GW-35

INSPECTIONS & DATA

GW-35 via Kevin Reese ConocoPhillips Home
505-632-4907

Pressure testing @ facility

FedEx. US Airbill Express

FedEx Tracking Number 8754 0193 3883

Form No. 0215 Recipient's Copy

RECIPIENT: PEEL HERE

1 From This portion can be removed for Recipient's records.

Date 3/1/11 FedEx Tracking Number 875401933883

Sender's Name Mike Alba Phone 505 632-4914

Company CONOCOPHILLIPS COMPANY

Address 61 ROAD 4900 Dept/Floor/Suite/Room

City BLOOMFIELD State NM ZIP 87413

2 Your Internal Billing Reference

3 To

Recipient's Name Dwayne Price Phone

Company NMOCD

Address 1220 S Saint Francis

We cannot deliver to P.O. boxes or P.O. ZIP codes.

HOLD Weekday FedEx location address REQUIRED. NOT available for FedEx First Overnight

HOLD Saturday FedEx location address REQUIRED. Available ONLY for FedEx Priority Overnight and FedEx 2Day to select locations

Address

Use this line for the HOLD location address or for continuation of your shipping address.

City Santa Fe State NM ZIP 87505

0433631525

8754 0193 3883

4a Express Package Service * To most locations. Packages up to 150 lbs.

- [x] FedEx Priority Overnight — Next business morning.* Friday shipments will be delivered on Monday unless SATURDAY Delivery is selected.
- [ ] FedEx Standard Overnight — Next business afternoon.* Saturday Delivery NOT available.
- [ ] FedEx First Overnight — Earliest next business morning delivery to select locations.*
- [ ] FedEx 2Day — Second business day.** Thursday shipments will be delivered on Monday unless SATURDAY Delivery is selected.
- [ ] FedEx Express Saver — Third business day.** Saturday Delivery NOT available.

4b Express Freight Service ** To most locations. Packages over 150 lbs.

- [ ] FedEx 1Day Freight — Next business day.** Friday shipments will be delivered on Monday unless SATURDAY Delivery is selected. FedEx 1Day Freight Booking No.
- [ ] FedEx 2Day Freight — Second business day.** Thursday shipments will be delivered on Monday unless SATURDAY Delivery is selected.
- [ ] FedEx 3Day Freight — Third business day.** Saturday Delivery NOT available.

5 Packaging * Declared value limit $500.

- [x] FedEx Envelope*
- [ ] FedEx Pak* — Includes FedEx Small Pak and FedEx Large Pak.
- [ ] FedEx Box
- [ ] FedEx Tube
- [ ] Other

6 Special Handling and Delivery Signature Options

- [ ] SATURDAY Delivery — NOT available for FedEx Standard Overnight, FedEx Express Saver, or FedEx 3Day Freight.
- [ ] No Signature Required — Package may be left without obtaining a signature for delivery.
- [ ] Direct Signature — Someone at recipient's address may sign for delivery. Fee applies.
- [ ] Indirect Signature — If no one is available at recipient's address, someone at a neighboring address may sign for delivery. For residential deliveries only. Fee applies.

Does this shipment contain dangerous goods? One box must be checked.

- [x] No
- [ ] Yes — As per attached Shipper's Declaration.
- [ ] Yes — Shipper's Declaration not required.
- [ ] Dry Ice — Dry Ice, 9, UN 1845 ____ x ____ kg

Dangerous goods (including dry ice) cannot be shipped in FedEx packaging or placed in a FedEx Express Drop Box. [ ] Cargo Aircraft Only

7 Payment Bill to:

- [x] Sender — Acct. No. in Section 1 will be billed.
- [ ] Recipient
- [ ] Third Party
- [ ] Credit Card
- [ ] Cash/Check

Enter FedEx Acct. No. or Credit Card No. below. Obtain recip. Acct. No. [ ]

Total Packages 1 Total Weight 1LB Credit Card Auth.

†Our liability is limited to $100 unless you declare a higher value. See the current FedEx Service Guide for details.

605

Align top of Peel and Stick Airbill here

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fedex.com 1.800.GoFedEx 1.800.463.3339

AIDC

PREVENTIVE MAINTENANCE PROCEDURE

JOB DESC: V-1401 ANNUAL HYDROTEST
JOB ID: PM-2132-AM
LAST DATE: 02/11/2010
EQUIP ID: V-1401 **COMPONENT:**
INTERVAL: 1 YRS -R
NAME: WASTE LUBE OIL DRAIN TANK
PROJ DATE: 02/11/2011
SCH DATE: 02/11/2011
BLDG: AREA 1400 **DATE:** 01/13/2006
STATUS: SCHD
LOCN:
PRIORITY: 3 **LOTO?**
COST CTR: **ACCOUNT:** RIGID
LEAD SHOP: MAINT
PLANNER: KEVIN REESE **PHONE:**
ASSIGNED TO:
NOTES: Required by State Of NM OCD. Test at 3 to 5 psig for 1 hour. HSE Man. Syst. 3.3.
EST TIME: 0:00 0:00
EST PARTS:

TASKS

#	DESCRIPTION	SHOP	HRS	NBR
__ 1	Remember, "Our work is never so ugent or important that we cannot take the time to do it safely".	MAINT		
__ 2	Notify Brandon Powell of NMOCD in Aztec 334-6178 at least 72 hours prior to testing. @ STATE.NM.US	MAINT		
__ 3	Test the vessel at 3 to 5 PSIG for 1 hour.			
__ 4	Report any leaks to the OCD within 15 days of the discovery.	MAINT		
__ 5	Submit the test results to NMOCD, Attention: Wayne Price, 1220 S. Saint Francis, Santa Fe, NM, 87505.	MAINT		
__ 6	File a copy of the hydrotest in HSE, Ground Water, Element 3.3.9.3, Pressure Test of Underground Vessels.	MAINT		
__ 7	Close this PM when the tasks are complete.	MAINT		

Date 28 FEB 19 **Labor** 6 hr **Comment** DONE **Initials** MJA

SPARES REQ

#	PART NO.	QTY	UI	NAME	COST	QOH	LOCN

RECEIVED OCD
2011 MAR -2 P 12:50

HYDROSTATIC TEST REPORT

PROJECT: V-1401

TEST BEGAN: DATE: 28 Feb 11 TIME: 2:00 pm

TEST ENDED: DATE: 28 Feb 11 TIME: 3:20 p.m

PIPE DATA:

V-1401 WAST LUBE OIL DRUM TANK
42 ID x 8 - 9" T-T 300°F

PRESSURE RECORDER / DEVICE: _____ DATE CERTIFIED: _____

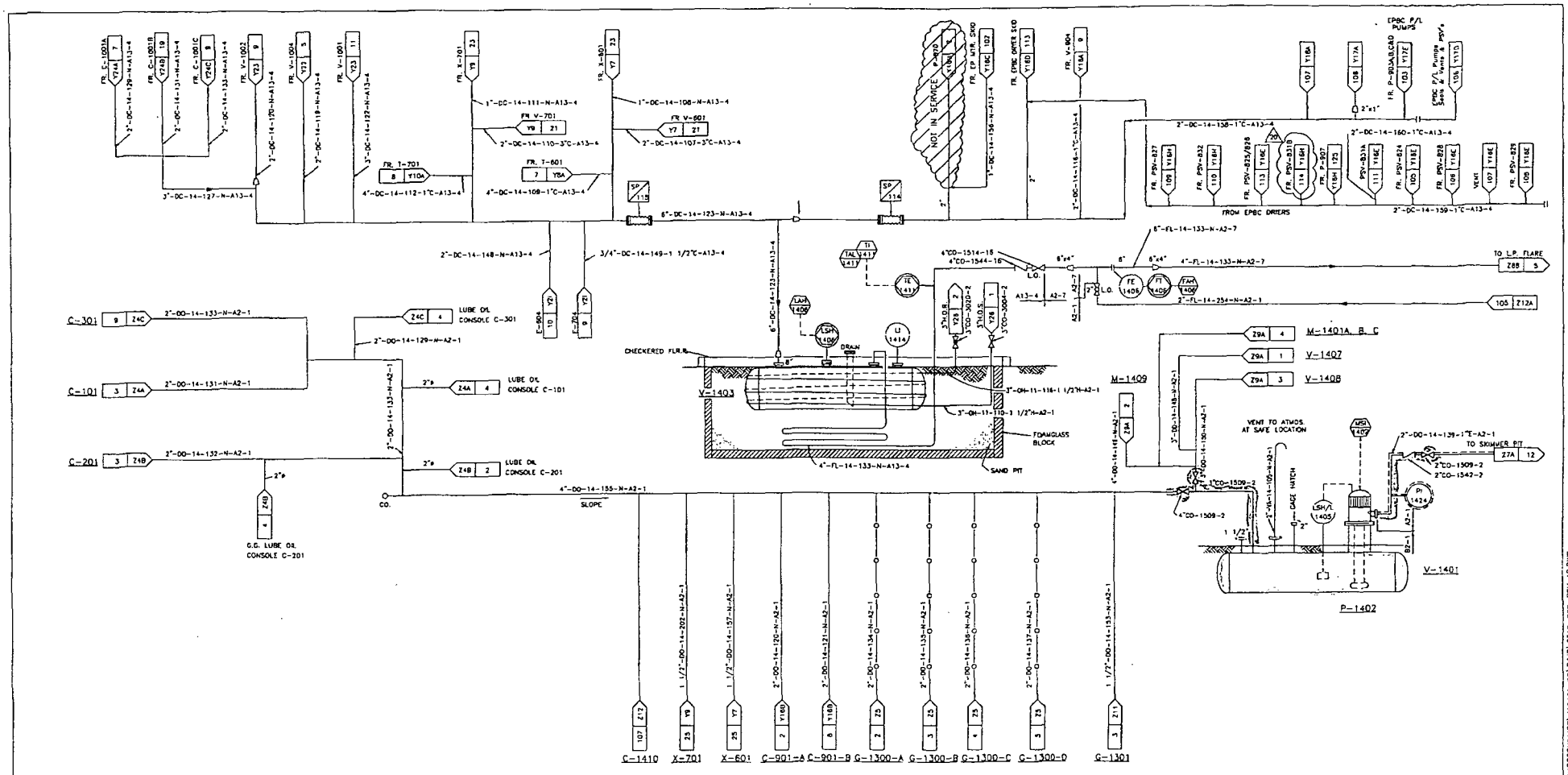
TEMPERATURE RECORDER / DEVICE: _____ DATE CERTIFIED: _____

TEST WAS: ✓ ACCEPTED _____ REJECTED

IF REJECTED, EXPLAIN:

TIME	PRESSURE	AMBIENT TEMP	PIPE TEMP	REMARKS
2:00 pm	5	49°		Good
2:20 pm	5	50°		Good
2:40 pm	5	50°		Good
3:00 pm	5	50°		Good

INSPECTOR _____ WITNESS _____



V-1403
COLD DRAIN VESSEL
48" I.D.x12'-0" T-T
50 PSIG @ - 250°/350° F
HLL:

V-1401
WASTE LUBE OIL DRAIN TANK
42 I.D.x8'-0" T-T
ATM @ 200° F
HLL: 30"
LLL: 12"

P-1402
WASTE LUBE OIL DRAIN TANK PUMP
25 GPM @ 20 PSID

FILE 8510-268

NOTES:
REVISED FOR MOC # 0998-03 - THIS MOC NEEDS TO BE UPDATED ON THIS P&ID. THE PRINTED COPIES READ REV 15 BUT THE SAVED COPY WAS ONLY UPTO REVISION 14

REV	DATE	DESCRIPTION	APPD
20	01/09	REVISED AS NOTED	TRB
19	11/05	REVISED AS NOTED	KER
18	09/05	FOR RECORD	TRB
17	12/02	Rev for P&ID upodate for 12/02	TRB
16	1/01	REVISED FOR MOC # 1200-01	DLE
15	3/99	REVISED FOR MOC # 0998-03	TDR
14	9/97	REVISED PER T. RITTER COMMENTS	A.A.S.
13	10/96	REVISED AS-BUILT	
12	6/93	REV. AS-BUILT FOR PSW	JMB
11	2/93	REVISED AS-BUILT	
10	9/92	REV. AS-BUILT FOR PSW	
9	8/92	SCANNED FOR PSW MOD.	
8	4/89	REV. DWG NO.	
7	12/88	AS BUILT	
6	8/88	GEN. REV.	
5	4/88	GEN.REV.	
4	8/86	REVISED AS NOTED	
3	11/85	GENERAL REVISION-REDRAWN	

REVISIONS

DRAWN BY
CHECKED BY
APPROVAL
CLIENT APPROVAL
DATE
SCALE NONE

PAN WEST CONSTRUCTORS, INC.

CLIENT CONOCO INC.

PIPING & INSTRUMENT DIAGRAM
LUBE OIL & COLD DRAINS

SAN JUAN BASIN GAS PLANT
BLOOMFIELD NEW MEXICO

JOB 8510 | DWG 8510-268 | REV 20

11/28/05 2:08 MID PLT SCALE 1=1 O:\S\PRA\CONOCOPHILLIPS\A12421-01\PRO\8510-268-REV-19.DWG

PREVENTIVE MAINTENANCE PROCEDURE

JOB DESC:	HYDROTEST V-807 Element 7	**JOB ID:**	PM-2115-AO
		LAST DATE:	02/11/2010
EQUIP ID:	V-807 **COMPONENT:**	**INTERVAL:**	1 YRS -R
NAME:	AMINE WASTE SUMP	**PROJ DATE:**	02/11/2011
		SCH DATE:	02/11/2011
BLDG:	AREA 800 **DATE:** 01/13/2006	**STATUS:**	SCHD
LOCN:		**PRIORITY:**	3 **LOTO?**
COST CTR:	**ACCOUNT:** RIGID	**LEAD SHOP:**	MAINT
PLANNER:	KEVIN REESE **PHONE:**	**ASSIGNED TO:**	
NOTES:	Required by State Of NM OCD. Test at 3 to 5 psig for 1 hour.	**EST TIME:**	0:00 0:00
		EST PARTS:	

TASKS

#	DESCRIPTION	SHOP	HRS	NBR
__ 1	Remember, "Our work is never so ugent or important that we cannot take the time to do it safely".	MAINT		
__ 2	Notify Brandon Powell of NMOCD in Aztec at least 72 hours prior to testing. Submit test results to NMOCD in Santa Fe (address below) when complete. NMOCD, 1220 S. Saint Francis, Santa Fe, NM, 87505 - Wayne Price	MAINT		
__ 3	Report any leaks to OCD within 15 days of discovery.	MAINT		
__ 4	Place a copy of this PM, the hydrotest and all associated data in the SJGP Mail Box of the Plant Inspector who maintains HSE Management System File Element 7.	MAINT		
__ 5	Close this PM when the task is complete.	MAINT		

Date 28 FEB 11 **Labor** 6 HR **Comment** DONE **Initials** MJA

SPARES REQ

#	PART NO.	QTY	UI	NAME	COST	QOH	LOCN

HYDROSTATIC TEST REPORT

PROJECT: V-801

TEST BEGAN: DATE: 28 FEB 11 TIME: 1:30 pm

TEST ENDED: DATE: 28 FEB 11 TIME: _____

PIPE DATA:

V-801 AMINE WASH SUMP 72" 1.0x 20'-0" T-T

#16 150°F

PRESSURE RECORDER / DEVICE: 0-5" & 0-30 DATE CERTIFIED: NEW

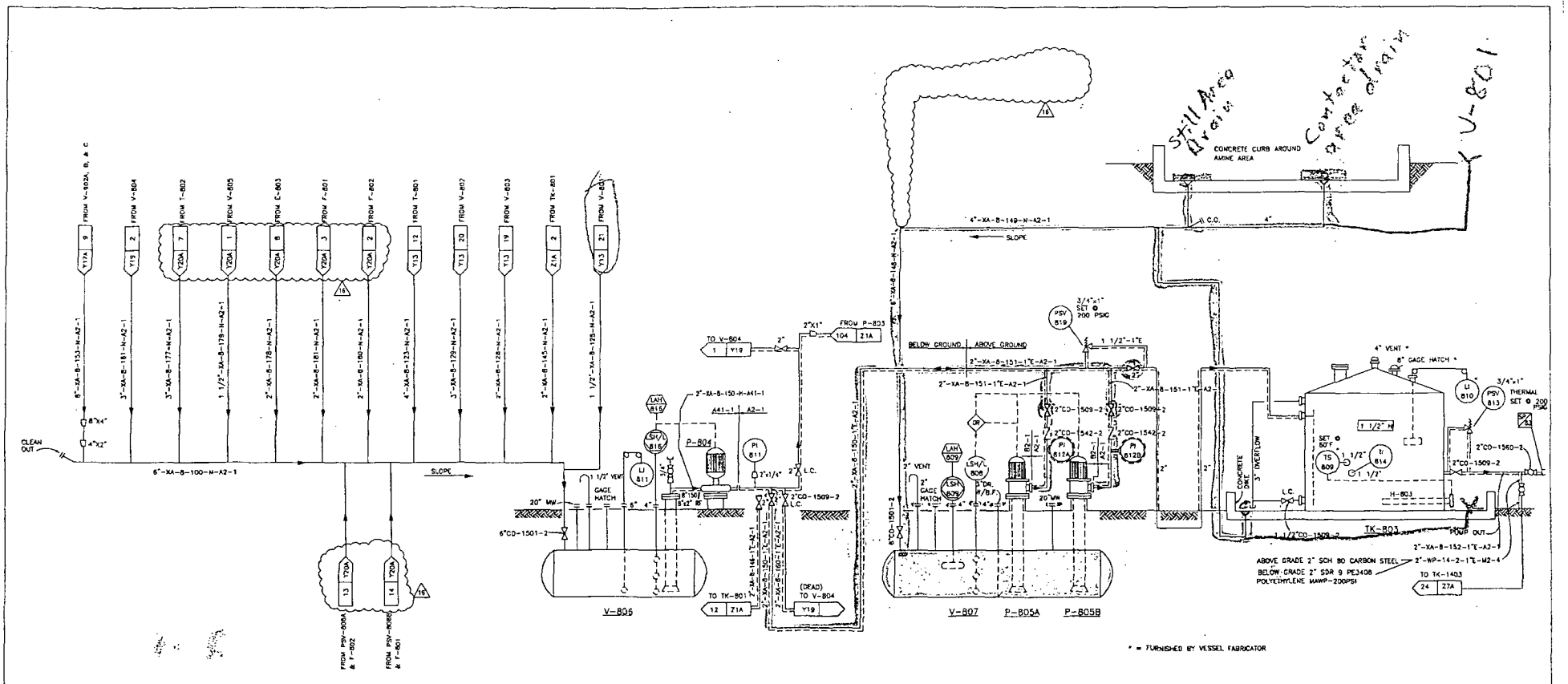
TEMPERATURE RECORDER / DEVICE: DCS " DATE CERTIFIED: _____

TEST WAS: ✓ ACCEPTED _____ REJECTED

IF REJECTED, EXPLAIN:

TIME	PRESSURE	AMBIENT TEMP	PIPE TEMP	REMARKS
1:45	5	48.6°	—	6000
2:10	5	48.6°	—	6000
2:30	5	50.8°	—	6000
2:50	5	51.7°	—	6000

INSPECTOR Mike Allen WITNESS _____



V-806
AMINE
DRAIN TANK
48" I.D.x10'-0" T-T
15 PSIG @ 150°F
HLL: 36"
LLL: 12"

P-804
AMINE DRAIN
TANK PUMP
50 GPM @ 20 PSID
2 HP

V-807
AMINE
WASTE SUMP
72" I.D.x20'-0" T-T
15 PSIG @ 150°F
HHLL: 60"
HLL: 54"
LLL: 12"

P-805A & B
AMINE
SUMP PUMPS
100 GPM @ 22.2 PSID

TK-803
WASTE AMINE/STORMWATER
STORAGE TANK
15'-8" O.D.x16'-0" HIGH
(500 BBL CAP.)
NO STRESS RELIEF

FILE 8510-Z3

REV	DATE	DESCRIPTION	APP'D
12	6/93	REV. AS-BUILT FOR PSM	JWB
11	2/93	REVISED AS-BUILT	
16	11/96	REVISED AS NOTED	KER
15	09/05	FOR RECORD	TB
14	7/00	REV. MOC# 0300-02	DLE
13	3/98	REVISED AS-BUILT	TDR

REVISIONS

PAN WEST CONSTRUCTORS INC

CLIENT: CONOCO INC. | JOB NO. 8510

PIPING & INSTRUMENT DIAGRAM
AMINE WASTE HANDLING
SAN JAUN BASIN GAS PLANT

BLOOMFIELD NEW MEXICO

DWN BY	DATE	SCALE	DWG NO	REV
PA	9/92		8510-Z3	16
CHKD BY	APPD BY JDH	CUST APP DM 8/85		

RECEIVED ConocoPhillips

2008 NOV 10 PM 3 00

To: HSE File 2859-3

From: Bryan A. Johnson

Date: November 4, 2008

Re: Inspection of M-1402 Oil and Water Skimmer Pit

GW-035

As required by the New Mexico Oil and Conservation District, the Oil and Water Skimmer Pit was drained to allow a thorough inspection of the floor and walls for cracks, pitting and potential leak sources. This inspection was performed by myself and witnessed by Kevin Reese(maintenance foreman for San Juan Gas Plant) on November 4, 2008. Inspection showed minor surface wear and normal pitting associated with concrete. No abnormal conditions or areas of concern were noted.

Brandon Powell with New Mexico and Conservation District was notified on October 29, 2008 and invited to witness the inspection. He was unable to attend.

Bryan A. Johnson
Maintenance Tech
San Juan Gas Plant

Premier NDT Services, LLC

Inspection & Testing Services for the Energy Industry

Report of Inspection

ConocoPhillips

San Juan Gas Plant

TK-1403
Internal Inspection and Repair Report
August 08, 2008

1107 Acacia Street
Farmington, NM 87401
505-325-1407

August 15, 2008

Mr. Fabian Hower
ConocoPhillips
San Juan Gas Plant

RE: TK-1403 Internal Inspection and Repair Report

Dear Mr. Hower,

The following is a summary of the TK-1403 internal inspection and repair report.

Introduction

On August 8, 2008, Premier NDT Services, LLC (Premier NDT) employees Matt Rutter and Alonzo Ross performed limited internal and external visual inspections and ultrasonic thickness testing of produced water storage tank TK-1403 at the San Juan Gas Plant in Bloomfield, New Mexico. Inspections were performed in general accordance with API 653.

Summary of Inspection

A limited external visual inspection was performed due to the insulation on the tank. A limited internal visual inspection was performed due to height restrictions. Ultrasonic thickness measurements were acquired on the floor, shell, and nozzles. The inspection and testing revealed the following:

- Thickness measurements were taken of the tank floor, which showed general corrosion from 0.100" to 0.125", with isolated pitting to 0.240".
- The MH1 nozzle had corrosion between the shell nozzle and the forged flange at the weld.
- The internal projection for nozzle D (drain) was badly deteriorated. The side facing the rear of the tank was deteriorated almost to the tank shell.
- The external caulking at the shell penetrations and the bottom of the tank had failed.

Repair and Future Inspection Recommendations

Based on the results of the inspection and testing, Premier NDT recommends the following:

- Clean the internal surfaces of the shell and floor of all corrosion product. Inspect the pitted areas for severe pitting greater than 0.210" deep. Any pits deeper than 0.210" should ground smooth, visually inspected for cracking, filled by deposition of weld metal, and inspected by the magnetic particle testing (MT) method. All areas should be coated up to 30" of the shell with a coating suitable for the intended service. The newly coated areas should be inspected by a suitable method of holiday (defect) detection.

Repair and Future Inspection Recommendations (Continued)

- Inspect nozzle D to determine the extent of corrosion damage. Repair or replace the nozzle in accordance with API 653 if necessary. Coat the nozzle and affected area of the shell and inspect by a suitable method of holiday detection.
- Repair MH1 nozzle, clean and coat the nozzle and affected area and inspect by a suitable method of holiday detection.
- Remove the existing external caulking at the shell penetrations and at the bottom of the tank and apply new caulking to prevent water intrusion and corrosion under the insulation.

Upon successful completion of the recommended repairs, Premier NDT recommends future inspections by the following methods:

- Routine In-Service Inspection: Monthly (These inspections may be performed by competent plant personnel and are performed to check for signs of leakage and tank deterioration.)
- External Visual Inspection: Within five years, by August 2013.
- *Ultrasonic Thickness Measurements: Within five years, by August 2013.*
- Internal Visual Inspection: Within five years, by August 2013.

Refer to following pages for details of tank thickness, general and pitting corrosion rates, and remaining life. Refer to the attached inspection report for full inspection details. Thank you for allowing Premier NDT to assist ConocoPhillips with your inspection needs. Please contact us with any questions or comments regarding this inspection.

Sincerely,

Matt Rutter

Matt Rutter
Inspector
API 653 #31296

Thickness Summary

Component	Nominal Thickness (inches)	Average Measured Thickness (inches)	Minimum Measured Thickness (inches)	Maximum Measured Depth of Pitting (inches)	Minimum Required Thickness (inches)	General Corrosion Rate (inches/yr)	Pitting Corrosion Rate (inches/yr)	General Corrosion Remaining Life (years)	Pitting Corrosion Remaining Life
Shell Course 1	0.313	0.277	0.244	0.100	0.100	0.00058	0.00700	321.2	7.9
Floor	0.313	0.275	0.204	0.240	0.100	0.00070	0.00688	260.6	8.4
Manhole 1	0.188	0.198	0.190	0.083	0.063	0.00193	①	74.9	①
Nozzle D	0.200	0.164	0.151	①	0.063	0.00023	①	474.7	①
Nozzle T	0.200	0.198	0.176	①	0.063	0.00012	①	918.2	①

① No pitting corrosion observed.

Premier NDT Services, LLC

Inspection & Testing Services for the Energy Industry

CORROSION RATE / REMAINING LIFE CALCULATIONS

Job # CP9852 Date August 8, 2008

Date of Previous Inspection: **December 31, 1986**

The corrosion rate and remaining life for the measured components were determined using the following formulas:

$$\text{GENERAL SURFACE CORROSION RATE} = \frac{\text{THICKNESS}_{\text{AVG. PREVIOUS}} - \text{THICKNESS}_{\text{AVG. PRESENT}}}{\text{INSPECTION INTERVAL}}$$

$$\text{REMAINING LIFE} = \frac{\text{THICKNESS}_{\text{MIN. PRESENT}} - \text{THICKNESS}_{\text{MIN. REQUIRED}}}{\text{GENERAL SURFACE CORROSION RATE}}$$

The pitting corrosion rate estimation and adjusted remaining life for the measured components were determined using the following formulas:

$$\text{PITTING CORROSION RATE ESTIMATION} = \frac{\text{THICKNESS}_{\text{AVG. PREVIOUS}} - (\text{THICKNESS}_{\text{AVG. PRESENT}} - \text{PIT DEPTH}_{\text{MAX.}})}{\text{INSPECTION INTERVAL}}$$

$$\text{ADJUSTED REMAINING LIFE} = \frac{(\text{THICKNESS}_{\text{MIN. PRESENT}} - \text{PIT DEPTH}_{\text{MAX.}}) - \text{THICKNESS}_{\text{MIN. REQUIRED}}}{\text{PITTING CORROSION RATE ESTIMATION}}$$

Note:

(1) 2008Ultrasonic Thickness inspection performed by Premier NDT Services. 1986 data based on nominal thickness.

Premier NDT Services, LLC
Inspection & Testing Services for the Energy Industry

CALCULATIONS FOR TANK BOTTOM

Job # CP9852 Date August 8,2008

API Standard 653, Section 4.4: Tank Bottom Evaluation

To evaluate the tank bottom the expected thickness at the end of the next inspection interval must be determined based on the current minimum thickness and expected corrosion rates. The minimum projected thickness must be greater than the numbers given in the table below or the tank bottom must be lined, repaired, replaced or the interval to the next inspection shortened.

Minimum Current Bottom Plate Thickness	=	0.162	in
Estimated Corrosion Rate	=	0.013	in/year
Inspection Interval	=	5.000	years
Projected Minimum Bottom Plate Thickness	=	0.099	in

MINIMUM BOTTOM PLATE THICKNESS AT NEXT INSPECTION INTERVAL	TANK BOTTOM/FOUNDATION DESIGN
0.100	No means for detection and containment of leak
0.050	With means of detection and containment of leak
0.050	Applied tank reinforced lining >0.05" per API 652

Premier NDT Services, LLC

Inspection & Testing Services for the Energy Industry

CORROSION RATE / REMAINING LIFE CALCULATIONS

Job # CP 9852 Date August 8, 2008

INSPECTION INTERVAL 21.60 YEARS	MIN. MEASURED THICKNESS 8/8/2008 (in)	AVG. MEASURED THICKNESS 12/31/1986 INSPECTION (1) (in)	AVG. MEASURED THICKNESS 8/8/2008 INSPECTION (1) (in)	MAXIMUM PIT DEPTH (in)	REQUIRED MINIMUM THICKNESS (in)	CORROSION RATE (INCHES / YEAR)	REMAINING LIFE (YEARS)
COURSE 1	0.244	0.313	0.277	0.100	0.100	0.00164	87.635
BOTTOM	0.204	0.313	0.275	0.240	0.100	0.00174	59.916
MH1	0.190	0.188	0.198	0.083	0.063	0.00000 (3)	--
NOZZLE D	0.163	0.200	0.169	0.000	0.063	0.00143	70.040
NOZZLE T	0.176	0.200	0.198	0.000	0.063	0.00012	980.839

LARGEST CORROSION RATE FOR TANK: 0.00174 in/year

PITTING CORROSION RATE ESTIMATION: 0.01284 in/year

MINIMUM REMAINING LIFE OF TANK: 59.916 years

ADJUSTED REMAINING LIFE: -10.588 years

Premier NDT Services, LLC

Inspection & Testing Services for the Energy Industry

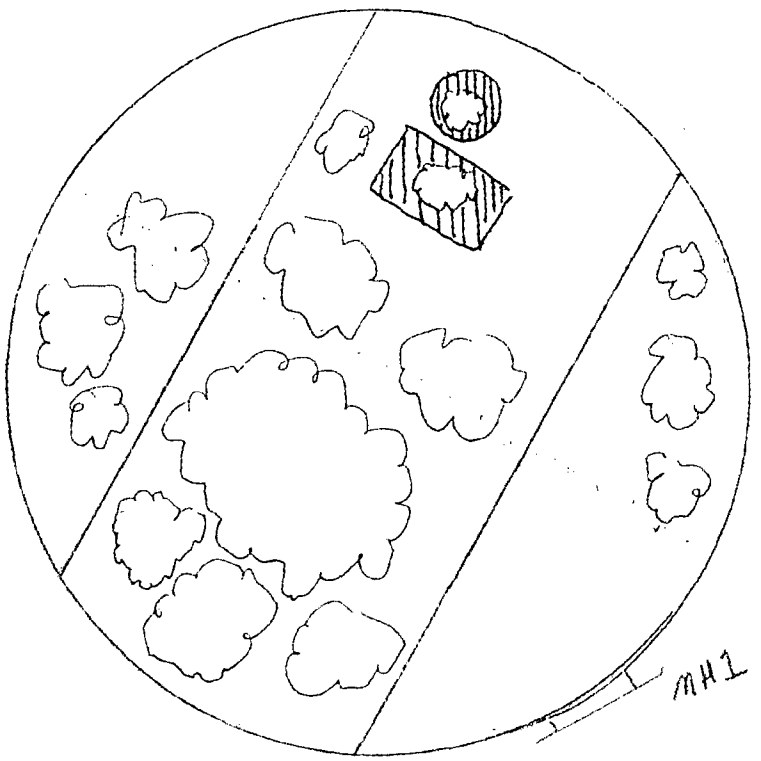
DATE: ___ _____ PAGE _____ OF _____

CLIENT: SAN JUAN GAS PLANT.

SUBJECT: PRODUCED WATER K # 1403

PREPARED BY: 8-8-08 / 8-21-08

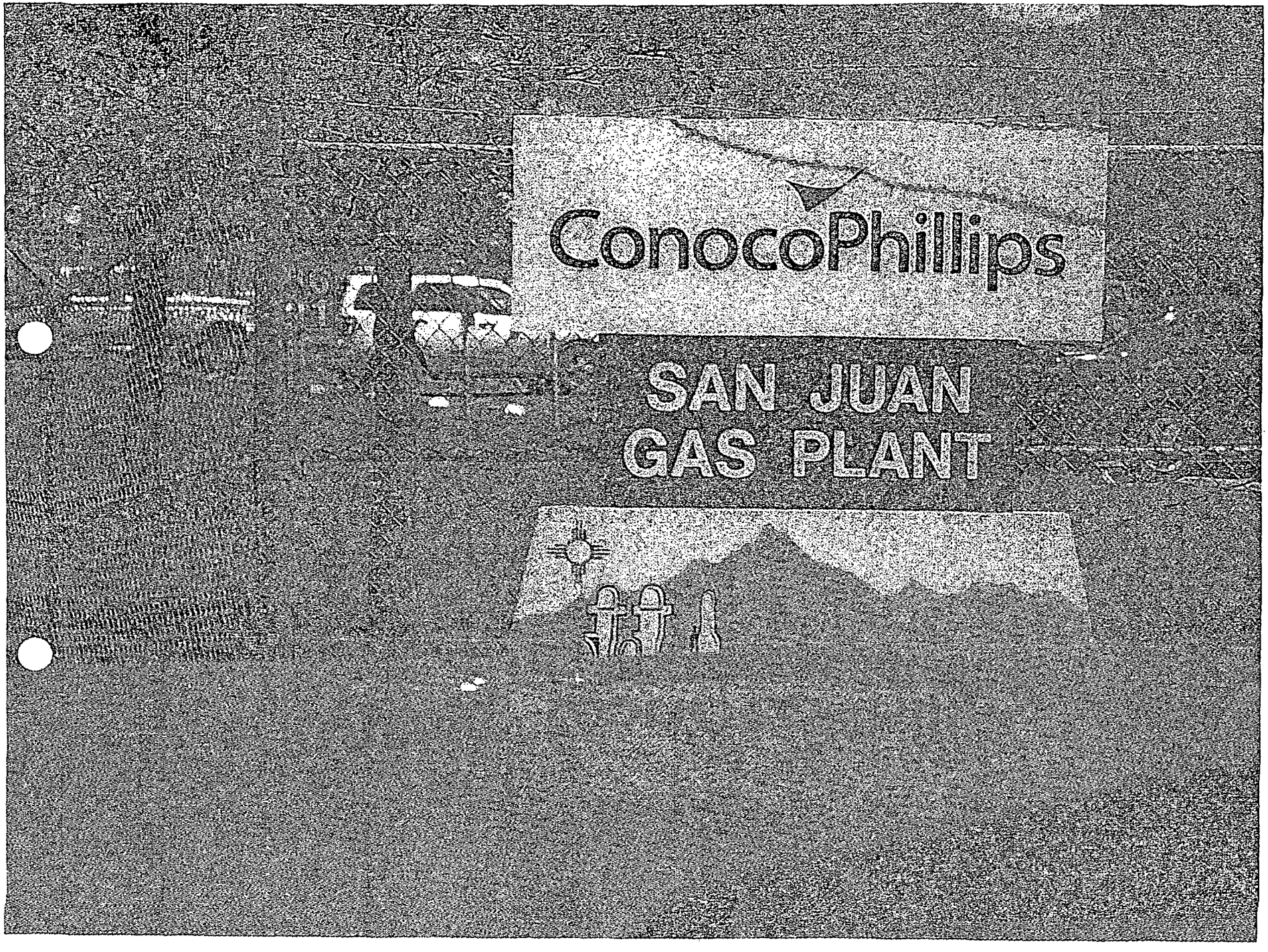
WELD MAP.

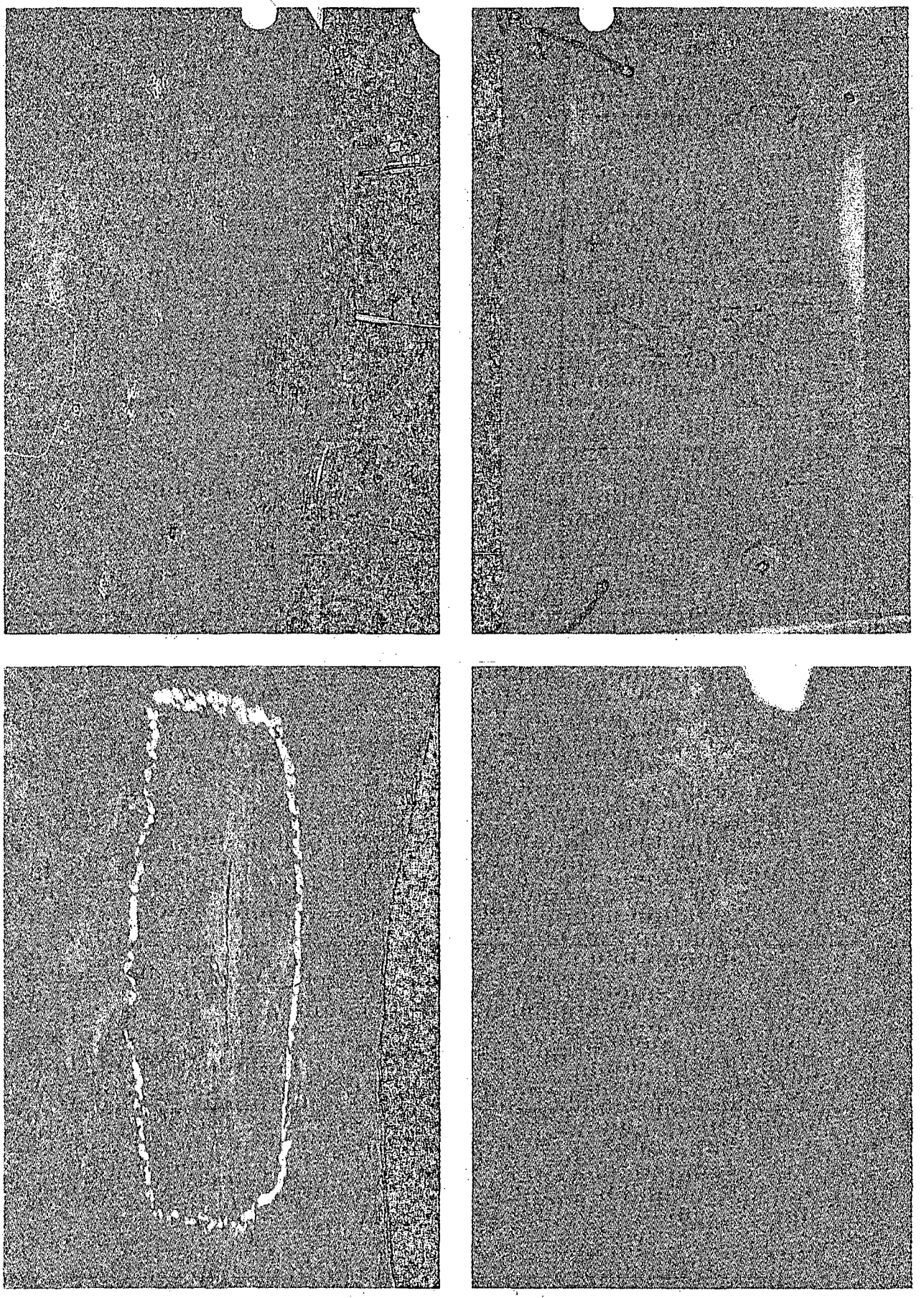


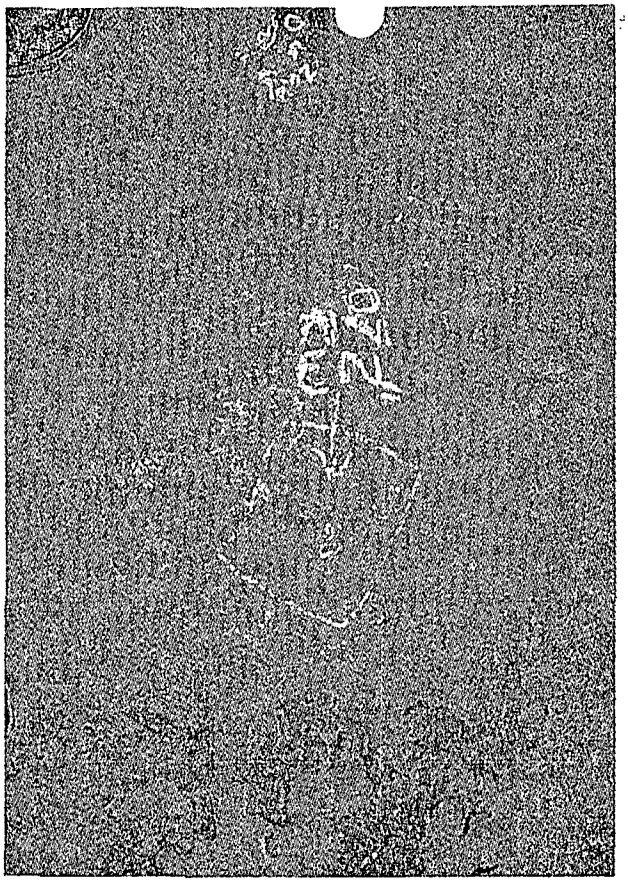
WML CORROSION 0.100" TO 0.150"

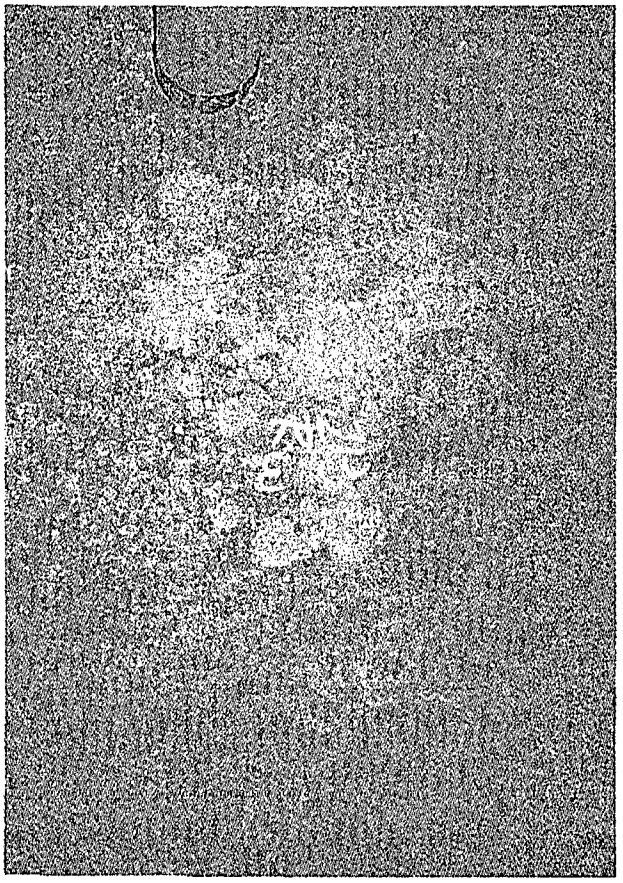
WML CORROSION OVER 0.240"

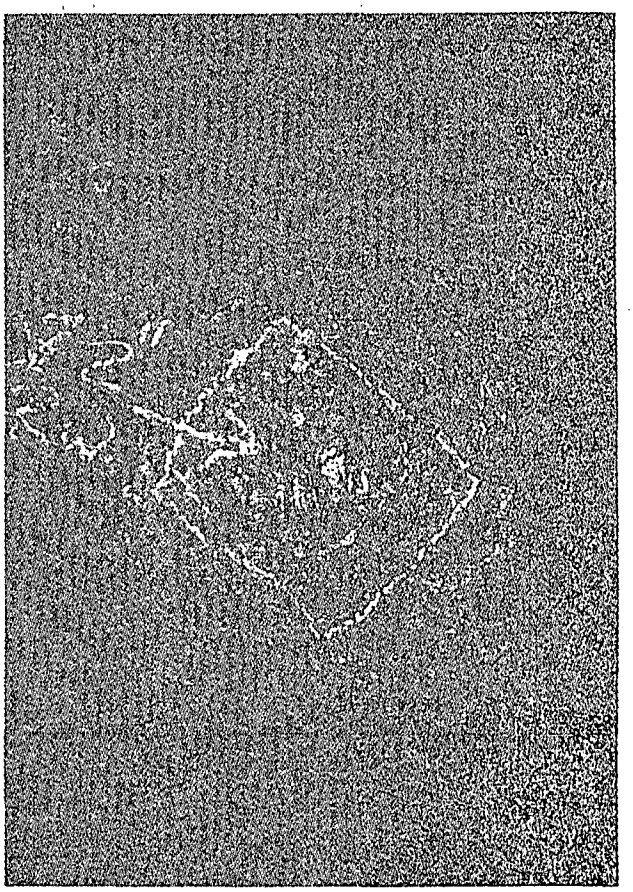
WML LAP PATCHES (WELD REPAIR)

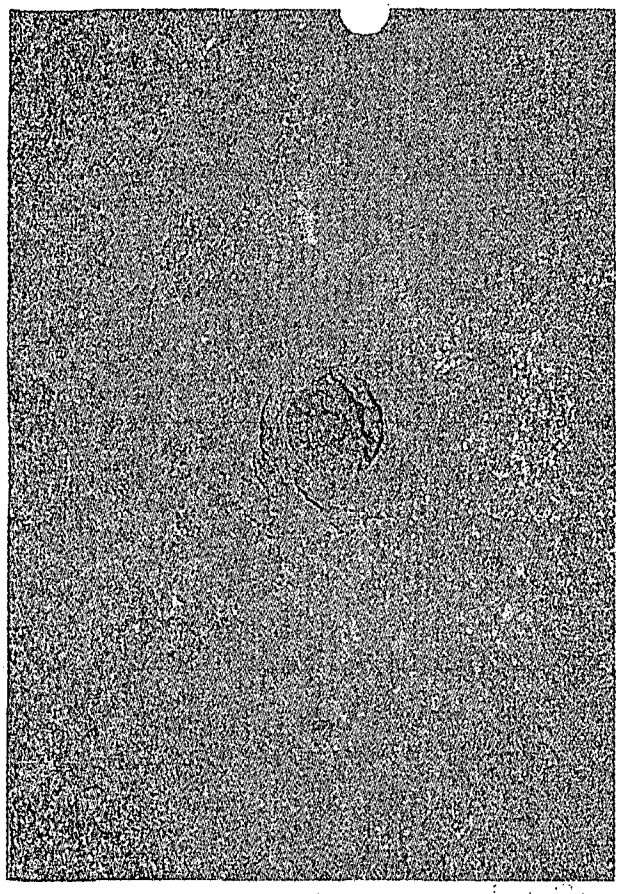

ConocoPhillips
SAN JUAN
GAS PLANT

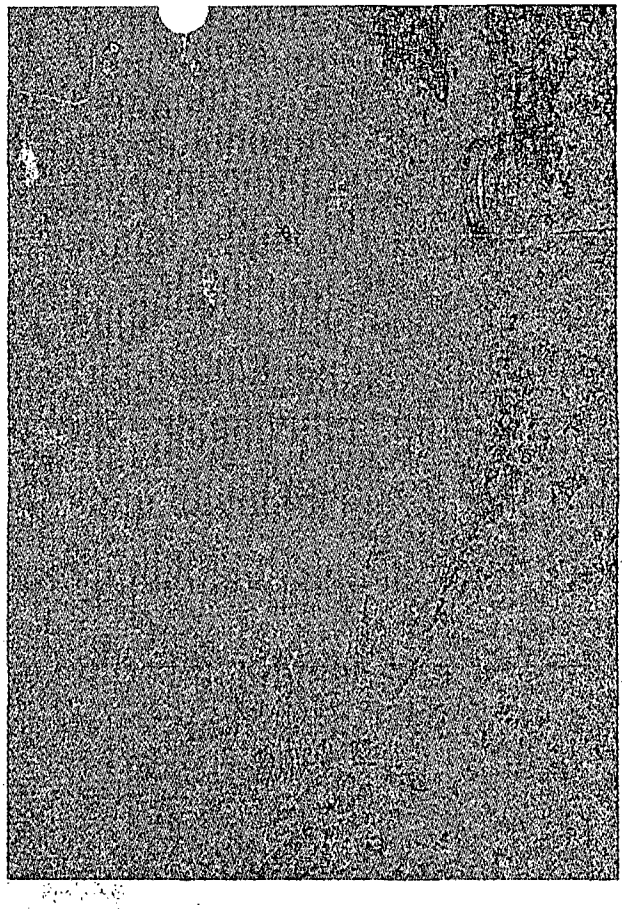


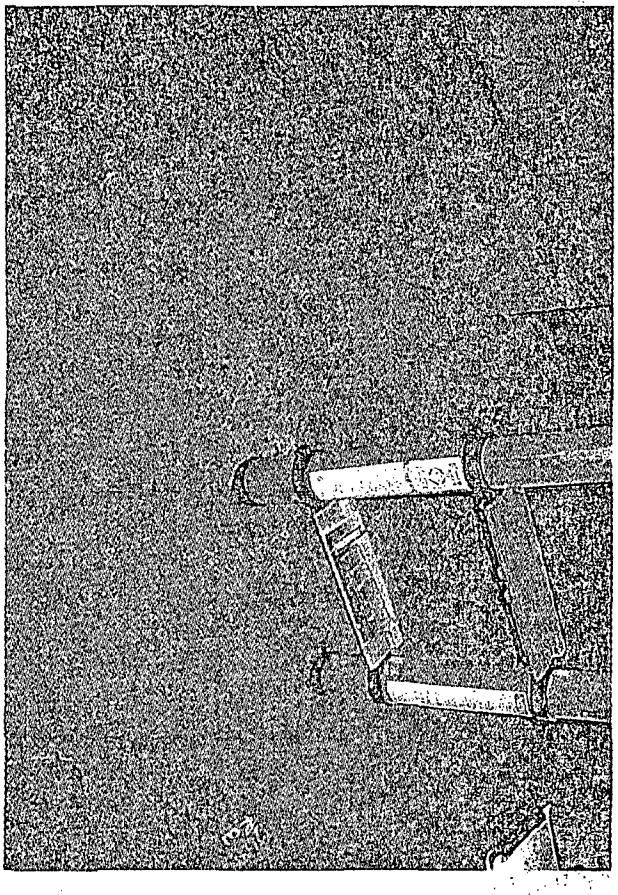


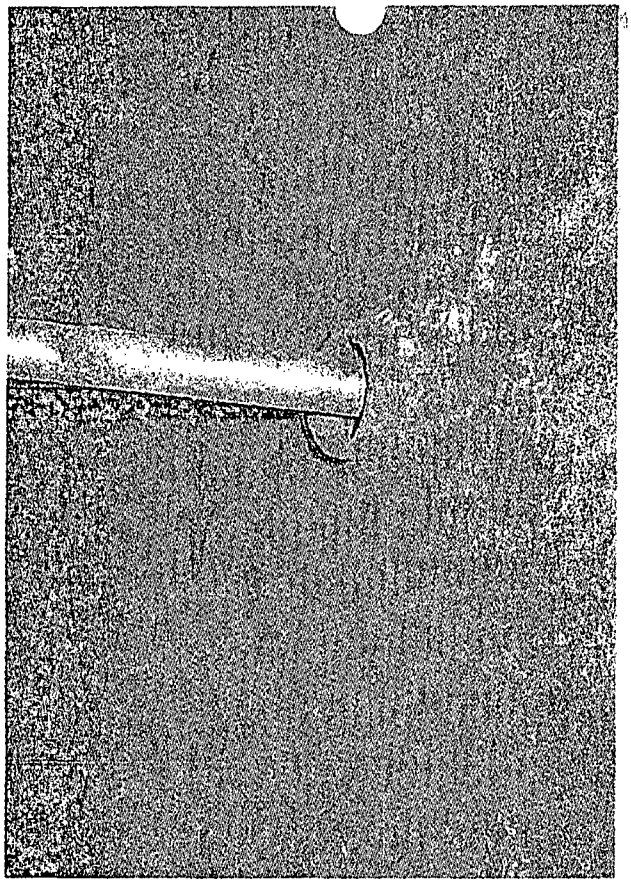


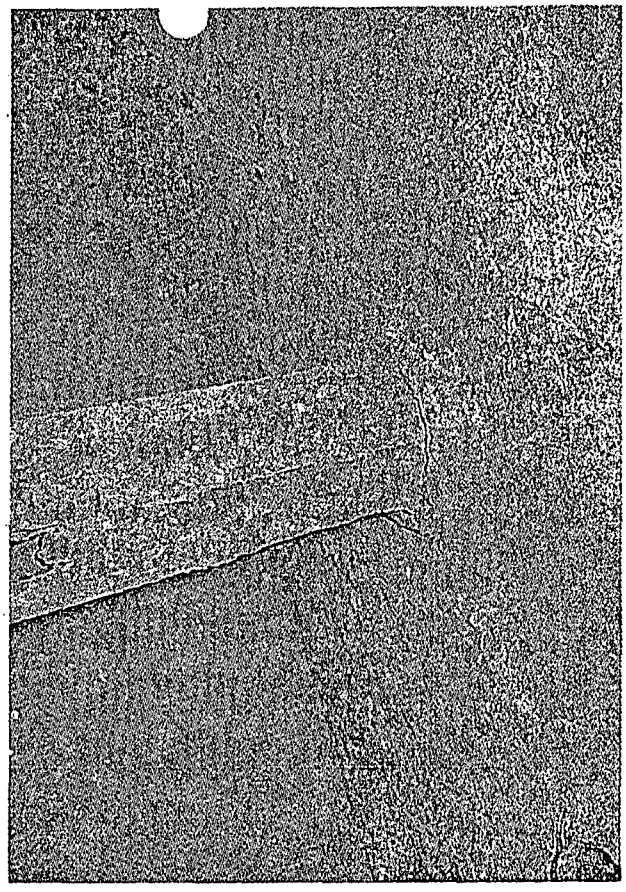


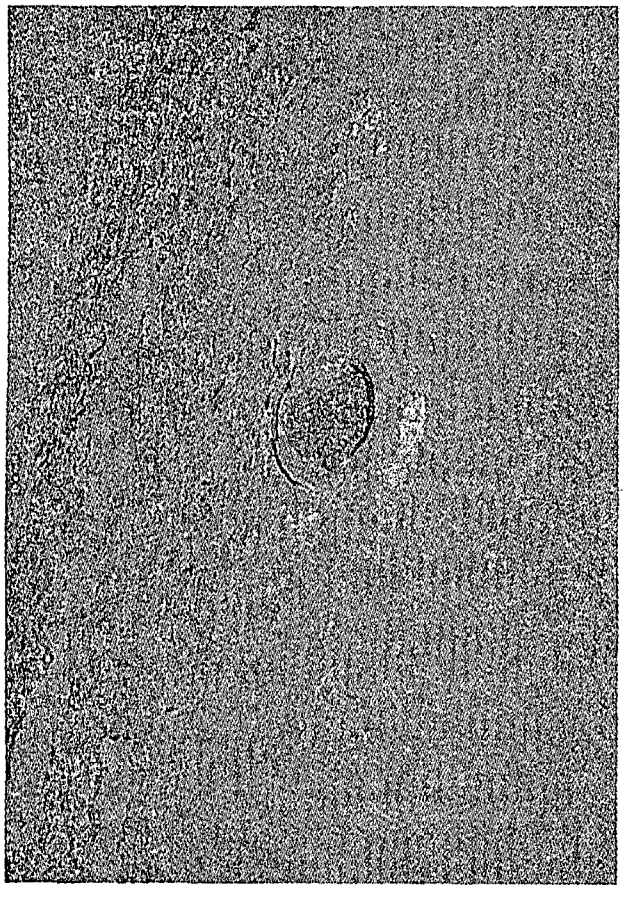


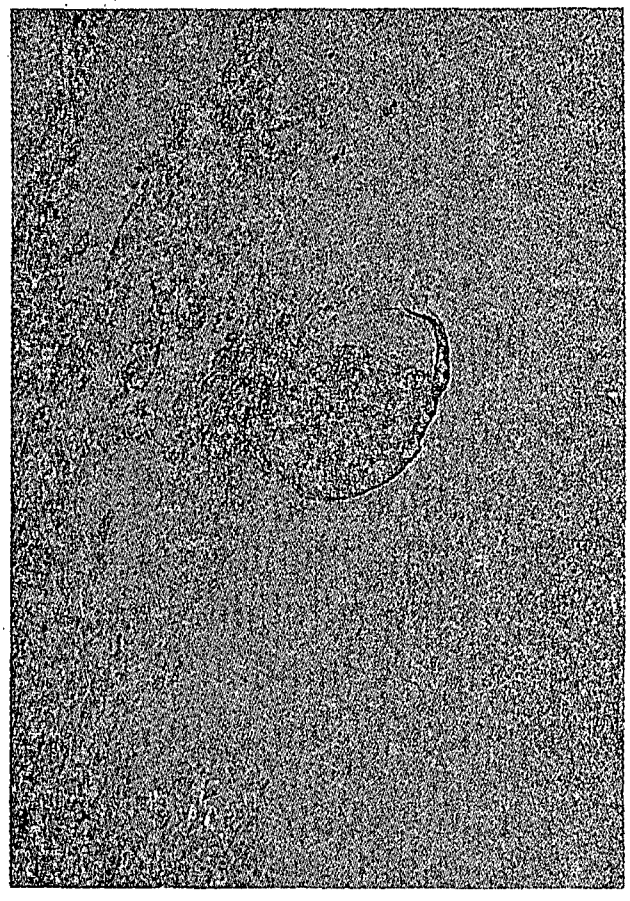












Premier NDT Services, LLC

Inspection & Testing Services for the Energy Industry

Report of Inspection

ConocoPhillips

San Juan Gas Plant

TK-1403
Internal Inspection after sandblasting for possible weld repair.
August 15, 2008

1107 Acacia Street
Farmington, NM 87401
505-325-1407

Premier NDT Services, LLC

Inspection & Testing Services for the Energy Industry

August 15, 2008

Mr. Fabian Hower
ConocoPhillips
San Juan Gas Plant

RE: TK- 1403 repair inspection.
Dear Mr. Hower,

On August 15, 2008, Premier NDT Services, LLC (Premier NDT) employee Matt Rutter performed a limited visual inspection of the newly sand blasted produced water storage tank TK-1403 at the San Juan Gas Plant in Bloomfield, New Mexico.

Summary of Inspection

An internal visual inspection of the newly sand blasted floor and 36" up the shell was performed. The inspection revealed the following:

- General floor corrosion throughout from 0.100" to 0.150", remaining floor 0.200" to 0.150".
- Two repairs in access of 0.240", refer to photos.

Repair and Future Inspection Recommendations

Based on the results of the inspection, Premier NDT recommends the following:

- Repair the marked defects and inspect with magnetic particle examination prior to coating.
- Repairs were completed MT examined and accepted. See photos.
- Coat the blasted areas of the tank.

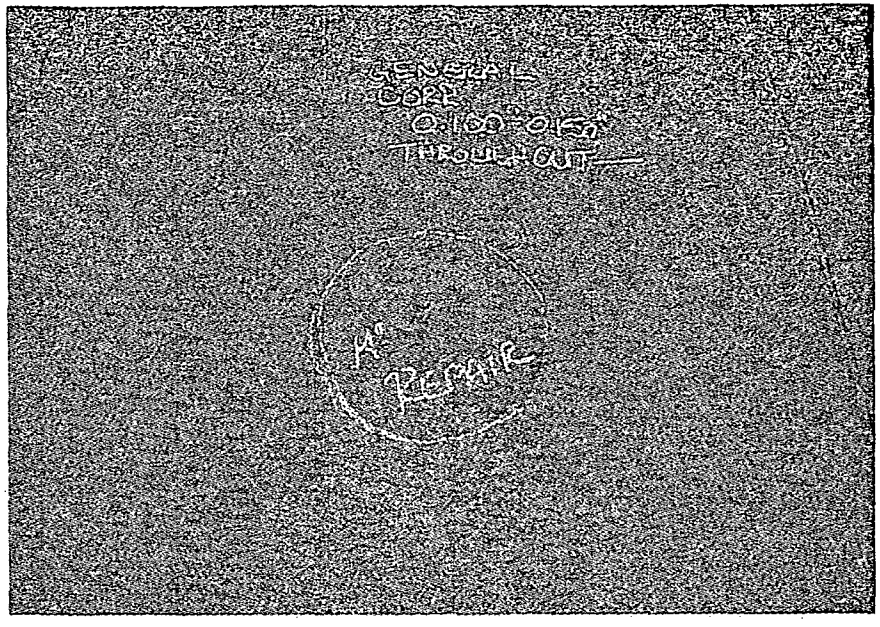
Premier NDT recommends future inspections by the following methods:

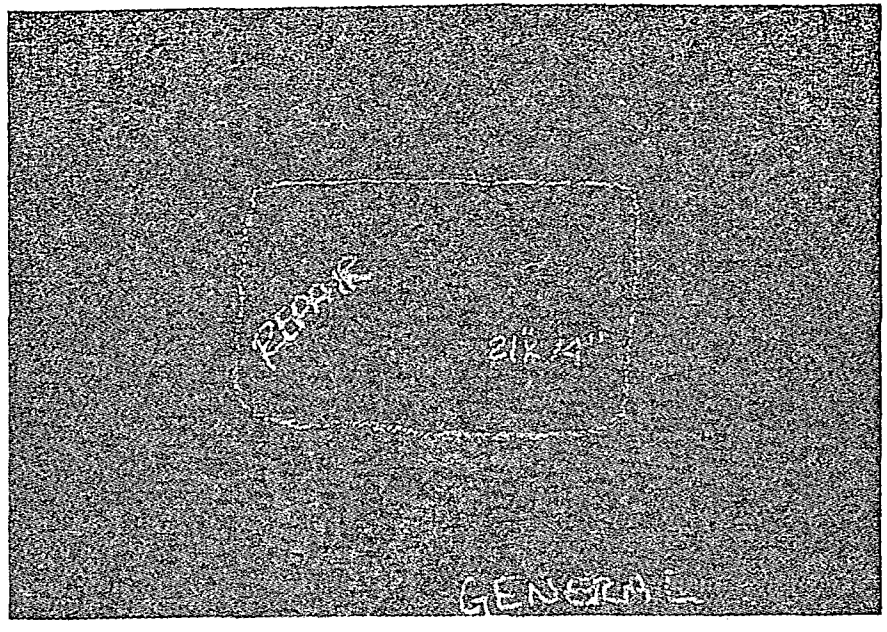
- Routine In-Service Inspection: Monthly (These inspections may be performed by competent plant personnel and are performed to check for signs of leakage and tank deterioration.)
- External Visual Inspection: Within five years, by August 2013.
- Ultrasonic Thickness Measurements: Within five years, by August 2013.
- Internal Visual Inspection: Within five years, by August 2013.

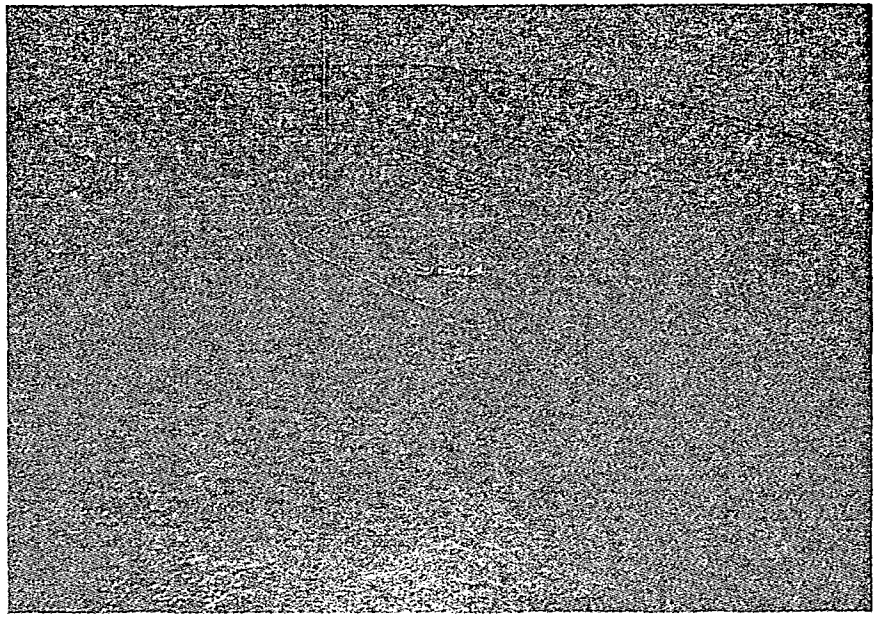
Thank you for allowing Premier NDT to assist ConocoPhillips with your inspection needs. Please contact us with any questions or comments regarding this inspection.

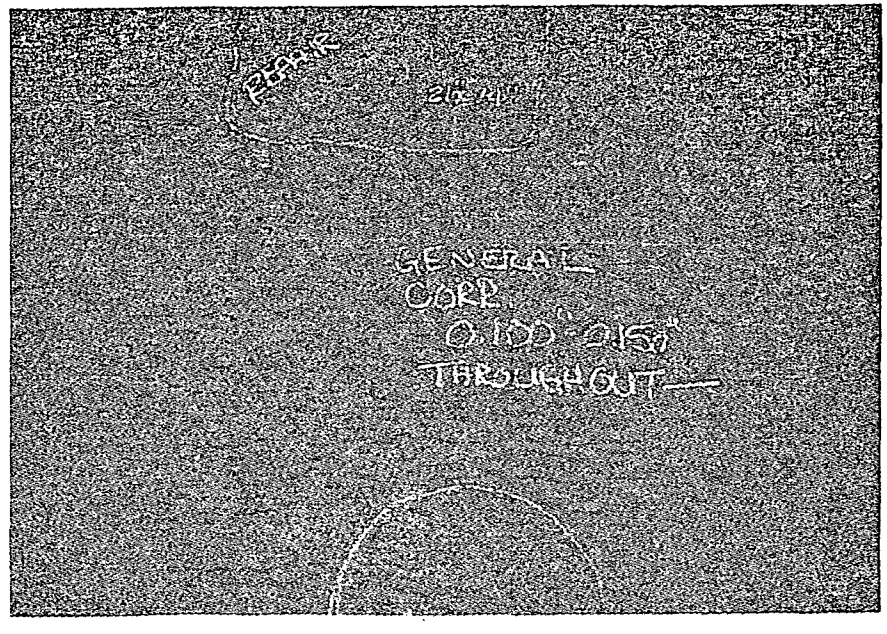
Sincerely,

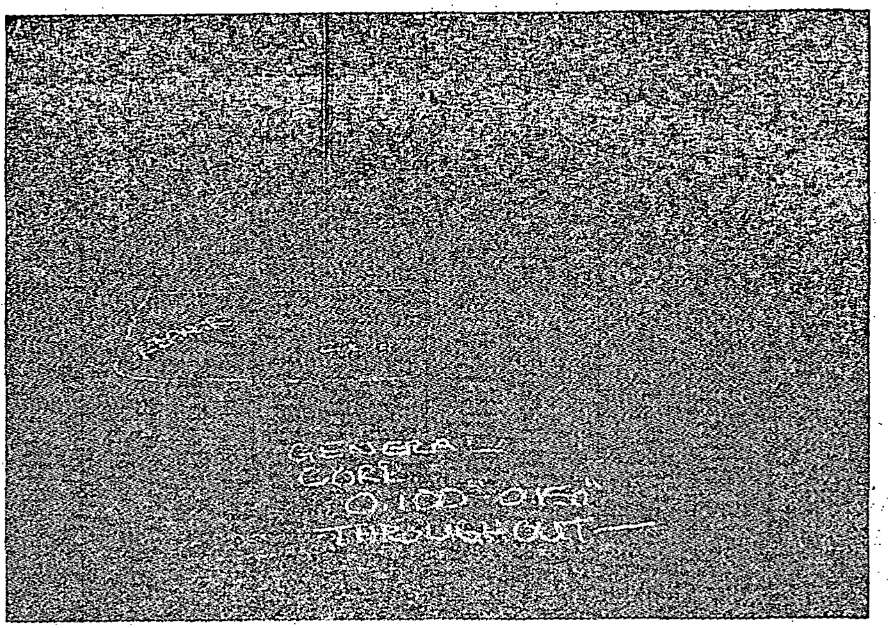
Matt Rutter
Inspector
API 653 #31296

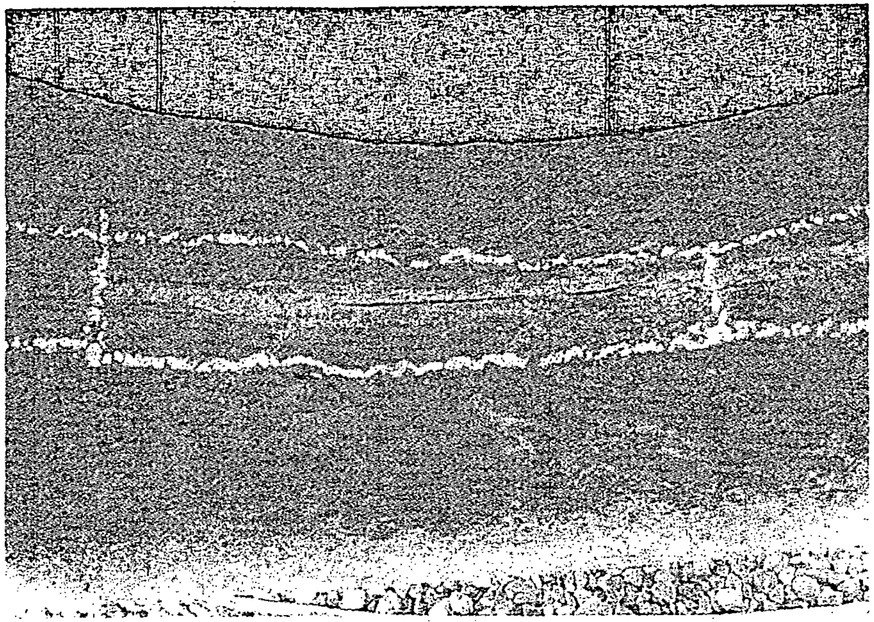

GENERAL
CORE
0.100"-0.150"
THROUGHOUT
4" RADIUS

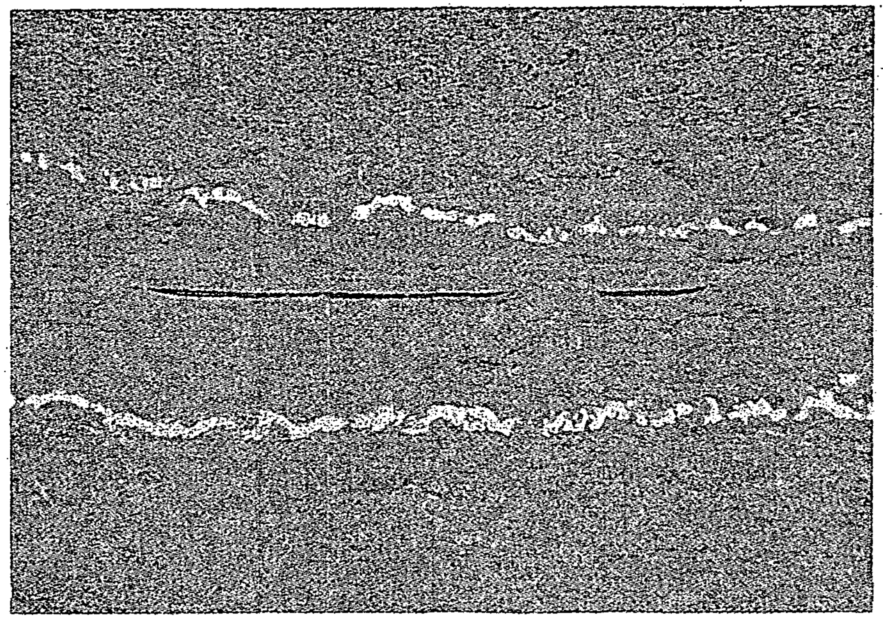

RADIUS
2½" R
GENERAL

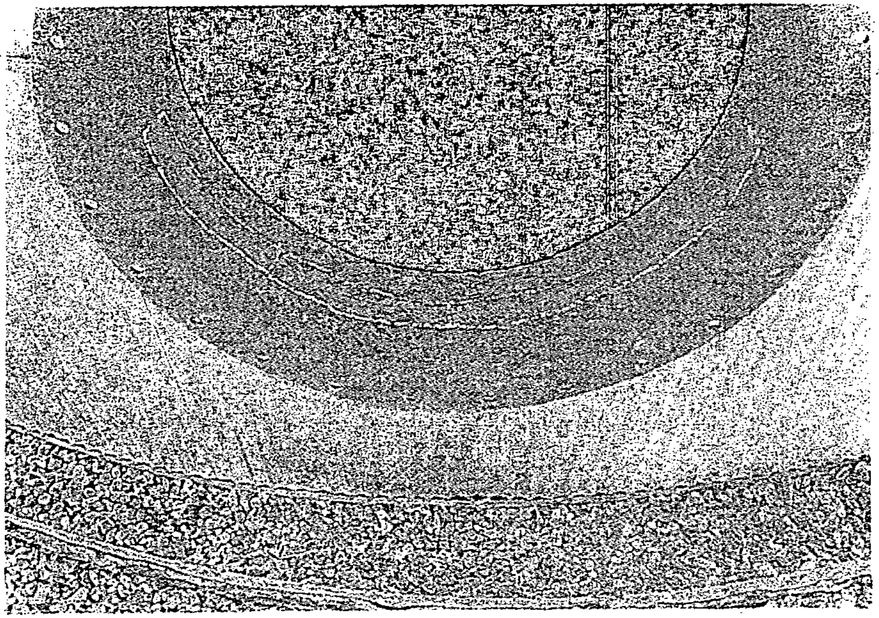



RADIUS
2½" R
GENERAL
CORE
0.100"-0.150"
THROUGHOUT


GENERAL
CORR.
THROUGHOUT







THROUGH CUT
8-15-08

Premier NDT Services, LLC
1107 Acacia St. • Farmington, NM 87401
Bus.: (505) 325-1407 • Fax: (505) 325-9515

Report of Nondestructive Testing

Customer: CONOCO PHILLIPS					Date: 8-15-08			
Address:					Job Location: SAN JUAN GAS PLANT			
City: BLOOM FIELD	State: NM				Purchase Order No. 9913			
Contact Person: FABIAN					Job No.		Invoice No.	
Magnetic Particle Testing								
MT Equipment: CONTOUR YOKE	AC X	HWDC	FWDC	Amperage 6AMP	Prod Spacing - 4-6 INCH		Coil Size	No. Turns
Dry Method X	Wet Method	Fluorescent	Particle Color RED					
Liquid Penetrant Testing								
Penetrant Material Used N/A		Visible	Fluorescent	Color		Water Washable		
Dwell Time	Developing Time	Post Emulsified	Solvent Removable	Non-Aqueous Dry		Non-Aqueous Wet		

PREFORMED VISUAL AND MAGNETIC PARTICLE TEST

ON REPAIRS TO FLOOR ON API 650 TANK #1403

(1) PATCH MEASURING 14x21 INCHES (1/4 PLATE)

(1) CIRCULAR PATCH MEASURING 14 INCHES IN DIA (1/4 PLATE)

NO RELEVANT INDICATIONS FOUND

Description of part inspected		Work Summary			
			Technician	Technician	Assistant
		Straight Time Hours			
		Overtime Hours			
Type of Material CS	Surface Condition GOOD (SAND BLASTED)	Double Time Hours			
		Travel/Mobilization Hours			
Acceptance Standard		Miles			
		Subsistence			
Inspector: RON JAMISON LEVEL II		Materials			
Inspector: MATT RUTTER		Tax			
Customer		Sub-Total			
		Total			

PRESS-O-FILM™ No. 1 Reading 5.6 Gage less 2.0 mils or 50 microns — TESTEX NEWARK, DE 19715 USA — X COARSE (1.5 to 4.5 mils) or (40 to 115 microns)

Top of manhole

PRESS-O-FILM™ No. 3 Reading 5.6 Gage less 2.0 mils or 50 microns — TESTEX NEWARK, DE 19715 USA — X COARSE (1.5 to 4.5 mils) or (40 to 115 microns)

EAST WALL

PRESS-O-FILM™ No. 5 Reading 5.0 Gage less 2.0 mils or 50 microns — TESTEX NEWARK, DE 19715 USA — X COARSE (1.5 to 4.5 mils) or (40 to 115 microns)

South Wall

PRESS-O-FILM™ No. 2 Reading 6.5 Gage less 2.0 mils or 50 microns — TESTEX NEWARK, DE 19715 USA — X COARSE (1.5 to 4.5 mils) or (40 to 115 microns)

Floor Manway Entrance

PRESS-O-FILM™ No. 4 Reading 5.2 Gage less 2.0 mils or 50 microns — TESTEX NEWARK, DE 19715 USA — X COARSE (1.5 to 4.5 mils) or (40 to 115 microns)

Floor East

PRESS-O-FILM™ No. 6 Reading 5.8 Gage less 2.0 mils or 50 microns — TESTEX NEWARK, DE 19715 USA — X COARSE (1.5 to 4.5 mils) or (40 to 115 microns)

Floor South

PRESS-O-FILM™ No. 7 Reading 5.4 Gage less 2.0 mils or 50 microns — TESTEX NEWARK, DE 19715 USA — X COARSE (1.5 to 4.5 mils) or (40 to 115 microns)

West Wall

PRESS-O-FILM™ No. 9 Reading 5.9 Gage less 2.0 mils or 50 microns — TESTEX NEWARK, DE 19715 USA — X COARSE (1.5 to 4.5 mils) or (40 to 115 microns)

North Wall

PRESS-O-FILM™ No. 11 Reading 5.8 Gage less 2.0 mils or 50 microns — TESTEX NEWARK, DE 19715 USA — X COARSE (1.5 to 4.5 mils) or (40 to 115 microns)

Center of floor

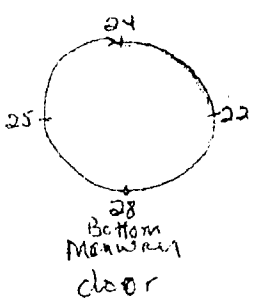
PRESS-O-FILM™ No. 8 Reading 5.7 Gage less 2.0 mils or 50 microns — TESTEX NEWARK, DE 19715 USA — X COARSE (1.5 to 4.5 mils) or (40 to 115 microns)

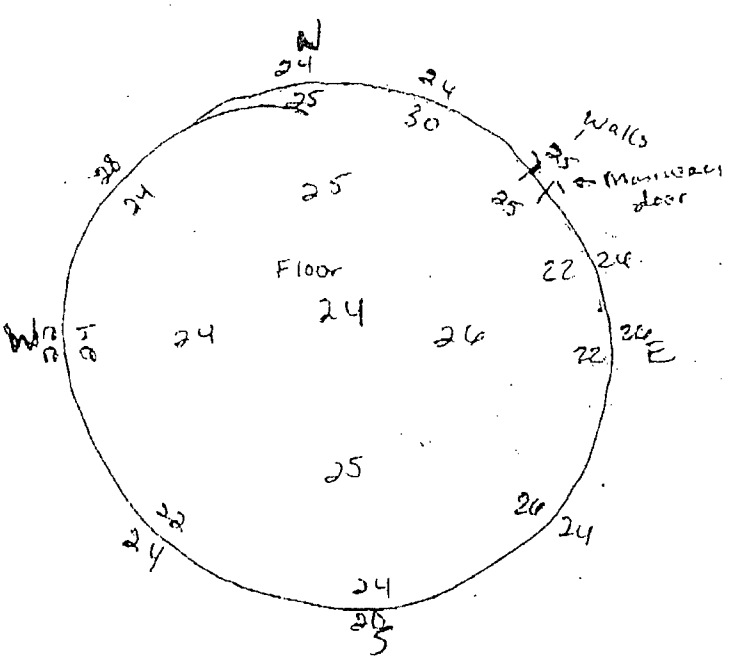
West Floor

PRESS-O-FILM™ No. 10 Reading 6.0 Gage less 2.0 mils or 50 microns — TESTEX NEWARK, DE 19715 USA — X COARSE (1.5 to 4.5 mils) or (40 to 115 microns)

North Floor

Checked w/ Dry Mil gauge 8/20/08 & 8/22/08





Premier NDT Services, LLC

Inspection & Testing Services for the Energy Industry

Report of Inspection

ConocoPhillips

San Juan Gas Plant

TK-1403
Internal Inspection after coating
August 20, 2008

1107 Acacia Street
Farmington, NM 87401
505-325-1407

Premier NDT Services, LLC

Inspection & Testing Services for the Energy Industry

August 20, 2008

Mr. Fabian Hower
ConocoPhillips
San Juan Gas Plant

RE: TK- 1403 coating inspection.
Dear Mr. Hower

Introduction

On August 20, 2008, Premier NDT Services, LLC (Premier NDT) employee Matt Rutter performed a limited visual inspection of the newly applied internal lining in the produced water storage tank TK-1403 at the San Juan Gas Plant in Bloomfield, New Mexico.

Summary of Inspection

An internal visual inspection of the newly applied lining was performed. The inspection revealed the following:

- Numerous pinholes in the shell lining mainly on the south and southeast sides.
- Possible defects in the shell lining at the nozzles in the lower 18" of the shell.

Repair and Future Inspection Recommendations

Based on the results of the inspection, Premier NDT recommends the following:

- Repair the marked defects and inspect with a suitable method of holiday (defect) detection to determine if the possible defects extend to the tank surface. If any holidays are indicated, repair and reinspect.
- On 8-22-2008 Fabian Hower, (of ConocoPhillips) witnessed and accepted holiday detection, finding and repairing two (2) defects.

Premier NDT recommends future inspections by the following methods:

- Routine In-Service Inspection: Monthly (These inspections may be performed by competent plant personnel and are performed to check for signs of leakage and tank deterioration.)
- External Visual Inspection: Within five years, by August 2013.
- Ultrasonic Thickness Measurements: Within five years, by August 2013.
- Internal Visual Inspection: Within five years, by August 2013.

Thank you for allowing Premier NDT to assist ConocoPhillips with your inspection needs. Please contact us with any questions or comments regarding this inspection.

Sincerely,

Matt Rutter

Matt Rutter
Inspector
API 653 #31296

Riley Industrial Services, Inc.

Production / Quality Control Reporting
Daily Coating Inspection Report

Client: Conoco Phillips
Job Name: Process waste Water

Today's Date 8/18/08
Tank ID # 1903

Applicator Name: Peter Brown
Company Contact Name: Riley Industrial Serv.

Work Check List

Surface prep:

Description	Lowest Reading	Highest Reading
Sandblast - Surface Profile	5.0	6.3

Note: Take readings and attach test tape to back side of this form

Coatings:

Product Description	Batch #	Low Reading	High Reading
Dura-Plate Coating	1461 - 73563	20 mills	30 mills

Paint Manufacture: Sherwin Williams

Post Inspection

Any D.F.T. reading less than specification? Yes____ No ✓
Coating application free of sags, orange peel, overspray, etc.? Yes ✓ No____
Is coating cured properly? (solvent wipe test, thumb nail test) Yes ✓ No____
Is force cure necessary? Yes____ No ✓
If yes, give time:____ Temperature:____
Is holiday detection completed? Yes ✓ No____
Number of repaired holidays: 2, recovered pin holes on main floor

What methods were used to correct Holidays:
Mixed up Coating & brush over pin holes w/ NDT Premier Inspecting.

Riley Signature [signature] Date 8/20/08

Rep. Signature [signature] Date 8-20-08

(File Name: I-Shop tank inspection form)

Chavez, Carl J, EMNRD

From: Cox, Beverly J. [Beverly.J.Cox@conocophillips.com]
Sent: Thursday, August 07, 2008 8:29 AM
To: Chavez, Carl J, EMNRD
Cc: Kinard, Todd A.; Cabot, John R.; Cox, Beverly J.
Subject: San Juan Gas Plant Pond Liner Repair
Attachments: SE Patch.jpg; Northwest corner.jpg; Northwest Patch.jpg; SE hole.jpg

Carl,

The San Juan Gas Plant repaired the breach in the east pond liner on August 6, 2008. To insure the integrity of the repair work, the pond is being filled to a level above the breach. An additional email will follow when the pond has been filled and inspected. Attached you will find photo's of the breach and the repair.

Thanks,

Beverly

<<SE Patch.jpg>> <<Northwest corner.jpg>> <<Northwest Patch.jpg>> <<SE hole.jpg>>

Beverly J. Cox
Sr. Staff Environmental Technologist
San Juan Business Unit
505.324.6194 Cell: 505.947.7243

OCD ENVIRONMENTAL BUREAU

SITE INSPECTION SHEET

DATE: 8/2/01 Time: 1:13 PM

Type of Facility: Refinery ☐ Gas Plant ☑ Compressor St. ☐ Brine St. ☐ Oilfield Service Co. ☐
Surface Waste Mgt. Facility ☐ E&P Site ☐ Crude Oil Pump Station ☐
Other ☐_____

Discharge Plan No ☐ Yes ☑ GW# 035

FACILITY NAME: SAN JUAN BASIN GAS PLANT - (50,000 HP)
PHYSICAL LOCATION: 61 CR 4900
Legal: QTR___QTR___ Sec___ TS___ R___ County SAN JUAN

OWNER/OPERATOR (NAME) CONOCO INC. (OPERATOR) CONOCO-BP-AMACO
Contact Person: LANE AYERS Tele:# 505-632-4900
MAILING ADDRESS: P.O. Box 217 BLOOMFIELD State NM ZIP 87413
Owner/Operator Rep's:

OCD INSPECTORS: W PRICE, BRUCE MARTIN, ED MARTIN

1. Drum Storage: All drums containing materials other than fresh water must be stored on an impermeable pad with curbing. All empty drums will be stored on their sides with the bungs in and lined up on a horizontal plane. Chemicals in other containers such as sacks or buckets will also be stored on an impermeable pad and curb type containment.

OK

2. Process Areas: All process and maintenance areas which show evidence that leaks and spills are reaching the ground surface must be either paved and curbed or have some type of spill collection device incorporated into the design.

46,000 BBL/DAY - NGL - 500 MMCFD GAS

PIC #2 - PROCESS AREA

OK

3. Above Ground Tanks: All above ground tanks which contain fluids other than fresh water must be bermed to contain a volume of one-third more than the total volume of the largest tank or of all interconnected tanks. All new tanks or existing tanks that undergo a major modification, as determined by the Division, must be placed within an impermeable bermed enclosure.

OK

4. Above Ground Saddle Tanks: Above ground saddle tanks must have impermeable pad and curb type containment unless they contain fresh water or fluids that are gases at atmospheric temperature and pressure.

OK

5. Labeling: All tanks, drums and containers will be clearly labeled to identify their contents and other emergency notification information.

OK

6. Below Grade Tanks/Sumps: All below grade tanks, sumps, and pits must be approved by the OCD prior to installation or upon modification and must incorporate secondary containment and leak-detection into the design. All pre-existing sumps and below-grade tanks must demonstrate integrity on an annual basis. Integrity tests include pressure testing to 3 pounds per square inch above normal operating pressure and/or visual inspection of cleaned out tanks and/or sumps, or other OCD approved methods. The OCD will be notified at least 72 hours prior to all testing.

PIC #3 - AMINE WASTE SUMP AREA - SINGLE WALL - ANNUAL TEST
PIC #4 - SKIMMER BASIN - SINGLE WALL - ANNUAL TEST
PIC #5 - LUBE OIL BELOW-GRADE TANK - SINGLE WALL - ANNUAL TEST

7. Underground Process/Wastewater Lines: All underground process/wastewater pipelines must be tested to demonstrate their mechanical integrity at present and then every 5 years thereafter, or prior to discharge plan renewal. The permittee may propose various methods for testing such as pressure testing to 3 pounds per square inch above normal operating pressure or other means acceptable to the OCD. The OCD will be notified at least 72 hours prior to all testing.

OK

8. Onsite/Offsite Waste Disposal and Storage Practices: Are all wastes properly characterized and disposed of correctly?

Does the facility have an EPA hazardous waste number? _____ Yes _____ No

ARE ALL WASTE CHARACTERIZED AND DISPOSED OF PROPERLY? (YES) NO IF NO DETAIL BELOW.

LAB WASTE → CESOG (METHANOL & AMINE)

→ AMINE TEST – 5 GAL BUCKET → PLANT WASTE WATER BASIN DISPOSAL ←

9. Class V Wells: Leach fields and other wastewater disposal systems at OCD regulated facilities which inject non-hazardous fluid into or above an underground source of drinking water are considered Class V injection wells under the EPA UIC program. All Class V wells that inject non-hazardous industrial wastes or a mixture of industrial wastes and domestic wastes will be closed unless it can be demonstrated that groundwater will not be impacted in the reasonably foreseeable future. Closure of Class V wells must be in accordance with a plan approved by the Division's Santa Fe Office. The OCD allows industry to submit closure plans which are protective of human health, the environment and groundwater as defined by the WQCC, and are cost effective. Class V wells that inject domestic waste only must be permitted by the New Mexico Environment Department.

ANY CLASS V WELLS NO ☑ YES ☐ IF YES DESCRIBE BELOW ! Undetermined ☐

BLOOMFIELD – POTW

10. Housekeeping: All systems designed for spill collection/prevention will be inspected weekly and after each storm event to ensure proper operation and to prevent overtopping or system failure. A record of inspections will be retained on site for a period of five years.

EXCELLANT

11. Spill Reporting: All spills/releases will be reported pursuant to OCD Rule 116 and WQCC 1203 to the proper OCD District Office.

OK

12. Does the facility have any other potential environmental concerns/issues?

NONE

13. Does the facility have any other environmental permits - i.e. SPCC, Stormwater Plan, etc.?

MW'S ON SITE - NOT USED
SPCC - PLAN SW - NOT REQUIRED

14. ANY WATER WELLS ON SITE? NO ☑ YES ☐ IF YES, HOW IS IT BEING USED ?

~~PROCESS COMES~~ NON-CONTACT IS RAW RIVER WATER
POTABLE WATER CITY OF BLOOMFIELD

15. Documents reviewed:

Miscellaneous Comments:

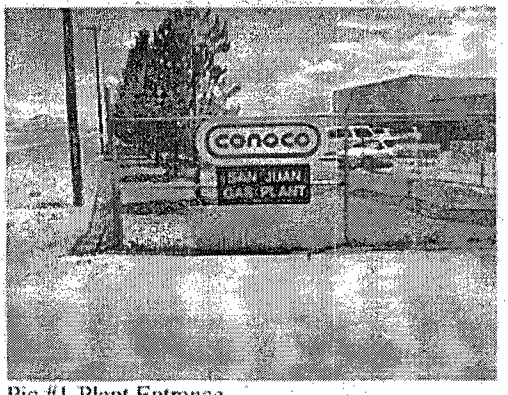
- PIC #1 - SIGN
- PIC #6 - STORMWATER POND UNLINED - BACKGROUND WEST EVAP POND & FLARE STACK
  O (CATCH BASIN)
- WEST POND LEAK DETECTOR SHOWING SIGNS OF LEAKAGE -

Photos taken: 6

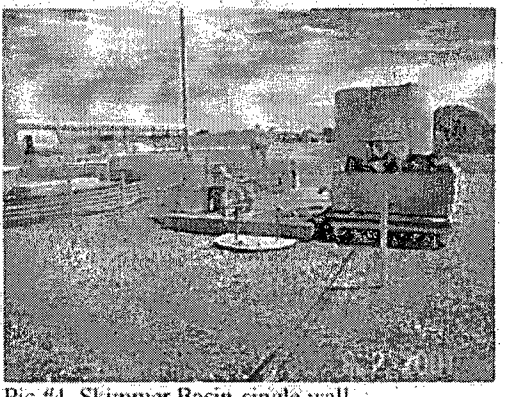
Documents Reviewed/Collected:

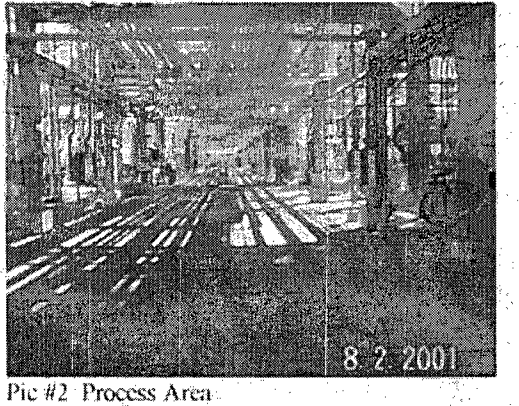
NONE

Conoco Inc. San Juan Gas Plant
OCD Discharge Plan Inspection August 02, 2001
Inspectors: W Price, Ed Martin, B Martin

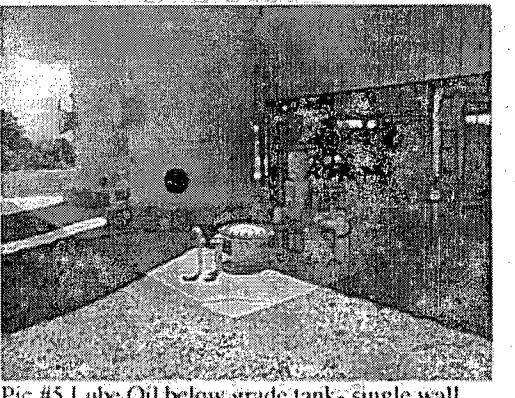


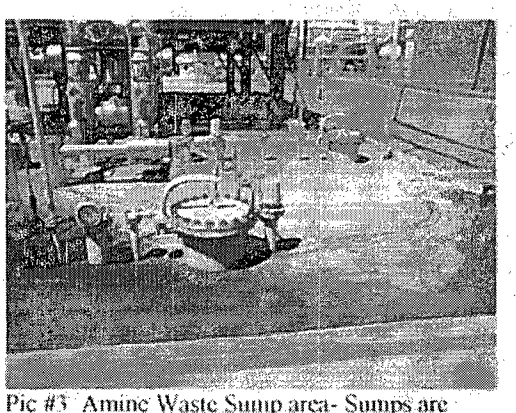
Pic #1-Plant Entrance

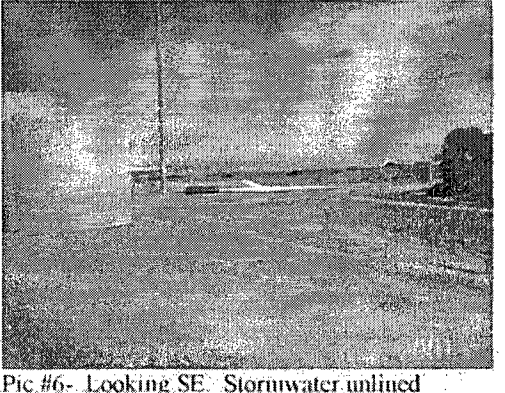

Pic #4 Skimmer Basin-single wall

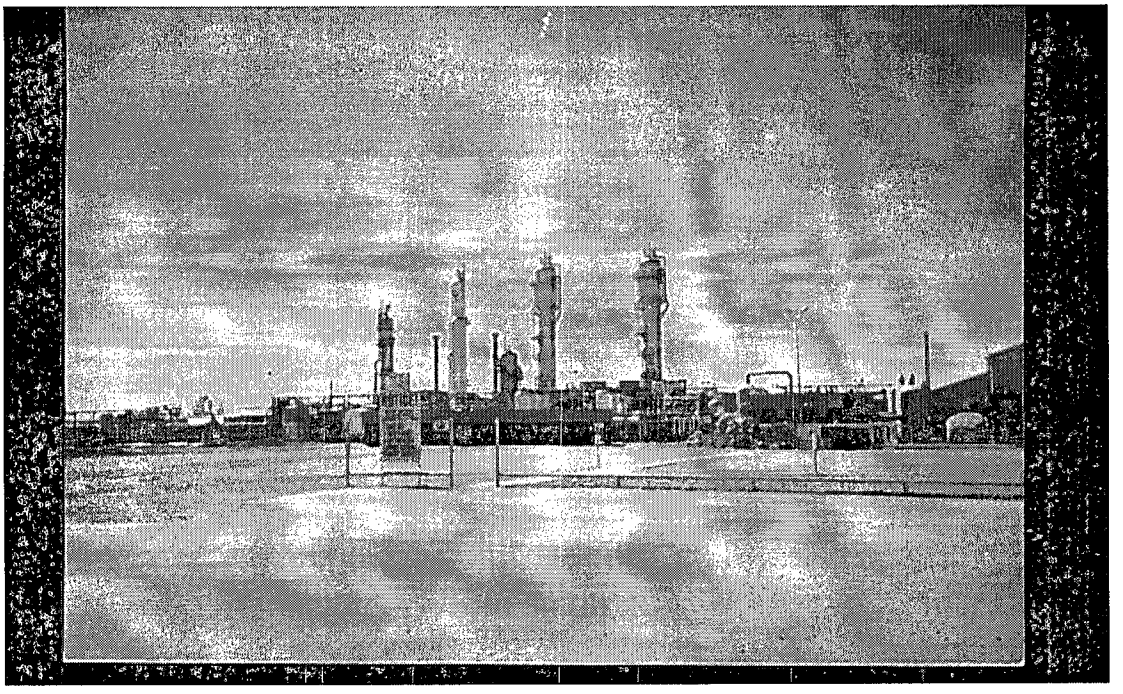


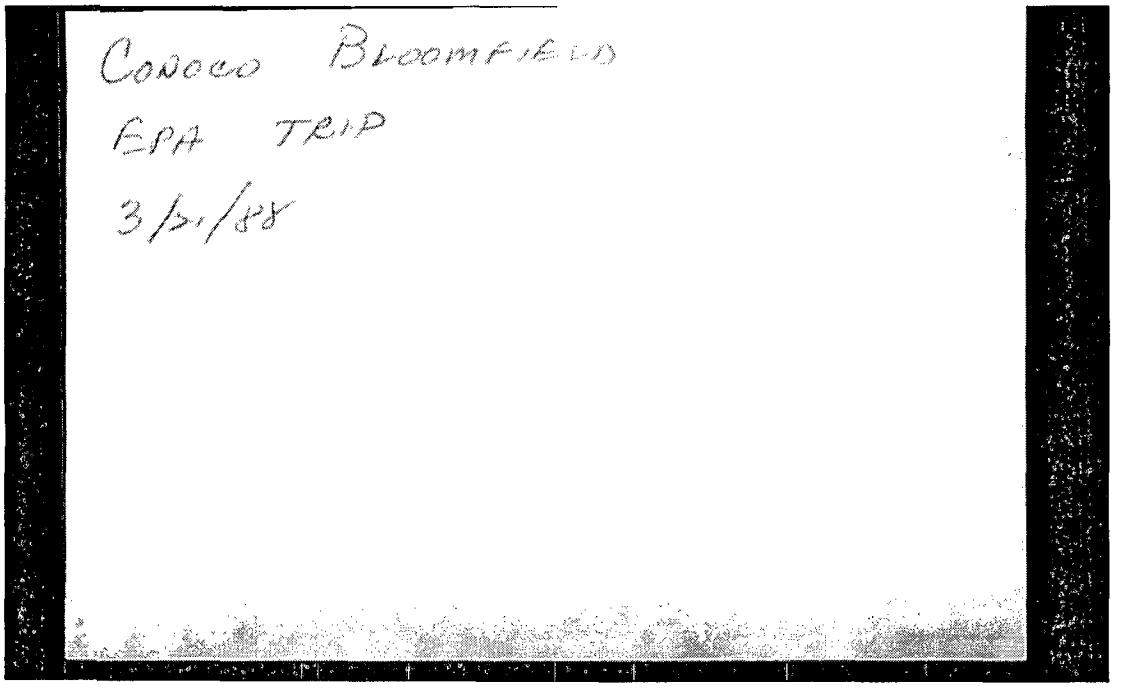
Pic #2 Process Area

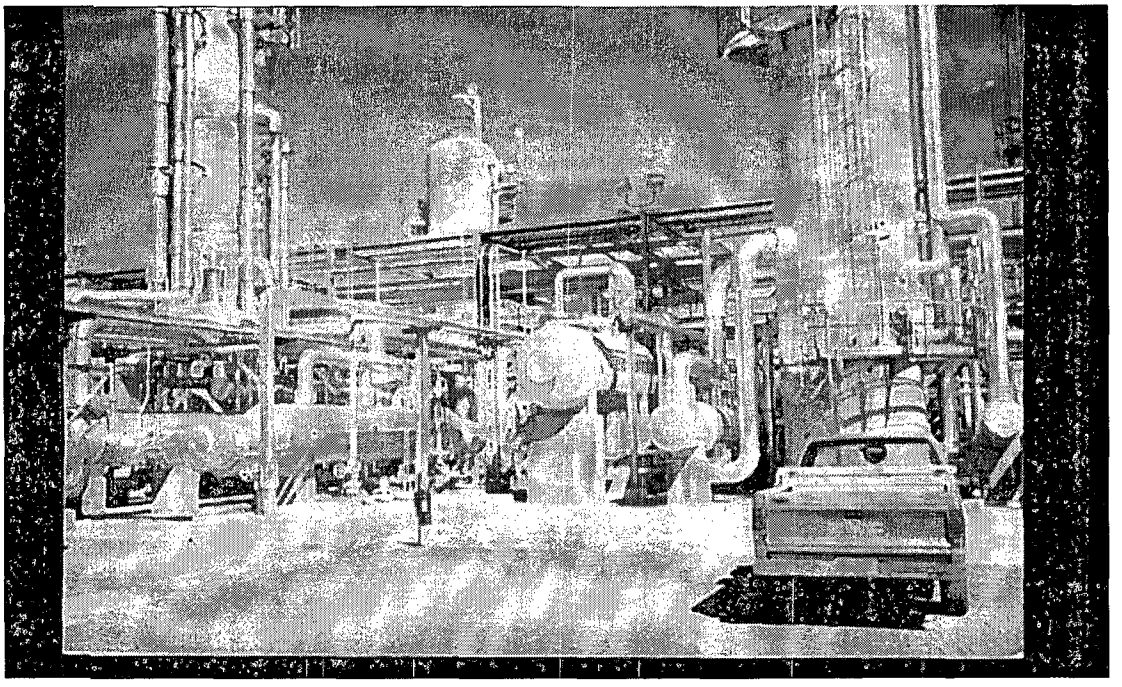

Pic #5 Lube Oil below grade tank- single wall

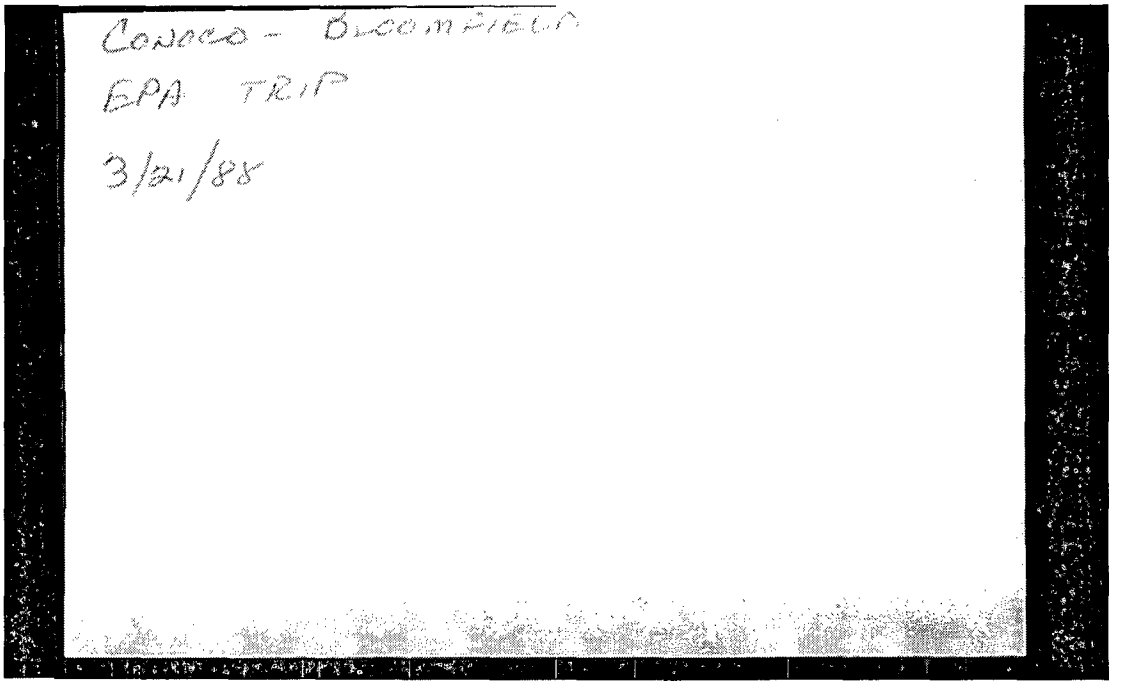

Pic #3 Amine Waste Sump area- Sumps are single wall.

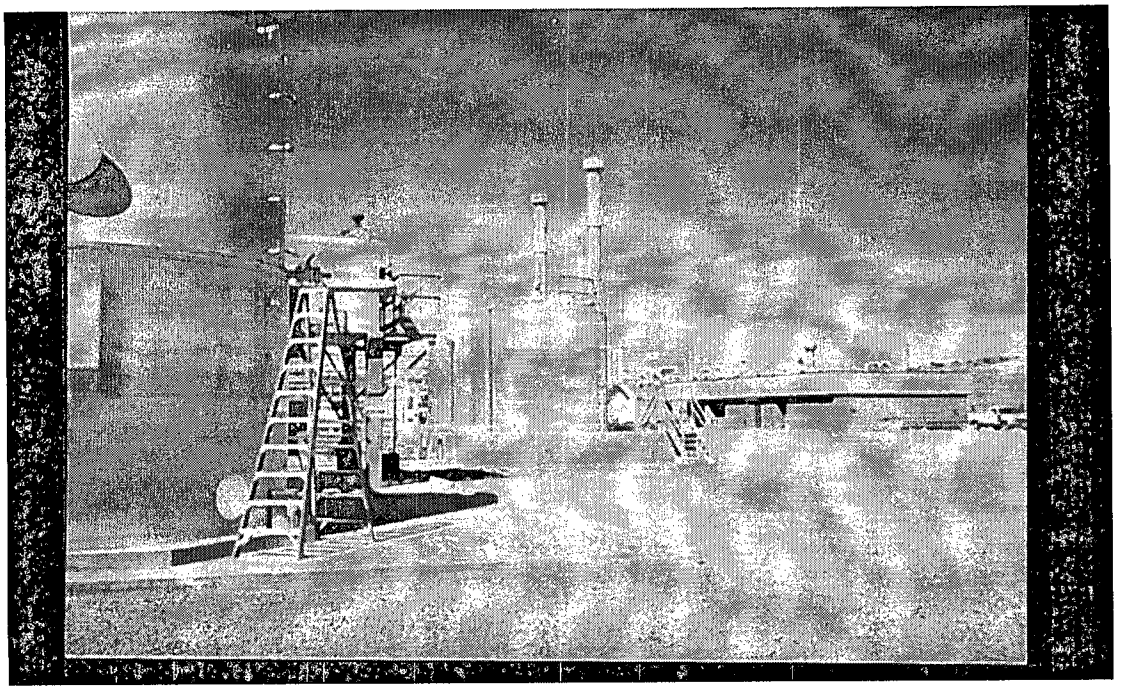

Pic #6- Looking SE. Stormwater unlined retention pond, fire water tank, flare stack, and background shows west plant evaporation pond. Leak detection indicates primary liner is leaking.

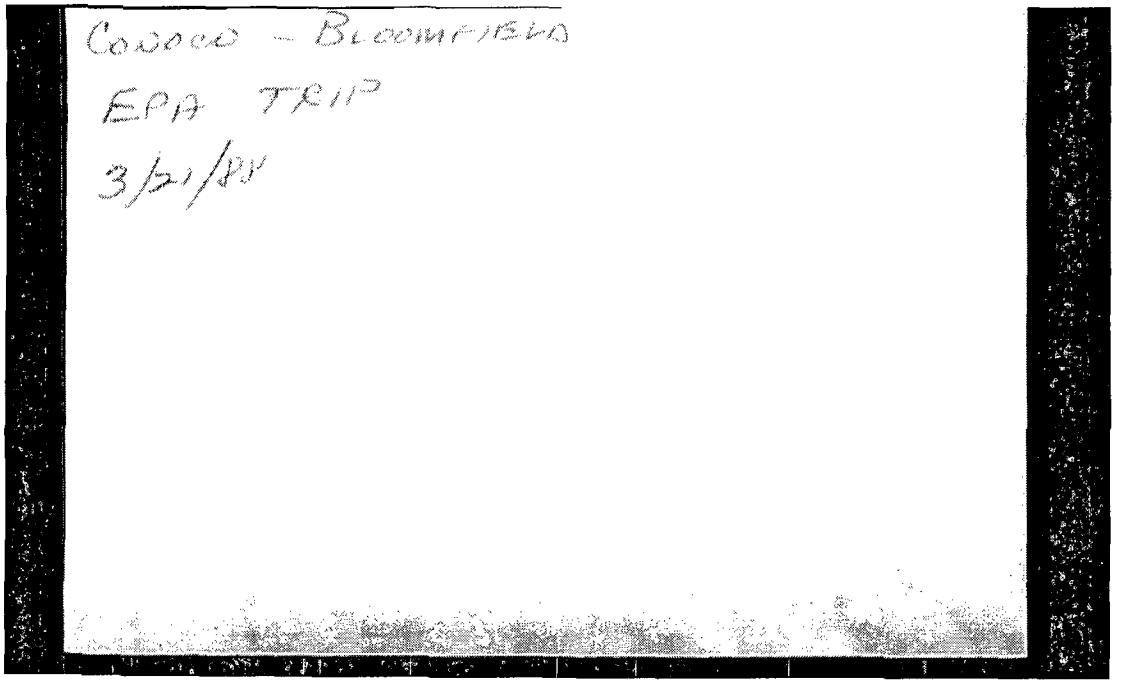


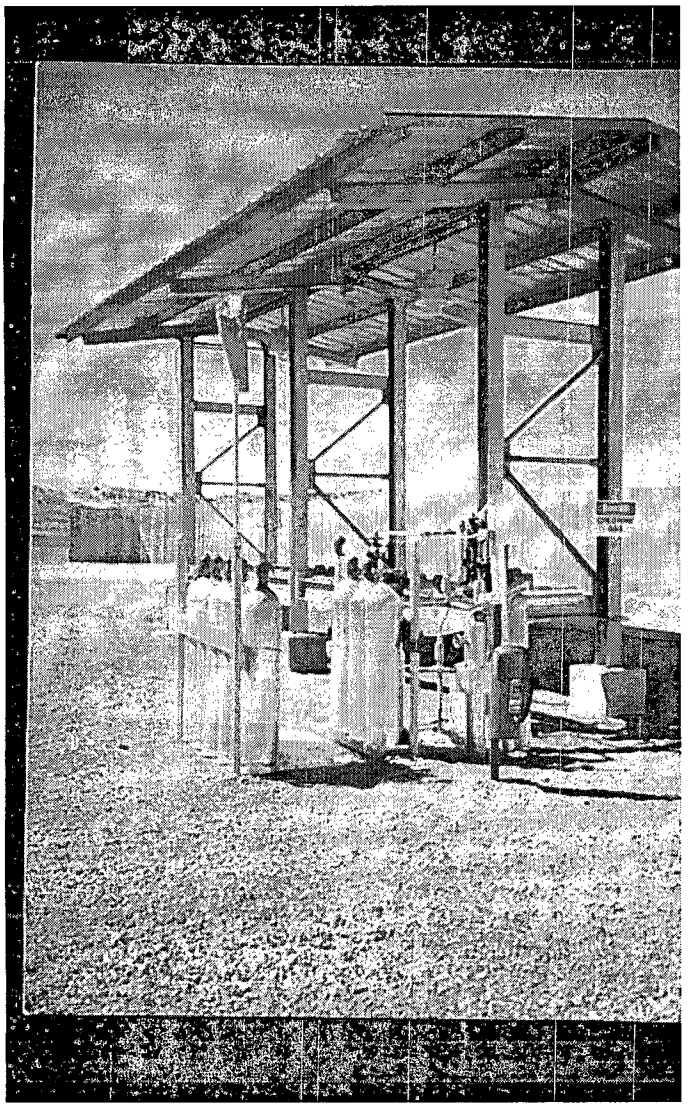

Conoco Bloomfield
EPA TRIP
3/31/88

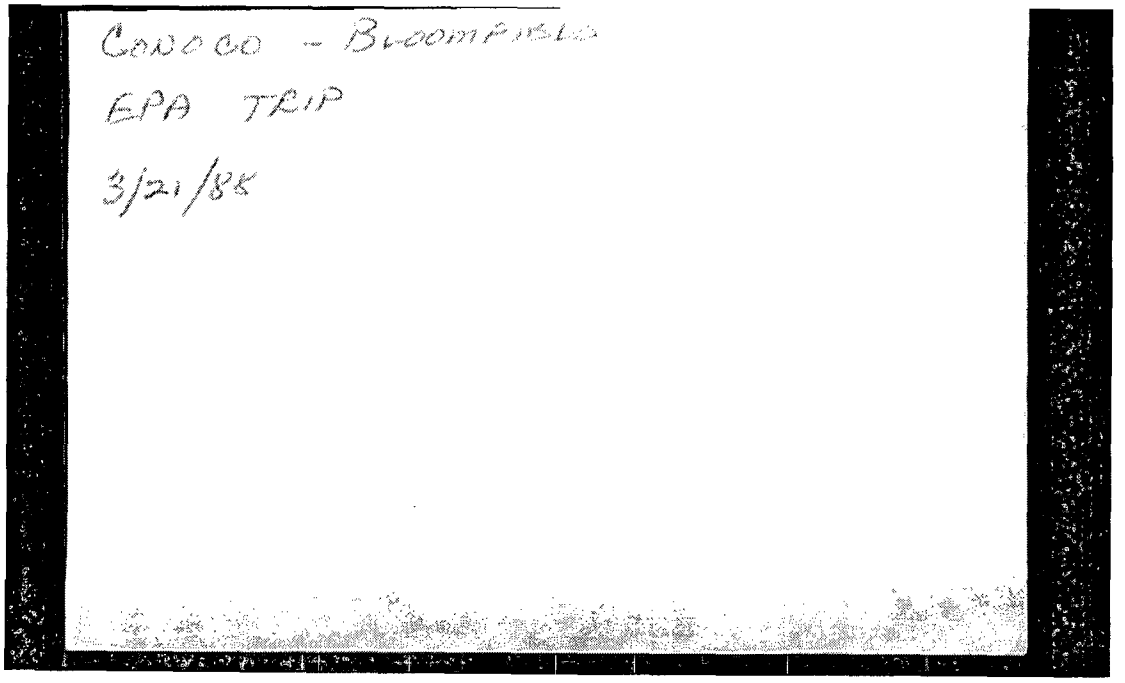



Conoco - Belcamp
EPA TRIP
3/21/88




Conoco - Bloomfield
EPA TRIP
3/21/89

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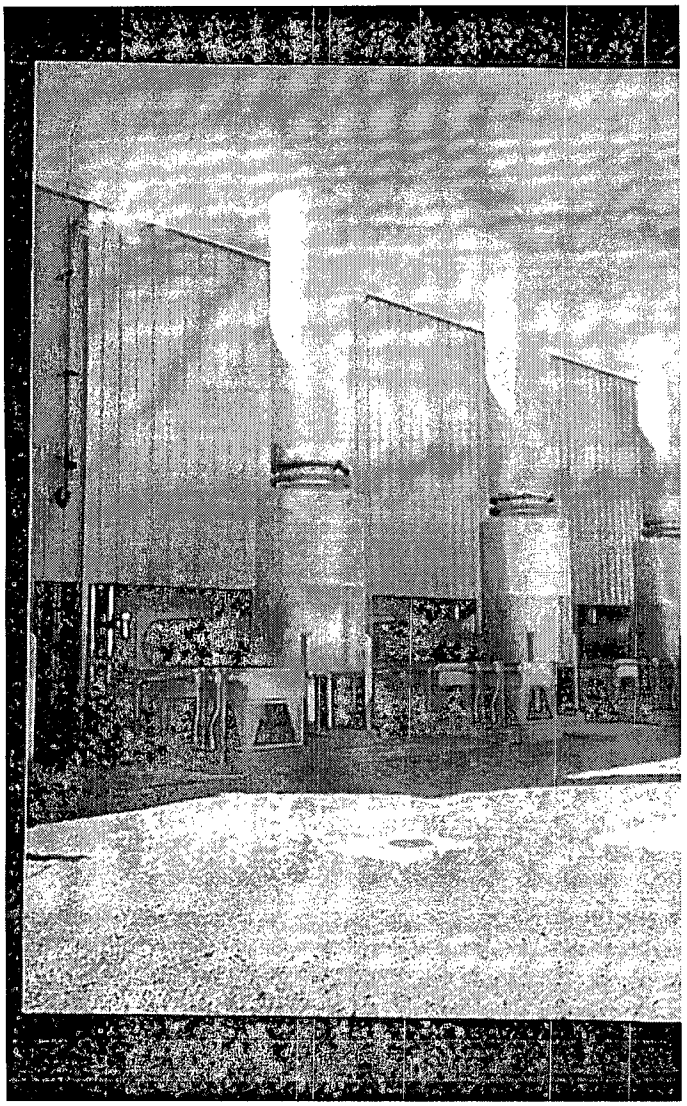

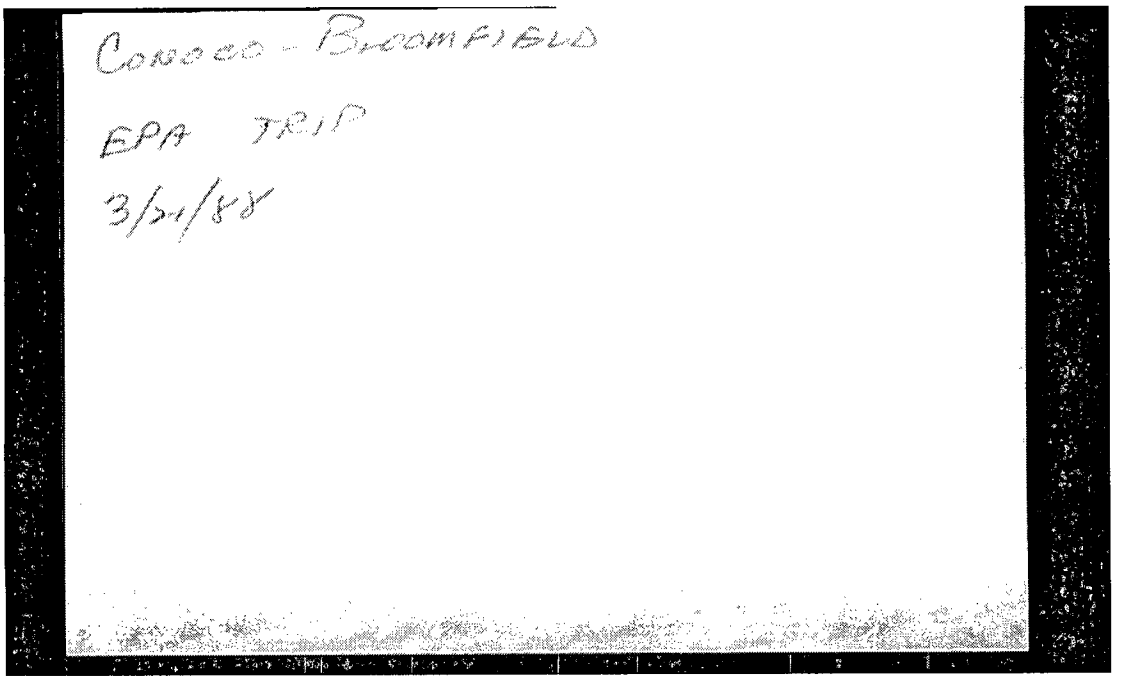
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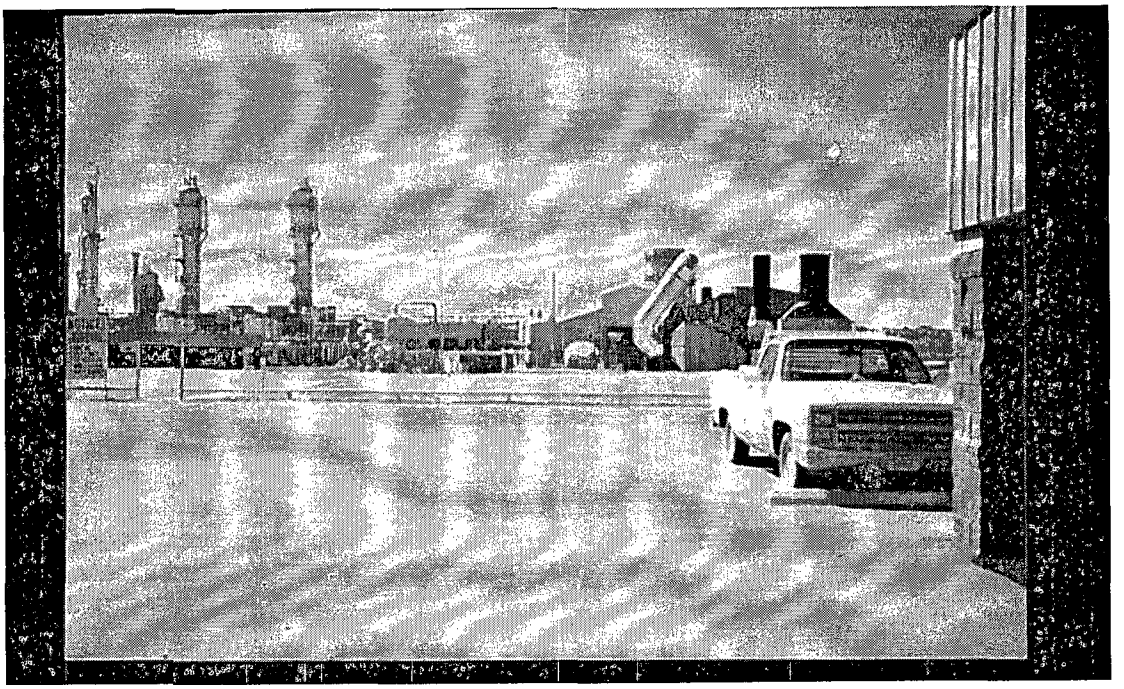

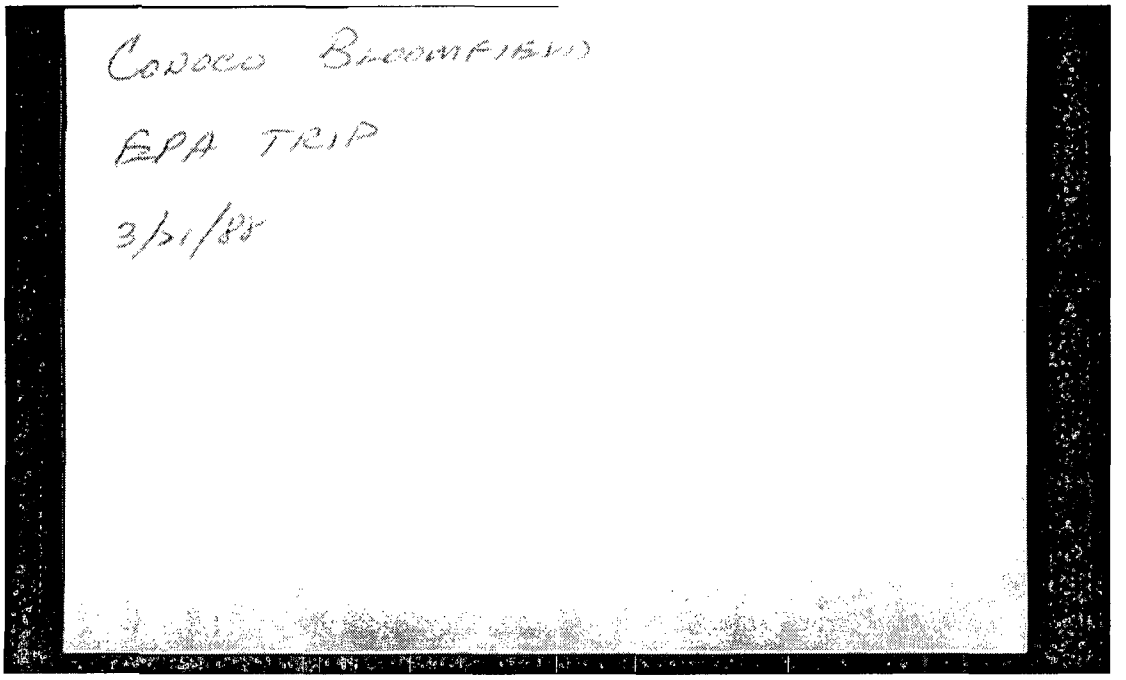
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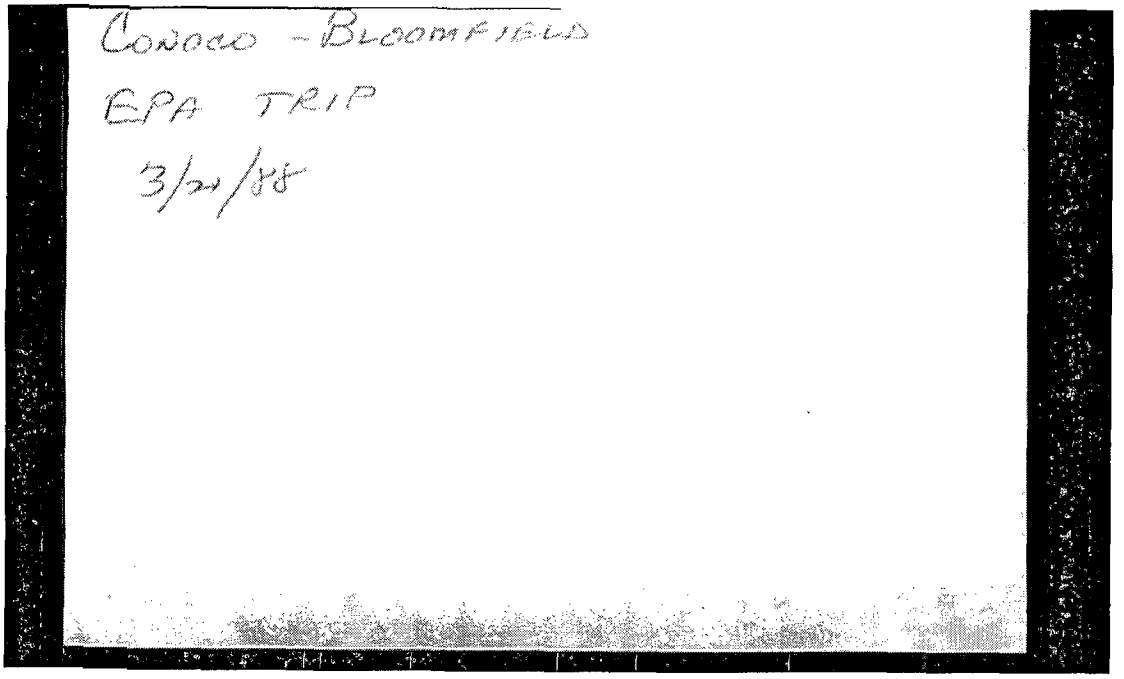
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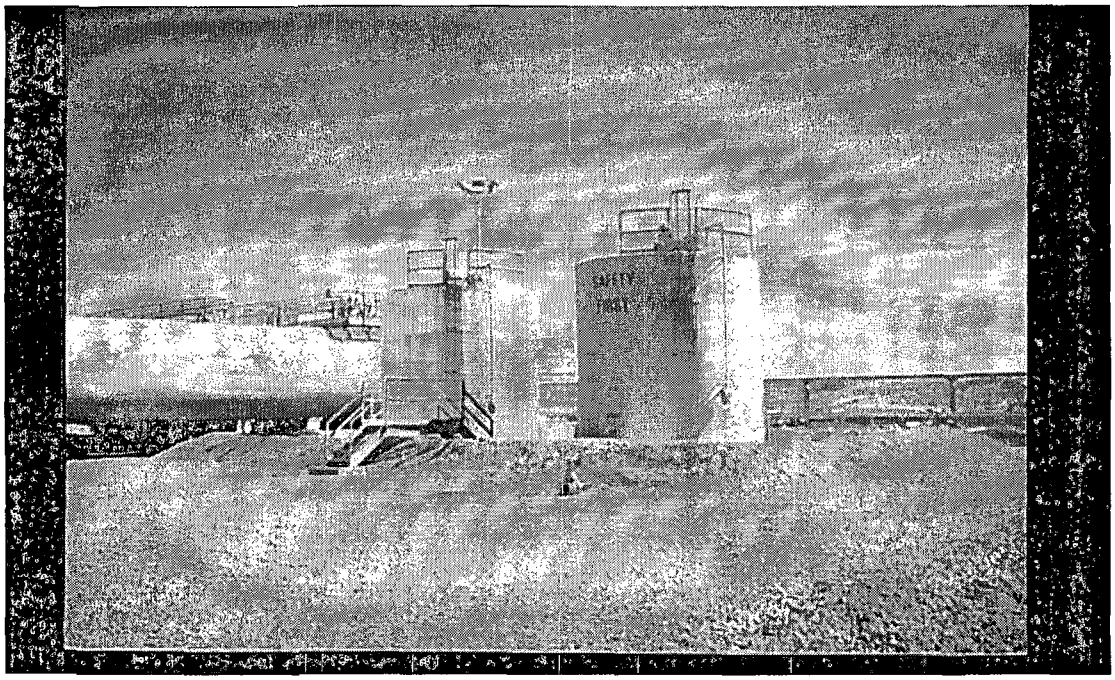
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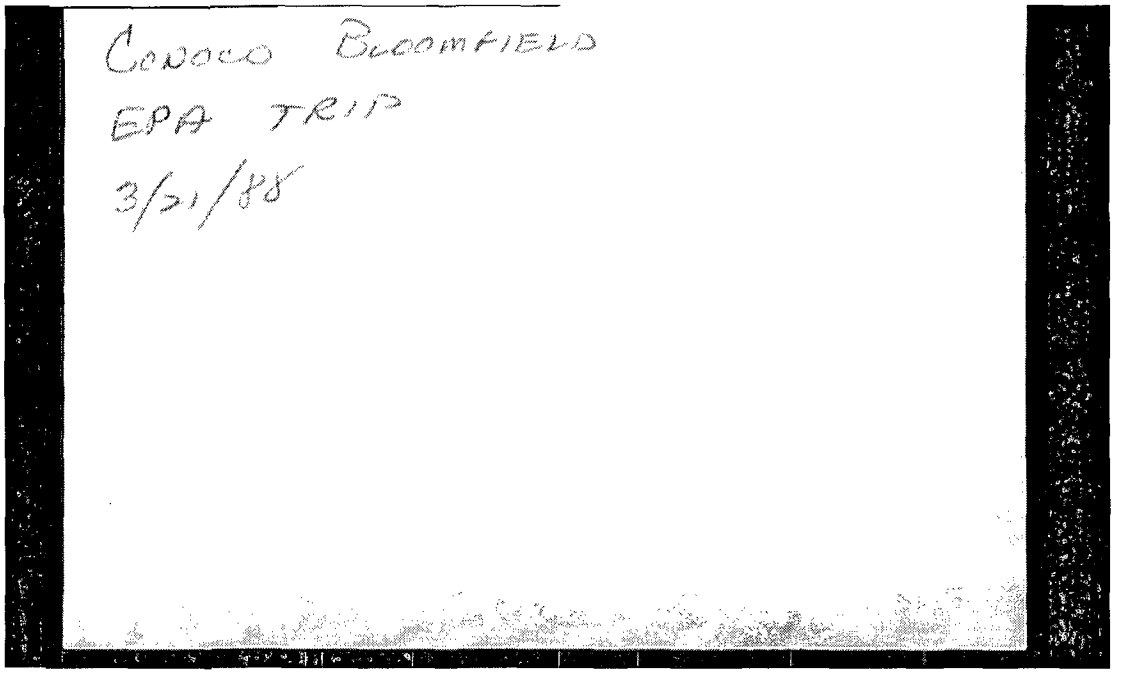
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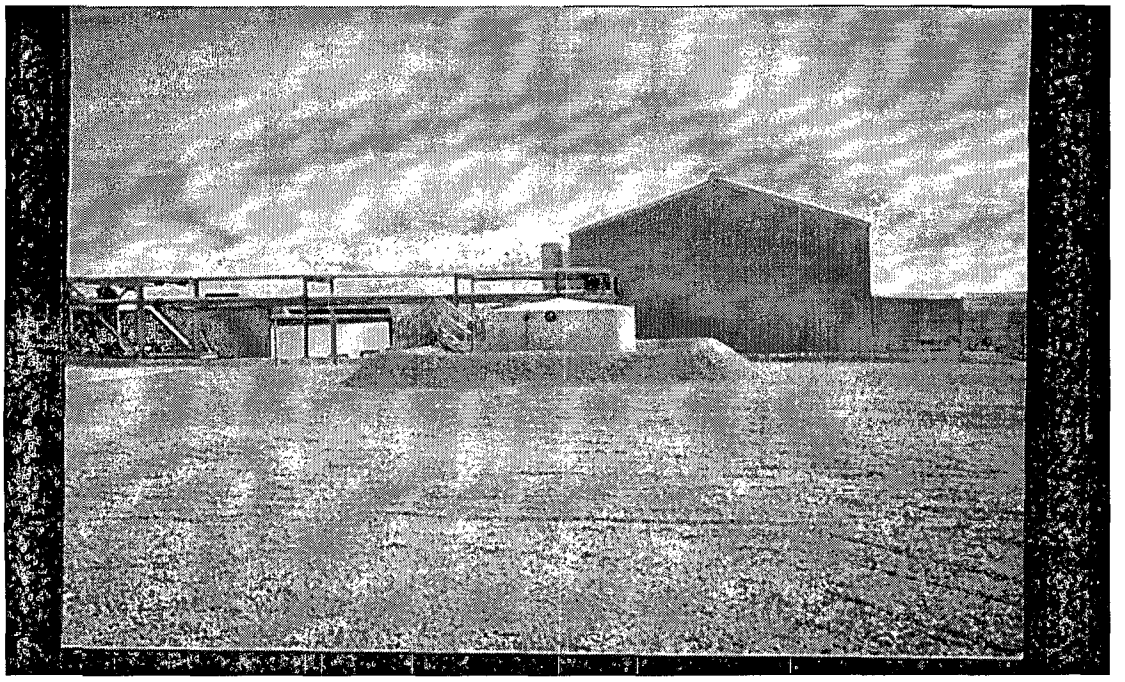

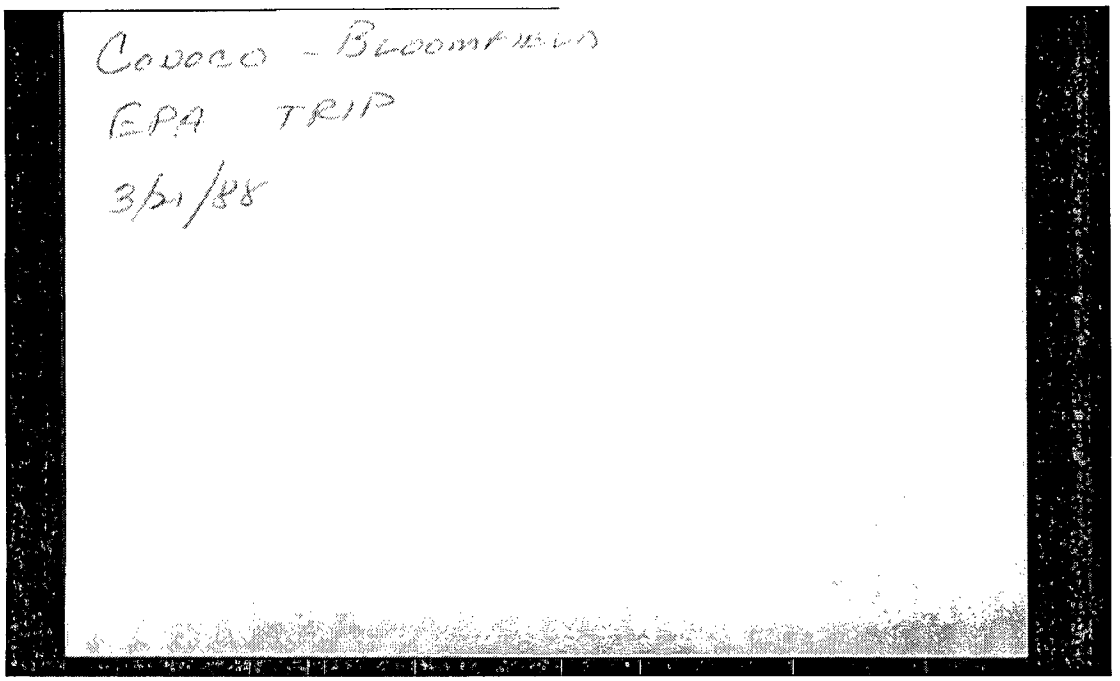
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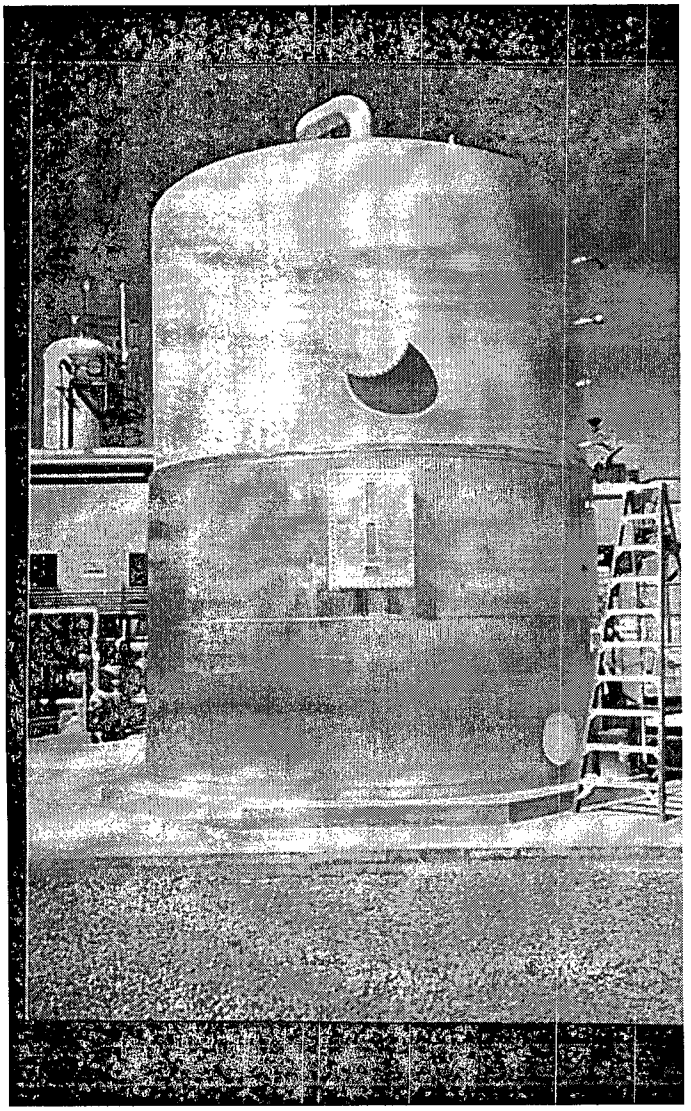

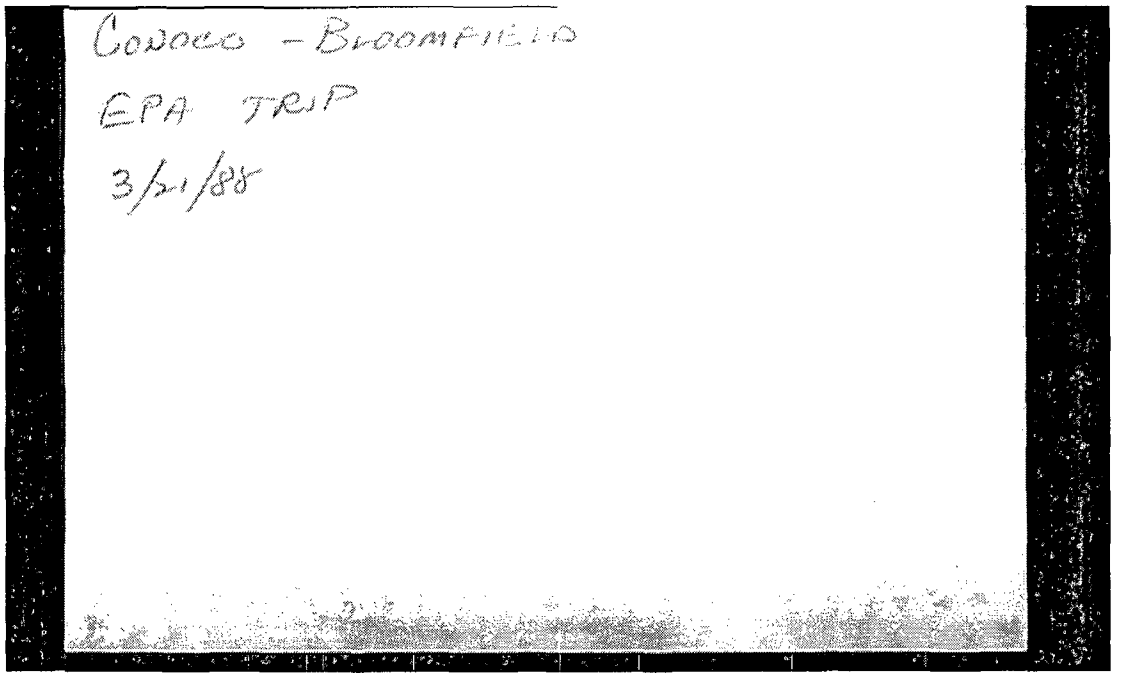
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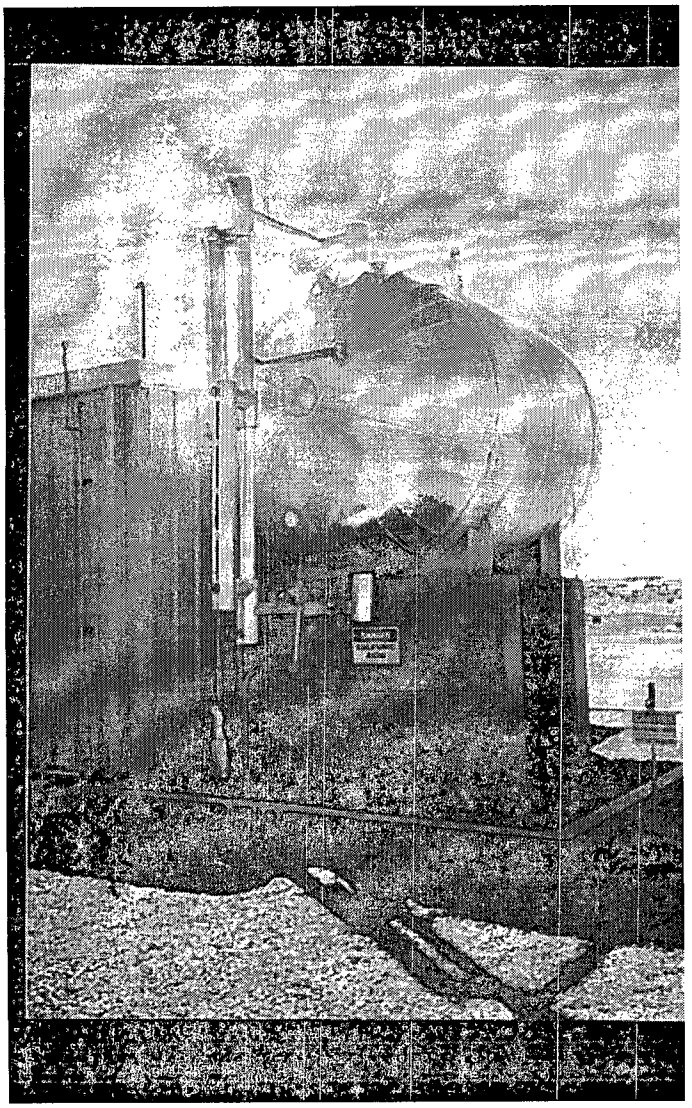

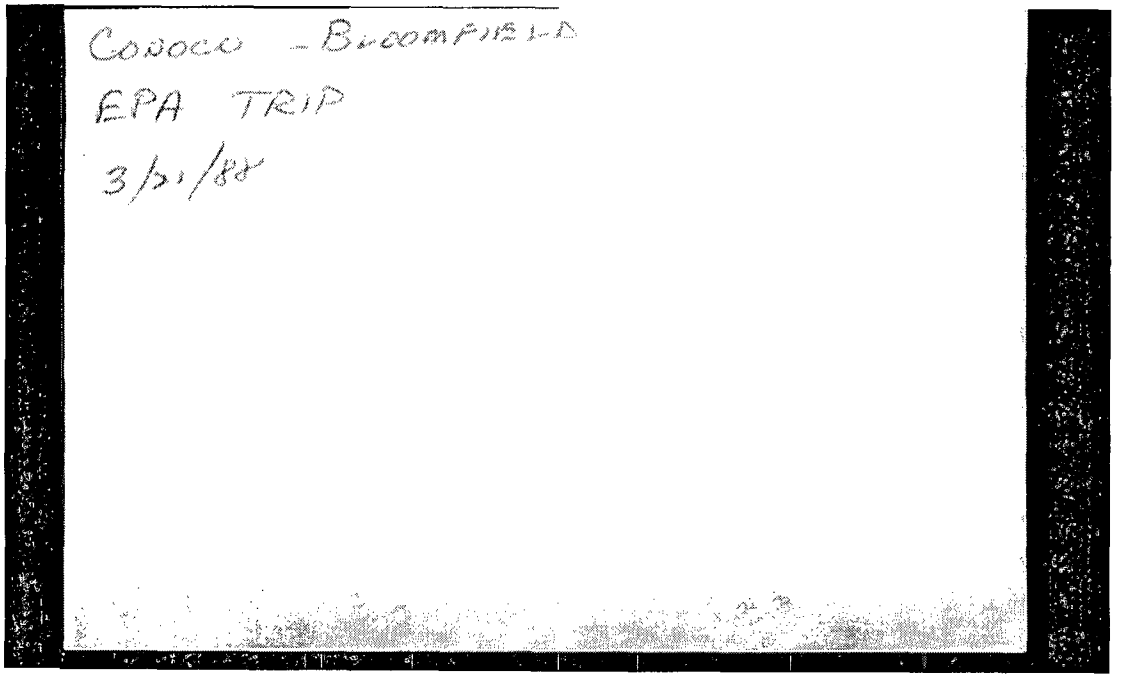
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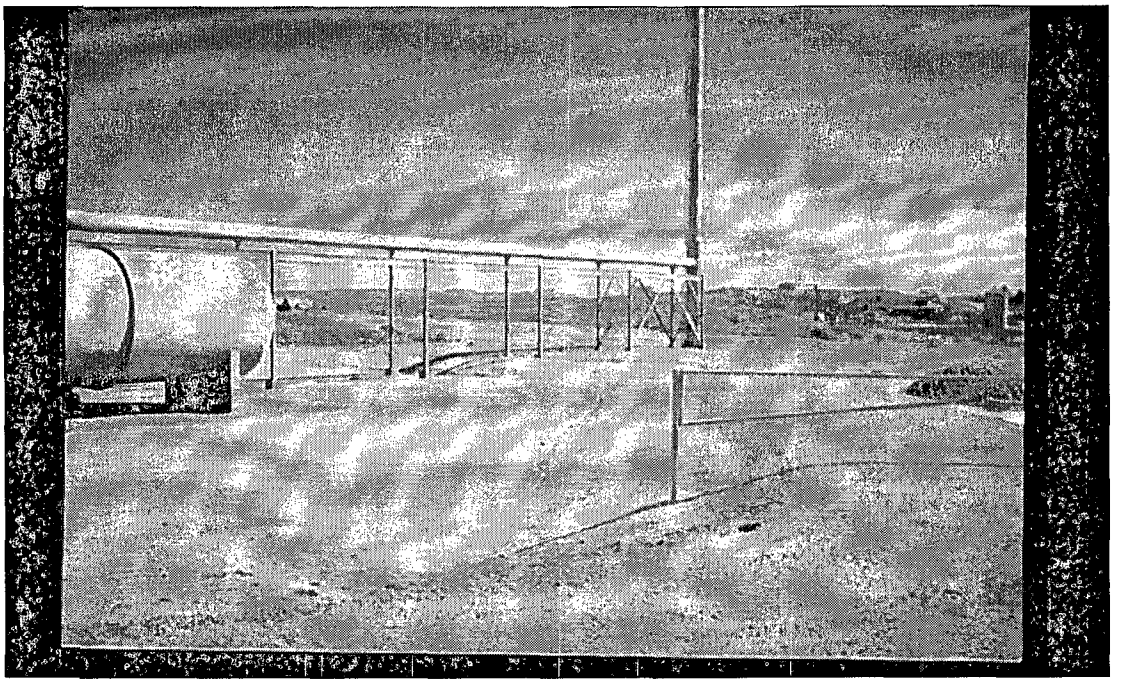

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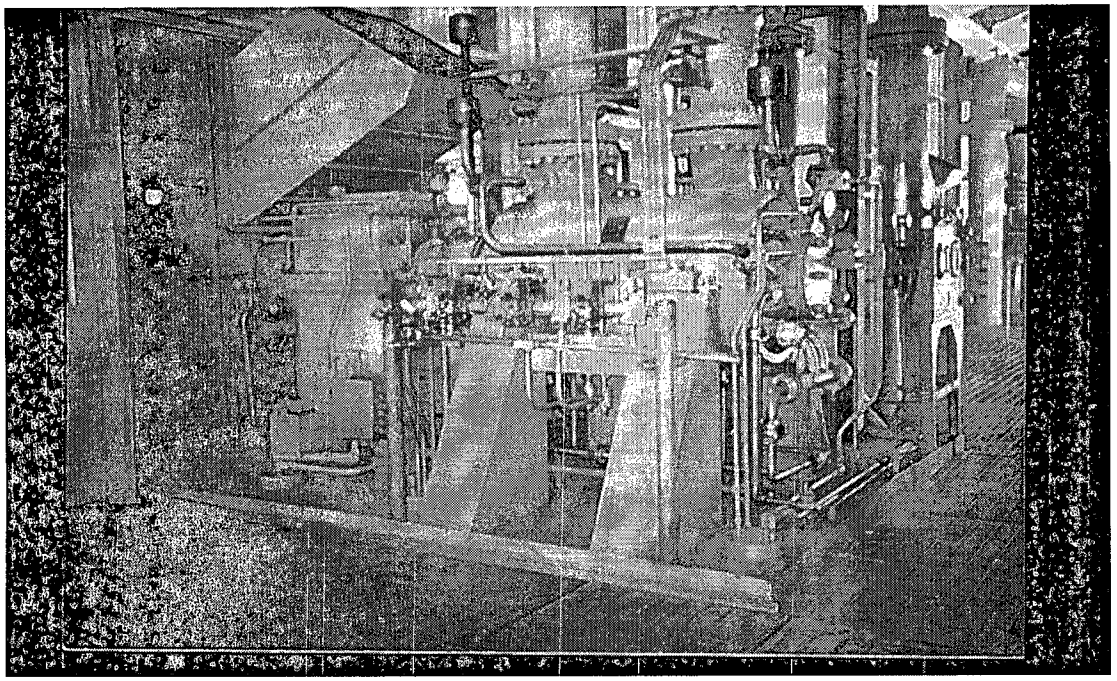

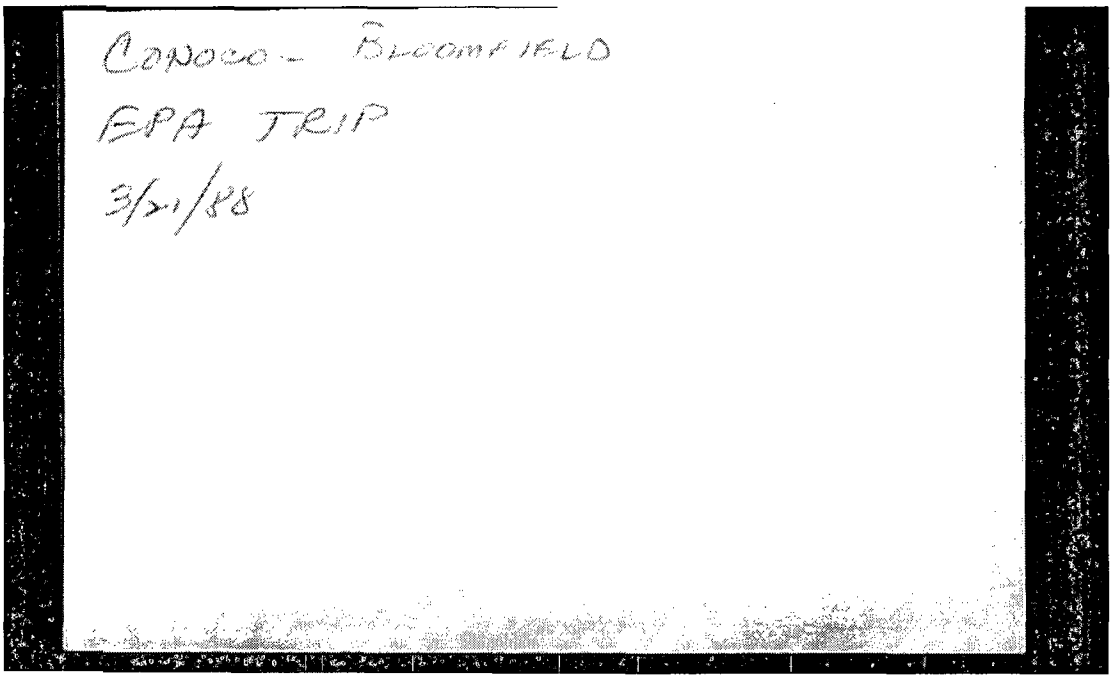
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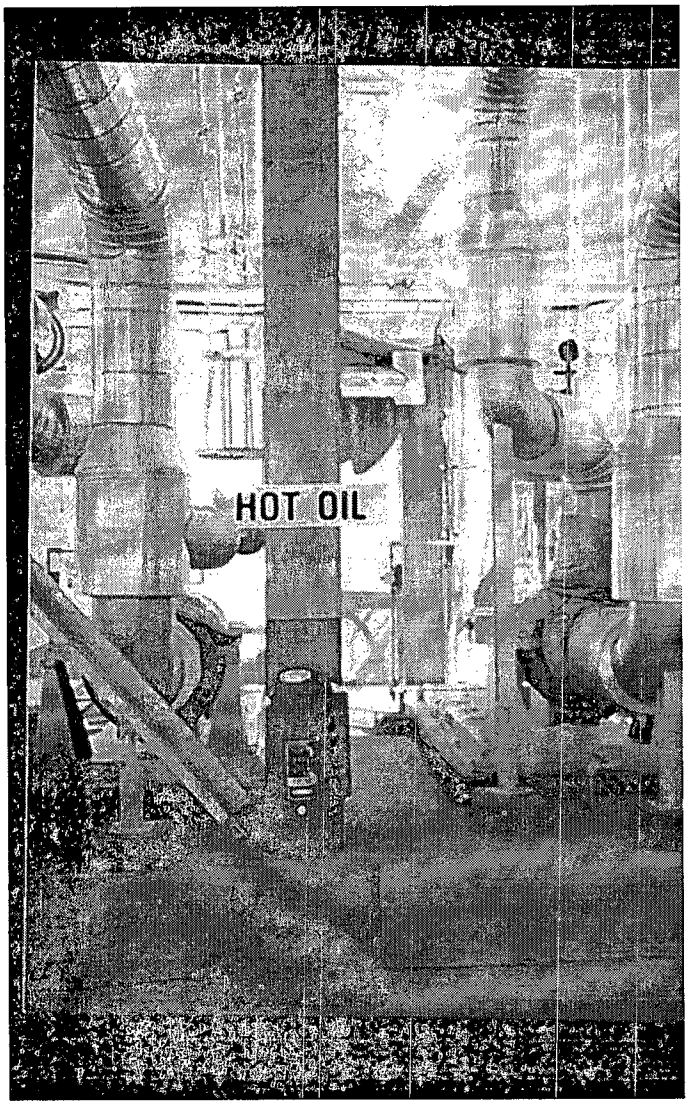
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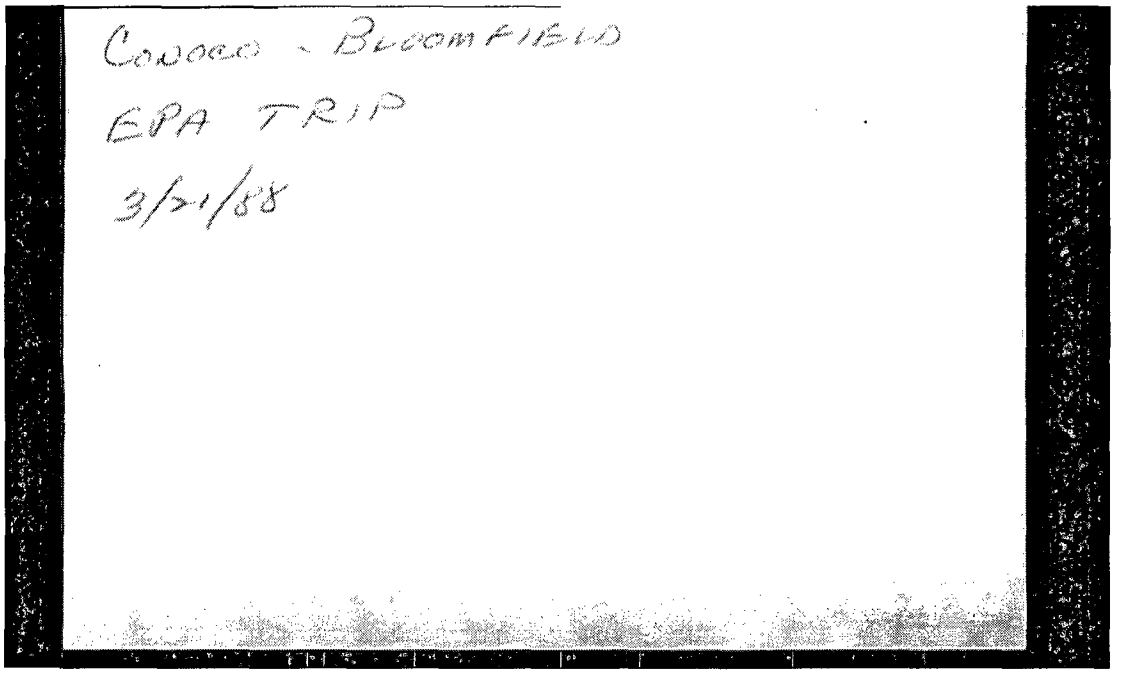
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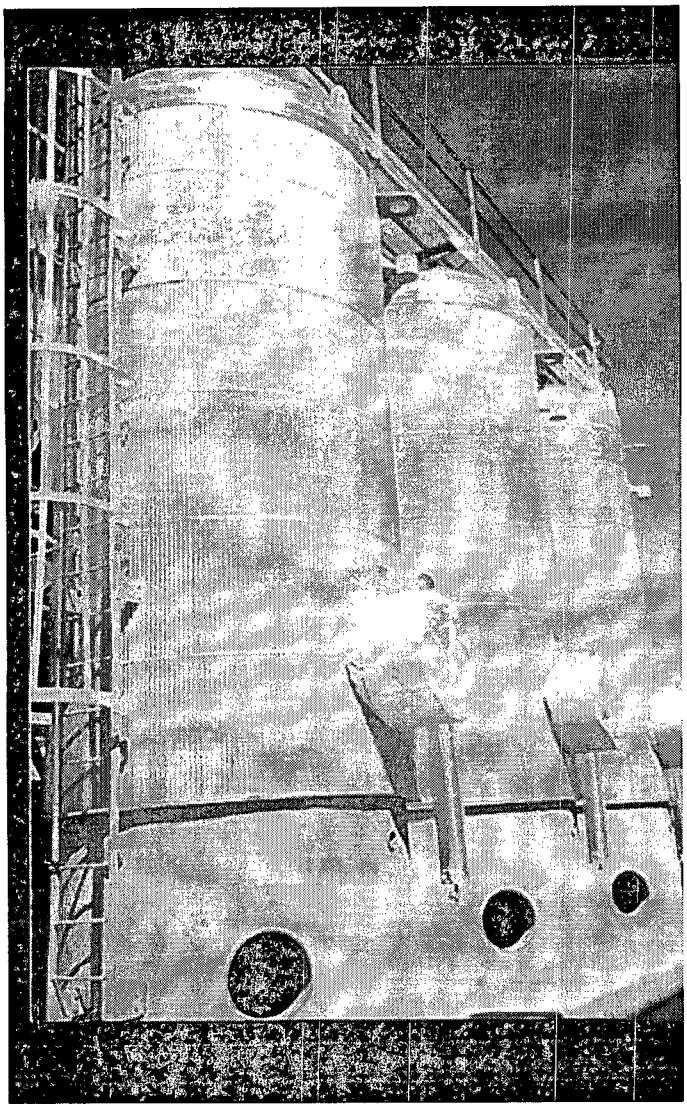

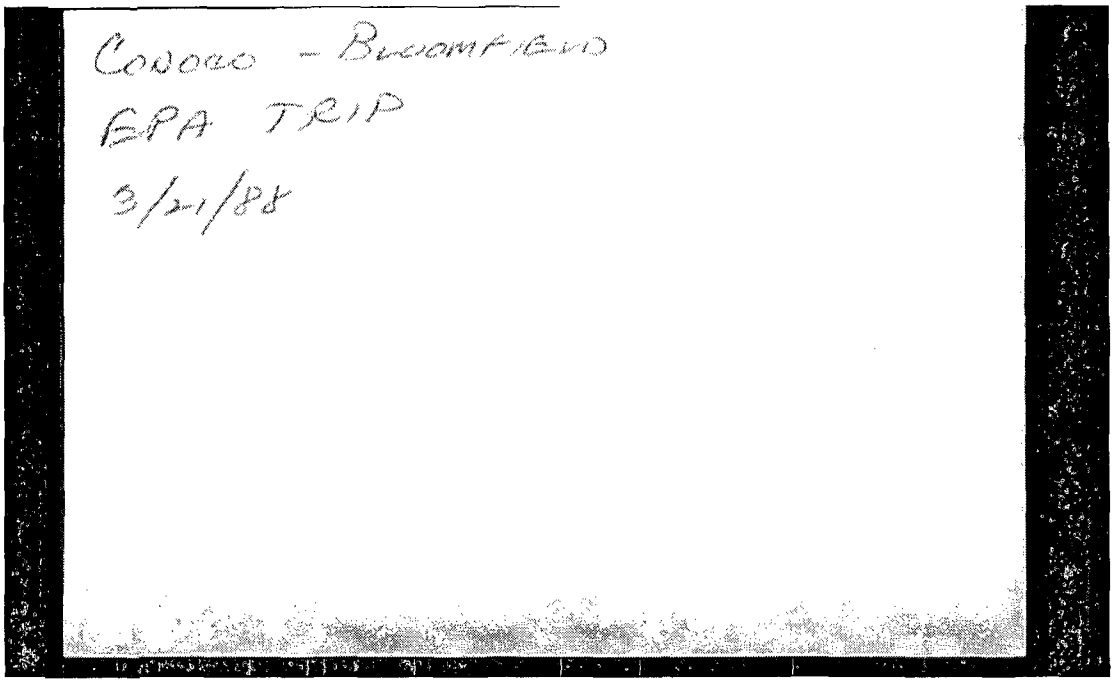
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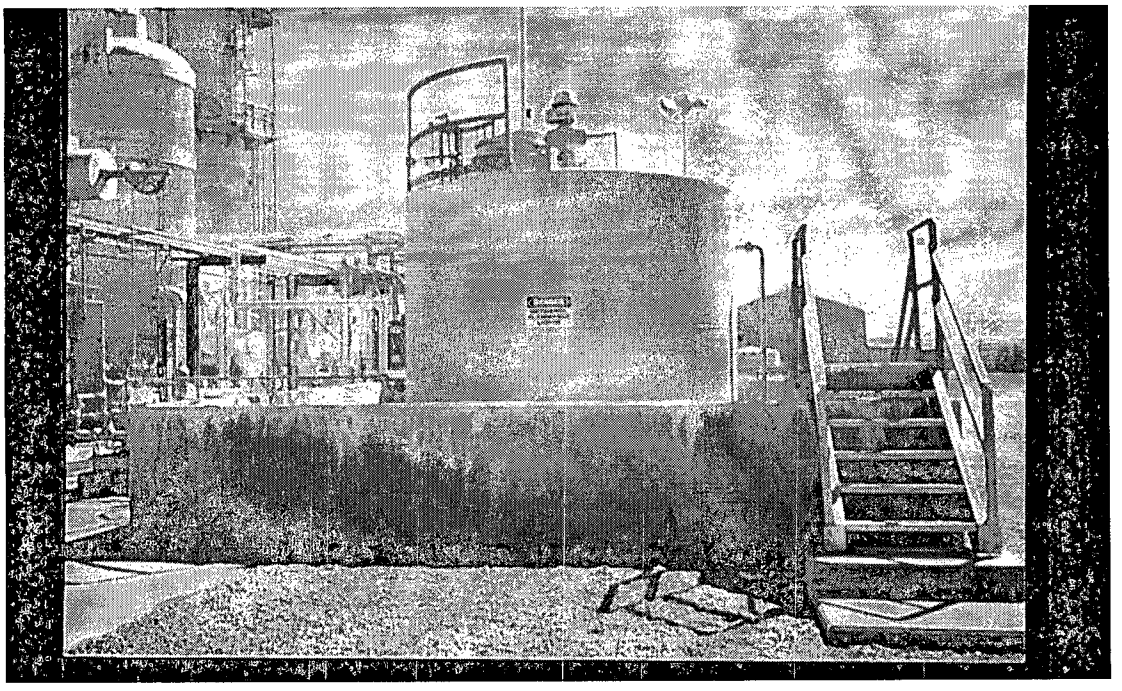

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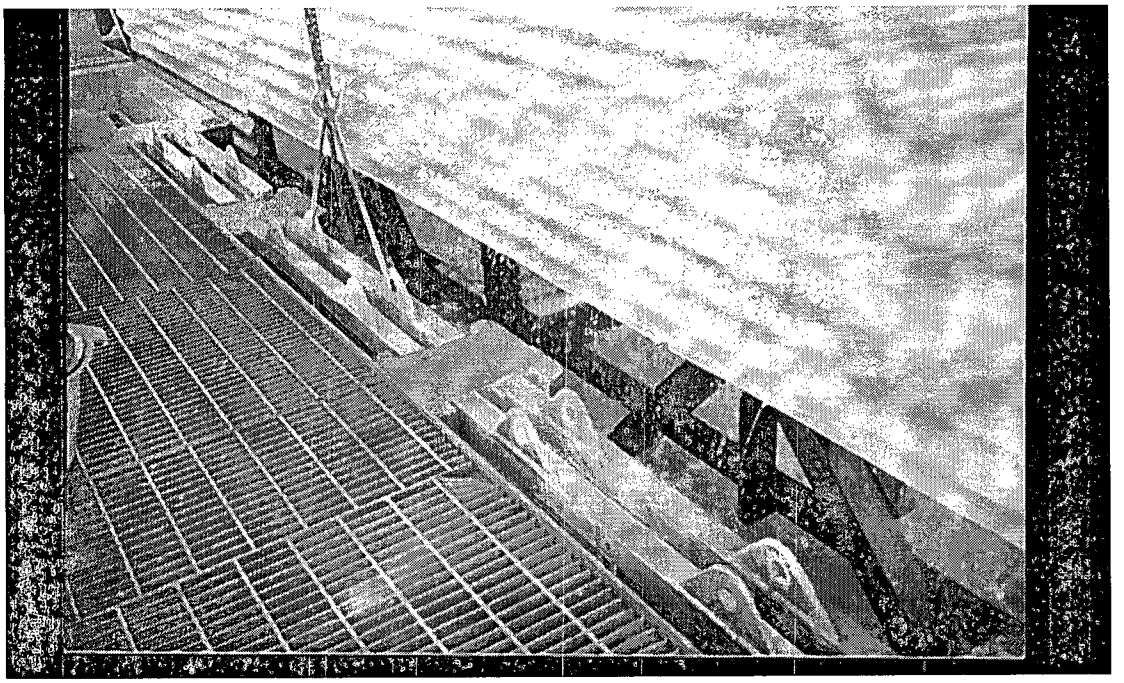

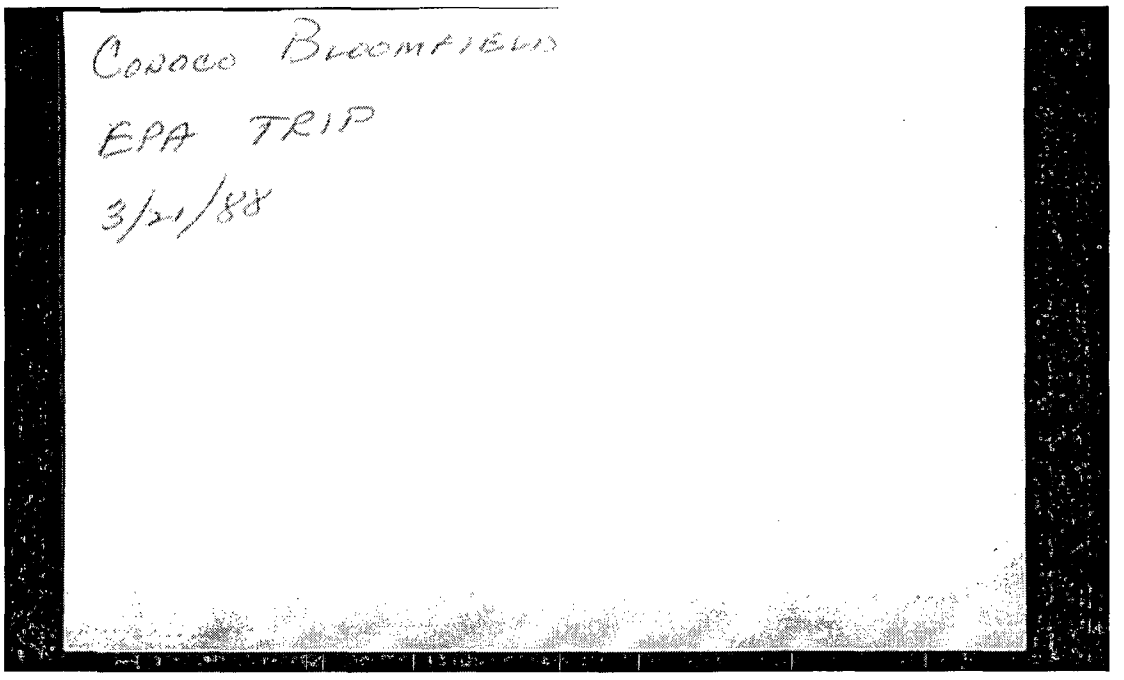
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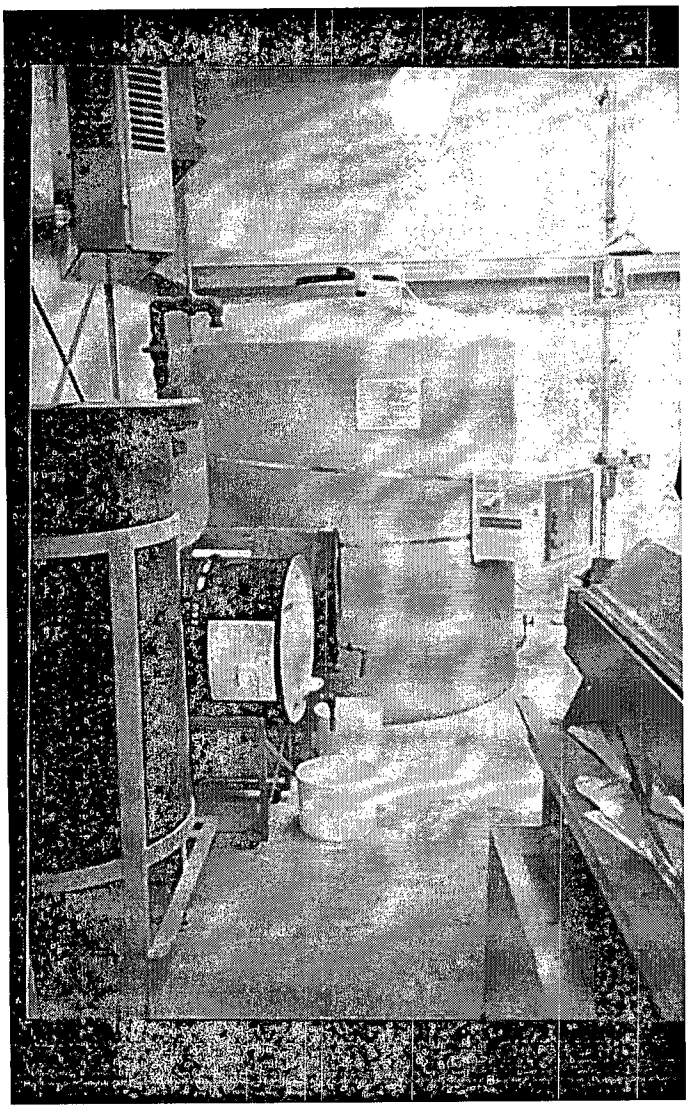

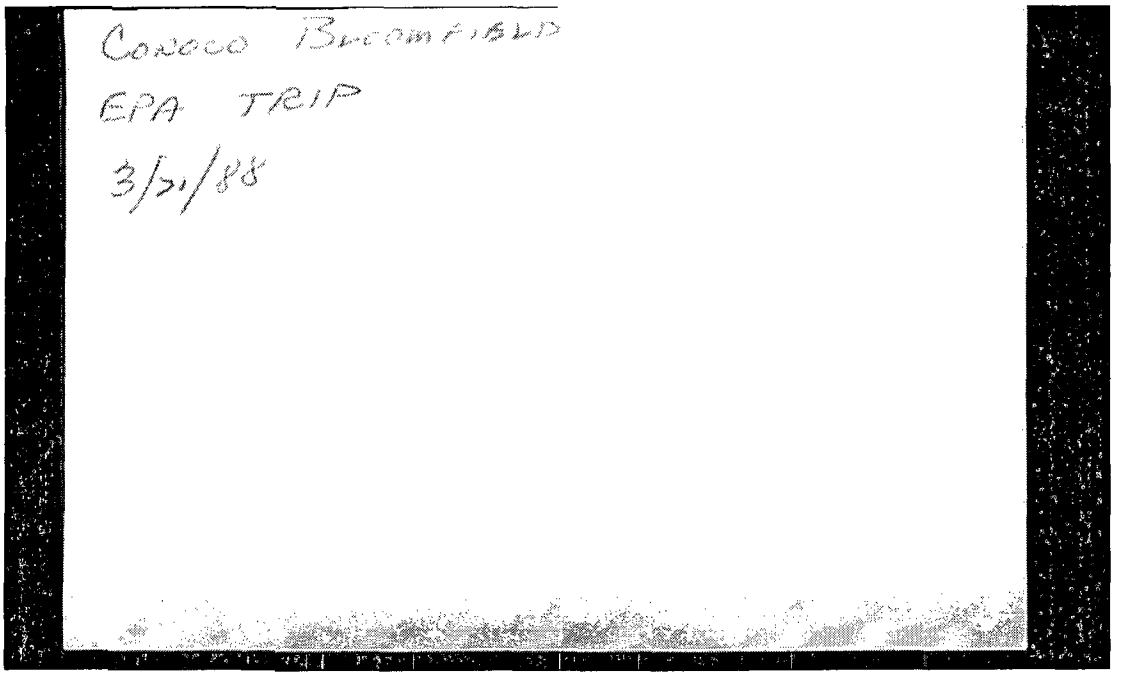
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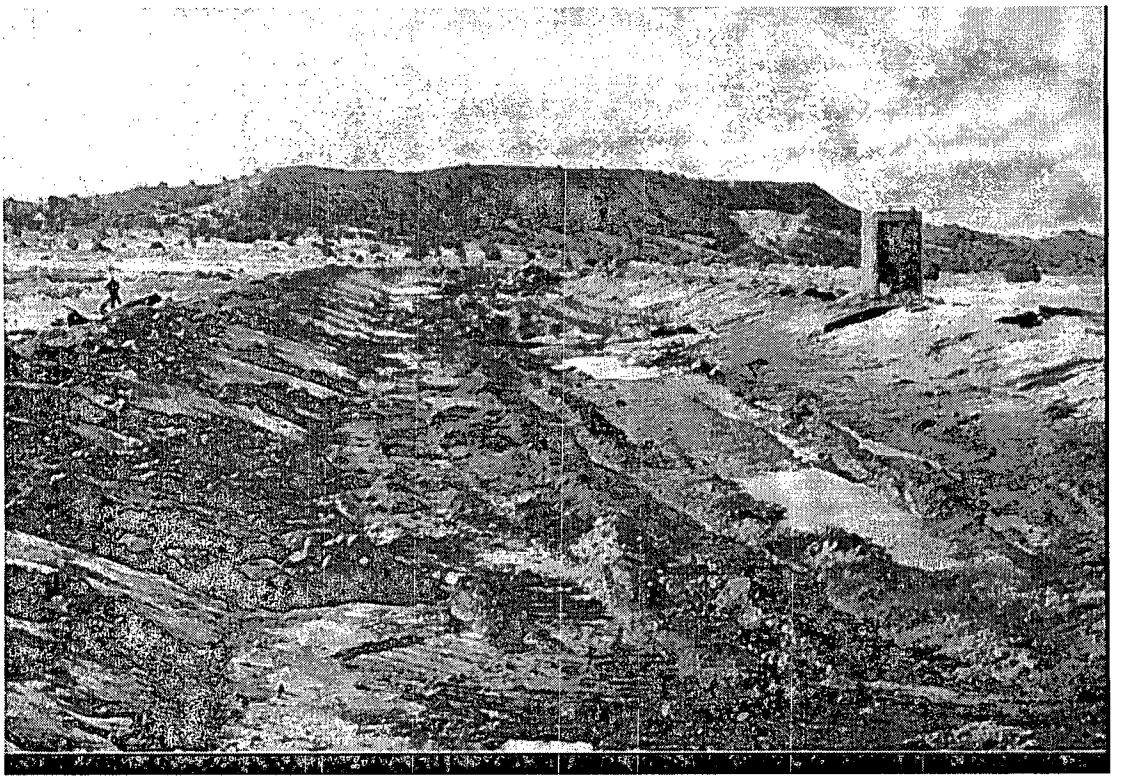

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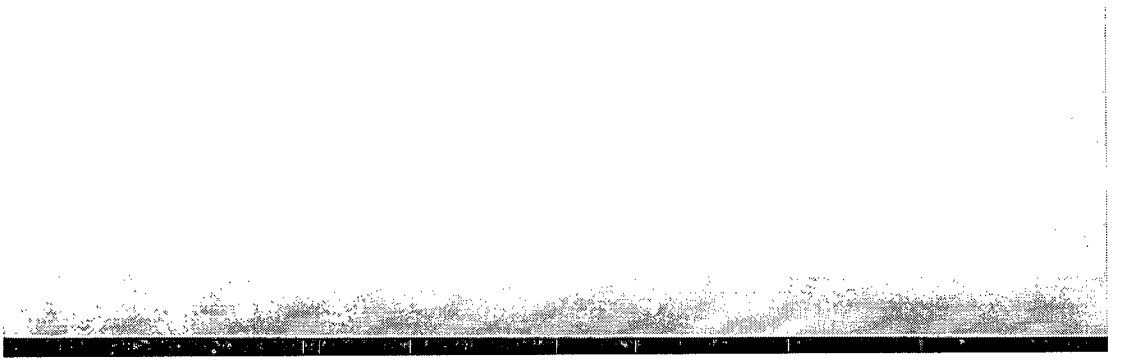

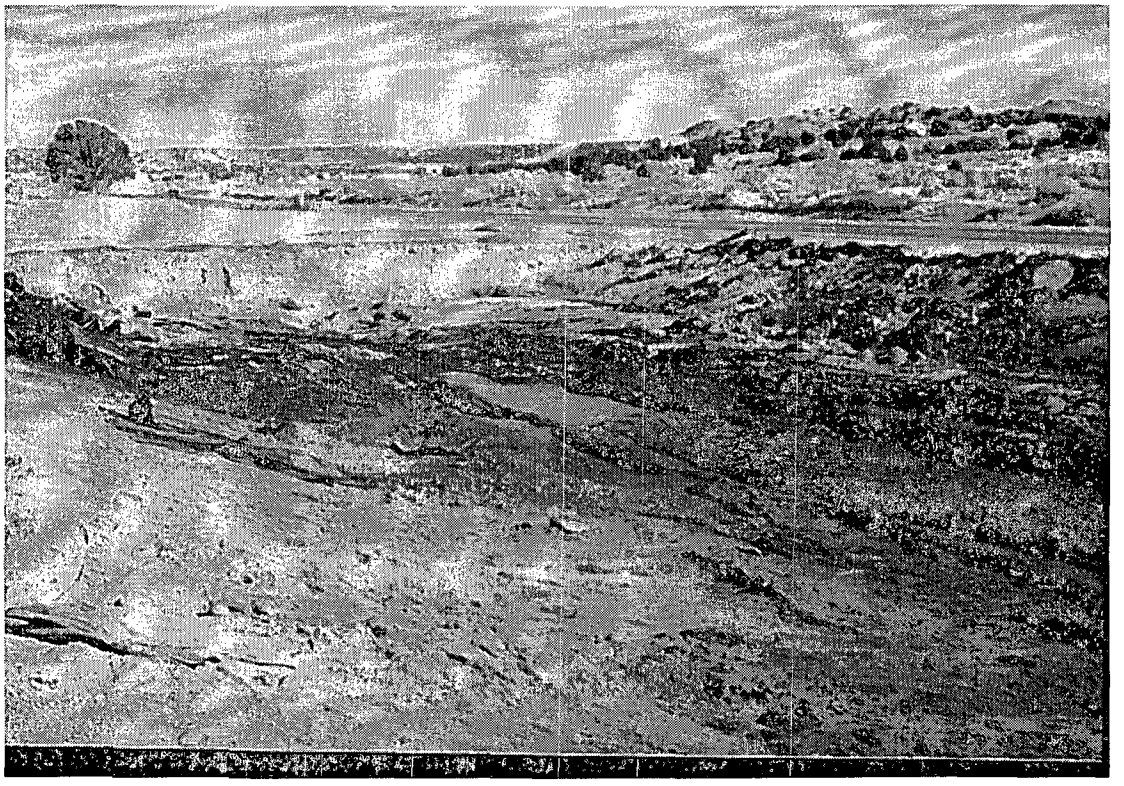

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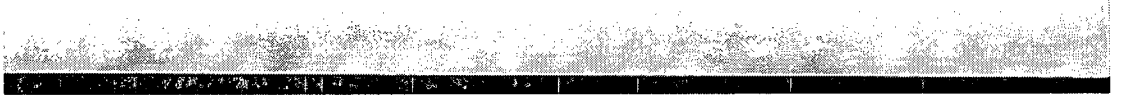

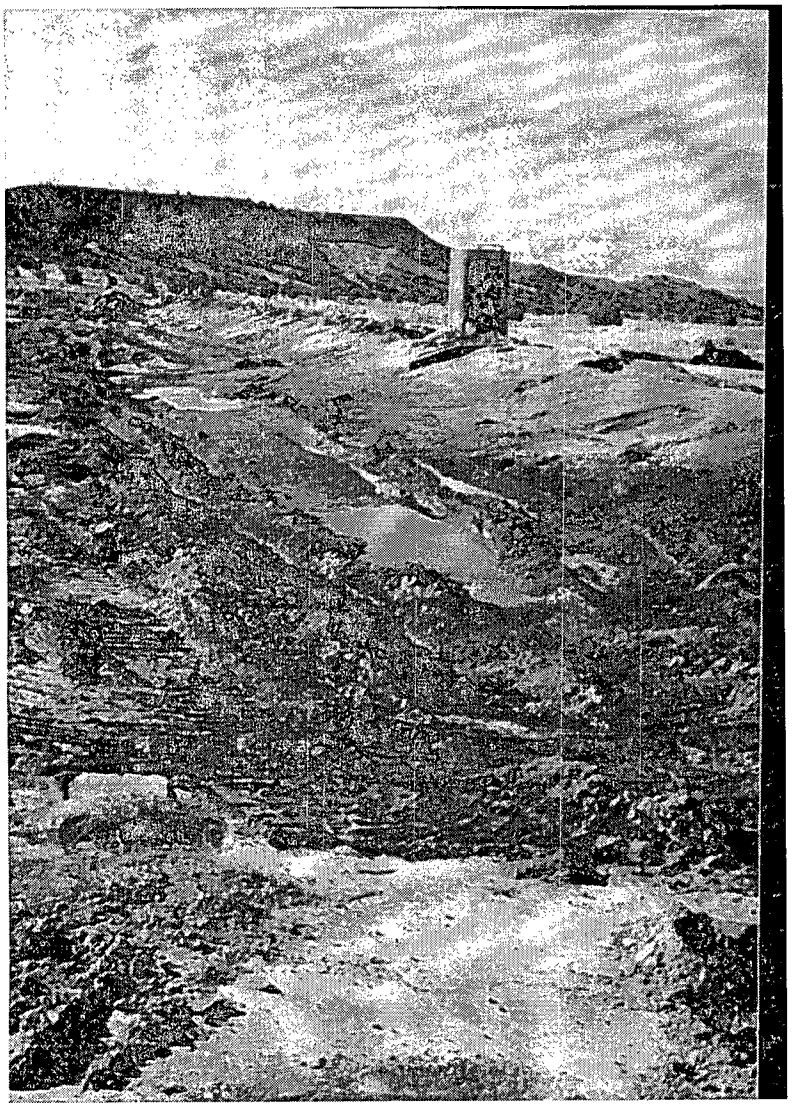

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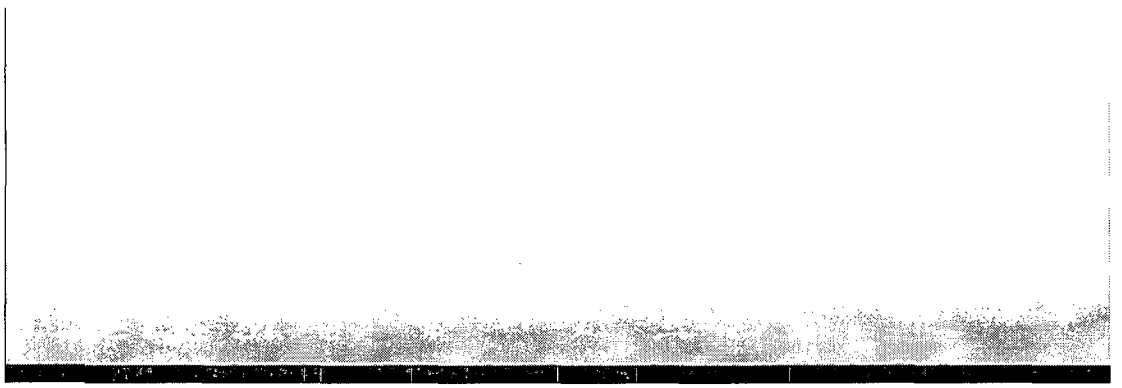

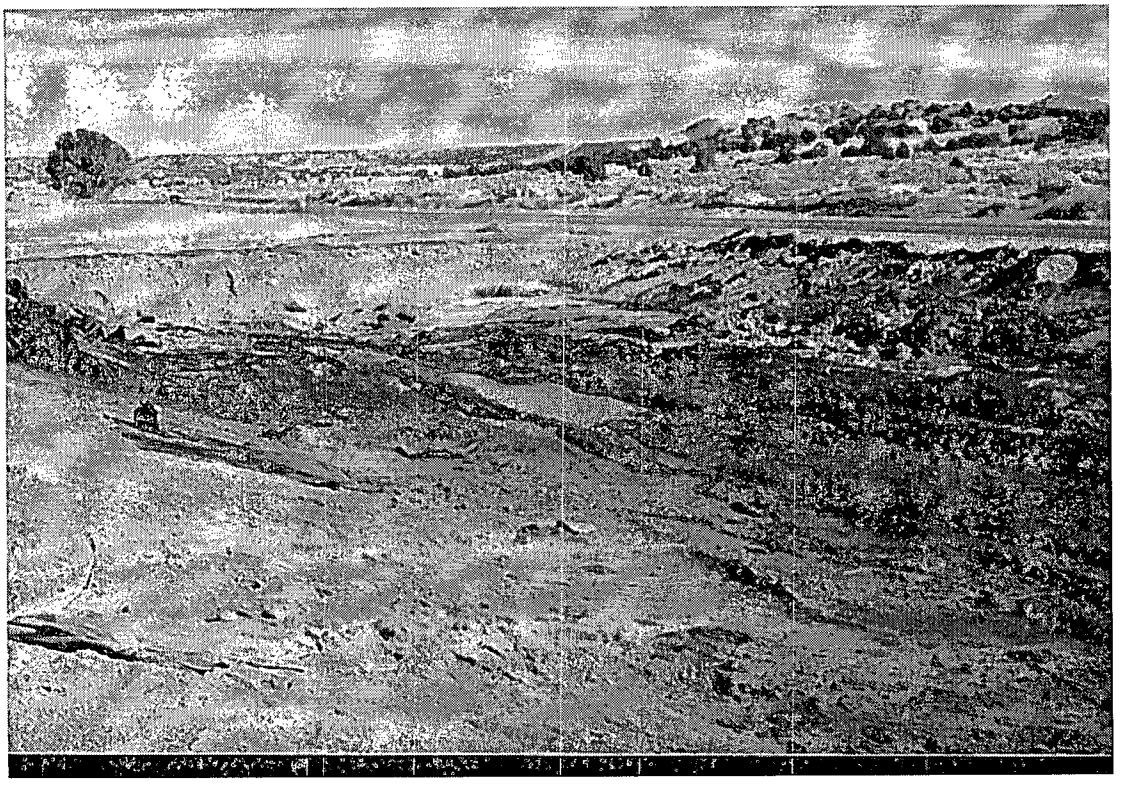

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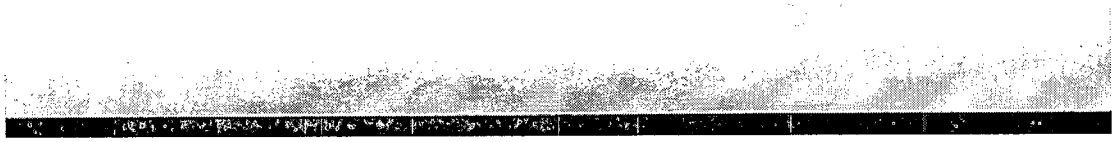

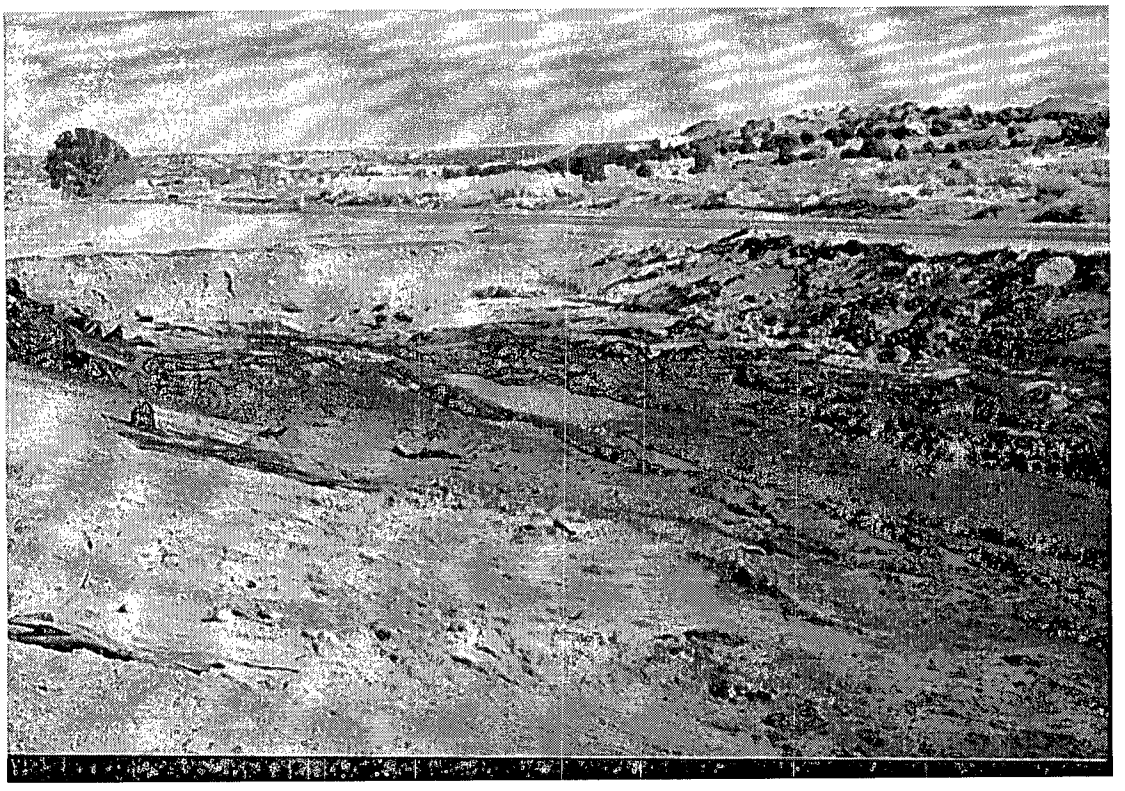

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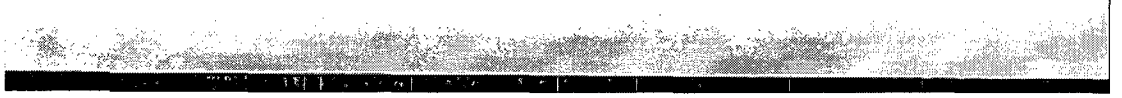

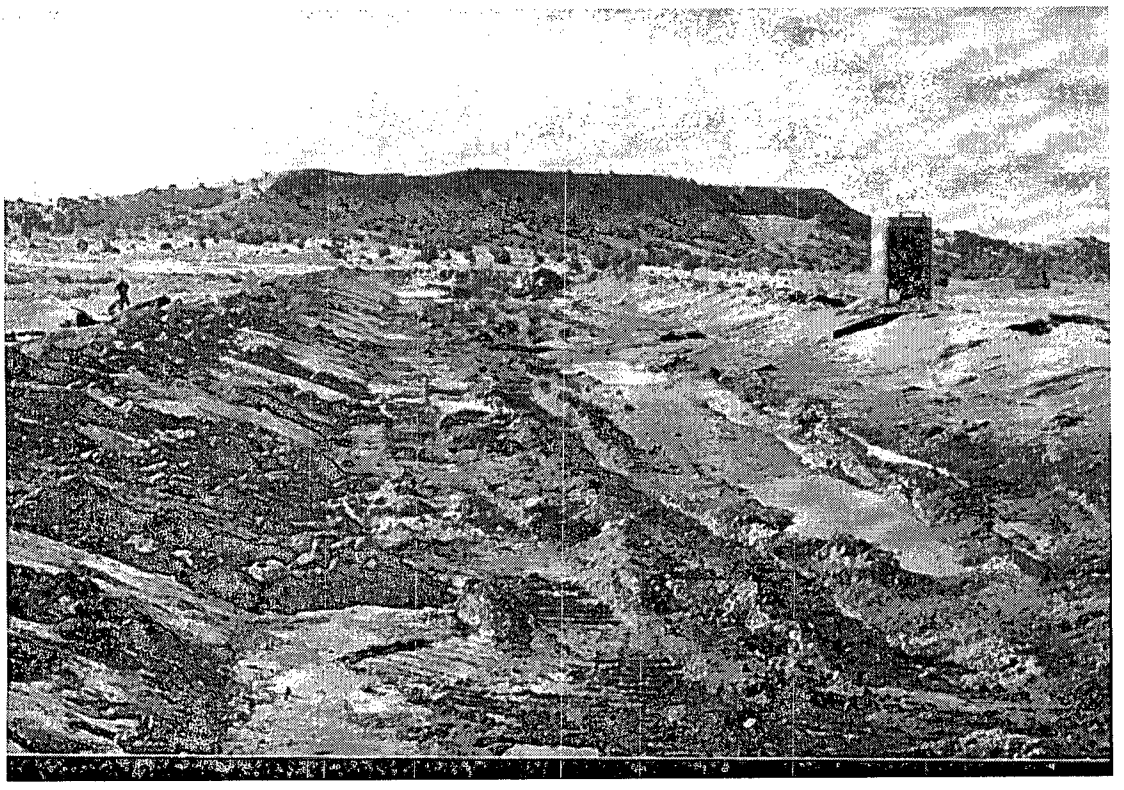

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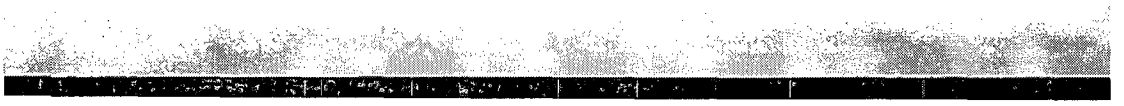

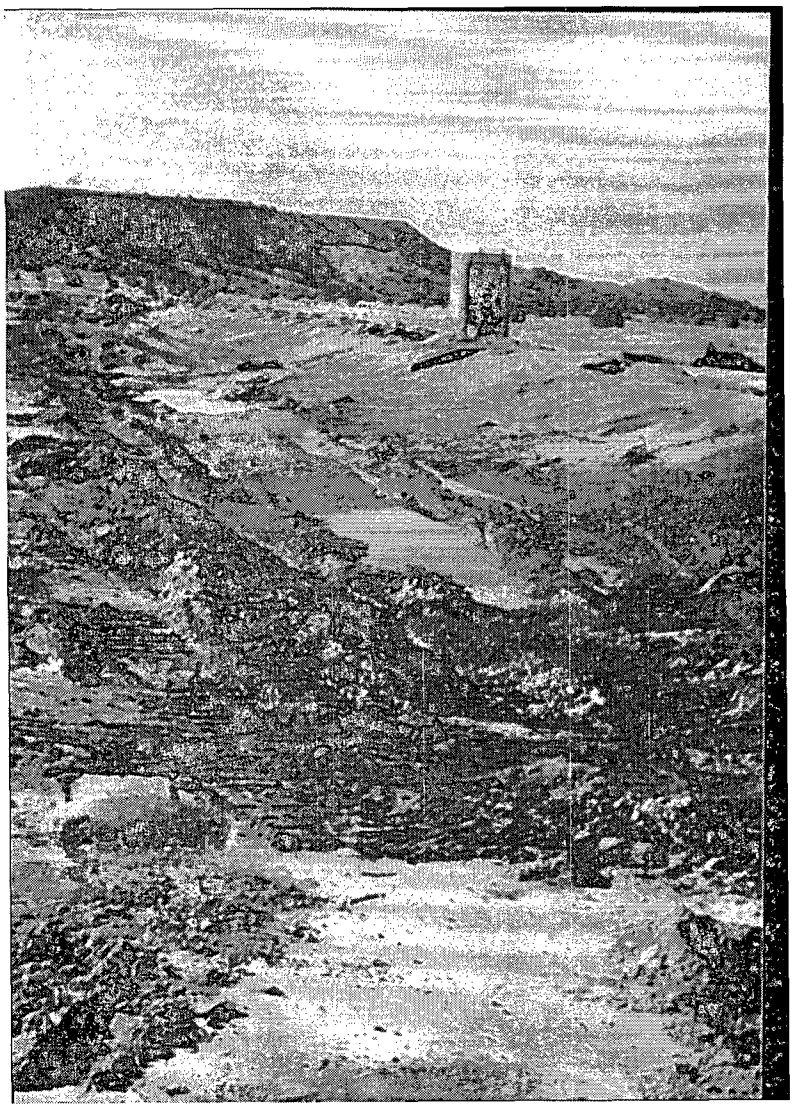

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