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 For drilling and production facilities, submit to appropriate NMOCD District Office.

For downstream facilities, submit to Santa Fe office

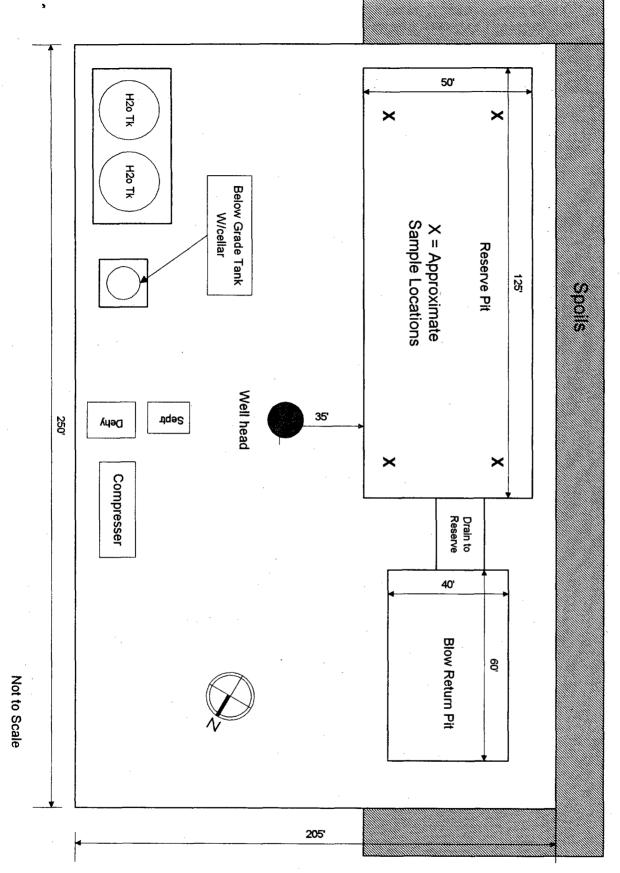
Form C-144 June 1, 2004

Pit or Below-Grade Tank Registration or Closure

| Is pit or below-grade tank Type of action: Registration of a pit of | covered by a "general plan"? Yes 💹 Nor below-grade tank 🔲 Closure of a pit or below | orade tank |
|--|---|---|
| perator: PEOPLES ENERGY PRODUCTION-TEXAS, LP Telephone: 71 Address: 909 Fannin Suite 1300 Houston, Tx. 77010 acility or well name: GARDNER C 6A API #: 30-045-32053 County: San Juan Latitude 36°57′03" Longitude 107°43′31" NAD | e-mail address: dsumrall@pec U/L or Qtr/Qtr SE/SE Sec 25 T32N R9W | orp.com |
| it ype: Drilling ⊠ Production □ Disposal □ Workover □ Emergency □ ined ⊠ Unlined □ iner type: Synthetic ⊠ Thickness _8mil Clay □ it Volume1100_bbl | Below-grade tank | <u> </u> |
| Depth to ground water (vertical distance from bottom of pit to seasonal high vater elevation of ground water.) | Less than 50 feet 50 feet or more, but less than 100 feet 100 feet or more X | (20 points) (10 points) (0 points) |
| Vellhead protection area: (Less than 200 feet from a private domestic vater source, or less than 1000 feet from all other water sources.) | Yes No X | (20 points) (0 points) |
| Distance to surface water: (horizontal distance to all wetlands, playas, rigation canals, ditches, and perennial and ephemeral watercourses.) | Less than 200 feet 200 feet or more, but less than 1000 feet 1000 feet or more X | (20 points) (10 points) (0 points) |
| | Ranking Score (Total Points) | 0 Points |
| If this is a pit closure: (1) attach a diagram of the facility showing the pit's your are burying in place) onsite ☑ offsite ☐ If offsite, name of facilityremediation start date and end date. (4) Groundwater encountered: No ☑ YAttach soil sample results and a diagram of sample locations and excavation Additional Comments: | Yes If yes, show depth below ground surface_ | ral description of remedial action taken including |
| I hereby certify that the information above is true and complete to the best of been/will be constructed or closed according to NMOCD guidelines , Date: 3/31/04 Printed Name/Title PIANJE Share PianJe P | a general permit , or an (attached) alternative Signature | ve OCB approved plan . Usual ats of the pit or tank contaminate ground water or |
| otherwise endanger public health or the environment. Nor does it relieve the regulations. Approval: Printed Name/Title DEPUTY OIL 8 GAS INSPECTOR, DIST. | e operator of its responsibility for compliance with | Date: Date: |

GARDNER C 6A SE/SE S25, T32N, R9W 655' FSL & 975' FEL ELEVATION 6671

PEOPLES ENERGY PRODUCTION



PEOPLES ENERGY PROD. – TX, LP DISCRIPTION OF REMEDIAL ACTION TO CLOSE RESERVE PIT.

Well Name: Gardner C 6A

Location of Well: SE/SE S25, T32N, R9W (P) 655' FSL & 975' FEL

Lease Serial No.: NM013642

API Well No. 30-045-32053

Remedial Action;

- Sample and analyze reserve pit. (See attached ENVIROTECH lab results.)
- Cut 8 mil liner off at mud line.
- Fill in reserve pit with on site spoils free of trash and other materials.
- Back fill pit in 3' lifts. Walk down each lift with dozer or loader.
- The reserve pit will be backfilled, leveled and contoured so as to prevent any materials from being carried into the watershed. Upon the completion of backfilling, the area will be reseeded with the appropriate seed mixture as specified by the BLM. The seed mix for this project is above 10" of precipitation.
- All trash including pit liner will be hauled away to an approved landfill.

Remediation date: 9/1/04 thru 9/30/04



EPA METHOD 8015 Modified Nonhalogenated Volatile Organics Total Petroleum Hydrocarbons

| | | • | |
|----------------------|-----------------|---------------------|-----------|
| Client: | Peoples Energy | Project #: | 04042-002 |
| Sample ID: | Gardner C6A | Date Reported: | 08-17-04 |
| Laboratory Number: | 30038 | Date Sampled: | 08-13-04 |
| Chain of Custody No: | 12754 | Date Received: | 08-13-04 |
| Sample Matrix: | Mud | Date Extracted: | 08-16-04 |
| Preservative: | Cool | Date Analyzed: | 08-17-04 |
| Condition: | Cool and Intact | Analysis Requested: | 8015 TPH |

| Parameter | Concentration (mg/Kg) | Det. Limit (mg/Kg) |
|------------------------------|--------------------------|--------------------------|
| Gasoline Range (C5 - C10) | 11.4 | 0.2 |
| Diesel Range (C10 - C28) | 75.1 | 0.1 |
| Total Petroleum Hydrocarbons | 86.5 | 0.2 |

ND - Parameter not detected at the stated detection limit.

References:

Method 8015B, Nonhalogenated Volatile Organics, Test Methods for Evaluating Solid Waste,

SW-846, USEPA, December 1996.

Comments:

Arkansas Loop.

Analyst C Option

Mistere M Walters Review



EPA METHOD 8021 AROMATIC VOLATILE ORGANICS

| - | | | |
|--------------------|----------------|---------------------|-----------|
| Client: | Peoples Energy | Project #: | 04042-002 |
| Sample ID: | Gardner C6A | Date Reported: | 08-17-04 |
| Laboratory Number: | 30038 | Date Sampled: | 08-13-04 |
| Chain of Custody: | 12754 | Date Received: | 08-13-04 |
| Sample Matrix: | Mud | Date Analyzed: | 08-17-04 |
| Preservative: | Cool | Date Extracted: | 08-16-04 |
| Condition: | Cool & Intact | Analysis Requested: | BTEX |

| Parameter | Concentration (ug/Kg) | Det. Limit (ug/Kg) | |
|--------------|--------------------------|--------------------------|--|
| | • | | |
| Benzene | ND | 1.8 | |
| Toluene | ND | 1.7 | |
| Ethylbenzene | ND | 1.5 | |
| p,m-Xylene | ND | 2.2 | |
| o-Xylene | ND | 1.0 | |
| Total BTEX | ND | | |

ND - Parameter not detected at the stated detection limit.

| Surrogate Recoveries: | Parameter | Percent Recovery |
|-----------------------|-----------------------------|------------------|
| | Fluoroben zene | 98 % |
| | 1,4-difluor obenzene | 98 % |
| | Bromochlorobenzene | 98 % |

References:

Method 5030B, Purge-and-Trap, Test Methods for Evaluating Solid Waste, SW-846, USEPA,

December 1996.

Method 8021B, Aromatic Volatile Organics, Test Methods for Evaluating Solid Waste, SW-846,

USEPA, December 1996.

Comments:

Arkansas Loop.

Alexa C. Character

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Review



TRACE METAL ANALYSIS

| | | * | |
|--------------------|----------------|------------------|-------------|
| Client: | Peoples Energy | Project #: | 04042-002 |
| Sample ID: | Gardner C6A | Date Reported: | 08-17-04 |
| Laboratory Number: | 30038 | Date Sampled: | 08-13-04 |
| Chain of Custody: | 12754 | Date Received: | 08-13-04 |
| Sample Matrix: | Mud | Date Analyzed: | 08-17-04 |
| Preservative: | Cool | Date Digested: | 08-16-04 |
| Condition: | Cool & Intact | Analysis Needed: | RCRA Metals |
| | | | |

| Parameter | Concentration (mg/Kg) | Det. Limit (mg/Kg) | TCLP Regulatory Level (mg/Kg) |
|-----------|--------------------------|--------------------------|-------------------------------------|
| | | | |
| Arsenic | 0.005 | 0.001 | 5.0 |
| Barium | 0.228 | 0.001 | 100 |
| Cadmium | ND | 0.001 | 1.0 |
| Chromium | 0.001 | 0.001 | 5.0 |
| Lead | 0.001 | 0.001 | 5.0 |
| Mercury | ND | 0.001 | 0.2 |
| Selenium | 0.002 | 0.001 | 1.0 |
| Silver | ND | 0.001 | 5.0 |

ND - Parameter not detected at the stated detection limit.

References:

Method 3050B, Acid Digestion of Sediments, Sludges and Soils.

SW-846, USEPA, December 1996.

Method 6010B, Analysis of Metals by Inductively Coupled Plasma Atomic Emmision

Spectroscopy, SW-846, USEPA, December 1996.

Note:

Regulatory Limits based on 40 CFR part 261 subpart C

section 261.24, August 24, 1998.

Comments:

Arkansas Loop.

Analyst

Mister Mulles



EC, SAR, ESP, CI Analysis

| Client: | Peoples Energy | Project #: | 04042-002 |
|--------------------|----------------|-----------------|-----------|
| Sample ID: | Gardner C6A | Date Reported: | 08-17-04 |
| Laboratory Number: | 300 38 | Date Sampled: | 08-13-04 |
| Chain of Custody: | 12754 | Date Received: | 08-13-04 |
| Sample Matrix: | Mud | Date Extracted: | 08-16-04 |
| Preservative: | Cool | Date Analyzed: | 08-17-04 |
| Condition: | Cool & Intact | · • | |

| | Analytical | | |
|-----------|------------|-------|--|
| Parameter | Result | Units | |

| Conductivity @ 25° C | 14.580 | mmhos/cm |
|-----------------------------------|--------|----------|
| Calcium | 12.0 | mg/Kg |
| Magnesium | 0.98 | mg/Kg |
| Sodium | 1,890 | mg/Kg |
| Sodium Absorption Ratio (SAR) | 141 | ratio |
| Exchangeable Sodium Percent (ESP) | 67.1 | percent |
| Chloride | 1,930 | mg/Kg |

Reference:

U.S.E.P.A., 600/4-79-020, "Methods for Chemical Analysis of Water and Wastes", 1983.

Comments:

Arkansas Loop.

Analyst C. Cerum

Review Maller