NEW MEXICO ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

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Mr Steve Emerich PNM Gas Service Alvarado Square MS 2512 Albuquerque NM 87512-2512

Re: Gas in Valle Grande Subdivision

Dear Mr. Emerich:

In January of 1982 our office reentered and replugged the Allen #1 well in the Valle Grande subdivision of Farmington. We were suspicious that this old well could be the source of gas which had been detected earlier near two houses in the subdivision. We spent considerable time and other resources locating this well and the plugging job exceeded what would be standard plugging practice. The plugging operation did not affect the readings of gas that we were measuring and we have concluded that the well was not the source of the gas.

The methodology and equipment that we used to monitor the gas in the soil gave only a qualitative and not a quantitative value of the gas saturations and were misinterpreted by many to indicate that there was a high degree of danger in the area. Sadly, part of this misunderstanding still exists. We have found nothing to indicate that the volume of gas in the soil is significant enough to pose a threat.

Given our experience with other types of gas leaks from wells and after further gas analyses and research, we have come to the conclusion that the gas seep in the Valle Grande subdivision is a natural seep similar to and maybe related to the better documented Miller Street gas seeps approximately one mile to the west. (One business in that area also discovered gas in their soil.) Anecdotal history and old documents verify the existence of several gas seeps in the valleys in this area.

Historically, natural gas seeps are in a state of equilibrium for years and decline slowly. We expect very little change to occur in this seep but nobody can guarantee if the seep will increase, decrease, or move to another area of the subdivision.

Sincerely.

Frank T. Chavez

District Supervisor

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cc: W. J. Peterson, 2113 Camino Rio, Farmington