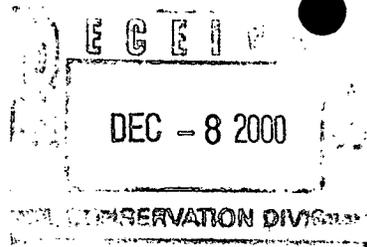


GW - 163

**MONITORING
REPORTS**

DATE:

1996 - 2000



December 6, 2000

Mr. Wayne Price
Oil Conservation Division
NM Energy, Minerals, and Natural Resources Department
2040 South Pacheco
Santa Fe, NM 87505

**RE: Notification of Release to Groundwater at
Two Former LG&E Sites, Now Operated by Conoco Inc.,
1) Apex Compressor Station, Lea County, New Mexico, and
2) PCA Junction, Lea County, New Mexico**

GW-163

Dear Mr. Price:

On behalf of Conoco Inc. (Conoco), Maxim Technologies, Inc. (Maxim) is forwarding this letter to officially notify the New Mexico Oil Conservation Division (OCD) of hydrocarbon related impacts to groundwater at the two above referenced facilities. LG&E Marketing, a subsidiary of LG&E Energy of Hobbs, New Mexico, formerly operated these facilities.

On December 1, 2000, Conoco became the owner/operator of these LG&E assets in New Mexico. As part of the acquisition of these assets, Conoco initiated a due diligence phase, which consisted in part, of installing soil borings and temporary monitor wells at these facilities. As a result of this phase of the due diligence, two sites were determined to have hydrocarbon related impacts to groundwater. These sites are:

- 1) Apex Compressor Station, several miles west of Hobbs (north of the Hobbs Gas Plant) in Lea County, New Mexico, and the
- 2) PCA Junction Station, northeast of Carlsbad in Eddy County, New Mexico.

The Apex Compressor Station is composed of four compressors, a tank farm, incoming and outgoing pipelines with associated metering houses, and scrubbers. Subsurface investigation activities, consisting of drilling, sampling and laboratory analysis of soil and groundwater, were conducted on September 7 and 8, 2000. A total of six soil borings were installed, and groundwater was encountered between 60 and 61 feet below ground surface (bgs). Three groundwater samples were collected and analyzed for BTEX and TPH. One groundwater sample in the vicinity of the tank farm contained benzene at 48 micrograms per liter (ug/L).

The PCA Junction facility consists of two bermed condensate tanks, two methanol saddle tanks and associated gas piping. Three soil borings and temporary monitoring wells were



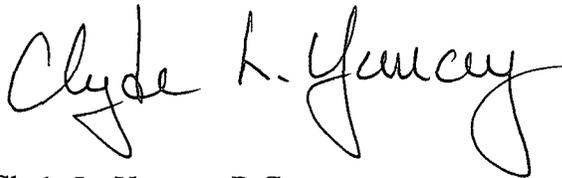
Mr. Wayne Price
December 6, 2000
Page 2

installed around the tank farm on September 27, 2000. Groundwater levels in the temporary wells ranged from 22 to 23 feet bgs. Three groundwater samples were collected and analyzed for BTEX and TPH. Two samples exhibited benzene impacts ranging from 340—1,700 ug/L, toluene from 370-4,700 ug/L, and xylenes from 380-2,300 ug/L.

Maxim is currently putting together work plans for the two sites to further investigate the extent and nature of the groundwater impacts. It is our intent to forward these work plans to you for review and comment prior to their implementation.

If you have any questions, please do not hesitate to call Clyde Yancey, Maxim at 505-237-8440 or John Skopak, Conoco at 281-293-5584.

Sincerely,
MAXIM TECHNOLOGIES, INC.

A handwritten signature in cursive script that reads "Clyde L. Yancey". The signature is written in black ink and is positioned below the typed name.

Clyde L. Yancey, P.G.
Senior Project Manager

Copy to:
John E: Skopak, Conoco Inc./Remediation Technology
Joyce M. Miley, Conoco Inc./NG&GP
Marshall C. Honeyman, Conoco Inc./NG&GP
Mark A. Bishop, Conoco Inc./NG&GP

Wayne Price



From: Wayne Price
To: Chris Eustice
Cc: Jerry Sexton; Gary Wink; Karen Sharp
Subject: Llano Apex Comp. St. GW-163
Date: Friday, May 24, 1996 1:48PM

RE: Anti-freeze spill approx. 5 bbls.

Dear Chris,

Llano had a spill on 5/16/96.

Called Ed Sloman, Ed indicated Envir. Spill Control Co. responded to spill. All contaminated soil has been picked up and placed on plastic. They have sampled dirt pile and spill area and are waiting on results.

They have tentative plans to dispose of this material at one of the NMOCD disposal facilities.

They are planning on sending in a final report.

cc: Ed Sloman-Llano

393-2152 off

Page

DISTRICT I
P.O. Box 1980, Hobbs, NM 88241-1980
DISTRICT II
P.O. Drawer DD, Artesia, NM 88211-0719
DISTRICT III
1000 Rio Brazos Rd, Aztec, NM 87410

State of New Mexico
Energy, Minerals and Natural Resources Department
OIL CONSERVATION DIVISION
P.O. Box 2088
Santa Fe, New Mexico 87504-2088

SUBMIT 2 COPIES TO
APPROPRIATE DISTRICT
OFFICE IN ACCORDANCE
WITH RULE 116 PRINTED
ON BACK SIDE OF FORM

NOTIFICATION OF FIRE, BREAKS, SPILLS, LEAKS, AND BLOWOUTS

OPERATOR <i>L N B Natl (Llano)</i>					ADDRESS		TELEPHONE	
REPORT OF	FIRE	BREAK	SPILL	LEAK	BLOWOUT	OTHER*		
TYPE OF FACILITY	DRLG WELL	PROD WELL	TANK BTRY	PIPE LINE	GASO PLNT	OIL RFY	OTHER*	
FACILITY NAME: <i>Apey Compressor Station</i>								
LOCATION OF FACILITY					SEC.	TWP.	RGE.	COUNTY
Qtr/Qtr Sec. or Footage								
DISTANCE AND DIRECTION FROM NEAREST TOWN OR PROMINENT LANDMARK <i>N of Hobbs Minors Rd - 12 mi W of Hobbs</i>								
DATE AND HOUR OF OCCURRENCE <i>5/16/96 2:PM</i>				DATE AND HOUR OF DISCOVERY				
WAS IMMEDIATE NOTICE GIVEN?		YES	NO	NOT REQUIRED	IF YES, TO WHOM <i>Bonne</i>			
BY WHOM <i>Ed S Roman</i>				DATE AND HOUR <i>5/16/96 2:55 PM</i>				
TYPE OF FLUID LOST <i>Anti-freeze</i>				QUANTITY OF LOSS <i>4.9 Bbl</i>		VOLUME RECOVERED <i>None</i>		
DID ANY FLUIDS REACH A WATERCOURSE?		YES	NO	QUANTITY				
IF YES, DESCRIBE FULLY**								
DESCRIBE CAUSE OF PROBLEM AND REMEDIAL ACTION TAKEN** <i>Eddins & Walcher ran over valve Environmental Spill on way</i>								
DESCRIBE AREA AFFECTED AND CLEANUP ACTION TAKEN** <i>Most is contained on right of way</i>								
DESCRIPTION OF AREA		FARMING	GRAZING	URBAN	OTHER*			
SURFACE CONDITIONS		SANDY	SANDY LOAM	CLAY	ROCKY	WET	DRY	SNOW
DESCRIBE GENERAL CONDITIONS PREVAILING (TEMPERATURE, PRECIPITATION, ETC.)**								

I HEREBY CERTIFY THAT THE INFORMATION ABOVE IS TRUE AND COMPLETE TO THE BEST OF MY KNOWLEDGE AND BELIEF

PRINTED NAME