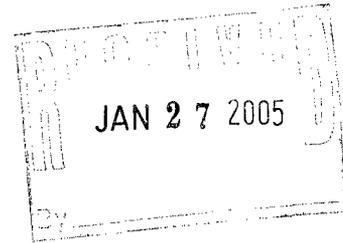


1R - 450

**GENERAL
CORRESPONDENCE**

YEAR(S):

2004 - 2005



January 25, 2005

Mr. Paul Sheeley
Oil Conservation Division – District 1
New Mexico Energy, Minerals and Natural Resources Department
1625 North French Drive
Hobbs, New Mexico 88240

**Re: Final Pipeline Spill Investigation Report, Dynegy Midstream Services, L.P.,
Unit Letter H (SE/4, NE/4), Section 11, Township 23 South, Range 37 East,
Lea County, New Mexico**

Dear Mr. Sheeley:

Please find enclosed a copy of the above-referenced report. The report is submitted on behalf of Dynegy Midstream Services, L. P., and presents the final results of spill remediation conducted by Larson and Associates, Inc. Please call Dave Harris at (505) 394-2534 or myself at (432) 687-0901 if you have questions.

Sincerely,
Larson and Associates, Inc.

A handwritten signature in cursive script that reads "Cindy K. Crain".

Cindy K. Crain, PG

cc: Dave Harris – Dynegy
~~Cal Wrangham – Dynegy~~
Roger Holland - Dynegy



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON
Governor
Joanna Prukop
Cabinet Secretary

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

August 12, 2004

Dynegy Midstream Services, L. P. Permian Basin Region, (Dynegy)
Attn: Cal Wrangham
6 Desta Drive, Suite 3300
Midland, TX 79705

Re: **Site # 57, Pipeline Spill Remediation Closure Denial**
UL-P, Sec.20, T21S-R37E, Dated: January 13, 2003, Larson & Associates, Inc.

Dear Mr. Wrangham,

The New Mexico Oil Conservation Division (OCD) has reviewed the closure proposal submitted for Dynegy, by Larson & Associates, and referenced above. **OCD hereby denies** the proposal according to the information provided. The "Ranking Criteria" is 10 because groundwater is 50-100 ft. in that section.

If you have any questions or need any assistance call: (505) 393-6161 x113 or email: psheeley@state.nm.us

Sincerely,

Paul Sheeley-Environmental Engineer

Cc: Roger Anderson - Environmental Bureau Chief
Chris Williams - District I Supervisor
William Olson - OCD Hydrologist
Larry Johnson - Environmental Engineer
Cindy Crane - Larson & Associates, Inc.
Dave Harris - Dynegy

January 14, 2004

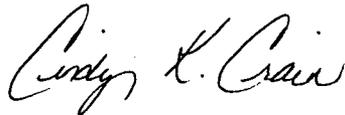
Mr. Paul Sheeley
Oil Conservation Division – District 1
New Mexico Energy, Minerals and Natural Resources Department
1625 North French Drive
Hobbs, New Mexico 88240

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Sincerely,
Larson and Associates, Inc.



Cindy K. Crain, PG

cc: Dave Harris – Dynege
Cal Wrangham - Dynege
Roger Holland - Dynege