3R-398

2012 GENERAL CORRESPONDENCE

02 / 27 / 2012



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http://www.craworld.com

February 27, 2012

Reference No. 074942

Mr. Glenn von Gonten New Mexico Oil Conservation Division 1220 South Saint Francis Dr. Santa Fe, NM 87505

Re:

ConocoPhillips Scott No. 1 Drake Ranch Site Monitoring Well Plugging and

Abandonment Notification API No. 30-045-13094 NMOCD No. 3R-398 CRA Project No. 074942

Dear Mr. von Gonten:

This letter discusses monitor well plugging and abandonment activities conducted by Conestoga-Rovers & Associates (CRA) at the ConocoPhillips Scott No. 1 Drake Ranch Site (Site) located near the intersection of Farmington Avenue and 30th Street in Farmington, New Mexico. A Site Location Map and a Site Layout Map have been included as Figures 1 and 2, respectively. This work was completed on December 19, 2011 after receiving approval from the New Mexico Energy, Minerals and Natural Resources Department Oil Conservation Division (NMOCD) in a letter dated November 15, 2011 granting site closure and no further action status. A copy of the letter is included as **Appendix A**.

On December 19, 2011, a total of six monitor wells were plugged and abandoned by JR Drilling of Peralta, New Mexico, according to the November 15, 2011 NMOCD letter. All surface completions were removed, each casing was cut off below ground surface, and grout, containing 3-5% bentonite, was pumped from the bottom to the top through a 1-inch tremie pipe into each well.

Specifications for all wells including well identification number, casing diameter, total depth, depth to groundwater, location (latitude/longitude), and surface completion type were field checked during plugging and abandonment activities. The theoretical and actual grout volumes used in each monitor well were calculated and recorded. This information is included in Table 1.



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Please contact Kelly Blanchard at 505.884.0672 or keblanchard@craworld.com if you have any questions or require additional information.

Yours Truly,

CONESTOGA-ROVERS & ASSOCIATES

Kelly E. Blanchard

Kelly E. Blanchard Project Manager

KB/cd/1 Encl.

cc: Terry Lauck, ConocoPhillips Company (electronic only)

FIGURES SITE LOCATION MAP AND SITE LAYOUT MAP





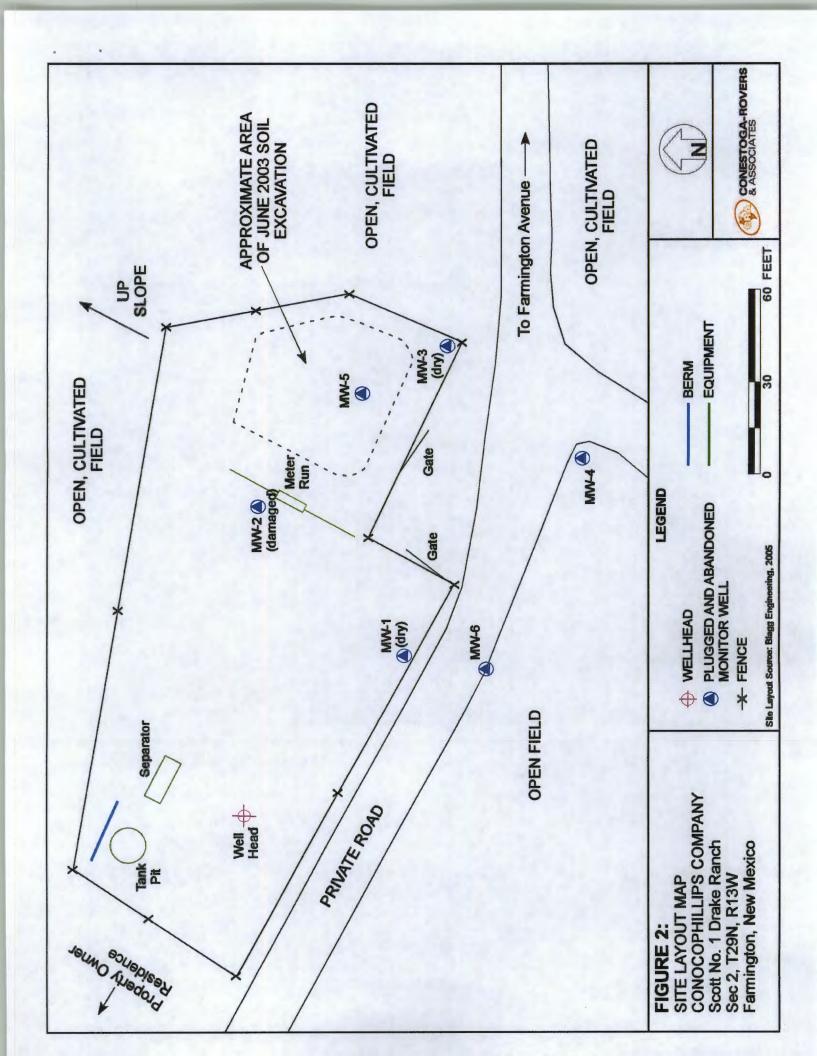


TABLE WELL SPECIFICATIONS

TABLE 1

MONITOR WELL SPECIFICATIONS
CONOCOPHILLIPS COMPANY
SCOTT No.1 DRAKE RANCH SITE
NMOCD No. 3R-398, API No. 30-045-13094, CRA No. 074942
SAN JUAN COUNTY, NM

| WellID | Date | Well Casing Diameter (in) | TOC elevation* (ft) | TOC Well Total elevation* Depth (ft below (ft) TOC) | Screened Interval (ft below TOC) | Depth to Water (ft below TOC) | Depth to Water (ff Relative Water Table below TOC) | Surface Completion Type Grout Volume (gallons) | Theoretical Actual Grout Grout Volume (gallons) (gallons) | Actual Grout Volume (gallons) | Latitude | Longitude |
|--------|------------|------------------------------|---------------------------|---|--|----------------------------------|--|--|---|-------------------------------------|-----------|-------------|
| MW-1 | 12/20/2011 | 2.0 | 99.74 | 14.42 | 9.58 - 14.08 | DRY | NA | PVC Stick-up | 2.3 | 8 | 36.754156 | -108.178974 |
| MW-2 | 12/20/2011 | 2.0 | Damaged | 6.50 | 5.00 - 10.00 | DRY | NA | PVC Stick-up | 1.0 | 4 | 36.754296 | -108.178806 |
| MW-3 | 12/20/2011 | 2.0 | 98.76 | 5.94 | 4.92 - 9.92 | DRY | NA | PVC Stick-up | 1.0 | 4 | 36.754145 | -108.178632 |
| MW-4 | 12/20/2011 | 2.0 | 95.79 | 24.44 | 15.00 - 24.00 | 20.07 | 75.72 | Flush Mount Vault | 3.9 | 10 | 36.753994 | -108.178720 |
| MW-5 | 12/20/2011 | 2.0 | 101.77 | 16.03 | 5.83 - 14.83 | 12.23 | 89.54 | 4 inch Square Steel Stick-up | 2.6 | 8 | 36.754201 | -108.178696 |
| 9-MM | 12/20/2011 | 2.0 | 96.84 | 23.78 | 14.50 - 23.50 | 21.52 | 75.32 | Flush Mount Vault | 3.8 | 8 | 36.754076 | -108.178976 |

*Casing elevations are based on a 100 foot relative surface elevation of the gas well head flange. It = feet in = inches TOC = Top of Casing NA = Not applicable

APPENDIX A

NOVEMBER 15, 2011 NMOCD FORMAL REQUEST FOR SITE CLOSURE AND NO FURTHER ACTION STATUS LETTER



Susana Martinez

Governor

John H. Bemis
Cabinet Secretary-Designate

Brett F. Woods, Ph.D.
Deputy Cabinet Secretary

Jami Bailey
Division Director
Oil Conservation Division

ONSERVATION DIVISION

NOVEMBER 15, 2011

Mr. Terry Lauck Site Manager ConocoPhillips Company Risk Management & Remediation 420 South Keeler Avenue Bartlesville, OK 74004

RE: FORMAL REQUEST FOR SITE CLOSURE AND NO FURTHER ACTION STATUS
CONOCOPHILLIPS SCOTT NO. 1, API NO. 30-045-13094
3R-398, (K), SECTION 2, TOWNSHIP 29 NORTH, RANGE 13 WEST

Mr. Lauck:

The Oil Conservation Division (OCD) has reviewed your Formal Request For Site Closure And No Further Action Status dated July 22, 2010. ConocoPhillips requested "site closure and no further action status" for the condensate spill site located at the ConocoPhillips Scott No. 1 (Drake Ranch) located in Unit Letter K, Section 2, Township 29 North, Range 13 West, San Juan County, New Mexico. OCD met with ConocoPhillips on October 12, 2011 and discussed this site along with others. After review, OCD has determined that ConocoPhillips has adequately demonstrated that there was no ground water contamination at this site that exceeded the Water Quality Control Commission ground water standards specified at 20.6.2.3103 NMAC.

Therefore, OCD approves of final closure of this site on the condition that all monitor wells be plugged and abandoned by cutting the casing off below ground surface and grouting the well annulus from the base to the surface with a cement grout containing 3-5% bentonite. Please be advised that OCD approval does not relieve ConocoPhillips of responsibility if remaining contaminants pose a future threat to ground water, surface water, human health or the environment. In addition, OCD approval does not relieve ConocoPhillips of responsibility for compliance with any other federal, state or local laws and regulations.



Mr. Lauck Page 2 of 2

Please note that OCD is still reviewing the other sites that we met on and has not made a final determination on what changes it will require in ConocoPhillips approved workplan. OCD has determined to convene a Spill Guidelines Taskforce in February 2012. Therefore, it would not be appropriate to change pre-approved workplans until that taskforce has concluded its meetings and issued proposed, revised guidance.

OCD will require eight quarters of data demonstrating that ground water has been remediated to meet the WQCC ground water standards at all future sites, but may accept fewer for good cause, such as the destruction of a monitor well. ConocoPhillips indicated that the quality of the ground water at the 3R-398 site for four quarters. OCD has determined that there was no ground water impact that exceeded the WQCC standards, not that ConocoPhillips had remediated the site to meet the ground water standards.

If you have any questions, please contact me at (505) 476-3488.

Sincerely,

Glenn von Gonten

Acting Environmental Bureau Chief

GvG/gvg

Cc: Daniel Sanchez, OCD

Charlie Perrin, OCD District III