Well File
DSJ 7/3/03

SMA
CIVIL/ENVIRONMENTAL
SCIENTISTS & ENGINEERS

June 30, 2003

CERTIFIED MAIL

Mr. Denny Foust
Oil Conservation Commission
1000 Rio Brazos Road
Aztec, New Mexico 87410

Subject: Request for Closure of Wagner #1 Gas Well - S29, T30N, R12W, NMPM, San Juan County, New Mexico
SMA Project 5114146

API # 30-045-009176

Dear Mr. Foust,

Souder Miller and Associates (*SMA*) were contacted by Mr. Jim Baker on May 29, 2003, regarding high natural gas readings in the vicinity of the Wagner #1 Natural Gas Well owned by Ms. Lola Brown. The well site is located at the intersection of Winifred and Arroyo near the Country Club Subdivision in Farmington, New Mexico. The well location is designated 2100 FSL and 1670 FWL, Section 29, Township 30 North, Range 12 West San Juan County, New Mexico. On May 21, 2003, high natural gas readings were detected by the Public Service Company of New Mexico (PNM), initial readings for the presence of natural gas were taken by PNM and the Oil Conservation Division (OCD). A shallow hole was created by beating a piece of rebar into the ground to a depth of about 12 to 18 inches. A percent natural gas meter was used by PNM and the OCD to measure concentrations of natural gas in the soil (see page 1 of Enclosure 2). Enclosure 1 is a hand sketch of the vapor point measurement locations.

The initial contact with *SMA* was through Mr. Walter Gage of our office. Mr. Kenneth Sinks was asked by Mr. Gage to visit the site and get information from Mr. Baker, Ms. Brown's representative. While at the site on May 29, 2003, Mr. Sinks took initial Lower Explosive Limit readings at selected points around the well and near neighboring homes (see page 2 of Enclosure 2).

Mr. Baker was investigating the possible need to trench and install a vent pipe to remove the gas vapors in the soil. The option was discussed with Denny Foust of the OCD and it was decided before anything was done, a meeting between the owner, Ms. Lola Brown, Jim Baker, Ms. Brown's representative, Ken Sinks and John Hagstrom of *SMA*, and Mr. Denny Foust from the OCD should be held to make sure the owner understood what her options were and what was needed to remedy the situation.

During the meeting on May 30, 2003, Mr. Foust discussed the drop in readings over the preceding week. It was decided to remove the flow line and dig a shallow trench along Winifred St. where the highest natural gas readings were found before any decision would be made on the extent of digging that would be needed to remediate the site. The flow line removal and trench along Winifred were completed on June 2, 2003. The soil readings showed a definite downward trend. Several areas were pot holed to facilitate the release of vapors from the site..

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The trench and test pit readings were entered into a database to track progress of the degassing operation. Points 26 – 31 represent trench monitor points. The points labeled hole #1 through hole #6 were used to monitor the test pit holes. See pages six and seven of Enclosure 2 for tabulation of all vapor readings. The test pit holes were left open and later loosely backfilled. After the second set of vapor readings made by *SMA* on June 10, 2003, it became apparent the area was degassing quickly. The readings near residences and the plugged well continued to drop.

The site was graded between June 2, and June 3, 2003 to remove some of the road base cap that had been needed for access by the plugging and abandonment rig. The last set of readings was taken on June 10, 2003. The site was graded a second time before June 10, 2003, to level the area. This second grading and leveling will also degas the site by removing all tight surface soils.

After reviewing the enclosed tables, it is apparent the source for the leak has been eliminated. The soil gas content was at acceptable limits by June 10, 2003, in the last vapor reading set. Vapor point 5 was the only point on June 10, 2003 that approached the lower explosive limit (91%). Over a three week period, the methane content at this location has dropped from 90% to 4.6% (the lower explosive limit is 5%). All readings near the residence to the south of the site are zero.

A copy of the plugging and abandonment documentation is attached as Enclosure 3. The work was done by Mr. Bill Clark, A-Plus Well Service. Any questions regarding the Plugging and Abandonment work please call Bill Clark at 505-325-1211 or 505-325-2627.

SMA recommends no further action at this site. The source is plugged and abandoned and all vicinity vapor readings are at an acceptable level. If you have any questions regarding this report please contact me at 505-325-5667.

Respectfully,

Kenneth D. Sinks, Jr. Chem. E., P.E, NSPE
National Society of Professional Engineers®
Sr. Project Manager
SOUDER MILLER & ASSOCIATES

Enclosures (3)

ks

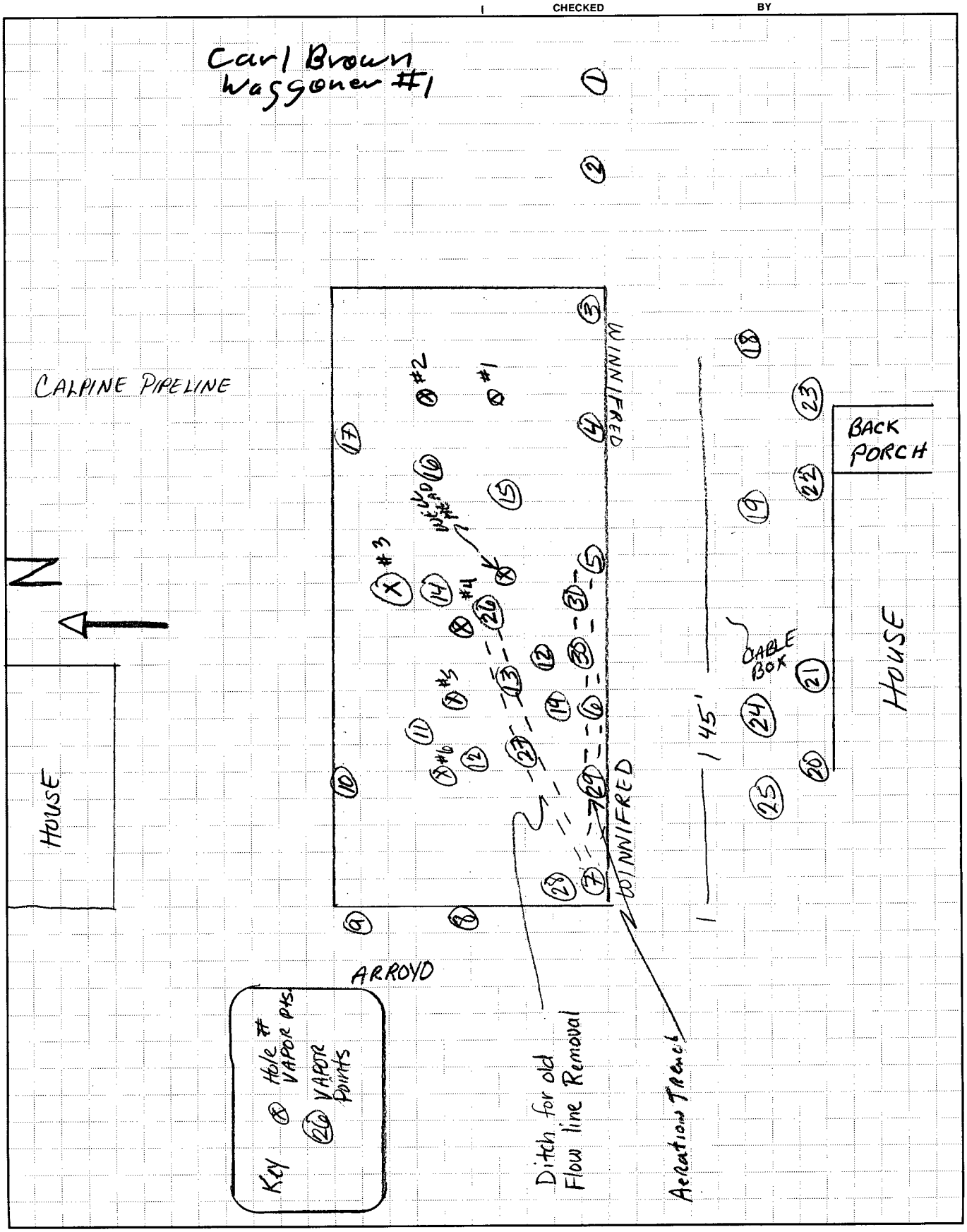
cc: Lola Brown, Owner
Douglas Moeller, Attorney at Law, Representative for Lola Brown
Reid Allen, *SMA*

ENCLOSURE 1

SUBJECT GAS LEAK PROJECT PAGE 1

CLIENT Lola Brown DATE 5/29/03 BY

CHECKED BY



Wagner #1 Gas Well
Carl B. Brown
R29-30N-12W

Location	Date	Tested by	% Nat. Gas	% LEL	Comments
1	5/21/2003	PNM	0		
1	6/2/2003	SMA		0	
1	6/10/2003	SMA		0	
2	5/21/2003	PNM	30		
2	6/2/2003	SMA		0	
2	6/10/2003	SMA		0	
3	5/21/2003	OCD	80		
3	6/2/2003	SMA		1	
3	6/10/2003	SMA		0	
4	5/29/2003	SMA		100	
4	6/2/2003	SMA	11.2	223	
4	6/3/2003	SMA	10.7	114	
4	6/10/2003	SMA		17	
5	5/21/2003	OCD	90		
5	6/2/2003	SMA	7.1	142	
5	6/10/2003	SMA		91	
6	5/21/2003	OCD	NR		
6	6/2/2003	SMA	10.15	203	
6	6/10/2003	SMA		35	
7	5/29/2003	SMA		90	
7	6/2/2003	SMA		2	
7	6/10/2003	SMA		0	
8	5/21/2003	OCD	0		
8	5/29/2003	SMA		5	
8	6/2/2003	SMA		2	
8	6/10/2003	SMA		0	
9	5/29/2003	SMA		8	
9	6/2/2003	SMA		0	
9	6/10/2003	SMA		0	
10	5/29/2003	SMA		0	
10	6/2/2003	SMA		21	
10	6/10/2003	SMA		0	
11	5/21/2003	OCD	40		
11	5/29/2003	SMA		30	
11	6/2/2003	SMA		22	
11	6/10/2003	SMA		0	
12	5/21/2003	OCD	60		
12	6/2/2003	SMA	6.4	128	
12	6/10/2003	SMA		0	
13	5/21/2003	OCD	90		
13	6/2/2003	SMA			SPOILS PILE NOW
13	6/10/2003	SMA		36	
14	5/21/2003	OCD	40		
14	6/2/2003	SMA		2.5	
14	6/10/2003	SMA		0	
15	5/21/2003	OCD	55		

Wagoner #1 Gas Well
Carl B. Brown
R29-30N-12W

Location	Date	Tested by	% Nat. Gas	% LEL	Comments
15	6/2/2003	SMA	8	160	
15	6/10/2003	SMA		26	
16	5/29/2003	SMA		85	
16	6/2/2003	SMA		1	
16	6/10/2003	SMA		0	
17	5/29/2003	SMA		1	
17	6/2/2003	SMA		1	
17	6/10/2003	SMA		0	
18	5/21/2003	OCD	2		
18	6/2/2003	SMA		27	
18	6/10/2003	SMA		2	
19	5/21/2003	OCD	60		
19	6/2/2003	SMA		0	
19	6/10/2003	SMA		0	
20	5/21/2003	OCD	60		
20	6/2/2003	SMA		0	
20	6/10/2003	SMA		0	
21	5/21/2003	OCD	20		
21	6/2/2003	SMA		0	
21	6/10/2003	SMA		0	
22	5/29/2003	SMA		3	
22	6/2/2003	SMA		0	
22	6/10/2003	SMA		0	
23	5/29/2003	SMA		15	
23	6/2/2003	SMA		0	
23	6/10/2003	SMA		0	
24	5/21/2003	OCD	60		
24	6/2/2003	SMA		3	
24	6/10/2003	SMA		0	
25	5/21/2003	OCD	60		
25	6/2/2003	SMA		3	
25	6/10/2003	SMA		0	
26	5/21/2003	OCD	40		
26	6/2/2003	SMA		2	
26	6/10/2003	SMA		0	
27	6/2/2003	SMA	12.2	244	
27	6/10/2003	SMA		0	
28	6/2/2003	SMA	6.7	134	
28	6/10/2003	SMA		0	
29	6/2/2003	SMA	5.3	106	
29	6/10/2003	SMA		0	
30	6/2/2003	SMA		97	
30	6/10/2003	SMA		4	
31	6/10/2003	SMA		0	
31	6/2/2003	SMA		32	
Hole #1	6/10/2003	SMA		26	

Wagoner #1 Gas Well
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R29-30N-12W

Location	Date	Tested by	% Nat. Gas	% LEL	Comments
Hole #2	6/10/2003	SMA		0	
Hole #3	6/10/2003	SMA		0	
Hole #4	6/10/2003	SMA		0	
Hole #5	6/10/2003	SMA		0	
Hole #6	6/10/2003	SMA		0	