

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

RECEIVED

Form C-141

Revised October 10, 2003

OCT 21 2010

HOBBSON

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

Name of Company	Southern Union Gas Services, Ltd.	Contact	Rose Slade
Address	P.O. Box 1226 Jal, N.M. 88252	Telephone No.	432-940-5147
Facility Name	Sheperd #3	Facility Type	Natural Gas Gathering

Surface Owner: Jay Anthony

Mineral Owner: State of New Mexico

Lease No. API #

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
P	36	25S	36E					Lea

Latitude N32 4.969 Longitude W103 12.658

NATURE OF RELEASE

Type of Release : Natural Gas	Volume of Release: Unknown	Volume Recovered None
Source of Release : 4" Natural Gas Pipeline	Date and Hour of Occurrence Unknown	Date and Hour of Discovery 7/22/04 Time: 8:20 a.m.
Was Immediate Notice Given? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Required	If YES, To Whom?	
By Whom?	Date and Hour:	
Was a Watercourse Reached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, Volume Impacting the Watercourse.	

If a Watercourse was Impacted, Describe Fully.*

Describe Cause of Problem and Remedial Action Taken.*

A 4-inch natural gas pipeline had a release prior to the Southern Union Gas Services acquisition. The pipeline has been idle for approximately 5 years, the areas were impacted several years prior to placing the line out of service.

The impacted areas were identified by the landowner and the worse case site was photographed and sampled in July 2004.

Describe Area Affected and Cleanup Action Taken. An area measuring approximately 600 sq. ft. has a dry grey to white discoloration. The discolored soil was excavated to a depth sufficient to restore a root bearing zone. Please reference closure request dated October 18, 2010 for remediation details.

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: <i>Rose L. Slade</i>	OIL CONSERVATION DIVISION	
Printed Name Rose L. Slade	Approved by District Supervisor: <i>[Signature]</i>	
Title: EHS Compliance Specialist	ENVIRONMENTAL ENGINEER	
E-mail Address: rose.slade@sug.com	Approval Date: 10-21-10	Expiration Date: —
Date: 10/18/2010 Phone: 432-940-5147	Conditions of Approval:	Attached <input type="checkbox"/>

* Attach Additional Sheets If Necessary

PcoH0814134185

IRP-1864



1507 W. 15th
Monahans, Texas 79756

432.943.1100 Fax: 432.943.1101

October 18, 2010

Mr. Larry Johnson
New Mexico Oil Conservation Division
Hobbs District Office
1625 N. French Drive
Hobbs, New Mexico 88240

RECEIVED
OCT 21 2010
HOBBSOCD

Re: Sheperd #3 (1RP-1864)

Mr. Johnson,

On May 29, 2008, Ocotillo Environmental, LLC (Ocotillo), on behalf of Southern Union Gas Services (SUG) completed the delineation and remediation of a historical release occurring on a four (4) inch natural gas pipeline. The release was located in Unit Letter "P", Section 36, Township 25 South and Range 36 East in rural Lea County, New Mexico. The release GPS coordinates were 32° 04.969' N, 103° 12.658' W and the property is owned by Mr. Jay Anthony. A site location map is attached for your reference. The release was discovered by the landowner on July 22, 2004, occurring on a natural gas pipeline which had been idle for several years prior to the discovery of the release. The volume of the release is unknown, with no recovery. On May 20, 2008, an initial C-141 was prepared and submitted to the New Mexico Oil Conservation Division (NMOCD) for approval. The initial C-141 is attached for your reference.

A water well is located approximately 2,949 feet north (up gradient) of the release. Available data indicates groundwater was encountered at approximately 186 feet below ground surface (bgs). The nearest water course is approximately 3.48 miles to the west of the release. Based on the NMOCD ranking classification, the release site score is zero (0). A release site with a ranking score of zero (0) requires the following NMOCD cleanup levels:

Benzene: 10 mg/Kg
BTEX : 50 mg/Kg
TPH: 5,000 mg/Kg
Chloride: 250 mg/Kg

On May 21, 2008, excavation of the release began; impacted soil was stockpiled adjacent to the release, pending transportation to the SUG Landfarm (NM2-19-0). The final dimensions of excavation were approximately twenty (20) feet in width by thirty (30) feet in length and

five (5) feet bgs. On May 21, 2008, following the excavation activities, two (2) soil samples (P.R. @ 5' and B-Comp) were collected and submitted to the laboratory. A site map is attached and depicts the locations of the collected soil samples. The soil samples were analyzed for concentrations of total petroleum hydrocarbons (TPH) using EPA Method SW-846 8015M. The analytical results indicated TPH concentrations were less than the laboratory MDL for both soil samples. Soil sample P.R. @ 8' was analyzed for concentrations of benzene, toluene, ethyl benzene and xylene (BTEX) using EPA Method 8021b. The analytical results indicate benzene and BTEX concentrations were less than the appropriate laboratory MDL. The chloride concentration was 18.5 mg/Kg. Concentrations of Benzene, BTEX, TPH and Chloride are summarized on the attached table. The laboratory analytical reports are attached for your reference.

Following the collection of the soil samples, the excavation was backfilled with non-impacted soil purchased from the landowner. The backfilled soil was contoured to fit the surrounding topography. Approximately eighty-four (84) cubic yards (cy) of excavated soil was transported to the SUG Landfarm.

Based on the analytical results, Southern Union Gas Services requests NMOCD Site Closure for the Shepard #3 release. Attached to this letter are: photographs, laboratory analytical reports, a site location map, a site map and the Initial and Final C-141.

TABLE 1

CONCENTRATIONS OF BENZENE, BTEX, TPH AND CHLORIDE IN SOIL
SOUTHERN UNION GAS SERVICES
SHEPARD #3
LEA COUNTY, NEW MEXICO

SAMPLE LOCATION	SAMPLE DEPTH (BGS)	SAMPLE DATE	SOIL STATUS	METHOD: EPA SW 846-8021B, 5030						METHOD: 8015M				METHOD: E300
				BENZENE (mg/Kg)	TOLUENE (mg/Kg)	ETHYL-BENZENE (mg/Kg)	M.P. - XYLENES (mg/Kg)	O-XYLENE (mg/Kg)	TOTAL BTEX (mg/Kg)	GRO C ₆ -C ₁₂ (mg/Kg)	DRO C ₁₂ -C ₂₈ (mg/Kg)	ORO C ₂₈ -C ₃₅ (mg/Kg)	TOTAL TPH C6-C35 (mg/Kg)	CHLORIDE (mg/Kg)
P.R. @ 5'	5 ft bgs	05/21/08	In-Situ	<0.0010	<0.0020	<0.0010	<0.0020	<0.0010	<0.0020	<15.2	<15.2	<15.2	<15.2	18.5
B-Comp	3 - 5 ft bgs	05/21/08	In-Situ	-	-	-	-	-	-	<15.7	<15.7	<15.7	<15.7	-

Analytical Report 304288

for

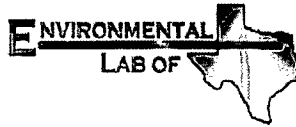
Southern Union Gas Services-Jal

Project Manager: Tony Savoie

Sheperd # 3

2008-010

27-MAY-08



12600 West I-20 East Odessa, Texas 79765

Texas certification numbers:
Houston, TX T104704215

Florida certification numbers:
Houston, TX E871002 - Miami, FL E86678 - Tampa, FL E86675
Norcross(Atlanta), GA E87429

South Carolina certification numbers:
Norcross(Atlanta), GA 98015

North Carolina certification numbers:
Norcross(Atlanta), GA 483

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Midland - Corpus Christi - Atlanta



27-MAY-08

Project Manager: **Tony Savoie**
Southern Union Gas Services-Jal
610 Commerce
Jal, NM 88252

Reference: XENCO Report No: **304288**
Sheperd # 3
Project Address: J. Anthony Ranch

Tony Savoie:

We are reporting to you the results of the analyses performed on the samples received under the project name referenced above and identified with the XENCO Report Number 304288. All results being reported under this Report Number apply to the samples analyzed and properly identified with a Laboratory ID number. Subcontracted analyses are identified in this report with either the NELAC certification number of the subcontract lab in the analyst ID field, or the complete subcontracted report attached to this report.

Unless otherwise noted in a Case Narrative, all data reported in this Analytical Report are in compliance with NELAC standards. Estimation of data uncertainty for this report is found in the quality control section of this report unless otherwise noted. Should insufficient sample be provided to the laboratory to meet the method and NELAC Matrix Duplicate and Matrix Spike requirements, then the data will be analyzed, evaluated and reported using all other available quality control measures.

The validity and integrity of this report will remain intact as long as it is accompanied by this letter and reproduced in full, unless written approval is granted by XENCO Laboratories. This report will be filed for at least 5 years in our archives after which time it will be destroyed without further notice, unless otherwise arranged with you. The samples received, and described as recorded in Report No. 304288 will be filed for 60 days, and after that time they will be properly disposed without further notice, unless otherwise arranged with you. We reserve the right to return to you any unused samples, extracts or solutions related to them if we consider so necessary (e.g., samples identified as hazardous waste, sample sizes exceeding analytical standard practices, controlled substances under regulated protocols, etc).

We thank you for selecting XENCO Laboratories to serve your analytical needs. If you have any questions concerning this report, please feel free to contact us at any time.

Respectfully,

Brent Barron, II

Odessa Laboratory Manager

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Sample Cross Reference 304288



Southern Union Gas Services-Jal, Jal, NM

Sheperd # 3

Sample Id	Matrix	Date Collected	Sample Depth	Lab Sample Id
P.R. @ 5'	S	May-21-08 12:00	5 ft	304288-001
B-Comp.	S	May-21-08 12:00	3 - 5 ft	304288-002



Certificate of Analysis Summary 304288

Southern Union Gas Services-Jal, Jal, NM

Project Name: Sheperd # 3

Project Id: 2008-010

Contact: Tony Savoie

Project Location: J. Anthony Ranch

Date Received in Lab: Wed May-21-08 02:19 pm

Report Date: 27-MAY-08

Project Manager: Brent Barron, II

Analysis Requested	Lab Id:	304288-001	304288-002				
	Field Id:	P.R. @ 5'	B-Comp.				
	Depth:	5 ft	3-5 ft				
	Matrix:	SOIL	SOIL				
	Sampled:	May-21-08 12:00	May-21-08 12:00				
BTEX by EPA 8021B	Extracted:	May-21-08 16:36					
	Analyzed:	May-21-08 20:48					
	Units/RL:	mg/kg RL					
	Benzene	ND 0.0010					
	Toluene	ND 0.0020					
	Ethylbenzene	ND 0.0010					
	m,p-Xylenes	ND 0.0020					
	o-Xylene	ND 0.0010					
	Total Xylenes	ND					
	Total BTEX	ND					
Inorganic Anions by EPA 300	Extracted:						
	Analyzed:	May-22-08 19:04					
	Units/RL:	mg/kg RL					
Chloride		18.5 10.1					
Percent Moisture	Extracted:						
	Analyzed:	May-22-08 08:30	May-22-08 08:30				
	Units/RL:	% RL	% RL				
Percent Moisture		1.21 1.00	4.25 1.00				
TPH by SW8015 Mod	Extracted:	May-22-08 15:25	May-22-08 15:25				
	Analyzed:	May-22-08 19:22	May-22-08 19:49				
	Units/RL:	mg/kg RL	mg/kg RL				
	C6-C12 Gasoline Range Hydrocarbons	ND 15.2	ND 15.7				
	C12-C28 Diesel Range Hydrocarbons	ND 15.2	ND 15.7				
	C28-C35 Oil Range Hydrocarbons	ND 15.2	ND 15.7				
Total TPH		ND	ND				

This analytical report, and the entire data package it represents, has been made for your exclusive and confidential use.
The interpretations and results expressed throughout this analytical report represent the best judgment of XENCO Laboratories.
XENCO Laboratories assumes no responsibility and makes no warranty to the end use of the data hereby presented.
Our liability is limited to the amount invoiced for this work order unless otherwise agreed to in writing.

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Brent Barron
Odessa Laboratory Director



Flagging Criteria

- X** In our quality control review of the data a QC deficiency was observed and flagged as noted. MS/MSD recoveries were found to be outside of the laboratory control limits due to possible matrix /chemical interference, or a concentration of target analyte high enough to effect the recovery of the spike concentration. This condition could also effect the relative percent difference in the MS/MSD.
 - B** A target analyte or common laboratory contaminant was identified in the method blank. Its presence indicates possible field or laboratory contamination.
 - D** The sample(s) were diluted due to targets detected over the highest point of the calibration curve, or due to matrix interference. Dilution factors are included in the final results. The result is from a diluted sample.
 - E** The data exceeds the upper calibration limit; therefore, the concentration is reported as estimated.
 - F** RPD exceeded lab control limits.
 - J** The target analyte was positively identified below the MQL(PQL) and above the SQL(MDL).
 - U** Analyte was not detected.
 - L** The LCS data for this analytical batch was reported below the laboratory control limits for this analyte. The department supervisor and QA Director reviewed data. The samples were either reanalyzed or flagged as estimated concentrations.
 - H** The LCS data for this analytical batch was reported above the laboratory control limits. Supporting QC Data were reviewed by the Department Supervisor and QA Director. Data were determined to be valid for reporting.
 - K** Sample analyzed outside of recommended hold time.
- * Outside XENCO'S scope of NELAC Accreditation

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5332 Blackberry Drive, Suite 104, San Antonio, TX 78238
2505 N. Falkenburg Rd., Tampa, FL 33619
5757 NW 158th St, Miami Lakes, FL 33014
6017 Financial Dr., Norcross, GA 30071

Phone	Fax
(281) 589-0692	(281) 589-0695
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(813) 620-2000	(813) 620-2033
(305) 823-8500	(305) 823-8555
(770) 449-8800	(770) 449-5477



Form 2 - Surrogate Recoveries



Project Name: Sheperd # 3

Work Order #: 304288

Project ID: 2008-010

Lab Batch #: 723326

Sample: 304288-001 / SMP

Batch: 1 Matrix: Soil

Units: mg/kg

SURROGATE RECOVERY STUDY

BTEX by EPA 8021B	Amount Found [A]	True Amount [B]	Recovery %R [D]	Control Limits %R	Flags
Analytes					
1,4-Difluorobenzene	0.0358	0.0300	119	80-120	
4-Bromofluorobenzene	0.0318	0.0300	106	80-120	

Lab Batch #: 723326

Sample: 509410-1-BKS / BKS

Batch: 1 Matrix: Solid

Units: mg/kg

SURROGATE RECOVERY STUDY

BTEX by EPA 8021B	Amount Found [A]	True Amount [B]	Recovery %R [D]	Control Limits %R	Flags
Analytes					
1,4-Difluorobenzene	0.0282	0.0300	94	80-120	
4-Bromofluorobenzene	0.0304	0.0300	101	80-120	

Lab Batch #: 723326

Sample: 509410-1-BLK / BLK

Batch: 1 Matrix: Solid

Units: mg/kg

SURROGATE RECOVERY STUDY

BTEX by EPA 8021B	Amount Found [A]	True Amount [B]	Recovery %R [D]	Control Limits %R	Flags
Analytes					
1,4-Difluorobenzene	0.0341	0.0300	114	80-120	
4-Bromofluorobenzene	0.0288	0.0300	96	80-120	

Lab Batch #: 723326

Sample: 509410-1-BSD / BSD

Batch: 1 Matrix: Solid

Units: mg/kg

SURROGATE RECOVERY STUDY

BTEX by EPA 8021B	Amount Found [A]	True Amount [B]	Recovery %R [D]	Control Limits %R	Flags
Analytes					
1,4-Difluorobenzene	0.0288	0.0300	96	80-120	
4-Bromofluorobenzene	0.0335	0.0300	112	80-120	

Lab Batch #: 723595

Sample: 304288-001 / SMP

Batch: 1 Matrix: Soil

Units: mg/kg

SURROGATE RECOVERY STUDY

TPH by SW8015 Mod	Amount Found [A]	True Amount [B]	Recovery %R [D]	Control Limits %R	Flags
Analytes					
1-Chlorooctane	94.0	100	94	70-135	
o-Terphenyl	50.9	50.0	102	70-135	

** Surrogates outside limits; data and surrogates confirmed by reanalysis

*** Poor recoveries due to dilution

Surrogate Recovery [D] = $100 * A / B$

All results are based on MDL and validated for QC purposes.



Form 2 - Surrogate Recoveries



Project Name: Sheperd # 3

Work Order #: 304288

Project ID: 2008-010

Lab Batch #: 723595

Sample: 304288-001 S / MS

Batch: 1 Matrix: Soil

Units: mg/kg

SURROGATE RECOVERY STUDY

TPH by SW8015 Mod Analytes	Amount Found [A]	True Amount [B]	Recovery %R [D]	Control Limits %R	Flags
1-Chlorooctane	113	100	113	70-135	
o-Terphenyl	53.9	50.0	108	70-135	

Lab Batch #: 723595

Sample: 304288-001 SD / MSD

Batch: 1 Matrix: Soil

Units: mg/kg

SURROGATE RECOVERY STUDY

TPH by SW8015 Mod Analytes	Amount Found [A]	True Amount [B]	Recovery %R [D]	Control Limits %R	Flags
1-Chlorooctane	103	100	103	70-135	
o-Terphenyl	49.1	50.0	98	70-135	

Lab Batch #: 723595

Sample: 304288-002 / SMP

Batch: 1 Matrix: Soil

Units: mg/kg

SURROGATE RECOVERY STUDY

TPH by SW8015 Mod Analytes	Amount Found [A]	True Amount [B]	Recovery %R [D]	Control Limits %R	Flags
1-Chlorooctane	108	100	108	70-135	
o-Terphenyl	59.6	50.0	119	70-135	

Lab Batch #: 723595

Sample: 509575-1-BKS / BKS

Batch: 1 Matrix: Solid

Units: mg/kg

SURROGATE RECOVERY STUDY

TPH by SW8015 Mod Analytes	Amount Found [A]	True Amount [B]	Recovery %R [D]	Control Limits %R	Flags
1-Chlorooctane	114	100	114	70-135	
o-Terphenyl	56.8	50.0	114	70-135	

Lab Batch #: 723595

Sample: 509575-1-BLK / BLK

Batch: 1 Matrix: Solid

Units: mg/kg

SURROGATE RECOVERY STUDY

TPH by SW8015 Mod Analytes	Amount Found [A]	True Amount [B]	Recovery %R [D]	Control Limits %R	Flags
1-Chlorooctane	119	100	119	70-135	
o-Terphenyl	67.3	50.0	135	70-135	

** Surrogates outside limits; data and surrogates confirmed by reanalysis

*** Poor recoveries due to dilution

Surrogate Recovery [D] = $100 * A / B$

All results are based on MDL and validated for QC purposes.



Form 2 - Surrogate Recoveries

Project Name: Sheperd # 3



Work Order #: 304288

Project ID: 2008-010

Lab Batch #: 723595

Sample: 509575-1-BSD / BSD

Batch: 1 Matrix: Solid

Units: mg/kg

SURROGATE RECOVERY STUDY

TPH by SW8015 Mod Analytes	Amount Found [A]	True Amount [B]	Recovery %R [D]	Control Limits %R	Flags
1-Chlorooctane	124	100	124	70-135	
o-Terphenyl	62.1	50.0	124	70-135	

** Surrogates outside limits; data and surrogates confirmed by reanalysis

*** Poor recoveries due to dilution

Surrogate Recovery [D] = $100 * A / B$

All results are based on MDL and validated for QC purposes.



Blank Spike Recovery



Project Name: Sheperd # 3

Work Order #: 304288

Project ID:

2008-010

Lab Batch #: 723438

Sample: 723438-1-BKS

Matrix: Solid

Date Analyzed: 05/22/2008

Date Prepared: 05/22/2008

Analyst: IRO

Reporting Units: mg/kg

Batch #: 1

BLANK /BLANK SPIKE RECOVERY STUDY

Inorganic Anions by EPA 300 Analytes	Blank Result [A]	Spike Added [B]	Blank Spike Result [C]	Blank Spike %R [D]	Control Limits %R	Flags
Chloride	ND	10.0	10.3	103	75-125	

Blank Spike Recovery [D] = $100 * [C] / [B]$

All results are based on MDL and validated for QC purposes.



BS / BSD Recoveries



Project Name: Sheperd # 3

Work Order #: 304288

Analyst: SHE

Date Prepared: 05/21/2008

Project ID: 2008-010

Date Analyzed: 05/21/2008

Lab Batch ID: 723326

Sample: 509410-1-BKS

Batch #: 1

Matrix: Solid

Units: mg/kg

BLANK /BLANK SPIKE / BLANK SPIKE DUPLICATE RECOVERY STUDY

BTEX by EPA 8021B	Blank Sample Result [A]	Spike Added [B]	Blank Spike Result [C]	Blank Spike %R [D]	Spike Added [E]	Blank Spike Duplicate Result [F]	Blk. Spk Dup. %R [G]	RPD %	Control Limits %R	Control Limits %RPD	Flag
Analytes											
Benzene	ND	0.1000	0.0924	92	0.1	0.0890	89	4	70-130	35	
Toluene	ND	0.1000	0.0932	93	0.1	0.0912	91	2	70-130	35	
Ethylbenzene	ND	0.1000	0.1020	102	0.1	0.0998	100	2	71-129	35	
m,p-Xylenes	ND	0.2000	0.2075	104	0.2	0.2028	101	2	70-135	35	
o-Xylene	ND	0.1000	0.1060	106	0.1	0.1042	104	2	71-133	35	

Analyst: ASA

Date Prepared: 05/22/2008

Date Analyzed: 05/22/2008

Lab Batch ID: 723595

Sample: 509575-1-BKS

Batch #: 1

Matrix: Solid

Units: mg/kg

BLANK /BLANK SPIKE / BLANK SPIKE DUPLICATE RECOVERY STUDY

TPH by SW8015 Mod	Blank Sample Result [A]	Spike Added [B]	Blank Spike Result [C]	Blank Spike %R [D]	Spike Added [E]	Blank Spike Duplicate Result [F]	Blk. Spk Dup. %R [G]	RPD %	Control Limits %R	Control Limits %RPD	Flag
Analytes											
C6-C12 Gasoline Range Hydrocarbons	21.3	1000	1060	106	1000	1170	117	10	70-135	35	
C12-C28 Diesel Range Hydrocarbons	39.5	1000	1040	104	1000	1160	116	11	70-135	35	

Relative Percent Difference RPD = $200 * [(D-F)/(D+F)]$

Blank Spike Recovery [D] = $100 * (C)/[B]$

Blank Spike Duplicate Recovery [G] = $100 * (F)/[E]$

All results are based on MDL and Validated for QC Purposes



Form 3 - MS Recoveries

Project Name: Sheperd # 3



Work Order #: 304288

Lab Batch #: 723438

Date Analyzed: 05/22/2008

Date Prepared: 05/22/2008

Project ID: 2008-010

Analyst: IRO

QC- Sample ID: 304288-001 S

Batch #: 1

Matrix: Soil

Reporting Units: mg/kg

MATRIX / MATRIX SPIKE RECOVERY STUDY						
Inorganic Anions by EPA 300	Parent Sample Result [A]	Spike Added [B]	Spiked Sample Result [C]	%R [D]	Control Limits %R	Flag
Analytes						
Chloride	18.5	202	215	97	75-125	

Matrix Spike Percent Recovery [D] = $100 \cdot (C-A)/B$
Relative Percent Difference [E] = $200 \cdot (C-A)/(C+B)$
All Results are based on MDL and Validated for QC Purposes



Form 3 - MS / MSD Recoveries



Project Name: Sheperd # 3

Work Order #: 304288

Project ID: 2008-010

Lab Batch ID: 723595

QC- Sample ID: 304288-001 S

Batch #: 1 Matrix: Soil

Date Analyzed: 05/23/2008

Date Prepared: 05/22/2008

Analyst: ASA

Reporting Units: mg/kg

MATRIX SPIKE / MATRIX SPIKE DUPLICATE RECOVERY STUDY

TPH by SW8015 Mod Analytes	Parent Sample Result [A]	Spike Added [B]	Spiked Sample Result [C]	Spiked Sample %R [D]	Spike Added [E]	Duplicate Spiked Sample Result [F]	Spiked Dup. %R [G]	RPD %	Control Limits %R	Control Limits %RPD	Flag
C6-C12 Gasoline Range Hydrocarbons	ND	1010	1120	111	1010	1060	105	6	70-135	35	
C12-C28 Diesel Range Hydrocarbons	ND	1010	1150	114	1010	1070	106	7	70-135	35	

Matrix Spike Percent Recovery $[D] = 100 \cdot (C-A)/B$
Relative Percent Difference $RPD = 200 \cdot (D-G)/(D+G)$

Matrix Spike Duplicate Percent Recovery $[G] = 100 \cdot (F-A)/E$

ND = Not Detected, I = Present Below Reporting Limit, B = Present in Blank, NR = Not Requested, I = Interference, NA = Not Applicable
N = See Narrative, EQL = Estimated Quantitation Limit



Sample Duplicate Recovery



Project Name: Sheperd # 3

Work Order #: 304288

Lab Batch #: 723438

Date Analyzed: 05/22/2008

QC- Sample ID: 304288-001 D

Reporting Units: mg/kg

Project ID: 2008-010

Analyst: IRO

Date Prepared: 05/22/2008

Batch #: 1

Matrix: Soil

SAMPLE / SAMPLE DUPLICATE RECOVERY					
Inorganic Anions by EPA 300	Parent Sample Result [A]	Sample Duplicate Result [B]	RPD	Control Limits %RPD	Flag
Analyte					
Chloride	18.5	22.5	20	20	

Lab Batch #: 723320

Date Analyzed: 05/22/2008

QC- Sample ID: 304289-003 D

Reporting Units: %

Date Prepared: 05/22/2008

Analyst: IRO

Batch #: 1

Matrix: Soil

SAMPLE / SAMPLE DUPLICATE RECOVERY					
Percent Moisture	Parent Sample Result [A]	Sample Duplicate Result [B]	RPD	Control Limits %RPD	Flag
Analyte					
Percent Moisture	1.15	0.792	37	20	F

Spike Relative Difference RPD $200 * |(B-A)/(B+A)|$

All Results are based on MDL and validated for QC purposes.

A Xenco Laboratories Company

12600 West I-20 East
Odessa, Texas 79765

Phone: 432-563-1800
Fax: 432-563-1713

Project Name: SHEPHERD #3
Project #: 2008-010
Project Loc: J. ANTHONY RANCH
PO #: _____
Report Format: ☒ Standard ☐ TRRP ☐ NPDES

[illegible]

Environmental Lab of Texas
Variance/ Corrective Action Report- Sample Log-In

Client: S.U.G.S.
Date/ Time: 5-21-08 14:19
Lab ID #: 304288
Initials: AL

Sample Receipt Checklist

				Client Initials
#1	Temperature of container/ cooler?	<u>Yes</u>	No	<u>1.0</u> °C
#2	Shipping container in good condition?	<u>Yes</u>	No	
#3	Custody Seals intact on shipping container/ cooler?	<u>Yes</u>	No	<u>Not Present</u>
#4	Custody Seals intact on sample bottles/ container?	<u>Yes</u>	No	<u>Not Present</u>
#5	Chain of Custody present?	<u>Yes</u>	No	
#6	Sample instructions complete of Chain of Custody?	<u>Yes</u>	No	
#7	Chain of Custody signed when relinquished/ received?	<u>Yes</u>	No	
#8	Chain of Custody agrees with sample label(s)?	<u>Yes</u>	No	ID written on Cont./ Lid
#9	Container label(s) legible and intact?	<u>Yes</u>	No	Not Applicable
#10	Sample matrix/ properties agree with Chain of Custody?	<u>Yes</u>	No	
#11	Containers supplied by EL0T?	<u>Yes</u>	No	
#12	Samples in proper container/ bottle?	<u>Yes</u>	No	See Below
#13	Samples properly preserved?	<u>Yes</u>	No	See Below
#14	Sample bottles intact?	<u>Yes</u>	No	
#15	Preservations documented on Chain of Custody?	<u>Yes</u>	No	
#16	Containers documented on Chain of Custody?	<u>Yes</u>	No	
#17	Sufficient sample amount for indicated test(s)?	<u>Yes</u>	No	See Below
#18	All samples received within sufficient hold time?	<u>Yes</u>	No	See Below
#19	Subcontract of sample(s)?	<u>Yes</u>	No	Not Applicable
#20	VOC samples have zero headspace?	<u>Yes</u>	No	Not Applicable

Variance Documentation

Contact: _____ Contacted by: _____ Date/ Time: _____

Regarding: _____

Corrective Action Taken: _____

- Check all that Apply:
- ☐ See attached e-mail/ fax
 - ☐ Client understands and would like to proceed with analysis
 - ☐ Cooling process had begun shortly after sampling event

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

Name of Company	Southern Union Gas Services, Ltd.	Contact	Rose Slade
Address	P.O. Box 1226 Jal, N.M. 88252	Telephone No.	432-940-5147
Facility Name	Sheperd #3	Facility Type	Natural Gas Gathering

Surface Owner: Jay Anthony	Mineral Owner: State of New Mexico	API No. 30-025-22033
----------------------------	------------------------------------	----------------------

LOCATION OF RELEASE

Unit Letter P	Section 36	Township 25S	Range 36E	Feet from the	North/South Line	Feet from the	East/West Line	County Lea
------------------	---------------	-----------------	--------------	---------------	------------------	---------------	----------------	---------------

Latitude N32 4.969 Longitude W103 12.658

NATURE OF RELEASE

Type of Release : Natural Gas	Volume of Release: Unknown	Volume Recovered None
Source of Release : 4" Natural Gas Pipeline	Date and Hour of Occurrence Unknown	Date and Hour of Discovery 7/22/04 Time: 8:20 a.m.
Was Immediate Notice Given? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Required	If YES, To Whom?	
By Whom?	Date and Hour:	
Was a Watercourse Reached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, Volume Impacting the Watercourse.	

If a Watercourse was Impacted, Describe Fully.*

Describe Cause of Problem and Remedial Action Taken.*
A 4-inch natural gas pipeline had a release prior to the Southern Union Gas Services acquisition. The pipeline has been idle for approximately 5 years; the areas were impacted several years prior to placing the line out of service.
The impacted areas were identified by the landowner and the worse case site was photographed and sampled in July 2004.

Describe Area Affected and Cleanup Action Taken. An area measuring approximately 600 square feet had a dry grey to white discoloration. The discolored soil was excavated to a depth sufficient to restore a root bearing zone. Please reference closure request dated October 13, 2010 for remediation details.

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.

		<u>OIL CONSERVATION DIVISION</u>	
Signature:		Approved by District Supervisor:	
Printed Name: Rose L. Slade			
Title: EHS Compliance Specialist		Approval Date:	Expiration Date:
E-mail Address: rose.slade@sug.com		Conditions of Approval:	Attached <input type="checkbox"/>
Date: 10/13/2010			

* Attach Additional Sheets If Necessary



Photo 1

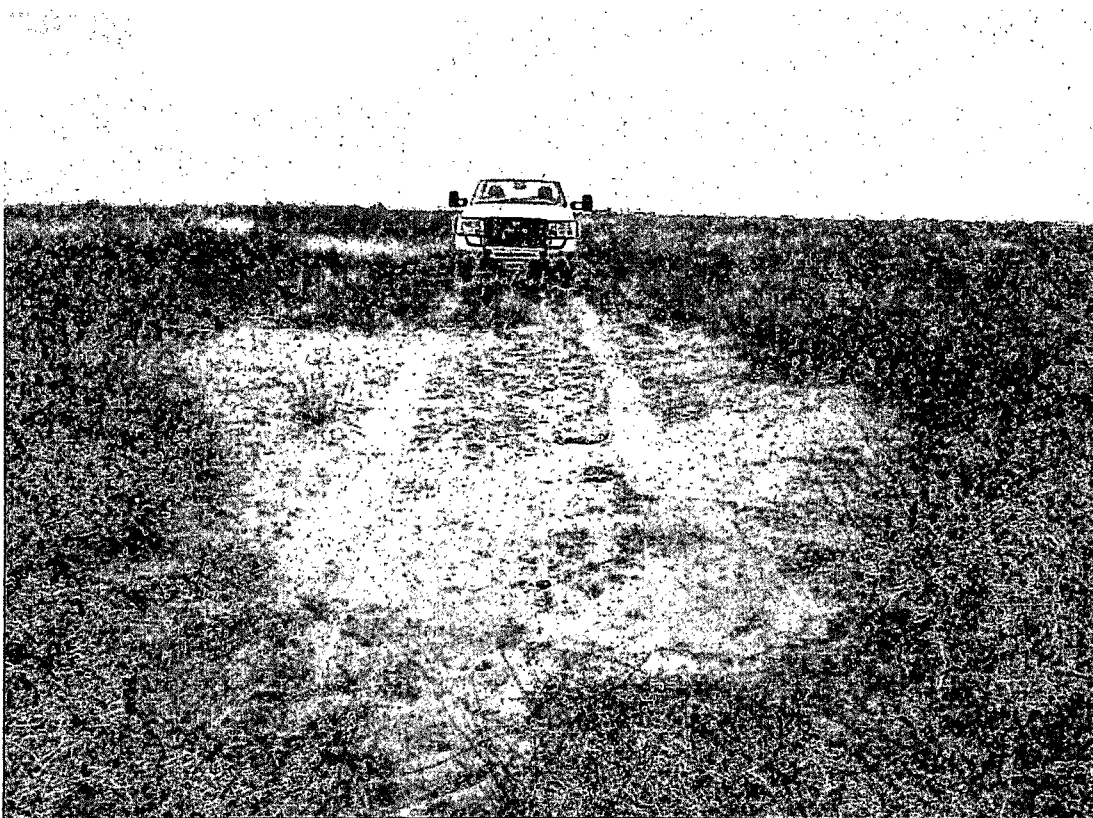


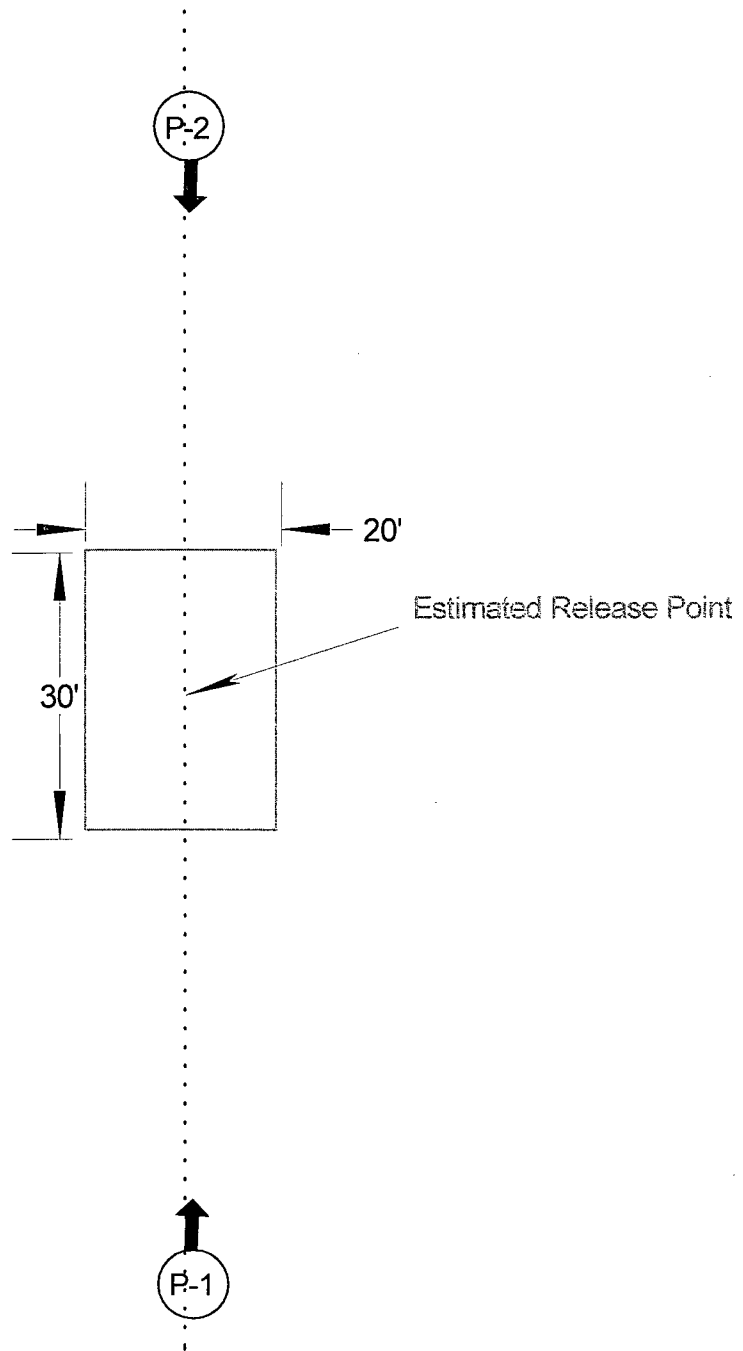
Photo 2

Southern Union Gas Services Site: Sheperd #3
Job # 2008-011
Site Assessment 5/5/08



DELORME

TH
MN
8.7°E



Approximate
Scale 1"= 20'

N

Unit ltr."P"
Section 36
Twms.-25 S
Range 36E
County-Lea, N.M.
GPS
Lat- 32-04.969N
Long-103-12.658W

**Southern Union
Gas Services**

Site Plan-Sheperd #3
Lea County Area Jal, N.M.

2008-011

Figure 1

District I
1625 N. French Dr., Hobbs, NM 88240
District II
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side of form

Release Notification and Corrective Action

OPERATOR

☒ Initial Report ☐ Final Report

Name of Company	Southern Union Gas Services, Ltd.	Contact	Tony Savoie
Address	P.O. Box 1226 Jal, N.M. 88252	Telephone No.	575-395-2116
Facility Name	Lea County Field Dept.	Facility Type	Natural Gas Gathering

Surface Owner: Jay Anthony

Mineral Owner: State of New Mexico

Lease No.

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
P	36	25S	36E					Lea

Latitude N32 4.969 Longitude W103 12.658

NATURE OF RELEASE

Type of Release : Natural Gas	Volume of Release: Unknown	Volume Recovered None
Source of Release : 4" Natural Gas Pipeline	Date and Hour of Occurrence Unknown	Date and Hour of Discovery 7/22/04 Time: 8:20 a.m.
Was Immediate Notice Given? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Required	If YES, To Whom?	
By Whom?	Date and Hour:	
Was a Watercourse Reached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, Volume Impacting the Watercourse.	

If a Watercourse was Impacted, Describe Fully.*

Describe Cause of Problem and Remedial Action Taken.*

A 4" Natural gas pipeline leaked prior to Southern Union Gas Services operations. The pipeline has been idle for approximately 5 years, and the leak areas were there several years prior to taking the line out of service.

The leak areas were identified by the landowner and the worse case site was photographed and sampled in July 2004.

Describe Area Affected and Cleanup Action Taken. An area measuring approximately 600 sq. ft. has a dry grey to white discoloration. The discolored soil will be removed to a depth sufficient to restore a root bearing zone. All remediation activities will follow the 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.

Signature: <i>Tony Savoie</i>	OIL CONSERVATION DIVISION	
Printed Name: John A. Savoie	Approved by District Supervisor: <i>John A. Savoie</i>	
Title: Remediation Supervisor	ENVIRONMENTAL ENGINEER	
E-mail Address: tony.savoie@sug.com	Approval Date: 5.20.08	Expiration Date: 7.21.08
Date: 5/20/08 Phone: 575-395-2116	Conditions of Approval: <i>SUBMIT FINAL TX</i>	Attached <input type="checkbox"/>

* Attach Additional Sheets If Necessary

Shepherd # 3
2008-011

RECEIVED

MAY 20 2008

HOBBS OCD