



**NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT**

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Certified: P-471-215-177

February 18, 1997

Conoco Inc
Attn. John Coy
3315 Bloomfield Hwy
Farmington, NM 87401

RE: Remediation Required at the Conoco Inc., Farmington B Com #1, H-15-29N-³12W, 30-045-08330, San Juan County, New Mexico.

Dear Mr. Coy:

Richardson Operating Company was trying to reach a settlement with the surface owner for an off-setting well location to the Farmington B Com #1 during the spring and summer of 1996. In the process Conoco, and the residents of the adjacent Meadow View Mobil Home Park, became involved in portions of the dispute. One of the results of this dispute was an open house sponsored by Conoco on the Farmington B Com #1 well site attended by City of Farmington Officials, John Andersen of Conoco, NMOCD District Supervisor Frank Chavez et al.

During this tour when Frank Chavez opened a valve on the cathodic protection well for the Farmington B Com #1, yellow hydrocarbon came to the surface. Upon returning to the office Mr. Chavez instructed Denny Foust, Environmental Geologist, to follow up on this finding with Conoco. John Andersen directed Denny Foust to work with John Coy investigating this matter. Verbal instructions to Mr. Coy were for Conoco to take immediate steps to evaluate the situation. This evaluation with Onsite Technologies as the environmental contractor started on October 31, 1996.

The contamination, which was found in proximity to residences and over a very shallow water table, was excavated as thoroughly as possible due to existing facilities and utility corridors. Excavation was at the direction of Denny Foust. Both Frank Chavez and Bill Olson, Division Hydrologist, were kept informed of the progress on this well. Currently Conoco is still trying to determine the full extent of groundwater contamination and any residual soil contamination which may affect the groundwater. Once the extent and gradient of the groundwater contamination has been determined, a proposal for remediating the groundwater to standards will be submitted to Bill Olson.

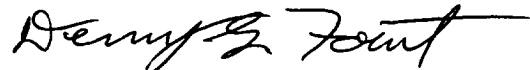
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The contamination that was found on this well pad appears to have originated from a series of old pits, probably including work over and production pits. Some of the contamination is residual from a spill on March 20, 1992 which was not immediately addressed. Regulations and expectations have changed over the intervening years and practices from the 1992 clean up would not be acceptable today.

The current remedial work is required due to groundwater impact, proximity to residences and proximity to the Animas River.

Please feel free to contact Denny Foust or Frank Chavez at this office if you have questions.

Yours truly,



Denny G. Foust
Environmental Geologist

XC: Cindy Gray-Onsite Technologies
Bill Olson-Santa Fe
Environmental File
DGF File
Connie Dinning-Merrion