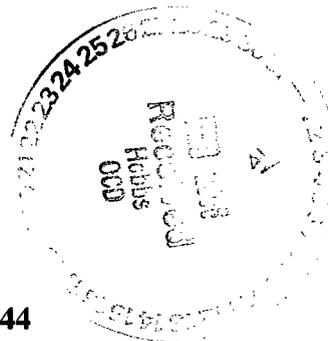




**ENVIRONMENTAL PLUS, INC.**  
CONSULTING AND REMEDIAL CONSTRUCTION

1 February 2006

Mr. Larry Johnson, Environmental Engineer  
New Mexico Oil Conservation Division  
1625 North French Drive  
Hobbs, New Mexico 88240



**Re: Initial C-141**  
**Duke Energy C-23-10 Line – Leak #4 – Reference #130044**  
**UL-C, Section 13, Township 20 South, Range 35 East**  
**Latitude N 32° 34' 43.52" and Longitude W 103° 24' 50.26"**

Dear Mr. Johnson:

Environmental Plus, Inc. (EPI), on behalf of Ms. Lynn Ward, Duke Energy Field Services (DEFS), submits the attached New Mexico Oil Conservation Division (NMOCD) form C-141 for the above-referenced leak site, located on land owned by Aline Sims.

The site is located approximately 18 miles southwest of Hobbs, New Mexico (reference *Figure 1*). Information obtained from the New Mexico Office of the State Engineer's website and a United States Geological Survey (USGS) database indicates that there are no water supply wells within a 1,000-foot radius of the release site. However, there are two water supply well located within a 1.0-mile radius of the release site (reference *Figure 2*). Groundwater level data indicates an average depth to water of approximately 34 feet below ground surface (reference *Table 1*). The attached site information and metrics form ranks the site in accordance with the NMOCD Guidelines for Remediation of Leaks, Spills and Releases (August 13, 1993).

An unknown amount of natural gas was released as the result of the structural integrity of the pipeline failing as the pressure was increased on the line, with no amount recovered.

Duke - 229153  
Facility - FPAC0603736569  
Incident - NPAC0603736701  
Application - FPAC0603736885

ENVIRONMENTAL PLUS, INC.

Should you have any questions or concerns please feel free to contact me at (505) 394-3481 or via e-mail at [iolness@envplus.net](mailto:iolness@envplus.net) or Ms. Lynn Ward at (432) 620-4207 or via e-mail at [lcward@duke-energy.com](mailto:lcward@duke-energy.com). All official communication should be addressed to:

Ms. Lynn Ward  
Duke Energy Field Services  
10 Desta Drive, Suite 400-W  
Midland, TX 79705

Sincerely,

ENVIRONMENTAL PLUS, INC.



Iain Olness, P.G.  
Hydrogeologist

cc: Lynn Ward, Duke Energy Field Services, Midland, TX  
Polo Rendon, Duke Energy Field Services, Hobbs, NM  
Steve Weathers, Duke Energy Field Services – Denver, CO  
Aline Sims, Landowner  
File

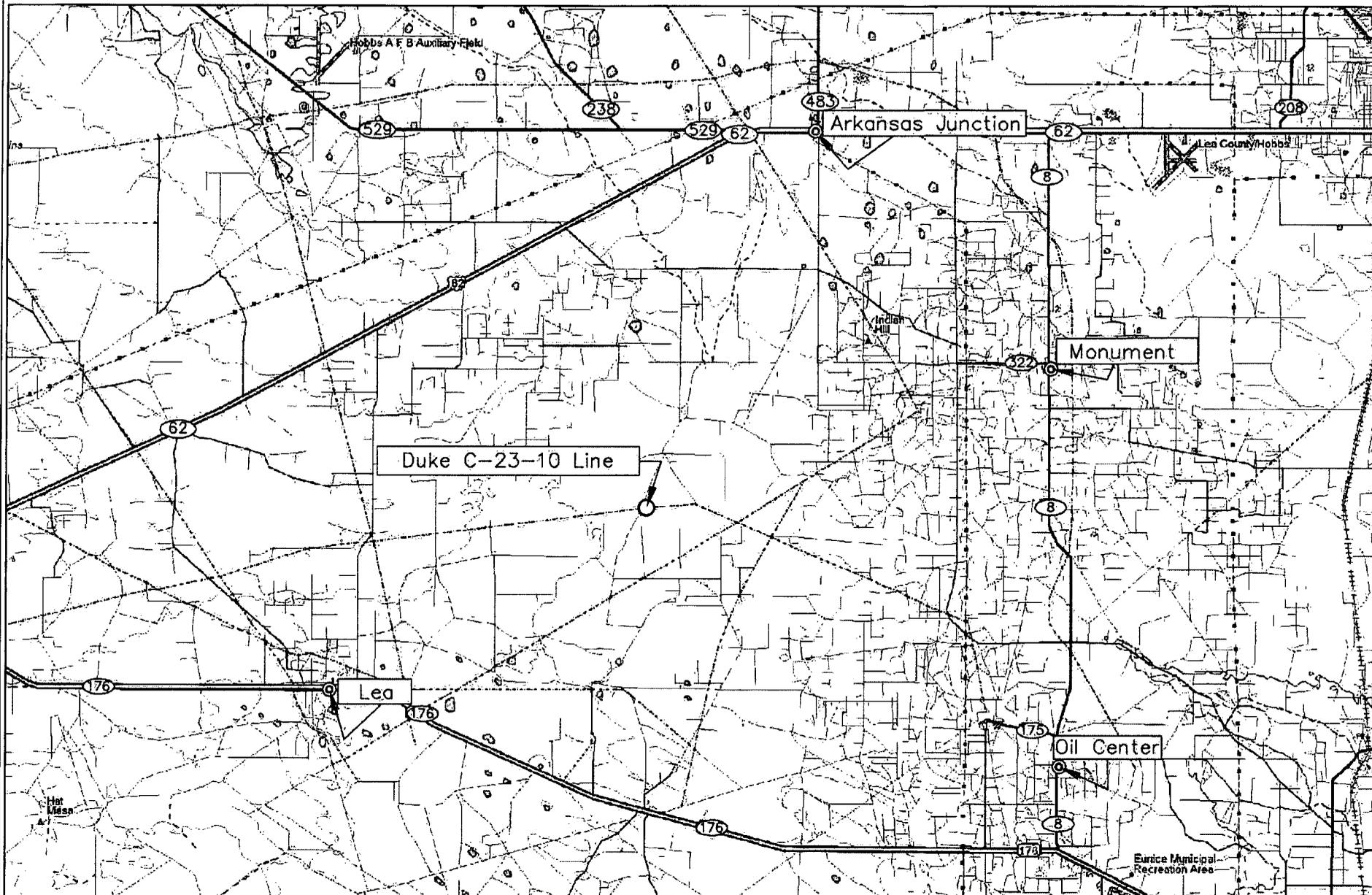
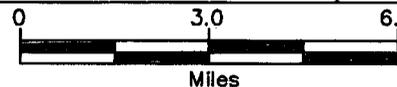


Figure 1  
 Area Map  
 Duke Energy  
 C-23-10 Line - Leak #4

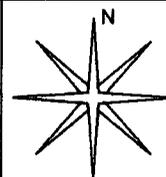
Lea County, New Mexico  
 NE 1/4 of the NW 1/4, Sec. 13, T20S, R35E  
 N 32°34' 43.52" W 103°24' 50.26"  
 Elevation: 3,653 feet amsl

DWG By: Daniel Dominguez  
 January 2006

REVISED:



SHEET  
 1 of 1





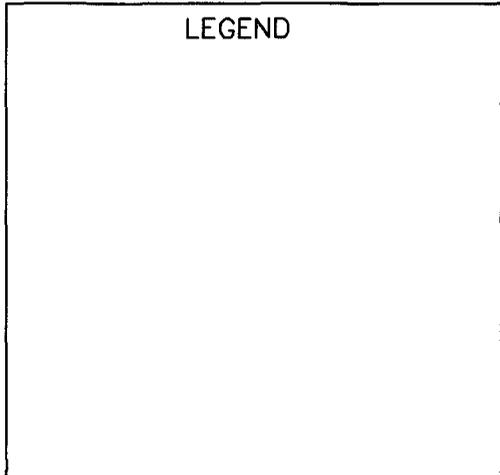
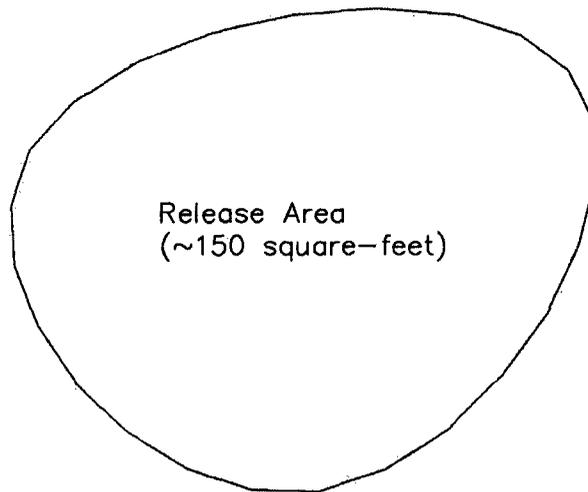
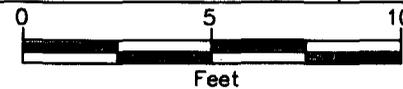


Figure 3  
Site Map  
Duke Energy  
C-23-10 Line - Leak #4

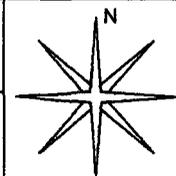
Lea County, New Mexico  
NE 1/4 of the NW 1/4, Sec. 13, T20S, R35E  
N 32°34' 43.52" W 103°24' 50.26"  
Elevation: 3,653 feet amsl

DWG By: Daniel Dominguez  
January 2006

REVISED:



SHEET  
1 of 1



C-23-10 Line  
130044

**TABLE 1**

**Well Data**

**Duke Energy - C-23-10 Line #4 (Ref. # 130044)**

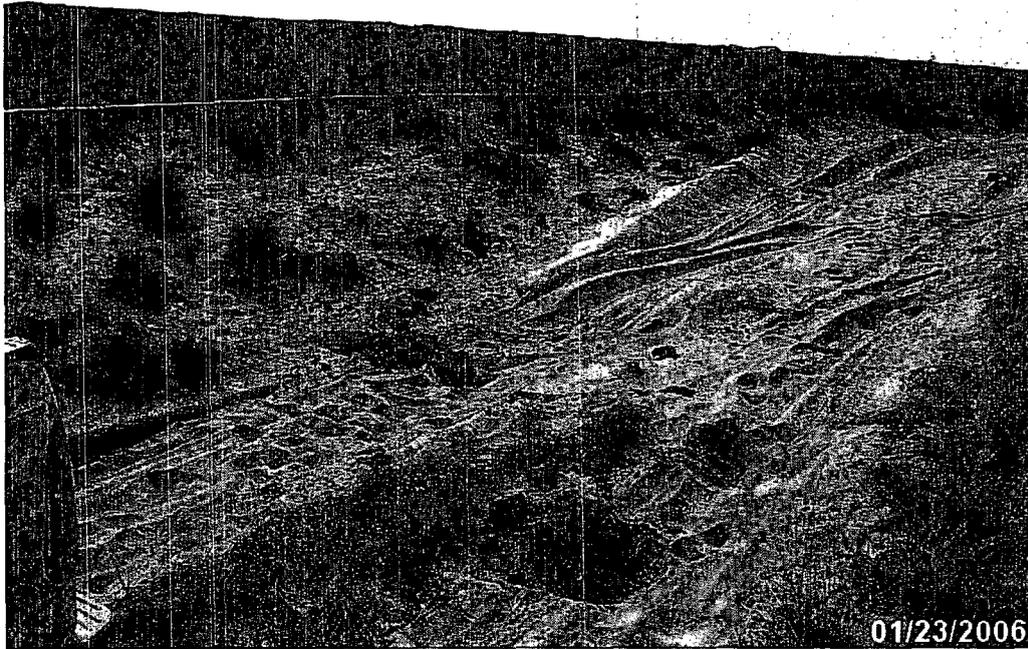
Well Number	Diversion <sup>A</sup>	Owner	Use	Twp	Rng	Sec q q q	Latitude	Longitude	Date Measured	Surface Elevation <sup>B</sup>	Depth to Water
											(ft bgs)
L 02420	3	MORAN DRILLING CO.	PRO	20S	36E	18 1 2	N32° 34' 36.14"	W103° 23' 50.87"	25-Nov-53	3,642	34
L 02420 APPRO				20S	36E	18 1 2	N32° 34' 36.14"	W103° 23' 50.87"	25-Nov-53	3,642	34

<sup>B</sup> = Elevation interpolated from USGS topographical map based on referenced location.

PRO = 72-12-1 Prospecting or development of natural resource  
 quarters are 1=NW, 2=NE, 3=SW, 4=SE; quarters are biggest to smallest

**Shaded area indicates wells not shown in Figure 2**

6



Photograph #1-Looking west at the release area.



Information and Metrics

<b>Incident Date:</b> Unknown	<b>NMOCD Notified:</b> 13 January 2006
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<b>Site:</b> C-23-10 Line - Leak #4		<b>Assigned Site Reference :</b> #130044	
<b>Company:</b> Duke Energy Field Services			
<b>Street Address:</b> 10 Desta Drive, Suite 400-W			
<b>Mailing Address:</b>			
<b>City, State, Zip:</b> Midland, TX 79705			
<b>Representative:</b> Lynn Ward			
<b>Representative Telephone:</b> (432) 620-4207			
<b>Telephone:</b>			
<b>Fluid volume released (bbls):</b> unknown		<b>Recovered (bbls):</b> none	
<p>&gt;25 bbls: Notify NMOCD verbally within 24 hrs and submit form C-141 within 15 days. (Also applies to unauthorized releases &gt;500 mcf Natural Gas)</p>			
<p>5-25 bbls: Submit form C-141 within 15 days (Also applies to unauthorized releases of 50-500 mcf Natural Gas)</p>			
<b>Leak, Spill, or Pit (LSP) Name:</b> C-23-10 Line - Leak #4			
<b>Source of contamination:</b> Natural Gas Pipeline			
<b>Land Owner, i.e., BLM, ST, Fee, Other:</b> Aline Sims			
<b>LSP Dimensions:</b> 15 feet by 10 feet			
<b>LSP Area:</b> ~150 ft <sup>2</sup>			
<b>Location of Reference Point (RP):</b>			
<b>Location distance and direction from RP:</b>			
<b>Latitude:</b> N 32° 34' 43.52"			
<b>Longitude:</b> W 103° 24' 50.26"			
<b>Elevation above mean sea level:</b> 3,653 feet			
<b>Feet from North Section Line:</b>			
<b>Feet from West Section Line:</b>			
<b>Location- Unit or ¼¼:</b> NE¼ of the NW¼		<b>Unit Letter:</b> C	
<b>Location- Section:</b> 13			
<b>Location- Township:</b> T20S			
<b>Location- Range:</b> R35E			
<b>Surface water body within 1000 ' radius of site:</b> none			
<b>Domestic water wells within 1000' radius of site:</b> none			
<b>Agricultural water wells within 1000' radius of site:</b> none			
<b>Public water supply wells within 1000' radius of site:</b> none			
<b>Depth from land surface to groundwater (DG):</b> ~34 feet			
<b>Depth of contamination (DC):</b> unknown			
<b>Depth to groundwater (DG – DC = DtGW):</b> ~34 feet			
<b>1. Groundwater</b>		<b>2. Wellhead Protection Area</b>	
If Depth to GW <50 feet: <i>20 points</i>		If <1000' from water source, or; <200' from private domestic water source: <i>20 points</i>	
If Depth to GW 50 to 99 feet: <i>10 points</i>			
If Depth to GW >100 feet: <i>0 points</i>		If >1000' from water source, or; >200' from private domestic water source: <i>0 points</i>	
<b>3. Distance to Surface Water Body</b>			
<200 horizontal feet: <i>20 points</i>			
200-1000 horizontal feet: <i>10 points</i>			
>1000 horizontal feet: <i>0 points</i>			
<b>Site Rank (1+2+3) = 20</b>			
<b>Total Site Ranking Score and Acceptable Concentrations</b>			
<b>Parameter</b>	<b>&gt;19</b>	<b>10-19</b>	<b>0-9</b>
Benzene <sup>1</sup>	10 ppm	10 ppm	10 ppm
BTEX <sup>1</sup>	50 ppm	50 ppm	50 ppm
TPH	100 ppm	1,000 ppm	5,000 ppm
<sup>1</sup> 100 ppm field VOC headspace measurement may be substituted for lab analysis			

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 October 10, 2003

Submit 2 Copies to appropriate  
District Office in accordance  
with Rule 116 on back  
side of form

### Release Notification and Corrective Action

**OPERATOR**  Initial Report  Final Report

<b>Name of Company:</b> Duke Energy Field Services	<b>Contact:</b> Lynn Ward
<b>Address:</b> 10 Desta Drive, Suite 400-W	<b>Telephone No.:</b> (432) 620-4207
<b>Facility Name:</b> C-23-10 Line - Leak #4	<b>Facility Type:</b> Natural Gas Pipeline

<b>Surface Owner:</b> Aline Sims	<b>Mineral Owner:</b>	<b>Lease No.:</b>
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#### LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
C	13	20S	35E					Lea

**Latitude:** N 32° 34' 43.52" **Longitude:** W 103° 24' 50.26"

#### NATURE OF RELEASE

<b>Type of Release:</b> Natural Gas	<b>Volume of Release:</b> unknown	<b>Volume Recovered:</b> none
<b>Source of Release:</b> Pipeline	<b>Date and Hour of Occurrence:</b> unknown	<b>Date and Hour of Discovery:</b> January 13, 2006
<b>Was Immediate Notice Given?</b> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	<b>If YES, To Whom?</b> Larry Johnson, NMOCD	
<b>By Whom?</b> Lynn Ward	<b>Date and Hour:</b> January 13, 2006 @ 11:59 A.M.	
<b>Was a Watercourse Reached?</b> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<b>If YES, Volume Impacting the Watercourse:</b> Not Applicable	

**If a Watercourse was Impacted, Describe Fully.\*** Not Applicable

**Describe Cause of Problem and Remedial Action Taken.\*** An unknown amount of natural gas was released as the result of the structural integrity of the natural gas line failing when the pressure was increased on the line, with no amount recovered from the site. The line was shut in and is scheduled to be replaced.

**Describe Area Affected and Cleanup Action Taken.\*** Approximately 150 square-feet of surface area was impacted by the release. Remediation of the site will be in accordance with NMOCD guidelines.

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.

<b>Signature:</b>	<b>OIL CONSERVATION DIVISION</b>		
<b>Printed Name:</b> Lynn Ward	<b>Approved by District Supervisor:</b>		
<b>Title:</b> Environmental Specialist-Western Division	<b>Approval Date:</b>	<b>Expiration Date:</b>	
<b>E-mail Address:</b> lcward@duke-energy.com	<b>Conditions of Approval:</b>		<b>Attached</b> <input type="checkbox"/>
<b>Date:</b> 2/2/06 <b>Phone:</b> (432) 620-4207			

\* **Attach Additional Sheets If Necessary**