diesel Range Organics

TPH = Total Petroleum Hydrocarbons

ppm = parts per million, which is equivalent to milligrams per kilogram (mg/Kg)

mg/Kg = milligrams per kilogram, which is equivalent to parts per million (ppm)

NA = Not Analyzed

Red, bold values are in excess of NMOC remedial thresholds

APPENDIX I

LABORATORY ANALYTICAL REPORTS

AND

CHAIN-OF-CUSTODY FORMS



**ARDINAL
LABORATORIES**

PHONE (325) 673-7001 • 2111 BEECHWOOD • ABILENE, TX 79603

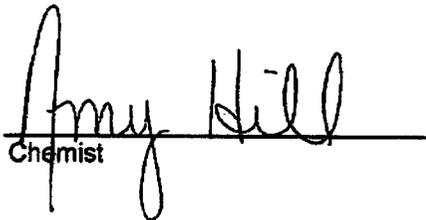
PHONE (505) 393-2328 • 101 E. MARLAND • HOBBS, NM 88240

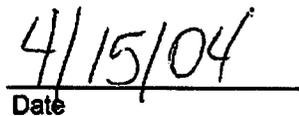
**ANALYTICAL RESULTS FOR
ENVIRONMENTAL PLUS, INC.
ATTN: IAIN OLNESSAT
P.O. BOX 1558
EUNICE, NM 88231
FAX TO: (505) 394-2601**

Receiving Date: 04/14/04
Reporting Date: 04/15/04
Project Owner: DUKE ENERGY FIELD SERVICES
Project Name: C EXTENSION #1
Project Location: NOT GIVEN

Sampling Date: 04/13/04
Sample Type: SOIL
Sample Condition: COOL & INTACT
Sample Received By: BC
Analyzed By: AH

LAB NUMBER	SAMPLE ID	Sulfate (mg/Kg)	Cl (mg/Kg)
ANALYSIS DATE:		04/15/04	04/15/04
H8605-1	SDCE041304BH1-1'	6.24	96
H8605-2	SDCE041304BH1-5'	83.9	208
H8605-3	SDCE041304BH1-10'	68.9	208
Quality Control		53.65	950
True Value QC		50.00	1000
% Recovery		107	95.0
Relative Percent Difference		1.5	6.0
METHODS: EPA 600/4-79-02		375.4	SM 4500-Cl


Chemist


Date

PLEASE NOTE: Liability and Damages. Cardinal's liability and client's exclusive remedy for any claim arising, whether based in contract or tort, shall be limited to the amount paid by client for analyses. All claims, including those for negligence and any other cause whatsoever shall be deemed waived unless made in writing and received by Cardinal within thirty (30) days after completion of the applicable services. In no event shall Cardinal be liable for incidental or consequential damages, including, without limitation, business interruptions, loss of use, or loss of profits incurred by client, its subsidiaries, affiliates or successors arising out of or related to the performance of services hereunder by Cardinal, regardless of whether such claim is based upon any of the above-stated reasons or otherwise.



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PHONE (505) 393-2328 • 101 E. MARLAND • HOBBS, NM 88240

**ANALYTICAL RESULTS FOR
ENVIRONMENTAL PLUS, INC.**

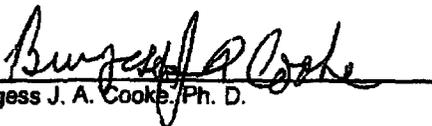
ATTN: IAIN OLNESSAT
P.O. BOX 1558
EUNICE, NM 88231
FAX TO: (505) 394-2601

Receiving Date: 04/14/04
Reporting Date: 04/15/04
Project Owner: DUKE ENERGY FIELD SERVICES
Project Name: C EXTENSION #1
Project Location: NOT GIVEN

Sampling Date: 04/13/04
Sample Type: SOIL
Sample Condition: COOL & INTACT
Sample Received By: BC
Analyzed By: BC

LAB NO.	SAMPLE ID	GRO (C ₆ -C ₁₀) (mg/Kg)	DRO (>C ₁₀ -C ₂₈) (mg/Kg)	BENZENE (mg/Kg)	TOLUENE (mg/Kg)	ETHYL BENZENE (mg/Kg)	TOTAL XYLENES (mg/Kg)
ANALYSIS DATE:		04/14/04	04/14/04	04/14/04	04/14/04	04/14/04	04/14/04
H8605-1	SDCE041304BH1-1'	<10.0	<10.0	<0.005	51 0.051	22 0.022	29 0.039
H8605-2	SDCE041304BH1-5'	<10.0	<10.0	<0.005	<0.005	<0.005	<0.015
H8605-3	SDCE041304BH1-10'	<10.0	<10.0	<0.005	<0.005	<0.005	<0.015
Quality Control		793	827	0.092	0.098	0.096	0.285
True Value QC		800	800	0.100	0.100	0.100	0.300
% Recovery		99.2	103	92.1	98.2	98.4	94.9
Relative Percent Difference		4.3	0.9	8.4	6.0	7.2	8.1

METHODS: TPH GRO & DRO - EPA SW-846 8015 M; BTEX - SW-846 8260.


Burgess J. A. Cooke, Ph. D.

4/15/04
Date

H8605.XLS

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**ARDINAL
LABORATORIES**

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PHONE (505) 393-2326 • 101 E. MARLAND • HOBBS, NM 88240

ANALYTICAL RESULTS FOR
ENVIRONMENTAL PLUS, INC.
ATTN: IAIN OLNESS
P.O. BOX 1558
EUNICE, NM 88231
FAX TO: (505) 394-2601

Receiving Date: 04/19/04
Reporting Date: 04/20/04
Project Owner: DUKE ENERGY
Project Name: C EXTENSION #1
Project Location: NOT GIVEN

Sampling Date: 04/19/04
Sample Type: SOIL
Sample Condition: COOL & INTACT
Sample Received By: BC
Analyzed By: BC/AH

LAB NO.	SAMPLE ID	GRO (C ₆ -C ₁₀) (mg/Kg)	DRO (>C ₁₀ -C ₂₈) (mg/Kg)	Cl* (mg/Kg)
	ANALYSIS DATE	04/19/04	04/19/04	04/20/04
H8613-1	SDCE041904Q1C	<10.0	137	128
H8613-2	SDCE041904Q2C	<10.0	541	64
H8613-3	SDCE041904Q3C	<10.0	557	48
H8613-4	SDCE041904Q4C	<10.0	48.8	80
H8613-5	SDCE041904Q5AC	<10.0	271	48
H8613-6	SDCE041904Q5BC	<10.0	576	96
	Quality Control	777	736	1000
	True Value QC	800	800	1000
	% Recovery	97.2	92.0	100
	Relative Percent Difference	2.6	0.4	5.0

METHODS: TPH GRO & DRO: EPA SW-846 8015 M; Cl*: Std. Methods 4500-Cl*B
*Analyses performed on 1:4 w:v aqueous extracts.


Chemist

4/20/04
Date

H8613A.XLS

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ANALYTICAL RESULTS FOR
ENVIRONMENTAL PLUS, INC.
ATTN: IAIN OLNESS
P.O. BOX 1558
EUNICE, NM 88231
FAX TO: (505) 394-2601

Receiving Date: 04/19/04
Reporting Date: 04/20/04
Project Owner: DUKE ENERGY
Project Name: C EXTENSION #1
Project Location: NOT GIVEN

Sampling Date: 04/19/04
Sample Type: SOIL
Sample Condition: COOL & INTACT
Sample Received By: BC
Analyzed By: BC

LAB NO.	SAMPLE ID	BENZENE (mg/Kg)	TOLUENE (mg/Kg)	ETHYL BENZENE (mg/Kg)	TOTAL XYLENES (mg/Kg)
ANALYSIS DATE		04/19/04	04/19/04	04/19/04	04/19/04
H8613-1	SDCE041904Q1C	<0.005	<0.005	<0.005	<0.015
H8613-2	SDCE041904Q2C	<0.005	<0.005	<0.005	<0.015
H8613-3	SDCE041904Q3C	<0.005	<0.005	<0.005	<0.015
H8613-4	SDCE041904Q4C	<0.005	<0.005	<0.005	<0.015
H8613-5	SDCE041904Q5AC	<0.005	<0.005	<0.005	<0.015
H8613-6	SDCE041904Q5BC	<0.005	<0.005	<0.005	<0.015
Quality Control		0.102	0.099	0.102	0.307
True Value QC		0.100	0.100	0.100	0.300
% Recovery		102	99.0	102	102
Relative Percent Difference		5.9	0.2	4.0	5.8

METHOD: EPA SW-846 8260


Chemist

4/20/04
Date



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ANALYTICAL RESULTS FOR
ENVIRONMENTAL PLUS, INC.

ATTN: IAIN OLNES
P.O. BOX 1558
EUNICE, NM 88231
FAX TO: (505) 394-2601

Receiving Date: 04/21/04
Reporting Date: 04/22/04
Project Owner: DUKE ENERGY
Project Name: C EXTENSION #1
Project Location: NOT GIVEN

Sampling Date: 04/20/04
Sample Type: SOIL
Sample Condition: COOL & INTACT
Sample Received By: GP
Analyzed By: BC/AH

LAB NUMBER	SAMPLE ID	GRO (C ₆ -C ₁₀) (mg/Kg)	DRO (>C ₁₀ -C ₂₈) (mg/Kg)	Cl* (mg/Kg)
ANALYSIS DATE		04/21/04	04/21/04	04/22/04
H8623-1	SDCE041904Q5C	<10.0	431	80
Quality Control		777	736	1000
True Value QC		800	800	1000
% Recovery		97.2	92.0	100
Relative Percent Difference		2.6	0.4	5.0

METHODS: TPH GRO & DRO: EPA SW-846 8015 M; Cl: Std. Methods 4500-ClB
*Analysis performed on a 1:4 w:v aqueous extract.


Chemist

4/22/04
Date

H8623A.XLS

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PHONE (505) 393-2328 • 101 E. MARLAND • HOBBS, NM 88240

ANALYTICAL RESULTS FOR ENVIRONMENTAL PLUS, INC.

ATTN: IAIN OLNES
P.O. BOX 1558
EUNICE, NM 88231
FAX TO: (505) 394-2601

Receiving Date: 04/26/04
Reporting Date: 04/28/04
Project Owner: DUKE ENERGY
Project Name: C EXTENSION #1
Project Location: NOT GIVEN

Sampling Date: 04/23/04
Sample Type: SOIL
Sample Condition: COOL & INTACT
Sample Received By: GP
Analyzed By: BC/AH

LAB NUMBER	SAMPLE ID	GRO (C ₆ -C ₁₀) (mg/Kg)	DRO (>C ₁₀ -C ₂₈) (mg/Kg)	Cl ⁺ (mg/Kg)
ANALYSIS DATE		04/26/04	04/26/04	04/26/04
H8639-1	SDCE042304NSW	<10.0	350	496
H8639-2	SDCE042304ESW	<10.0	213	560
H8639-3	SDCE042304SSW	<10.0	50.3	336
H8639-4	SDCE042304WSW	<10.0	35.0	592
H8639-5	SDCE042304BH	<10.0	411	336
Quality Control		790	762	980
True Value QC		1000	1000	1000
% Recovery		98.8	95.3	98.0
Relative Percent Difference		2.5	6.3	2.0

METHODS: TPH GRO & DRO: EPA SW-846 8015 M; Cl⁺: Std. Methods 4500-Cl⁺B

*Analyses performed on 1:4 w:v aqueous extracts.

Bryan A. Cooke
Chemist

4/28/04
Date

H8639A.XLS

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PHONE (505) 393-2326 • 101 E. MARLAND • HOBBS, NM 88240

ANALYTICAL RESULTS FOR
 ENVIRONMENTAL PLUS, INC.
 ATTN: IAIN OLNESS
 P.O. BOX 1558
 EUNICE, NM 88231
 FAX TO: (505) 394-2601

Receiving Date: 04/26/04
 Reporting Date: 04/28/04
 Project Owner: DUKE ENERGY
 Project Name: C EXTENSION #1
 Project Location: NOT GIVEN

Sampling Date: 04/23/04
 Sample Type: SOIL
 Sample Condition: COOL & INTACT
 Sample Received By: GP
 Analyzed By: BC

LAB NUMBER	SAMPLE ID	BENZENE (mg/Kg)	TOLUENE (mg/Kg)	ETHYL BENZENE (mg/Kg)	TOTAL XYLENES (mg/Kg)
ANALYSIS DATE		04/27/04	04/27/04	04/27/04	04/27/04
H8639-1	SDCE042304NSW	<0.005	0.054	0.011	<0.015
H8639-2	SDCE042304ESW	<0.005	0.006	0.013	<0.015
H8639-3	SDCE042304SSW	<0.005	<0.005	0.006	<0.015
H8639-4	SDCE042304WSW	<0.005	<0.005	<0.005	<0.015
H8639-5	SDCE042304BH	<0.005	<0.005	<0.005	<0.015
Quality Control		0.100	0.092	0.086	0.258
True Value QC		0.100	0.100	0.100	0.100
% Recovery		99.9	92.4	86.2	85.9
Relative Percent Difference		6.9	9.6	12.3	10.6

METHOD: EPA SW-846 8260

Burjess A. Locke
 Chemist

4/28/04
 Date

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APPENDIX II

PROJECT PHOTOGRAPHS

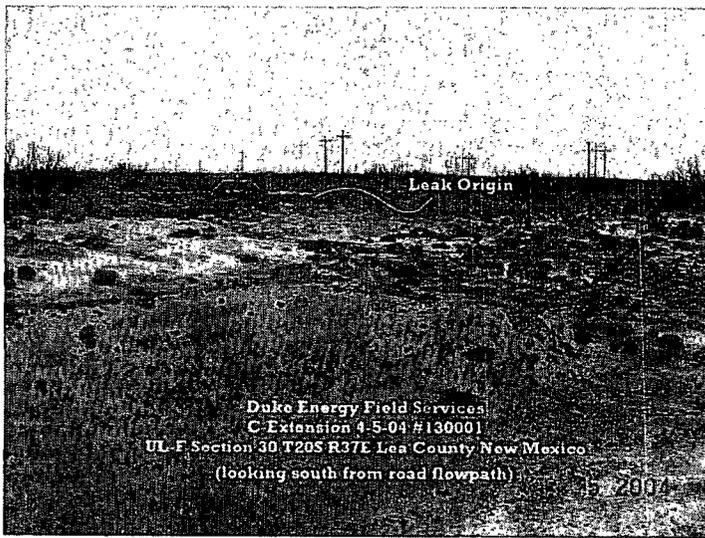


Photo #1: West pooling area, looking south. The release point is near the piping seen in the background.

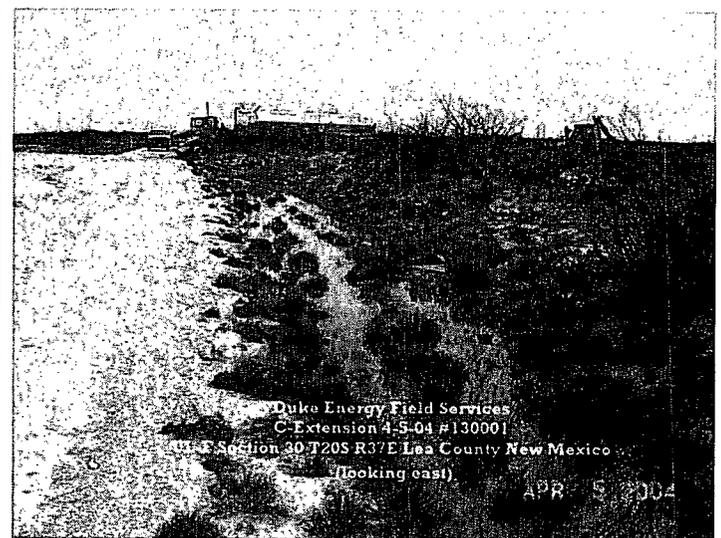


Photo #2: North flow path along access road, looking east from the west pooling area.



Photo #3: Central pooling area, looking south.



Photo #4: South flow path looking west towards the point of release.

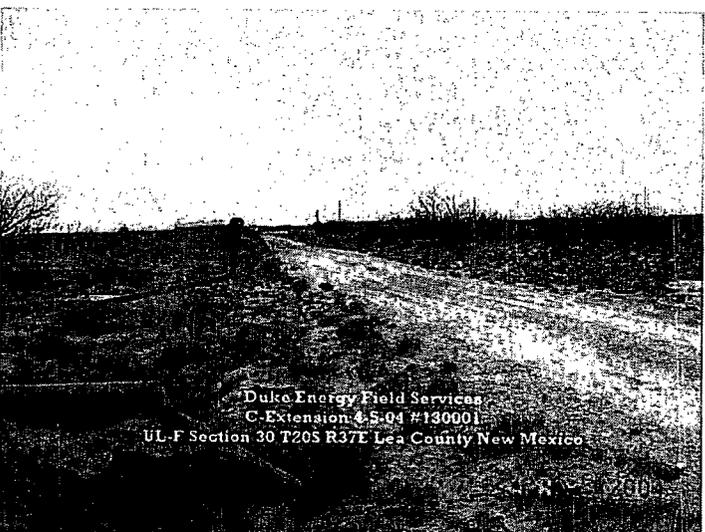


Photo #5: End of north flow path, looking westerly.



Photo #6: North flow path on north side of service road, looking westerly.



Photo #7: Advancing BH-2, looking southerly.

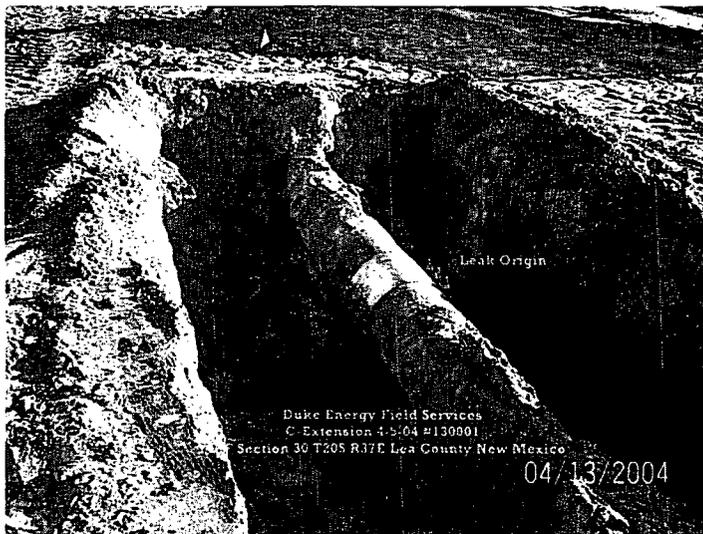


Photo #8: Excavation of the source area, looking southerly.



Photo #9: Excavation of source area and south flow path, looking easterly.



Photo #10: Excavation of north flow path, looking westerly.



Photo #11: Excavation of end of north flow path, looking easterly.



Photo #12: End of north flow path backfilled and countered, looking easterly.

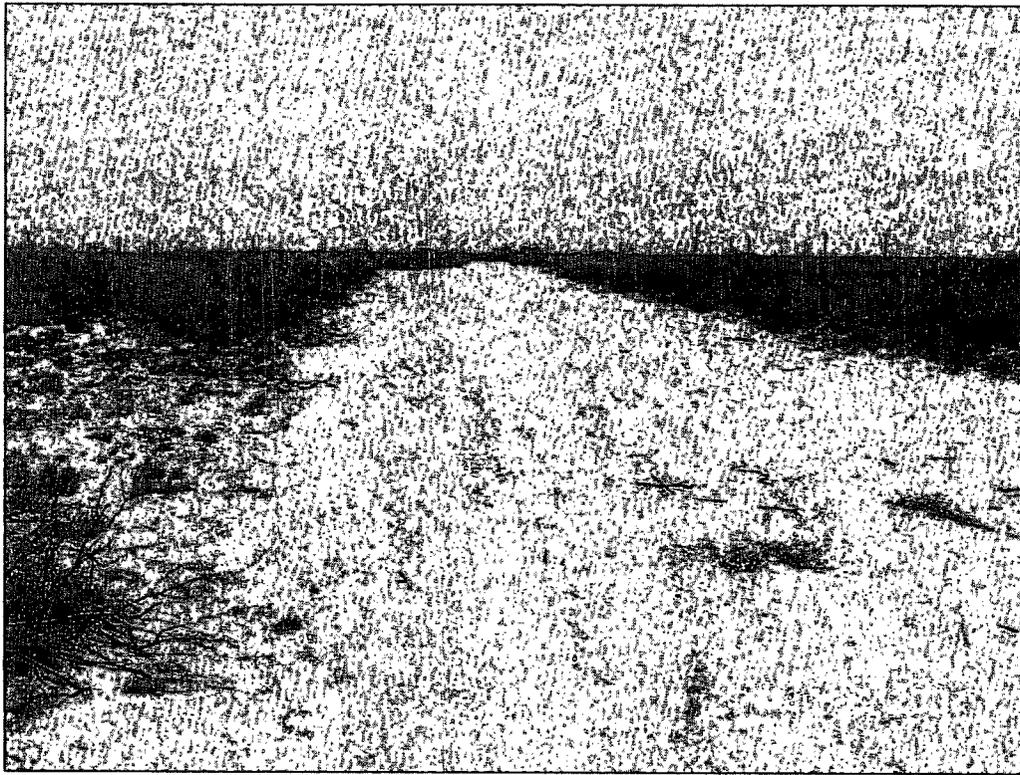


Photo #13: South flow path backfilled and contoured, looking easterly

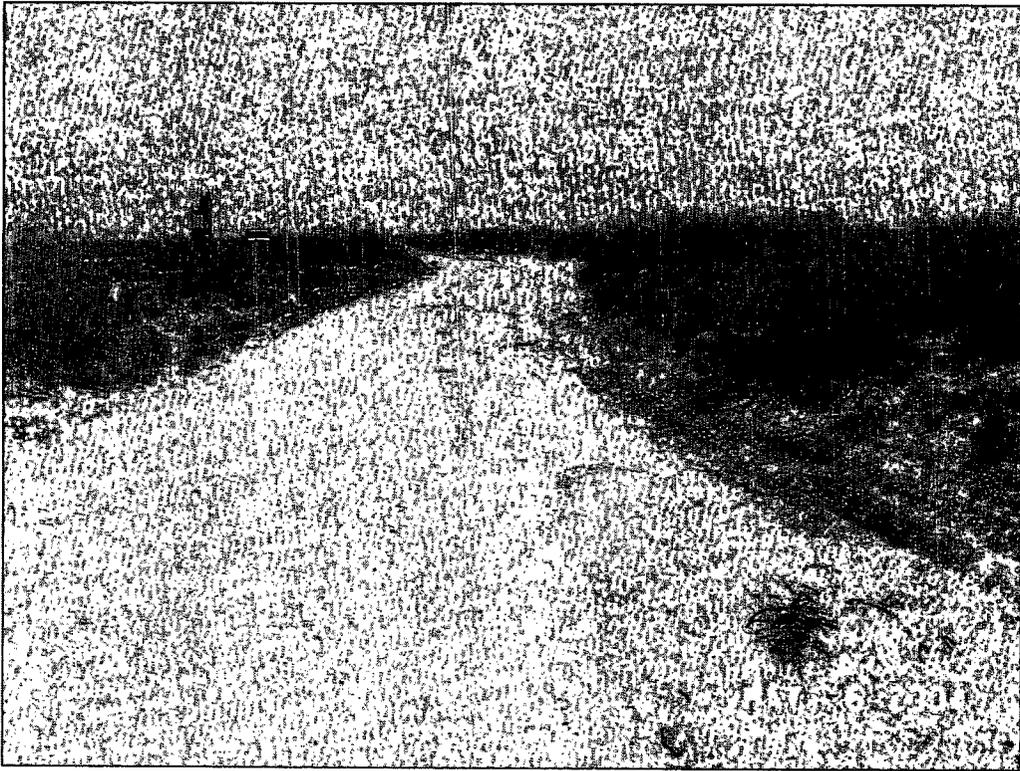


Photo #14: North flow path backfilled and contoured, looking easterly.

APPENDIX III

SITE INFORMATION AND METRICS FORM

AND

FINAL NMOCD C-141 FORM



Site Information and Metrics

Incident Date:
4-5-04 @ 8:00 AM

NMOCD Notified:
4-5-04 @ 4:45 PM MST

SITE: C-Extension #1		Assigned Site Reference #: 130001	
Company: Duke Energy Field Services			
Street Address:			
Mailing Address: 11525 West Carlsbad Highway			
City, State, Zip: Hobbs, New Mexico 88240			
Representative: Paul Mulkey			
Representative Telephone: 505.397.5716			
Telephone:			
Fluid volume released (bbls): 180 bbls		Recovered (bbls): 120 bbls	
>25 bbls: Notify NMOCD verbally within 24 hrs and submit form C-141 within 15 days. (Also applies to unauthorized releases >500 mcf Natural Gas)			
5-25 bbls: Submit form C-141 within 15 days (Also applies to unauthorized releases of 50-500 mcf Natural Gas)			
Leak, Spill, or Pit (LSP) Name: C-Extension #1			
Source of contamination: 16" Steel Pipeline			
Land Owner, i.e., BLM, ST, Fee, Other: State of New Mexico			
LSP Dimensions: 1190' x 171'			
LSP Area: 57,998 sqft ft ²			
Location of Reference Point (RP)			
Location distance and direction from RP			
Latitude: 32° 32' 43.70"N			
Longitude: 103° 17' 38.69"W			
Elevation above mean sea level: 3,535' amsl			
Feet from South Section Line			
Feet from West Section Line			
Location- Unit or ¼¼: SE¼ of the NW¼		Unit Letter: F	
Location- Section: 30			
Location- Township: T20S			
Location- Range: R37E			
Surface water body within 1000' radius of site: none			
Domestic water wells within 1000' radius of site: none			
Domestic water wells within 1000' radius of site:			
Agricultural water wells within 1000' radius of site: none			
Agricultural water wells within 1000' radius of site:			
Public water supply wells within 1000' radius of site: none			
Depth from land surface to ground water (DG) ~35' bgs			
Depth of contamination (DC) - ?			
Depth to ground water (DG - DC = DtGW) - ?			
1. Ground Water		2. Wellhead Protection Area	
If Depth to GW <50 feet: <i>20 points</i>		If <1000' from water source, or, <200' from private domestic water source: <i>20 points</i>	
If Depth to GW 50 to 99 feet: <i>10 points</i>		If >1000' from water source, or, >200' from private domestic water source: <i>0 points</i>	
If Depth to GW >100 feet: <i>0 points</i>			
Ground water Score = 20		Wellhead Protection Area Score = 0	
Site Rank (1+2+3) = 20		Surface Water Score = 0	
Total Site Ranking Score and Acceptable Concentrations			
Parameter	>19	10-19	0-9
Benzene ¹	10 ppm	10 ppm	10 ppm
BTEX ¹	50 ppm	50 ppm	50 ppm
TPH	100 ppm	1000 ppm	5000 ppm
¹ 100 ppm field VOC headspace measurement may be substituted for lab analysis			

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 March 17, 1999

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: Duke Energy Field Services		Contact: Paul Mulkey	
Address 11525 West Carlsbad Highway Hobbs, New Mexico 88240		Telephone No. 505.397.5716	
Facility Name C-Extension #1 #130001		Facility Type 16" Steel Pipeline	
Surface Owner: State of New Mexico		Mineral Owner	Lease No.

LOCATION OF RELEASE

Unit Letter F	Section 30	Township T20S	Range R37E	Feet from the	North/South Line	Feet from the	East/West Line	County: Lea Lat. 32° 32' 43.70"N Lon. 103° 17' 38.69"W
-------------------------	----------------------	-------------------------	----------------------	---------------	------------------	---------------	----------------	---

Latitude: 32° 32' 43.70"N Longitude: 103° 17' 38.69"W

NATURE OF RELEASE

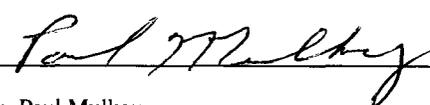
Type of Release Natural Gas Pipeline Fluids	Volume of Release 180 bbls barrels	Volume Recovered 120 bbls barrels
Source of Release 16" Steel Pipeline	Date and Hour of Occurrence 4-5-04 @ 8:00 AM	Date and Hour of Discovery 4-5-04 @ 10:00 AM
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? Gary Wink	
By Whom? Lynn Ward, Duke	Date and Hour: 4-5-04 @ 4:45 PM	
Was a Watercourse Reached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, Volume Impacting the Watercourse. NA	

If a Watercourse was Impacted, Describe Fully.*
NA

Describe Cause of Problem and Remedial Action Taken.*
16" Steel Pipeline Pipe repair clamp installed.

Describe Area Affected and Cleanup Action Taken.*
57,998 sqft 1190' x 171': Soil contaminated above the NMOCD Remedial Guidelines was excavated and disposed of at an approved facility. Remedial Goals: TPH 8015m = 1,000 mg/Kg, Benzene = 10 mg/Kg, and BTEX = 50 mg/Kg.

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: 	<u>OIL CONSERVATION DIVISION</u>	
Printed Name: Paul Mulkey	Approved by District Supervisor:	
E-mail Address: pdmulkey@duke-energy.com	Approval Date:	Expiration Date:
Title: Maintenance Construction Supervisor	Conditions of Approval:	Attached <input type="checkbox"/>
Date: 10/12/04 Phone: 505.397.5716		

* Attach Additional Sheets If Necessary