26 June 2007

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

RE: Delineation Proposal – ConocoPhillips Britt B #24 Well NMOCD 1RP #368; EPI Ref. #150015 UL-L (NW¼ of the SW¼) of Section 11, Township 20 South, Range 37 East Latitude N 32° 35' 07.81" and Longitude W 103° 13' 47.46"

Dear Mr. Johnson:

On 12 January 2006, a release from a 2-inch steel flowline occurred due to probable internal corrosion. The release consisted of approximately 38 barrels of crude oil and produced water, of which 20 barrels were recovered. ConocoPhillips retained Environmental Plus, Inc. (EPI) in January 2006 to delineate the extent of impacted soil at the site. This letter report documents site assessment and recommends further delineation via soil borings or test trenches.

Site Background

The site is located in the NW¼ of the SW¼ of Section 11, Township 20 South, Range 37 East at an elevation of approximately 3,597 feet above mean sea level (reference Figures 1 and 2). The property is owned by the South West Cattle Company (i.e., Mr. Trent Stradley). A search for area water wells was completed utilizing the New Mexico Office of the State Engineers website and a database maintained by the United States Geological Survey (USGS). A total of 6 wells were recorded in the databases searched. The well identified as USGS #1 was the closest well to the site with a recorded groundwater depth. The most recent gauging indicated a groundwater depth of 26.95-feet below ground surface (bgs). No water supply wells or bodies of surface water were found to be located within a 1,000-foot radius of the release location (reference Figure 2). Based on this information, it was determined that the distance between the contamination and groundwater was less than 50 feet. Utilizing this information, it was determined that the New Mexico Oil Conservation Division (NMOCD) Remedial Goals for this site are as follows:

Parameter	Remedial Goal
Benzene	10 parts per million
BTEX	50 parts per million
TPH	100 parts per million

**Chloride and Sulfate residuals may not be capable of impacting groundwater above NMWQCC of 250 mg/L and 600 mg/L, respectively

Field Work

Upon discovery, ConocoPhillips personnel shut in the well, repaired and tested the line in addition to inspection for other potential signs of failure. EPI field personnel conducted an initial site

assessment of 13 January 2006 to photograph and document the extent of the release. Based on the initial site assessment, the release flowpath consisted of approximately 3,280-square feet of pasture and an overspray area of 545-square feet to an unknown depth.

Recommendations

Based on initial site assessment activities, it is recommended that a soil boring be advanced initially at the point of release then at 100-foot intervals along the extent of release for a total of five (5) soil borings (reference *Figure 4*). Soil samples should be collected at 2-foot and 5-foot bgs and at 5-foot intervals thereafter until two (2) consecutive samples are below remedial threshold/goals. Remedial threshold/goals will be determined in the field utilizing a portion of each sample for organic vapor and chloride concentration analyses. The remaining portion will be submitted to an independent laboratory for verification of total petroleum hydrocarbons (TPH); benzene, toluene, ethylbenzene and total xylenes (BTEX constituents); chlorides and sulfates. A remediation proposal will be developed upon receipt of laboratory analytical data.

Should you have any questions or concerns, please feel free to contact me at (505) 394-3481 or via e-mail at <u>jstegemoller@envplus.com</u>. Upon your approval, EPI will initiate the next phase of the remediation. All official correspondence should be submitted to Jesse Sosa at:

Jesse Sosa ConocoPhillips Corporation 1410 West County Road Hobbs, NM 88240 (505) 391-3126 jesse.a.sosa@conocophillips.com

Sincerely,

ENVIRONMENTAL PLUS, INC.

faro Stegemol

Jason Stegemoller

Environmental Scientist

cc: John Abney, ConocoPhillips – Hobbs, NM

Trent Stradley, Southwest Cattle Company – Hobbs, NM

File

encl. Figure 1 – Area Map

Figure 2 – Site Location Map

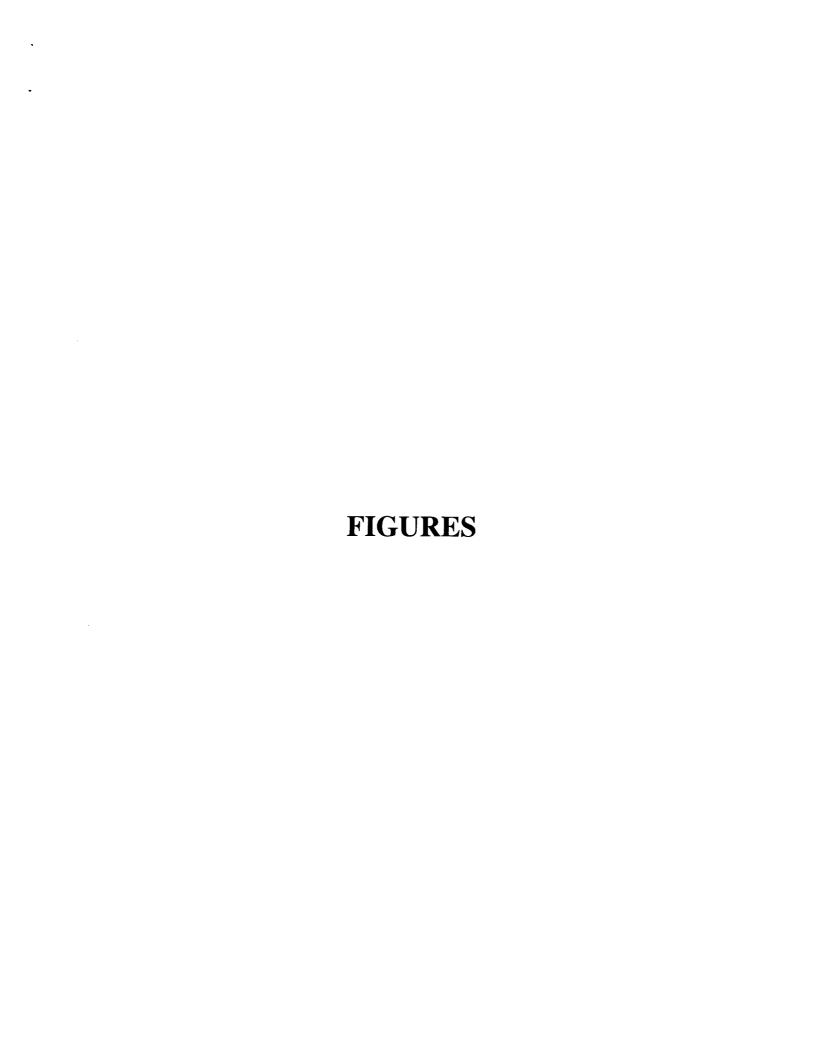
Figure 3 –Site Map

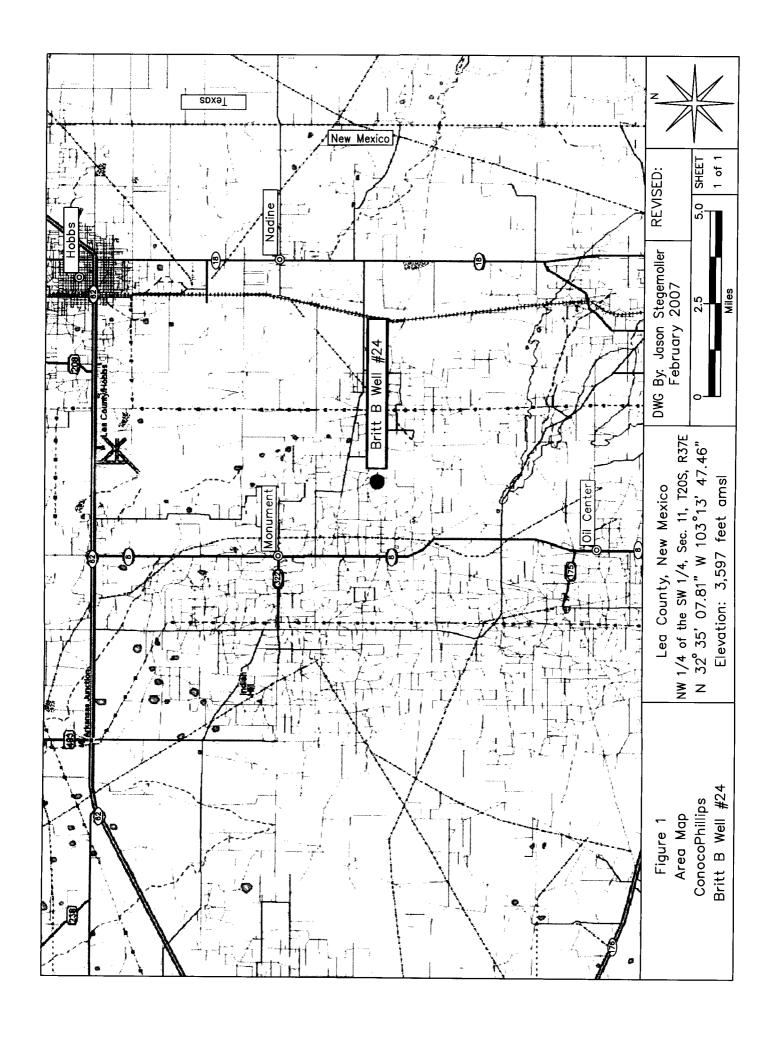
Figure 4 – Proposed Soil Boring Location Map

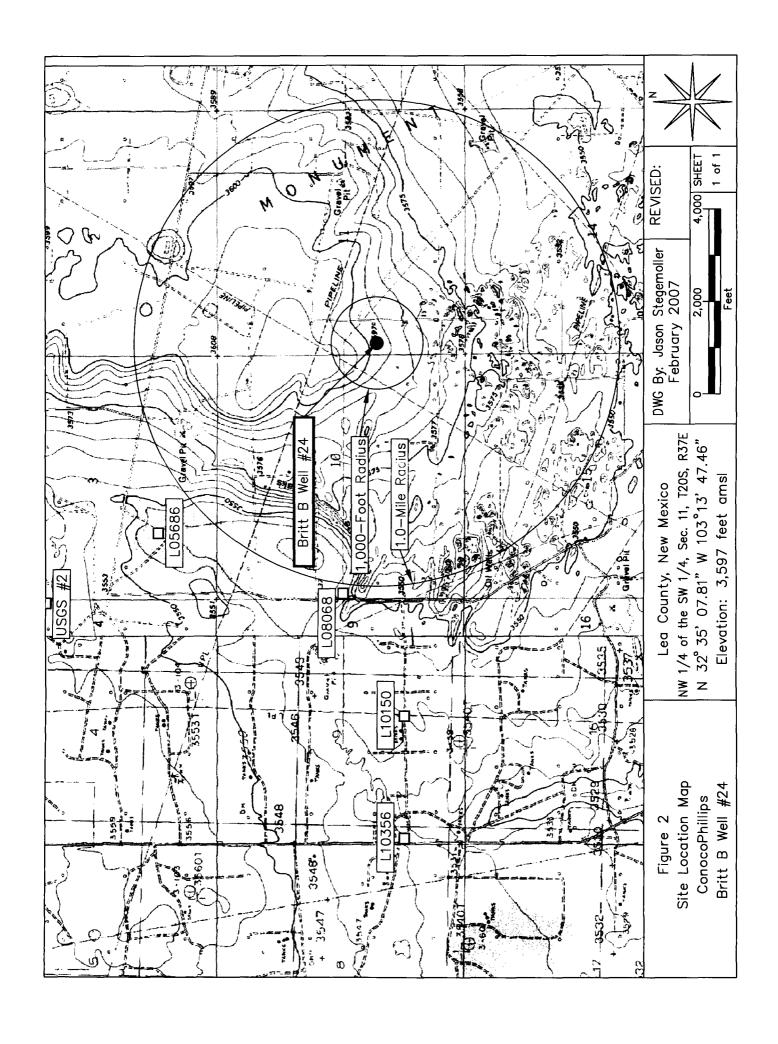
Table 1 – Well Information Report

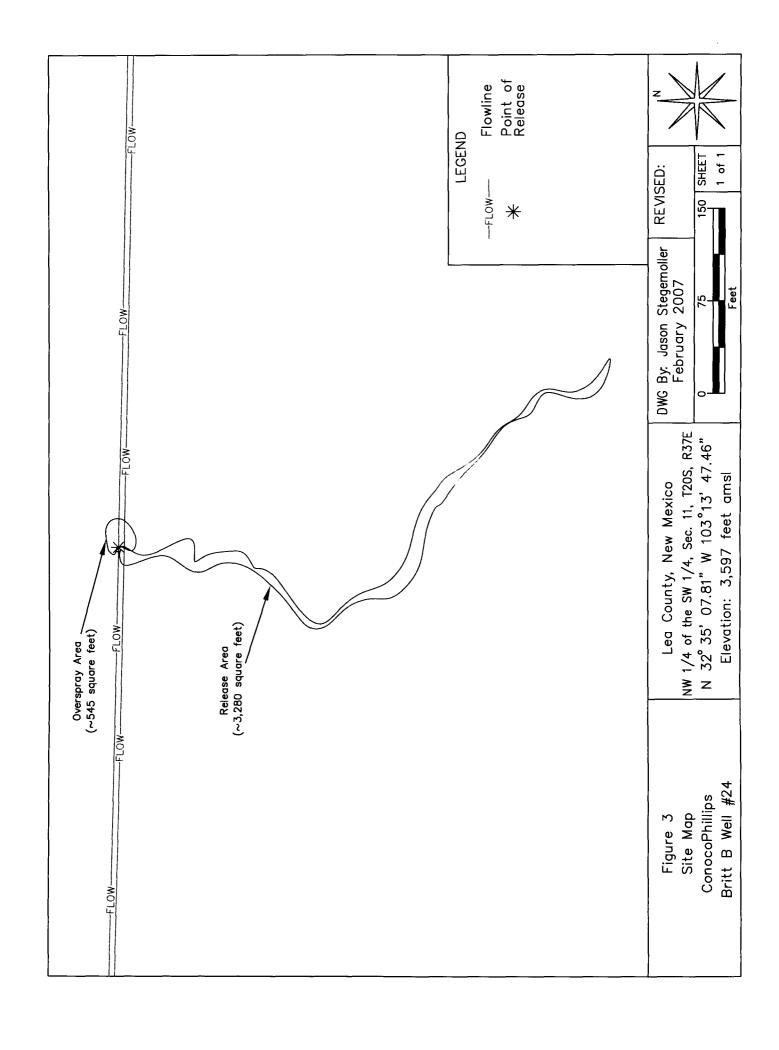
Attachment I – Informational Copy of Initial C-141

Attachment II - Site Photographs









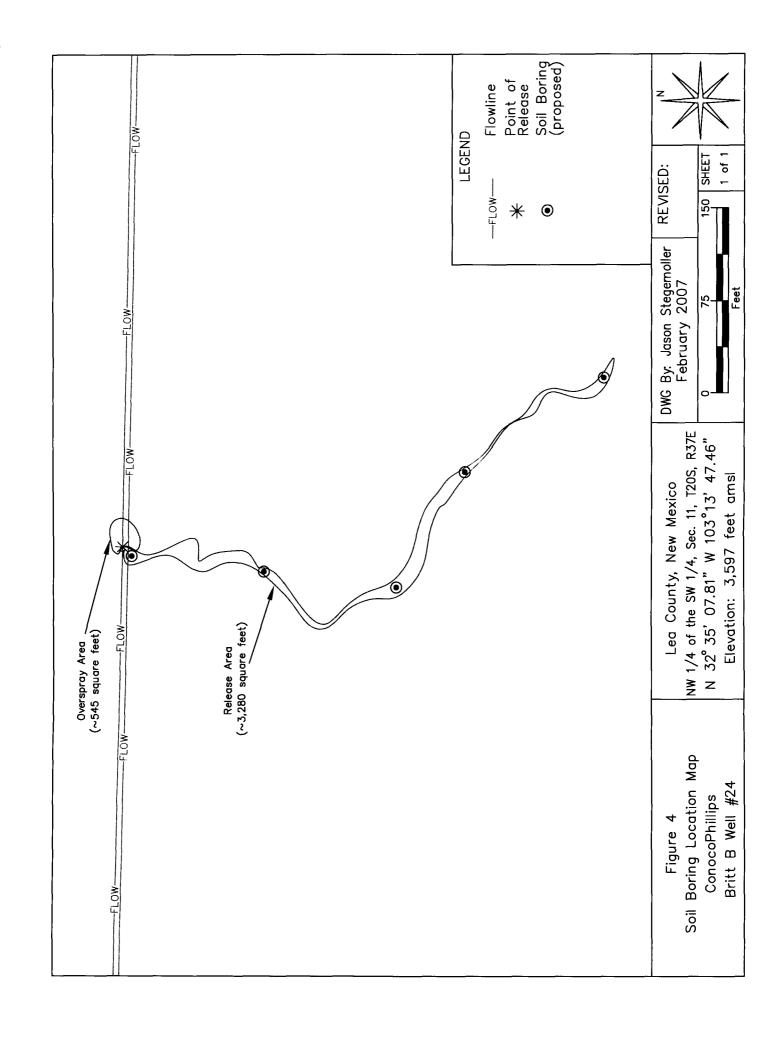




TABLE 1

WELL INFORMATION REPORT*

ConocoPhillips - Britt B Well #24 (EPI Ref. #150015)

Well Number Diversion ^A	Diversion ^A	Owner	Use	Twsp	Rng	Twsp Rng Sec q q q	Latitude	Longitude	Date	Surface Depth to	Depth to Water
									Measureu	Measured Elevation ((ft bgs)
T 05686	0	Gulf Oil Corporation	PRO	20S	37E	03 3 2 3	N32° 35' 54.21"	37E 03 3 2 3 N32° 35' 54.21" W103° 14' 35.42"		3,543	
L 08068	0	S W Cattle Company	MOQ	20S	37E 10 1		N 32° 32' 38.13"	N 32° 32' 38.13" W 103° 15' 36.88"		3,545	
L 10150	0	S&U Cattle Co.	XLS	20S	37E	09 4 1	37E 09 41 N 32° 33' 43.71" W 103° 17' 9.8"	W 103° 17' 9.8"		3,540	
L 10356	0	S-W Cattle Co.	XLS	20S	37E	09 3 1 1	37E 09 3 1 1 N 32° 33' 43.71" W 103° 17' 9.8"	W 103° 17' 9.8"		3,540	
USGS #1				19S	37E	33 444	N32° 36' 18.00"	37E 33 444 N32° 36' 18.00" W103° 14' 53.00" 16-Feb-06	16-Feb-06	3,559	26.95
USGS #2				20S	37E	19 1 1	N 32° 33' 55"	37E 19 1.1 N 32° 33' 55" W 103° 15' 15.41" 22-Feb-06 3,522	22-Feb-06	3,522	15.45

^{* =} Data obtained from the New Mexico Office of the State Engineer Website (http://iwaters.ose.state.nm.us:7001/iWATERS/wr. RegisServlet1) and USGS Database. Shaded well information indicates well location not shown on Figure 2

 $^{^{}A}$ = in acre feet per annum

B = Interpolated from USGS Topographical Map STK = Livestock Watering DOM = Domestic Water Supply PRO = Production (quarters are 1=NW, 2=NE, 3=SW, 4=SE) (quarters are biggest to smallest - X Y are in Feet - UTM are in Meters)

ATTACHMENT I SITE PHOTOGRAPHS

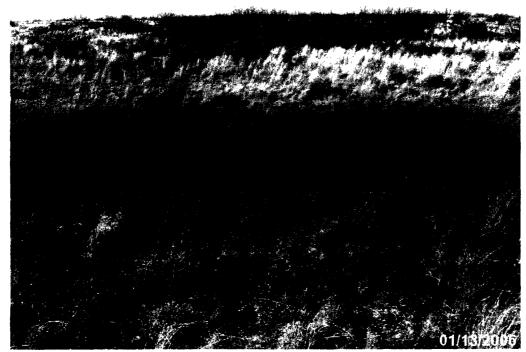


Photo #1 – Looking northerly across point of release and overspray area.

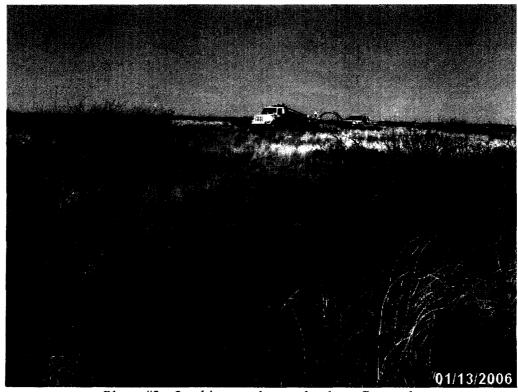


Photo #2 – Looking northeasterly along flowpath.

ATTACHMENT II INFORMATIONAL COPY OF INITIAL C-141

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
1720 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 //30/04 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

					OPERA 7	OR		▼ Initia	al Report		Final Report	
Name of Company ConocoPhillips Company						Contact John Abney						
						Telephone No. (505)391-3128						
						Facility Type Oil Well						
Surface Owner BLM Mineral Owner Bl												
						PN OF RELEASE						
Unit Letter	Section	Township	Range	Feet from the	North/S	South Line	Feet from the	East/We	est Line	County		
L 11 20S 37E 1980 South						660 West Lea					}	
Latitude 32 35.123N						Longitud	e 103 13.763V	V				
NATURE OF RELEASE												
Type of Release Oil and Produced water						Volume of Release 38 bbls Volume Recovered 20 bbls						
Source of Release2" steel flow line						Date and Hour of Occurrence 1/12/06Datasend Hour of Discovery 1/13/06 11am						
Was Immediate Notice Given? X Yes ☐ No ☐ Not Required						If YES, To Whom? Pat Caperton						
By Whom? John Abney						Date and Hour 1/13/2006 2:15 pm						
Was a Watercourse Reached?						If YES, Volume Impacting the Watercourse.						
☐ Yes ☒ No If a Watercourse was Impacted, Describe Fully.*						NA	1		(9)	100 / d	Vo .	60
If a Watercou	ırse was Im	pacted, Descr				70	00000	2	<u>မို</u> /			
NA						150	4 0 - 1	4	(3)			
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										<u> </u>	<u> </u>	
Describe Cause of Problem and Remedial Action Taken.*												
in until the	A 2" steel flow line leaked possibly due to internal corrosion, a section of the pipe will be cut to determine the cause. The well was shut in until the joint of pipe could be replaced. The line was repaired, and tested and the line was walked out to locate any other signs of potential leaks, non were found.										was shut gns of	
Describe Area Affected and Cleanup Action Taken.* The affected area is 3282 sq.ft. The area wil be delineated to determine the appropriate clean up procedures.								,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,				
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public health	or the envi	ronment. The	acceptan	ce of a C-141 repo	ort by the	NMOCD m	arked as "Final R	teport" do	es not rel	ieve the oper	ator of	liability
should their	operations i	lave failed to	adequately	y investigate and r	emediate	e contaminati	on that pose a thr	reat to grou	und wate	r, surface wa	ter, hu	man health
				otance of a C-141	героп ас	es not renev	e the operator of	responsib	mity for c	ompuance w	ith any	other
federal, state, or local laws and/or regulations.						OIL CONSERVATION DIVISION						
Signature: Signature:												
Printed Name: John Abney					Approved by	District Supervis	SENGR	Solo	hison			
					Approval Date: 6.27.67 Expiration Date: 8.27.67					61		
					Conditions of Approval:							
Date: 01/23/				: (505)391-3128		SuBn	IT FIRE (2.141				
Attach Addi	tional She	ets If Necess	ary	_		(3) (7)	3 (Chr. 262 CM		2.4			1
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