

**HUNGRY HORSE, LLC
ENVIRONMENTAL SERVICES**

Dirt Work * On-Site Remediation * Soil Testing * Excavation

Page | 1

14July11

To: Mike Bratcher, NM OCD Dist 2
Paul Evans, BLM Carlsbad
Patricia A. Grajeda de Babb, DCP

Reference: Remediation
Operator: DCP Midstream
Line: EE 3-1
Legals: NW1/4 Sec. 1, T23S, R30E (Eddy County, NM)
GPS: N32.3392 W103.8263

**Site Background Information**

This affected area is located in rural Eddy County, NM north of Highway 128 to the west of WIPP Site Road. The remediation is the result of a pipeline leak on DCP's EE 3-1 Line. BLM's Paul Evans and NM OCD's Mike Bratcher were notified of the release. The area consists mainly of sandy topsoil with native grasses, yucca plants, and mesquite bushes. The terrain is relatively flat. Based upon the Eddy County Depth to Groundwater Map, depth to groundwater is 200'. There are no known water wells or surface bodies of water within 1000' of this site. Thus, this area receives a Site Ranking Score of 0. There is a BOPCO low pressure water line running parallel with the DCP line with an Enterprise Product line intersecting the affected area on the northeast corner.

The affected area includes the DCP ROW, as well as the Enterprise Products ROW. Based upon visible evidence, the heaviest contamination seems to be contained on the DCP ROW with overspray outside the ROW.

Site Work conducted to Date

Upon discovery of the release, the pipeline was repaired and subsequently back filled by the repair team. A site assessment was conducted with discovery of the covered line. Due to the line being backfilled, it was not possible to determine the exact point of release. However, initial soil samples were obtained to determine the contents of the line in order to aid in the development of a remediation work plan.

HUNGRY HORSE, LLC ENVIRONMENTAL SERVICES

Dirt Work * On-Site Remediation * Soil Testing * Excavation

Page | 2

Soil samples at SP1 were obtained near the point of release. Samples were obtained at 1' & 3' BGS. Another sample (SP2) was obtained 1' BGS to the north of SP1. (See attached spreadsheet and lab analysis)

Remediation Work Plan Proposal

Due to the repaired line being backfilled, the inability to determine the exact point of release and obtain viable soil samples, I propose the following remediation work plan.

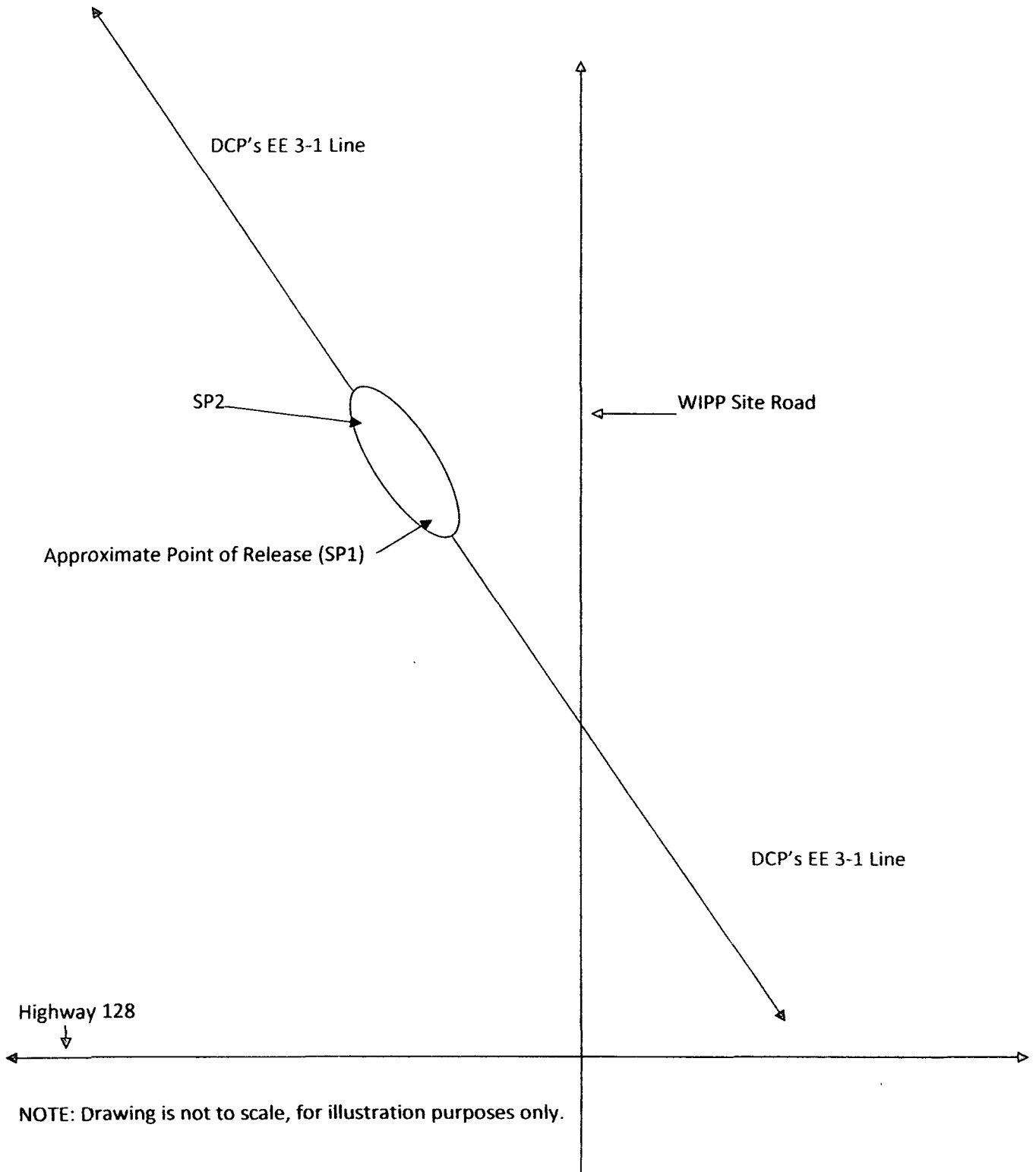
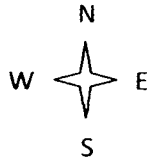
- 1) Carefully excavate the affected area along the pipeline to determine the point of release. Once determined, continue the excavation along the pipeline removing the saturated soil.
- 2) Upon completion of the removal of the saturated soil, additional soil samples will be obtained to determine the remaining contaminant levels along the pipeline ROW.
- 3) The "overspray area" off the ROW will be sampled and analyzed as well.
- 4) Lab analytical results will be presented to NM OCD and BLM for guidance and feedback.
- 5) Should contaminants levels allow and with approval, I propose to thoroughly blend the "overspray area".
- 6) Upon contaminant levels along the pipeline reaching closure levels and with approval, the area will be back filled with clean material, reseeded, and contoured to match the surrounding terrain.

I look forward to receiving your feedback and guidance to this remediation proposal.

Sincerely,



Vernon K. Black, Hungry Horse, LLC



DCP Midstream's EE3-1 Line

	SP 1	SP 2
Surface	166.7ppm	*****
1' BGS	*****	<.15
3" BGS	1.87	*****

Total BTEX

	SP 1	SP 2
Surface	8080ppm	*****
1' BGS	*****	4120ppm
3" BGS	4240ppm	*****

Chlorides

	SP 1	SP 2
Surface	1170/18,600	*****
1' BGS	*****	<.10/191
3" BGS	36.1/339	*****

TOTAL TPH (GRO/DRO)

Analytical Results For:

Hungry Horse Environmental
VERNON BLACK
P.O. Box 1058
Hobbs NM, 88240
Fax To: (505) 391-4585

Received: 07/08/2011
Reported: 07/12/2011
Project Name: EE 3-1 LINE
Project Number: NONE GIVEN
Project Location: EDDY COUNTY, NM

Sampling Date: 07/07/2011
Sampling Type: Soil
Sampling Condition: Cool & Intact
Sample Received By: Jodi Henson

Sample ID: SP #1 SURFACE (H101412-01)

BTEx 8021B		mg/kg	Analyzed By: CDK						
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Benzene*	<1.00	1.00	07/11/2011	ND	1.68	84.1	2.00	6.71	
Toluene*	43.5	1.00	07/11/2011	ND	1.85	92.7	2.00	3.36	
Ethylbenzene*	16.2	1.00	07/11/2011	ND	1.96	98.0	2.00	3.93	
Total Xylenes*	107	3.00	07/11/2011	ND	5.79	96.5	6.00	2.77	

Surrogate 4-Bromofluorobenzene (PIL) 117 % 70-130

Chloride, SM4500Cl-B		mg/kg	Analyzed By: HM						
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Chloride	8080	16.0	07/08/2011	ND	464	116	400	7.14	

TPH 8015M		mg/kg	Analyzed By: ab						
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
GRO C6-C10	4470	50.0	07/12/2011	ND	206	103	200	10.5	
DRO >C10-C28	18600	50.0	07/12/2011	ND	200	99.9	200	2.61	

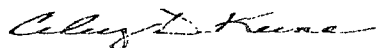
Surrogate 1-Chlorooctane 106 % 70-130

Surrogate 1-Chlorooctadecane 99.8 % 70-130

Cardinal Laboratories

*=Accredited Analyte

PLEASE NOTE: Liability and Damages. Cardinal's liability and client's exclusive remedy for any claim arising, whether based in contract or tort, shall be limited to the amount paid by client for analyses. All claims, including those for negligence and any other cause whatsoever shall be deemed waived unless made in writing and received by Cardinal within thirty (30) days after completion of the applicable service. In no event shall Cardinal be liable for incidental or consequential damages, including, without limitation, business interruptions, loss of use, or loss of profits incurred by client, its subsidiaries, affiliates or successors arising out of or related to the performance of the services hereunder by Cardinal, regardless of whether such claim is based upon any of the above stated reasons or otherwise. Results relate only to the samples identified above. This report shall not be reproduced except in full with written approval of Cardinal Laboratories.



Celey D. Keene, Lab Director/Quality Manager

Analytical Results For:

 Hungry Horse Environmental
 VERNON BLACK
 P.O. Box 1058
 Hobbs NM, 88240
 Fax To: (505) 391-4585

 Received: 07/08/2011
 Reported: 07/12/2011
 Project Name: EE 3-1 LINE
 Project Number: NONE GIVEN
 Project Location: EDDY COUNTY, NM

 Sampling Date: 07/07/2011
 Sampling Type: Soil
 Sampling Condition: Cool & Intact
 Sample Received By: Jodi Henson

Sample ID: SP #1 3' BGS (H101412-02)

BTEX 80218			mg/kg		Analyzed By: CDK					
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier	
Benzene*	<0.050	0.050	07/11/2011	ND	1.68	84.1	2.00	6.71		
Toluene*	0.224	0.050	07/11/2011	ND	1.85	92.7	2.00	3.36		
Ethylbenzene*	0.181	0.050	07/11/2011	ND	1.96	98.0	2.00	3.93		
Total Xylenes*	1.46	0.150	07/11/2011	ND	5.79	96.5	6.00	2.77		

Surrogate 4-Bromofluorobenzene (PII) 114 % 70-130

Chloride, SM4500Cl-B		mg/kg		Analyzed By: HM					
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Chloride	4240	16.0	07/08/2011	ND	464	116	400	7.14	
TPH 8015M		mg/kg		Analyzed By: ab					

TPH 8015M		mg/kg		Analyzed By: ab					
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
GRO C6-C10	36.1	10.0	07/12/2011	ND	206	103	200	10.5	
DRO >C10-C28	339	10.0	07/12/2011	ND	200	99.9	200	2.61	

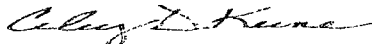
Surrogate 1-Chlorooctane 105 % 70-130

Surrogate 1-Chlorooctadecane 110 % 70-130

Cardinal Laboratories

*=Accredited Analyte

PLEASE NOTE: Liability and Damages. Cardinal's liability and client's exclusive remedy for any claim arising, whether based in contract or tort, shall be limited to the amount paid by client for analyses. All claims, including those for negligence and any other cause whatsoever shall be deemed waived unless made in writing and received by Cardinal within thirty (30) days after completion of the applicable service. In no event shall Cardinal be liable for incidental or consequential damages, including without limitation, business interruptions, loss of use, or loss of profits incurred by client, its subsidiaries, affiliates or successors arising out of or related to the performance of the services hereunder by Cardinal regardless of whether such claim is based upon any of the above stated reasons or otherwise. Results relate only to the samples identified above. This report shall not be reproduced except in full with written approval of Cardinal Laboratories.



Celey D. Keene, Lab Director/Quality Manager

Analytical Results For:

 Hungry Horse Environmental
 VERNON BLACK
 P.O. Box 1058
 Hobbs NM, 88240
 Fax To: (505) 391-4585

 Received: 07/08/2011
 Reported: 07/12/2011
 Project Name: EE 3-1 LINE
 Project Number: NONE GIVEN
 Project Location: EDDY COUNTY, NM

 Sampling Date: 07/07/2011
 Sampling Type: Soil
 Sampling Condition: Cool & Intact
 Sample Received By: Jodi Henson

Sample ID: SP #2 1' BGS (OVERSPRAY) (H101412-03)

BTEX 8021B			mg/kg		Analyzed By: CDK				
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Benzene*	<0.050	0.050	07/11/2011	ND	1.68	84.1	2.00	6.71	
Toluene*	<0.050	0.050	07/11/2011	ND	1.85	92.7	2.00	3.36	
Ethylbenzene*	<0.050	0.050	07/11/2011	ND	1.96	98.0	2.00	3.93	
Total Xylenes*	<0.150	0.150	07/11/2011	ND	5.79	96.5	6.00	2.77	

Surrogate. 4-Bromofluorobenzene (PIE) 106 % 70-130

Chloride, SM4500Cl-B			mg/kg		Analyzed By: HM				
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Chloride	4120	16.0	07/08/2011	ND	464	116	400	7.14	

TPH 8015M			mg/kg		Analyzed By: ab				
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
GRO C6-C10	<10.0	10.0	07/12/2011	ND	206	103	200	10.5	
DRO >C10-C28	191	10.0	07/12/2011	ND	200	99.9	200	2.61	

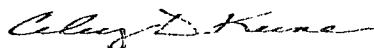
Surrogate. 1-Chlorooctane 101 % 70-130

Surrogate. 1-Chlorooctadecane 108 % 70-130

Cardinal Laboratories

*=Accredited Analyte

PLEASE NOTE: Liability and Damages. Cardinal's liability and client's exclusive remedy for any claim arising, whether based in contract or tort, shall be limited to the amount paid by client for analyses. All claims, including those for negligence and any other cause whatsoever shall be deemed waived unless made in writing and received by Cardinal within thirty (30) days after completion of the applicable service. In no event shall Cardinal be liable for incidental or consequential damages, including, without limitation, business interruptions, loss of use, or loss of profits incurred by client, its subsidiaries, affiliates or successors arising out of or related to the performance of the services hereunder by Cardinal, regardless of whether such claim is based upon any of the above stated reasons or otherwise. Results relate only to the samples identified above. This report shall not be reproduced except in full with written approval of Cardinal Laboratories.



Celey D. Keene, Lab Director/Quality Manager

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

Form C-141
Revised January 1, 2008

Submit 1 Copy to appropriate
District Office

Release Notification and Corrective Action

OPERATOR

☒ Initial Report ☐ Final Report

Name of Company: DCP Midstream, LP	Contact: Patricia A. Grajeda
Address: 10 Desta Drive, Suite 400 W, Midland, TX., 79705	Telephone# & E-mail: 432.620.5403/ pgrajedadebabb@dcpmidstream.com
Facility Name: EE-3-1 Pipeline	Facility Type: Pipeline
Surface Owner: BLM	Mineral Owner:
	Well API No.:

LOCATION OF RELEASE

Unit Letter	Section 1	Township 23	Range 30	Feet from the	North/South Line S	Feet from the	East/West Line E	County Eddy County
-------------	---------------------	-----------------------	--------------------	---------------	------------------------------	---------------	-------------------------------	------------------------------

Latitude N32.3392 Longitude W103.8263

NATURE OF RELEASE

Type of Release: Pipeline Leak	Volume of Release: .5 MMscf gas and approx. 10-20 barrels of oil and water	Volume Recovered:
Source of Release: Pipeline	Date & Hour of Occurrence: July 06, 2011 at 12:20 PM	Date & Hour of Discovery: July 06, 2011 12:20 PM
Was Immediate Notice Given OCD? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom @ OCD? Geoffrey Leking via email on July 6, 2011 @ 04:00 PM Mike Bratcher via email and phone on July 6, 2011 @ 05:54 PM	
By Whom? Patricia A. Grajeda	Date and Hour: see above	
Was a Watercourse Reached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, Volume Impacting the Watercourse. N/A	

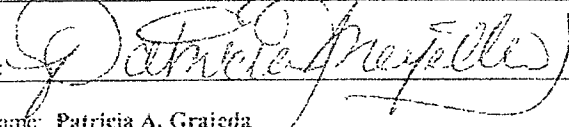
If a Watercourse was Impacted, Describe Fully.*
N/A

Describe Cause of Problem and Remedial Action Taken. (If water spilled, give Chloride content)* **It was discovered on July 06, 2011 at 12:20 PM that the EE-3-1 Pipeline had a pipeline leak. Gas was immediately shut in and a third party contractor was notified to repair the pipeline leak. A third party remediation contractor (Hungry Horse) was immediately contacted to investigate and diagnose the affected area.**

Describe Area Affected, Dimensions, and Cleanup Action Taken.*

Hungry Horse Environmental will be affecting the clean up by removing the contaminated soil and disposing in an OCD approved landfill.

I hereby certify that the information given above is true and complete to the best of my knowledge and understand that pursuant to NMOCD rules and regulations all operators are required to report and/or file certain release notifications and perform corrective actions for releases which may endanger public health or the environment. The acceptance of a C-141 report by the NMOCD marked as "Final Report" does not relieve the operator of liability should their operations have failed to adequately investigate and remediate contamination that pose a threat to ground water, surface water, human health or the environment. In addition, NMOCD acceptance of a C-141 report does not relieve the operator of responsibility for compliance with any other federal, state, or local laws and/or regulations.

Signature: 	OIL CONSERVATION DIVISION	
Printed Name: Patricia A. Grajeda	Approved by District Supervisor:	
Title: Environmental Specialist II	Approval Date:	Expiration Date:
E-mail Address: pgrajedadebabb@dcpmidstream.com	Conditions of Approval:	RP#
Date: 07/11/2011	Phone: 432.620.5403	

* Attach Additional Sheets If Necessary

