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1625 N. French Dr., Hobbs, NM 88240  
District II  
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District III  
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District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico  
Energy Minerals and Natural Resources

**RECEIVED**

By JKeyes at 8:54 am, Jan 08, 2016

Oil Conservation Division  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Submit 1 Copy to appropriate District Office in accordance with 19.15.29 NMAC

**Release Notification and Corrective Action**

**OPERATOR**

Initial Report  Final Report

Name of Company: Southern Union Gas Services (ETC)	Contact: Rose Slade
Address: 800 East Sonterra Suite 2	Telephone No.: 210-403-6525
Facility Name: Trunk D (10-15-12)	Facility Type: Natural Gas Pipeline

Surface Owner: State of New Mexico	Mineral Owner	API No. 30-025-38822
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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
G	3	23S	36E					Lea

Latitude 32 20.130 Longitude 103 14.997

**NATURE OF RELEASE**

Type of Release: Natural Gas, Crude, & Produced water	Volume of Release: 2 bbls liquid & 1,824 MCF Gas	Volume Recovered: zero
Source of Release: 16 inch Natural Gas Pipeline	Date and Hour of Occurrence: 10/15/12 @ 1030 hours	Date and Hour of Discovery: 10/15/12 @ 0900 hours
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 sixteen (16)-inch low pressure natural gas pipeline developed a leak, resulting in a release of natural gas, crude oil, and produced water. During initial response activities the pipeline was shut-in to mitigate the release. Following initial response activities, the affected pipeline segment was replaced with 200 linear feet of 16 inch poly pipe.

Describe Area Affected and Cleanup Action Taken.\*

On October 25, 2012 delineation activities began. On December 11, 2012 equipment was moved onsite to begin to delineate the extent of the impact. A trench was excavated adjacent to the release point on either side to investigate the vertical extent of soil impact. Visual information and olfactory senses were used to first determine impact before sampling. Delineation trench was excavated following pipeline to forty feet (40') horizontally. Depth was eight feet (8') vertically. The width of the excavation was approximately forty feet (40'). On completion of the excavation, impacted soils were removed to Sundance for disposal. Confirmation soil samples were collected from the floor and sidewalls of the excavation they were analyzed by an NMOCD approved laboratory, which determined concentrations levels of benzene, BTEX, TPH, and chlorides were less than regulatory remediation action levels established for the site.

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>	<b>OIL CONSERVATION DIVISION</b>		
Printed Name: Rose L. Slade	Approved by Environmental Specialist: <i>Jane Keyes</i>		
Title: Sr. Environmental Specialist	Approval Date: 01/08/2016	Expiration Date: ///	
E-mail Address: Rose.Slade@energytransfer.com	Conditions of Approval: ///		Attached <input type="checkbox"/> IRP 2855
Date: 1/11/16	Phone: 210-403-6525		

\* Attach Additional Sheets If Necessary



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## REMEDIATION SUMMARY & SITE CLOSURE REQUEST

**SOUTHERN UNION GAS SERVICES  
TRUNK D  
LEA COUNTY NEW MEXICO**  
Unit G, Section 03 Township 23 South, Range 36 East  
Latitude 32.335500 Longitude -103.249950

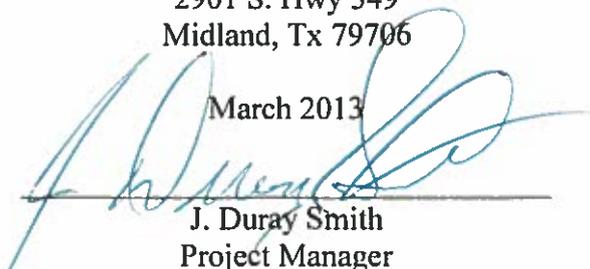
Prepared for:

Southern Union Gas Services  
801 S. Loop 464  
Monahans, Tx 79756

Prepared by:

Talon LPE  
2901 S. Hwy 349  
Midland, Tx 79706

March 2013



---

J. Duray Smith  
Project Manager



## 1.0 INTRODUCTION & BACKGROUND INFORMATION

Talon LPE on behalf of Southern Union Gas has prepared this Remediation Summary & Site Closure Request for the release site known as Trunk D. The legal description is Unit G, Section 03, Township 23 South, Range 36 East in Lea County New Mexico. The geographic coordinates of the release are 32.335500 North Latitude and 103.249950 West Longitude. The property affected by the release is owned by New Mexico State Lands. Please refer to figure 1 for a Site Location Map

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On October 15, 2012, Southern Union Gas discovered a release had occurred on the Trunk D Pipeline. The "Release Notification and Corrective Action" (Form C-141) indicated a failure on a section of sixteen inch (16") low pressure pipeline resulted in the release of approximately 2 barrels (2) of crude oil along with natural gas. During initial response activities the pipeline was shut in to mitigate the release. Approximately one thousand (1000') square feet of land was affected with the release. The release was reported to New Mexico Oil Conservation Division (NMOCD) Hobbs District office on October 24, 2012. General photographs of the release site are provided as Appendix A. The form C-141 is provided as Appendix D.

## 2.0 NMOCD SITE CLASSIFICATION

A search of the New Mexico water rights (NMWRRS) database maintained by the New Mexico Office of the State Engineer (NMOSE) indicated information was unavailable for Section 3 Township 23S Range 36E. A depth to groundwater reference map utilized by NMOCD indicates groundwater should be encountered at approximately two hundred twenty four feet (224') below ground surface (bgs).

A search of the NMWRRS database indicated there are no water wells within one thousand feet (1000') of the release.

There are no surface water bodies within one thousand feet (1000') of the release.

Guidelines for this release site are listed below:

- Benzene-10mg/kg (ppm)
- BTEX- 50 mg/kg (ppm)
- TPH- 1000 mg/kg (ppm)

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## FIGURES

- Figure 1- Site Location Map
- Figure 2- Site and Sample Location Map

## TABLES

- Table1- Concentration of Benzene, BTEX, TPH, and Chlorides in Soil

## APPENDICES

- Appendix A- Photographs
- Appendix B- Laboratory Reports
- Appendix C- Disposal Manifest
- Appendix D- Release Notification and Corrective Action (Form C-141)

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The New Mexico Administrative Code (NMAC) does not currently specify a remediation level for chloride concentrations in soil. Chloride remediation levels are set by the NMOCD on a site specific basis.

### 3.0 SUMMARY OF SOIL REMEDIATION ACTIVITIES

On October 25, 2012, Talon LPE began delineation activities at the release site.

Southern Union Gas Services operations have replaced the section of pipeline which resulted in a leak with poly line.

It was determined that activity on State Land would require a permit to include land outside the right of way. A permit was requested and granted by State Office of New Mexico to continue operations.

On December 11, 2012, equipment was moved on site to begin to delineate the extent of impact. A trench was excavated adjacent to the release point on either side to investigate the vertical extent of soil impact. Visual information and olfactory senses were used to first determine impact before sampling.

Delineation trench was excavated following the pipeline to forty feet (40') horizontally. Depth was eight feet (8') vertically. The width of the excavation was approximately forty feet (40').

On completion of excavation, Impacted soils were removed to Sundance Services in Eunice, New Mexico.

Samples were then collected on January 28, 2013 at bottom holes and sidewalls and submitted to Permian Basin Labs in Midland Texas for analysis of benzene, Toluene, Ethylbenzene, (BTEX), total petroleum hydrocarbons (TPH), and chloride concentrations in accordance with EPA Methods SW 846-8021, SW 846-8015M and SM 300-CL B respectively. Laboratory analytical results indicated the levels were Non Detect (ND) on all samples except the Sidewall North sample (SW-N). this sample showed Ethylbenzene at 0.00735, which is below state requirement. Xylene (p/m) at 0.00956 which is below state level and Xylene (o), at 0.00398 which is below state level. All other samples are Non Detect (ND).

Chlorides on samples were all below fifty (50) ppm.

On February 28, 2013, on receiving approval from NMOCD, soils were purchased from New Mexico State Land Office (NMSLO) for backfilling operations.

Between February 28, and March 1 2013, Approximately one hundred (100) yards was purchased, transported and used to backfill the excavation.



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## 4.0 QA/QC PROCEDURES

### 4.1 Soil Sampling

Soil samples were delivered to Permian Basin Labs of Midland, Texas for BTEX, TPH, and /or chloride analysis using the methods described below:

BTEX concentrations in accordance with EPA Method SW-846 8021 B  
TPH concentrations in accordance with EPA Method SW-846 8015 M  
Chloride concentrations in accordance with EPA Method 300B

### 4.2 Decontamination of Equipment

Cleaning of the sampling equipment was the responsibility of the environmental technician. Prior to use and between each sample, the sampling equipment was cleaned with distilled water.

### 4.3 Laboratory Protocol

The laboratory was responsible for proper QA/QC procedures after signing the chain of custody forms. These procedures were either transmitted with the laboratory reports or are on file at the laboratory.

## 5.0 SITE CLOSURE REQUEST

Confirmation soil samples collected from the floor and sidewalls of the excavation were analyzed by an NMOCD approved laboratory, which determined concentration levels of benzene, BTEX, TPH and chloride were less than the regulatory remediation action levels established for the site. Base on these laboratory analytical results, Talon LPE recommends Southern Union provide the NMOCD Hobbs District Office a copy of this Remediation Summary and Site Closure Report to grant Site Closure to the Trunk D Release Site.

## 6.0 LIMITATIONS

Talon LPE has prepared this Remediation Summary and Site Closure Report to best of its ability. No other warranty, expressed or implied is made or intended. Talon LPE has examined and relied upon documents referenced in the report and on oral statements made by certain individuals. Talon LPE had not conducted and independent examination of the facts contained in referenced materials and statements. Talon LPE has presume the genuineness of these documents and statements and that the information provided therein is true and accurate. Talon LPE has prepared this report in a professional manner, using the degree of skill and care exercised by similar environmental consultants. Talon LPE notes that the facts and conditions referenced in this report may change over time, and the



conclusions and recommendations set forth herein are applicable only to the facts and conditions as described at the time of this report.

## 7.0 DISTRIBUTION:

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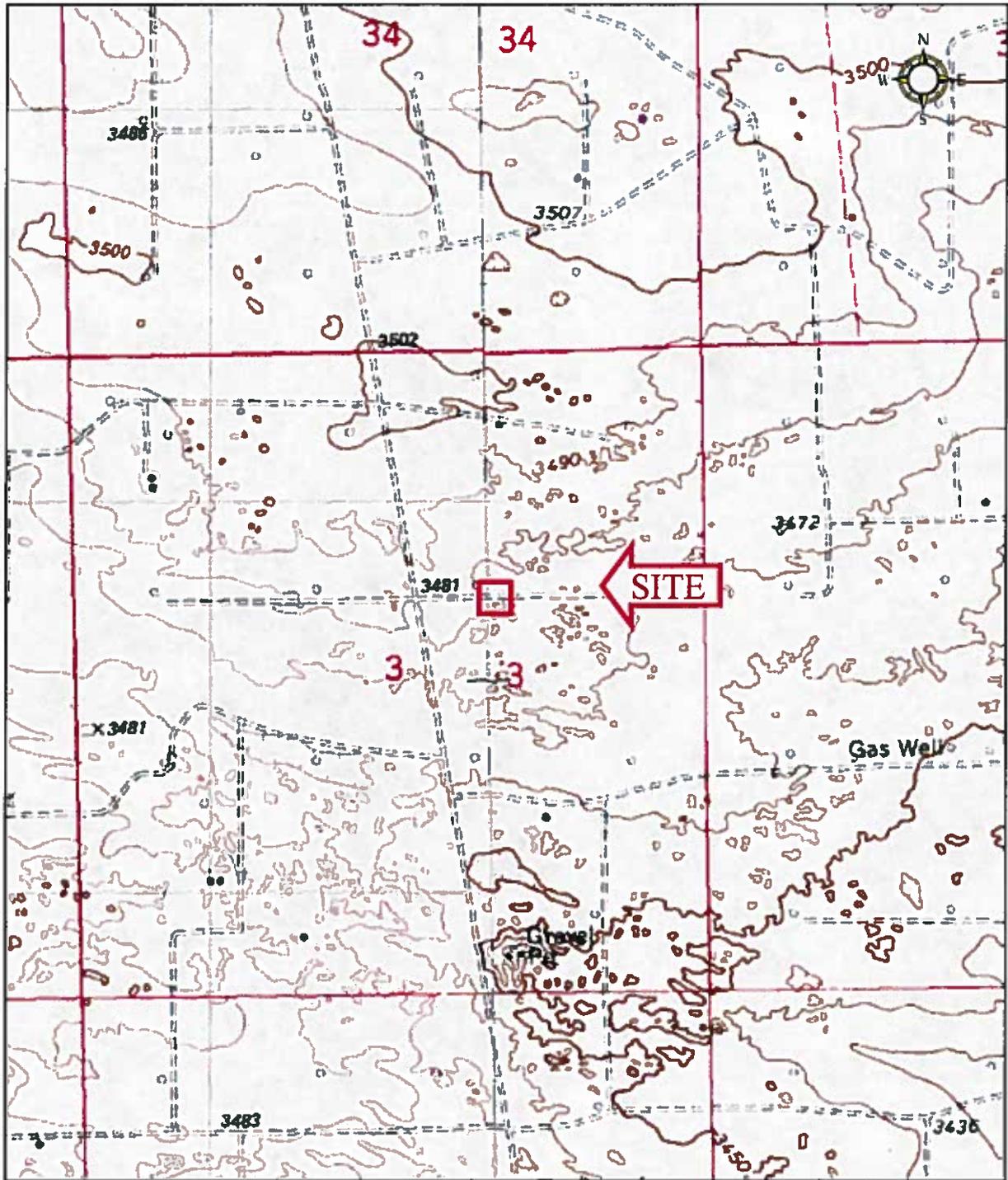
Copy 1: Geoffrey Leking  
New Mexico Energy, Minerals, and Natural Resources Dept.  
Oil Conservation Division (District 1)  
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[GeoffreyR.leking@state.nm.us](mailto:GeoffreyR.leking@state.nm.us)

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Scale: Not to scale  
 Source: Rattlesnake Canyon, 1979



FIGURE 1  
 TOPOGRAPHIC MAP  
 TRUNK D  
 32.335500°, -103.249950°  
 LEA COUNTY, NEW MEXICO  
 Prepared for: SOUTHERN UNION GAS

Work Order No.:	Report Date:	Drawn By:
701583.012.01		RWM



Scale: Not to scale.  
Source: Google Earth – Aerial Photo Date: 2011



FIGURE 3  
AERIAL PHOTO (SITE DETAIL)  
TRUNK D  
32.335500°, -103.249950°  
LEA COUNTY, NEW MEXICO  
Prepared for: SOUTHERN UNION GAS

Work Order No.:	Report Date:	Drawn By:
701583.012.01		RWM

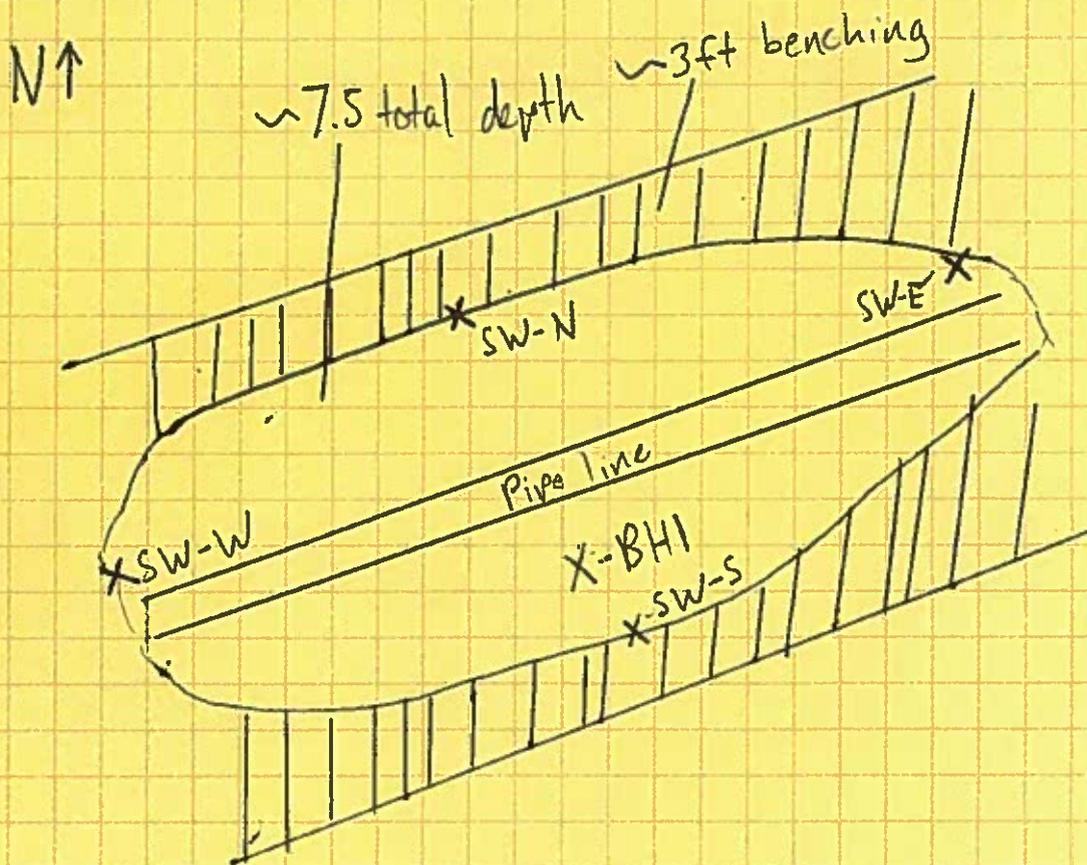


AMARILLO - AUSTIN - MIDLAND - SAN ANTONIO - ARTESIA, NM - HOBBS, NM - TULSA, OK

### Project Correspondence Sheet

- Field     Office     Reimbursement     Proposal
- OK     NM     TX     Other

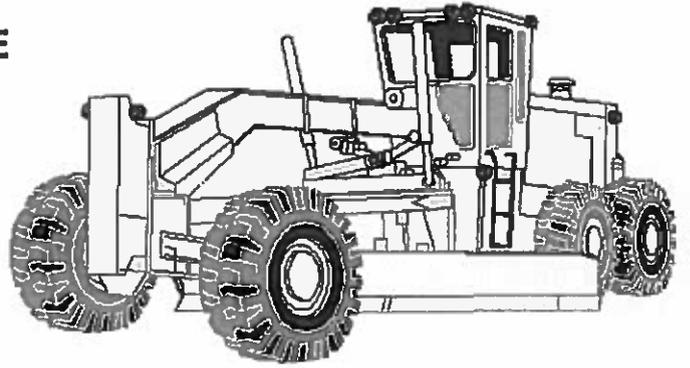
Date: 1/28/13	Time: 17:20	Project Manager: Duvrey Smith
Project Number: 701583.012.01		
Project Name: Trunk D		
Topic: Sample Map		
Notes: NOT TO SCALE		



Road

Document must be filed in Project File	Prepared by: RWM	Page ____ of ____
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**NEW MEXICO STATE LAND OFFICE  
CALICHE MATERIAL PURCHASE  
Royalty Report**



COMPLETE, SIGN, AND RETURN THIS FORM WITH  
YOUR ROYALTY PAYMENT

TO: NEW MEXICO STATE LAND OFFICE  
HOBBS FIELD OFFICE  
2827 N. DAL PASO, SUITE 117  
HOBBS, NEW MEXICO 88240

DATE 02/28/13

PERMIT NO. CO 4569

EXPIRATION DATE 3/14/13

PERMITTEE Southern Union Gas Services

ROYALTY DUE DATE 02/28/13

PIT NO. 624

INST.: C. S.

**PURCHASER:**

NAME Southern Union Gas Services

PHONE # (575) 395-2116

ADDRESS PO BOX 1226

DAL. NM 88252

**MATERIAL:**

TYPE: Caliche

AMOUNT USED: 100

UNIT COST: 3.00

ESTIMATED CUBIC YARDS: 100

TOTAL COST: 300.00

TONS: \_\_\_\_\_

**MATERIAL SOURCE:**

SECTION 3 TOWNSHIP 23S RANGE 36E SUBDIVISION SW4SE4

MATERIAL USE: WELL PAD / ROAD CONSTRUCTION

OPERATOR \_\_\_\_\_

WELL NAME \_\_\_\_\_

WELL LOCATION SEC \_\_\_\_\_ TWP \_\_\_\_\_ RGE \_\_\_\_\_ SUBDIVISION \_\_\_\_\_

OTHER USE: REMEDIATION BACKFILL

LOCATION: SEC 3 TWP 23S RGE 36E

FOR WHOM FURNISHED: SOUTHERN UNION GAS SERVICES

SIGNATURE [Signature]

# NEW MEXICO STATE LAND OFFICE

CALICHE MINING PERMIT NO. CO 4569

THIS AGREEMENT, dated this 28th day of Feb. 20 13, made and entered into between the STATE OF NEW MEXICO, acting by and through the undersigned, its COMMISSIONER OF PUBLIC LANDS, hereinafter called the "Commissioner," and Southern Union Gas Services, Ltd. hereinafter called the "Permittee,"

WITNESSETH, the Commissioner in consideration of the payment of the sum of thirty dollars (\$30.00) as an application fee, receipt of which is hereby acknowledged, together with the submission of the written application, agrees to and hereby does convey and grant to the permittee the non-exclusive right and privilege to, at any and all times during the term hereinafter provided for, enter upon, explore, produce and remove caliche from the following described real property situated in the county of LEA, New Mexico.

<u>INSTITUTION</u>	<u>SECTION</u>	<u>TOWNSHIP</u>	<u>RANGE</u>	<u>SUBDIVISION</u>	<u>ACRES</u>
C. S.	3	23S	36E	SW4SE4	40.00

Pit Site No. 624

TO HAVE AND TO HOLD said land and pit sit for a term of 15 days beginning from the date first written above and ending 3/14/13, subject to the terms and conditions set out in Attachment A, and by reference is made a part hereof.

IN WITNESS WHEREOF, the state of New Mexico has hereunto signed and caused its name to be signed by its Commissioner of Public Lands thereunto duly authorized, with the seal of his office affixed, and the Permittee has signed this agreement to be effective the day and year first written above.

SEAL

STATE OF NEW MEXICO

Ross Powell  
COMMISSIONER OF PUBLIC LANDS

EXECUTED IN TRIPLICATE

[Signature]  
PERMITTEE

SUBSCRIBED AND SWORN to before me this 28th day of Feb. 20 13.

My commission expires:

June 8, 2015

[Signature]  
NOTARY PUBLIC

This permit must be in the possession of permittee or agent at the pit location during extraction.



ATTACHMENT A

TERMS AND CONDITIONS OF CALICHE PERMIT NO. CO 4569

- 1) The Permittee agrees to pay to the Commissioner as royalty a sum equal to the step scale royalty set out in the Rules and Regulations for each and every cubic yard of mineral material removed from the pit site. The Permittee shall pay (if applicable) the sum of ten percent (10%) of the total estimated royalty due prior to the execution of this agreement, with the remaining balance due within thirty (30) days after termination of the permit.
- 2) The Permittee, with the consent of the Commissioner, may at any time surrender or relinquish this permit to the Commissioner; provided, however, that no relinquishment shall be approved or recognized by the Commissioner where the royalties have not been paid or the permit is not otherwise in good standing.
- 3) This permit is nonassignable. Transfers thereof are to be made by relinquishments to the Commissioner. The Commissioner may revoke this permit at any time for violation of any of the terms and conditions thereof.
- 4) The Commissioner shall have the right to inspect all records, books or accounts pertaining to mining, extraction, transportation and returns of materials taken from the lands.
- 5) The Permittee shall post and maintain signs at all vehicular entrances to pits and excavations advising as to state ownership and warning against trespass.
- 6) Before the Permittee shall commence development or operation upon the lands embraced herein, he shall execute and file with the Commissioner a damage bond in an amount of \$ Advanced royalty in favor of the state of New Mexico, for the benefit of the Commissioner, its surface lessee, patentee or contract purchaser, to secure the payment of such damage to the range, livestock, water, crops or other tangible improvements on the lands as may be suffered by reason of development, use and occupation of the lands by the said Permittee, and the Permittee shall be liable and agree to pay for all such damages to the range, livestock, water, growing crops, or other tangible improvements upon the land. In addition, the Permittee shall execute a performance bond of not less than two thousand dollars (\$2,000) when the total estimated royalty exceeds two thousand dollars (\$2,000). An advance royalty of not less than ten percent (10%) of the estimated royalty to be paid may be tendered in lieu of the performance bond. This bond shall serve to guarantee payment of royalties to become due under this permit, and to ensure compliance with all other permit provisions.
- 7) This permit is made subject to all the provisions and requirements applicable thereto which are to be found in various acts of the Legislature of New Mexico and the Rules of the State Land Office, the same as though they were fully set forth herein, and said laws so far as applicable to this permit, are to be taken as a part hereof.
- 8) Nothing herein contained shall be held or construed to prevent the Commissioner from issuing additional permits on said lands or from leasing or letting the said lands or any portion thereof for grazing or agricultural purposes, or for leasing them for the exploration, development and production of products from deposits other than caliche, including but not limited to geothermal resources, oil and gas, potash, coal, salt, or for leasing them for the operation of a business, or for selling them under a deferred purchase contract with minerals reserved; or for patenting them with minerals reserved, or for the issuance of rights-of-way and easements over, upon, or across them for public highways, railroads, tramways, telegraph, telephones and power lines, irrigation works, mining, logging and for any of the purposes mentioned hereinabove in this paragraph, and for other purposes.
- 9) All mining operations hereunder shall conform with good mining practices and shall be carried on in a workmanlike manner. The Permittee agrees that in mining the mineral material hereunder, he will, at his own expense, first remove the overburden if necessary. If reclamation is necessary and requested by the Commissioner after the expiration of this permit, then the Permittee shall be responsible for restoration work which shall include the following:  
slope pit to a 5:1 slope in and around area of mineral extraction when finished  
Must make 811 call before digging
- 10) Payment of all sums due the Commissioner by the Permittee under the term of this permit, including but not limited to payment of royalties and fees shall be made at the Office of the Commissioner of Public Lands, Post Office Box 1148, Santa Fe, New Mexico 87504, or the Hobbs Field Office, 3830 N. Grimes, Suite C, Hobbs, New Mexico 88240, and after notice given, the Commissioner may require such payments to be made in cash or certified exchange.
- 11) The Permittee, at his own expense, shall fully comply with all laws, regulations, rules, ordinances, and requirements of the city, county, state, federal authorities and agencies, in all police powers pertaining to public health and welfare, including but not limited to conservation, sanitation, aesthetics, pollution, cultural properties, fire, and ecology. Such agencies are not to be deemed third party beneficiaries hereunder; however, this clause is enforceable by the Commissioner as herein provided or as otherwise permitted by law.
- 12) The State has a continuing option to purchase at any time and from time to time, at the market price prevailing in the area on the date of the purchase all or any part of the mineral materials ( caliche ) that will be produced from the lands covered by this permit.
- 13) The Permittee agrees to pay interest on delinquent royalty payments under this contract at the rate of one percent (1%) per month, or fraction of a month, accruing from the date said payment becomes due.
- 14) The Permittee shall save and hold harmless, indemnify and defend the State of New Mexico, the Commissioner of Public Lands, and his agent or agents, in their official and individual capacities, of and from any and all liability claims, losses, or damages arising out of or alleged to arise out of or indirectly connected with the operations of the Permittee hereunder, off or on the hereinabove described lands, or the presence of said land of any agent, contractor or subcontractor of Permittee.
- 15) Additional stipulations: \_\_\_\_\_

**NEW MEXICO STATE LAND OFFICE  
Commissioner of Public Lands  
Ray Powell, M.S., D.V.M.  
New Mexico State Land Office Building  
P.O. Box 1148, Santa Fe, NM 87504-1148**

2012 NOV 13 AM 8 05

**RIGHT OF ENTRY PERMIT  
CONTRACT NO. ROE-2214  
(Remediation)**

**1. RIGHT OF ENTRY PERMIT**

This permit is issued under the authority of NMSA 1978, Section 19-1-2. Therefore, and in consideration of and subject to the terms, covenants, conditions, agreements, obligations and reservations contained in the permit and all other existing rights, the Commissioner of Public Lands, New Mexico State Land Office, State Of New Mexico, hereinafter called "COMMISSIONER," grants to Southern Union Gas Services, State of Incorporation (if applicable), whose address is 801 S. Loop 464, Monahans, Texas 79756, hereinafter called "PERMITTEE," authorized use of a specific tract(s) of State Trust Land only for the term, and only for the permitted use, described in this permit.

**2. TERM AND LAND DESCRIPTION**

Right of entry is granted for a term of 180 days, commencing November 1, 2012, and ending April 30, 2013 to the following State Trust Lands.

**Section 03, Township 23 South, Range 36 East. SW ¼ NW ¼ Lea  
County**

**3. APPLICATION and PROCESSING FEE**

**\$ 530.00 (Five Hundred Thirty Dollars)**

**4. PERMITTED USE, PERSONNEL, EQUIPMENT AND  
MATERIALS**

Permitted use is for the purpose of: Remediation of Natural Gas, Crude Oil and Produced water release. (Please Note that this permit does not cover monitor wells).

Personnel present on State Trust Land: Southern Union Representatives and Employees of Talon LPE, Inc.

Equipment & Materials present on State Trust Land: Pickups, backhoes, Trackhoes, Loaders and dump trucks.

***Prior to execution of project company must identify and contact***

***the Grazing Lessee.***

***The granting of this permit does not allow access across private lands.***

**5. IMPROVEMENTS**

No improvements shall be placed on the premises without the prior written consent of the Commissioner.

**6. RESERVATIONS**

Commissioner reserves the right to execute leases, rights of way, easements, permits, exchange agreements, sale agreements, permits and other lawful rights on or across the land covered by this permit, including but not limited to any such rights for mining purposes and for the extraction of oil, gas, salt, geothermal resources, and other mineral deposits there from and the right to go upon, explore for, mine, remove and sell same.

**7. COMPLIANCE WITH LAWS**

Permittee shall at its own expense comply fully with and be subject to all applicable regulations, rules, ordinances, and requirements of law or of the Commissioner, including but not limited to the regulations of the State Land Office; Chapter 19 NMSA governing State Trust Lands; federal and state environmental laws and regulations; and the New Mexico Cultural Properties Act, NMSA 1978 Sections 18-6-1 through 18-6-23. It is illegal for any person or his agent to appropriate, excavate, injure, or destroy any historic, or prehistoric ruin or monument, or any object of historical, archaeological, architectural, or scientific value situated on lands owned or controlled by the State Land Office without a valid permit issued by the Cultural Properties Review Committee and approved by the Commissioner of Public Lands.

**8. HOLD HARMLESS AND INDEMNIFICATION**

Permittee shall save, hold harmless, indemnify and defend Commissioner, the State Land Office, the State of New Mexico, and any of their officers, employees or agents, in their official and individual capacities, of and from any and all liability, claims, losses, damages, costs, and fees arising out of or alleged to arise out of, or directly or indirectly connected with, the operations of Permittee under this permit on or off State Trust Lands or arising out of the presence on State Trust Lands of any equipment, material, agent, invitee, contractor or subcontractor of Permittee. This Hold Harmless and Indemnification clause covers any claim, including any brought in any court or before any administrative agency, of any loss or alleged loss, and any damages or alleged damages asserted with respect to any violation or alleged violation of any state, federal or local law or regulation, including but not limited to any environmental law or regulation, any cultural properties law (including the New Mexico Cultural Properties Act, cited above) or regulation, and any alleged damage to the property, rights or interests of any State Land Office lessee, right-of-way holder, or other permittee.

**9. AMENDMENT**

2012 NOV 13 AM 8 06

This permit shall not be altered, changed, or amended except by an instrument in writing executed by Commissioner and Permittee.

#### **10. WITHDRAWAL**

Commissioner reserves the right to withdraw any or all of the land authorized for use under this permit. If applicable, Permittee shall vacate the acreage specified within 30 days after receipt of written notification of withdrawal from the Commissioner.

#### **11. CANCELLATION**

The violation by Permittee of any of the terms, conditions, or covenants of this permit or the nonpayment by Permittee of the fees due under this permit shall at the option of the Commissioner be considered a default and shall cause the cancellation of this permit 30 days after Permittee has been sent written notice of such.

#### **12. PRESERVE AND PROTECT**

The Permittee agrees to preserve and protect the natural environmental conditions of the land encompassed in this permit, and to take those reclamation or corrective actions that are accepted soil and water conservation practices and that are deemed necessary by the Commissioner to protect the land from pollution, erosion, or other environmental degradation. The Permittee further agrees not to injure the property of, or interfere with the operations or rights of, any State Land Office lessee, right-of-way holder, easement holder or other permittee who has rights to use the State Trust Land subject to this permit.

#### **13. RECLAMATION, REMOVAL OF EQUIPMENT, MATERIALS, AND WASTE**

The Permittee agrees to reclaim those areas that may be damaged by activities conducted thereon.

The Permittee agrees to remove from the State Trust Lands, no later than the end of the term of this permit, all equipment, and materials it has placed or brought upon the land and to clean up and remove from the land any trash, waste, effluent, or other products used or brought upon the land in connection with this permit.

#### **14. SPECIAL INSTRUCTIONS AND/OR RESTRICTIONS**

1. No off road traffic allowed.
2. No wood collection or tree cutting allowed.
3. Disturbing, dislodging, damaging, defacing, destroying or removing historical archaeological, paleontological or cultural sites or artifacts is prohibited.
4. Disturbing, dislodging, damaging, defacing, destroying any improvement, fixture, item, object or thing placed or located in, under or upon the land is prohibited.

2012 NOV 13 AM 8 06

5. This permit does not grant a right to enter State Trust Lands to which there is no public access.

6. Any uses or activities not within the scope of this permit are not allowed unless prior written approval from the Commissioner of Public Lands is granted.

7. OTHER

WITNESS the hands and seals of PERMITTEE and COMMISSIONER on the day(s) and year entered below.

Curt D. Seely  
PERMITTEE

Telephone: 575-390-7895

2012 NOV 13 AM 8 06

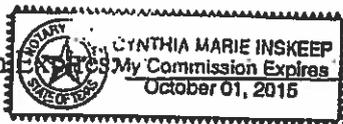
ACKNOWLEDGMENT

STATE OF Texas )

COUNTY OF Ward )

The foregoing instrument was acknowledged before me this 6<sup>th</sup> day of October, 2012.

My Commission



Cynthia Marie Inskeep  
NOTARY PUBLIC

Ray Powell  
COMMISSIONER OF PUBLIC LANDS

DATE: 11-16-12

TABLE 1

CONCENTRATIONS OF BENZENE, BTEX, TPH & CHLORIDE IN SOIL

SOUTHERN UNION GAS SERVICES

TRUNK D.

LEA COUNTY, NEW MEXICO

NMOCID REF# 1RP-1608

SAMPLE LOCATION	SAMPLE DEPTH (BGS)	SAMPLE DATE	SOIL STATUS	METHOD: EPA SW 846-8021B, 5030						METHOD: SW8015B Mod			TOTAL C <sub>6</sub> -C <sub>35</sub> (mg/Kg)	CHLORIDE (mg/Kg)
				BENZENE (mg/Kg)	TOLUENE (mg/Kg)	ETHYL. BENZENE (mg/Kg)	TOTAL XYLENES (mg/Kg)	TOTAL BTEX (mg/Kg)	C <sub>6</sub> -C <sub>10</sub> (mg/Kg)	C <sub>10</sub> -C <sub>28</sub> (mg/Kg)	C <sub>28</sub> -C <sub>35</sub> (mg/Kg)			
BH-1	7'6"	1/2/2013	In-Situ	ND	ND	ND	ND	ND	ND	ND	ND	N/A	ND	5.41
BH-2	7'6"	1/2/2013	In-Situ	ND	ND	ND	ND	ND	ND	ND	ND	N/A	ND	10.2
				METHOD: EPA SW 846-8021B, 5030						METHOD: SW8015B Mod			METHOD: E300.0	
BH-1	7'6"	1/29/2013	In-Situ	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	4.19
BG	2"	1/29/2013	In-Situ	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	32.4
SW-N	5'6"	1/29/2013	In-Situ	ND	ND	.00735	.01354	.02089	ND	ND	ND	ND	ND	2.01
SW-S	5'6"	1/29/2013	In-Situ	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	15.6
SW-E	5'6"	1/29/2013	In-Situ	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	2.40
SW-W	5'6"	1/29/2013	In-Situ	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	8.34
NMOCID Standard				10				50					5,000	1,000

- = Not analyzed.

\* Denotes results by EPA Method 325.3



**TRUNK D SITE REMEDIATION**  
**SELECTED PHOTOGRAPHS OF EXCAVATION**

**AMARILLO**

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Phone 806.467.0607  
Fax 806.467.0622

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Toll Free 866.742.0742  
www.talonlpe.com

*Prepared for:*

**Mr. Curt Stanley**  
**Southern Union Gas Services**  
**801 S. Loop 464**  
**Monahans, Texas 79756**

*Prepared by:*

**Talon/LPE, Ltd.**  
**J. Duray Smith**  
**2901 S. Highway 349**  
**Midland, Texas 79706**

**March 21, 2013**



### Impact Bottom Hole



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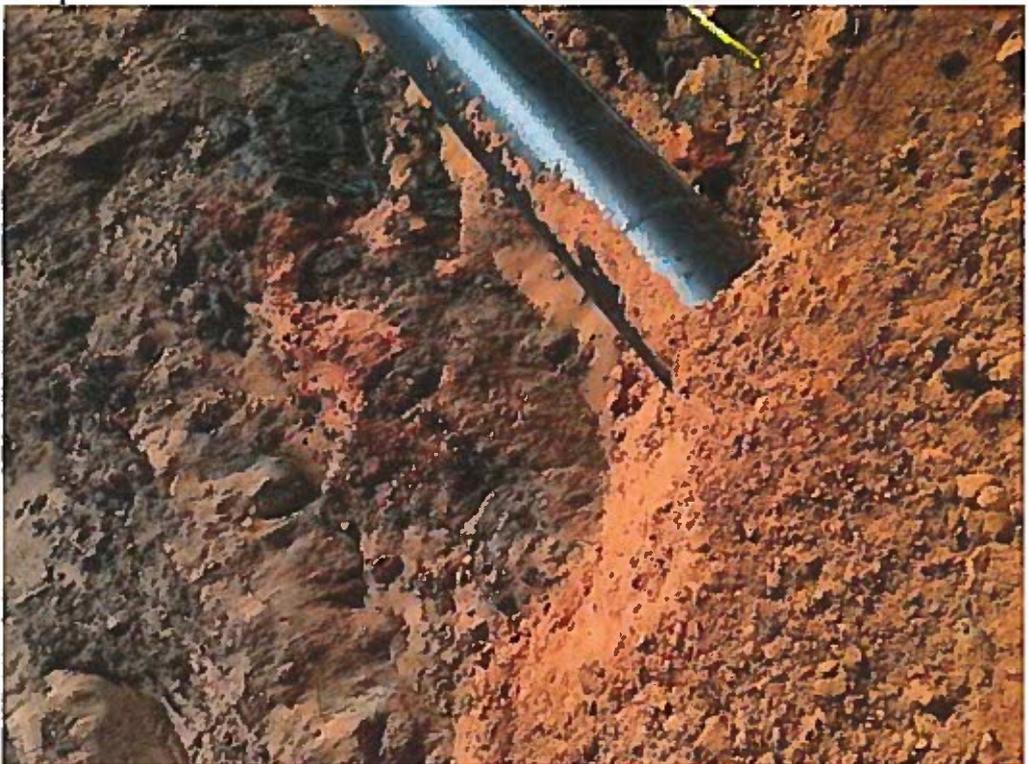
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### Impact at Bottom Hole



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## Excavation of Trunk D



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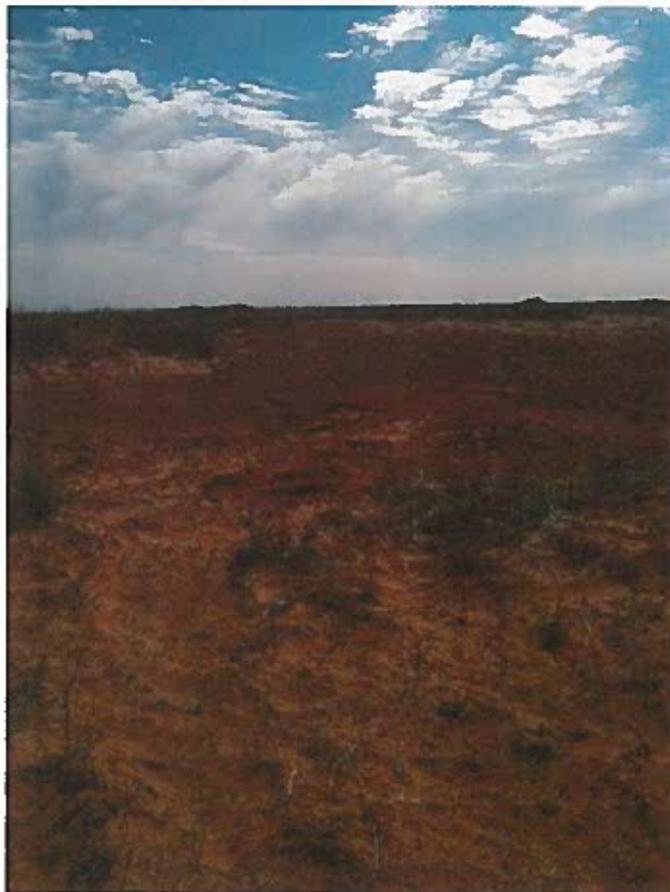
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**PERMIAN BASIN  
ENVIRONMENTAL LAB, LP  
10014 SCR 1213  
Midland, TX 79706**



## Analytical Report

**Prepared for:**

Duray Smith  
Southern Union Gas Services -Monahans  
801 S. Loop 464  
Monahans, TX 79756

Project: Trunk D  
Project Number: 701583.012.01  
Location: Lea County NM  
Lab Order Number: 3A29004



NELAP/TCEQ # T104704156-12-1

Report Date: 01/31/13

Southern Union Gas Services -Monahans  
801 S. Loop 464  
Monahans TX, 79756

Project: Trunk D  
Project Number: 701583.012.01  
Project Manager: Duray Smith

Fax: (432) 943-1101

**ANALYTICAL REPORT FOR SAMPLES**

Sample ID	Laboratory ID	Matrix	Date Sampled	Date Received
BH-1	3A29004-01	Soil	01/28/13 16:40	01-29-2013 13:04
BG	3A29004-02	Soil	01/28/13 16:45	01-29-2013 13:04
SW-N	3A29004-03	Soil	01/28/13 16:48	01-29-2013 13:04
SW-S	3A29004-04	Soil	01/28/13 16:56	01-29-2013 13:04
SW-E	3A29004-05	Soil	01/28/13 17:02	01-29-2013 13:04
SW-W	3A29004-06	Soil	01/28/13 17:12	01-29-2013 13:04

Southern Union Gas Services -Monahans  
 801 S. Loop 464  
 Monahans TX, 79756

Project: Trunk D  
 Project Number: 701583 012.01  
 Project Manager: Duray Smith

Fax: (432) 943-1101

**BH-1**  
**3A29004-01 (Soil)**

Analyte	Result	Reporting Limit	Units	Dilution	Batch	Prepared	Analyzed	Method	Notes
---------	--------	-----------------	-------	----------	-------	----------	----------	--------	-------

**Permian Basin Environmental Lab**

**Organics by GC**

Benzene	ND	0.00100	mg/kg dry	1	EA32906	01/29/13	01/29/13	EPA 8021B	
Toluene	ND	0.00200	mg/kg dry	1	EA32906	01/29/13	01/29/13	EPA 8021B	
Ethylbenzene	ND	0.00100	mg/kg dry	1	EA32906	01/29/13	01/29/13	EPA 8021B	
Xylene (p/m)	ND	0.00200	mg/kg dry	1	EA32906	01/29/13	01/29/13	EPA 8021B	
Xylene (o)	ND	0.00100	mg/kg dry	1	EA32906	01/29/13	01/29/13	EPA 8021B	
<i>Surrogate: 1,4-Difluorobenzene</i>		114 %	75-125		EA32906	01/29/13	01/29/13	EPA 8021B	
<i>Surrogate: 4-Bromofluorobenzene</i>		75.8 %	75-125		EA32906	01/29/13	01/29/13	EPA 8021B	

**General Chemistry Parameters by EPA / Standard Methods**

Chloride	4.19	1.08	mg/kg dry	1	EA33101	01/31/13	01/31/13	EPA 300.0	
% Moisture	7.0	0.1	%	1	EA33002	01/29/13	01/30/13	% calculation	

**Total Petroleum Hydrocarbons C6-C35 by EPA Method 8015M**

C6-C12	ND	26.9	mg/kg dry	1	EA33104	01/30/13	01/30/13	8015M	
>C12-C28	ND	26.9	mg/kg dry	1	EA33104	01/30/13	01/30/13	8015M	
>C28-C35	ND	26.9	mg/kg dry	1	EA33104	01/30/13	01/30/13	8015M	
<i>Surrogate: 1-Chlorooctane</i>		110 %	70-130		EA33104	01/30/13	01/30/13	8015M	
<i>Surrogate: o-Terphenyl</i>		121 %	70-130		EA33104	01/30/13	01/30/13	8015M	
Total Hydrocarbon nC6-nC35	ND	25.0	mg/kg dry	1	[CALC]	01/30/13	01/30/13	8015M	

Permian Basin Environmental Lab

*The results in this report apply to the samples analyzed in accordance with the samples received in the laboratory. This analytical report must be reproduced in its entirety, with written approval of Permian Basin Environmental Lab.*

10014 SCR 1213 Midland, TX 79706 432-686-7235

Page 3 of 14

Southern Union Gas Services -Monahans  
 801 S. Loop 464  
 Monahans TX, 79756

Project: Trunk D  
 Project Number: 701583.012.01  
 Project Manager: Duray Smith

Fax: (432) 943-1101

**BG**  
**3A29004-02 (Soil)**

Analyte	Result	Reporting Limit	Units	Dilution	Batch	Prepared	Analyzed	Method	Notes
---------	--------	-----------------	-------	----------	-------	----------	----------	--------	-------

**Permian Basin Environmental Lab**

**Organics by GC**

Benzene	ND	0.00100	mg/kg dry	1	EA32906	01/29/13	01/29/13	EPA 8021B	
Toluene	ND	0.00200	mg/kg dry	1	EA32906	01/29/13	01/29/13	EPA 8021B	
Ethylbenzene	ND	0.00100	mg/kg dry	1	EA32906	01/29/13	01/29/13	EPA 8021B	
Xylene (p/m)	ND	0.00200	mg/kg dry	1	EA32906	01/29/13	01/29/13	EPA 8021B	
Xylene (o)	ND	0.00100	mg/kg dry	1	EA32906	01/29/13	01/29/13	EPA 8021B	
Surrogate: 1,4-Difluorobenzene		116 %	75-125		EA32906	01/29/13	01/29/13	EPA 8021B	
Surrogate: 4-Bromofluorobenzene		76.0 %	75-125		EA32906	01/29/13	01/29/13	EPA 8021B	

**General Chemistry Parameters by EPA / Standard Methods**

Chloride	32.4	1.02	mg/kg dry	1	EA33101	01/31/13	01/31/13	EPA 300.0	
% Moisture	2.0	0.1	%	1	EA33002	01/29/13	01/30/13	% calculation	

**Total Petroleum Hydrocarbons C6-C35 by EPA Method 8015M**

C6-C12	ND	25.5	mg/kg dry	1	EA33104	01/30/13	01/30/13	8015M	
>C12-C28	ND	25.5	mg/kg dry	1	EA33104	01/30/13	01/30/13	8015M	
>C28-C35	ND	25.5	mg/kg dry	1	EA33104	01/30/13	01/30/13	8015M	
Surrogate: 1-Chlorooctane		114 %	70-130		EA33104	01/30/13	01/30/13	8015M	
Surrogate: o-Terphenyl		130 %	70-130		EA33104	01/30/13	01/30/13	8015M	
Total Hydrocarbon nC6-nC35	ND	25.0	mg/kg dry	1	[CALC]	01/30/13	01/30/13	8015M	

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10014 SCR 1213 Midland, TX 79706 432-686-7235

Southern Union Gas Services -Monahans  
801 S. Loop 464  
Monahans TX, 79756

Project: Trunk D  
Project Number: 701583.012.01  
Project Manager: Duray Smith

Fax (432) 943-1101

SW-N  
3A29004-03 (Soil)

Analyte	Result	Reporting Limit	Units	Dilution	Batch	Prepared	Analyzed	Method	Notes
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Permian Basin Environmental Lab

**Organics by GC**

Benzene	ND	0.00100	mg/kg dry	1	EA32906	01/29/13	01/29/13	EPA 8021B	
Toluene	ND	0.00200	mg/kg dry	1	EA32906	01/29/13	01/29/13	EPA 8021B	
Ethylbenzene	0.00735	0.00100	mg/kg dry	1	EA32906	01/29/13	01/29/13	EPA 8021B	
Xylene (p/m)	0.00956	0.00200	mg/kg dry	1	EA32906	01/29/13	01/29/13	EPA 8021B	
Xylene (o)	0.00398	0.00100	mg/kg dry	1	EA32906	01/29/13	01/29/13	EPA 8021B	
Surrogate: 1,4-Difluorobenzene		118 %	75-125		EA32906	01/29/13	01/29/13	EPA 8021B	
Surrogate: 4-Bromofluorobenzene		85.1 %	75-125		EA32906	01/29/13	01/29/13	EPA 8021B	

**General Chemistry Parameters by EPA / Standard Methods**

Chloride	2.01	1.00	mg/kg dry	1	EA33101	01/31/13	01/31/13	EPA 300.0	
% Moisture	ND	0.1	%	1	EA33002	01/29/13	01/30/13	% calculation	

**Total Petroleum Hydrocarbons C6-C35 by EPA Method 8015M**

C6-C12	ND	25.0	mg/kg dry	1	EA33104	01/30/13	01/30/13	8015M	
>C12-C28	ND	25.0	mg/kg dry	1	EA33104	01/30/13	01/30/13	8015M	
>C28-C35	ND	25.0	mg/kg dry	1	EA33104	01/30/13	01/30/13	8015M	
Surrogate: 1-Chlorooctane		92.2 %	70-130		EA33104	01/30/13	01/30/13	8015M	
Surrogate: o-Terphenyl		84.7 %	70-130		EA33104	01/30/13	01/30/13	8015M	
Total Hydrocarbon nC6-nC35	ND	25.0	mg/kg dry	1	[CALC]	01/30/13	01/30/13	8015M	

Southern Union Gas Services -Monahans  
 801 S. Loop 464  
 Monahans TX, 79756

Project: Trunk D  
 Project Number: 701583.012.01  
 Project Manager: Duray Smith

Fax: (432) 943-1101

SW-S  
 3A29004-04 (Soil)

Analyte	Result	Reporting Limit	Units	Dilution	Batch	Prepared	Analyzed	Method	Notes
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Permian Basin Environmental Lab

**Organics by GC**

Benzene	ND	0.00100	mg/kg dry	1	EA32906	01/29/13	01/29/13	EPA 8021B	
Toluene	ND	0.00200	mg/kg dry	1	EA32906	01/29/13	01/29/13	EPA 8021B	
Ethylbenzene	ND	0.00100	mg/kg dry	1	EA32906	01/29/13	01/29/13	EPA 8021B	
Xylene (p/m)	ND	0.00200	mg/kg dry	1	EA32906	01/29/13	01/29/13	EPA 8021B	
Xylene (o)	ND	0.00100	mg/kg dry	1	EA32906	01/29/13	01/29/13	EPA 8021B	
Surrogate: 1,4-Difluorobenzene		119 %	75-125		EA32906	01/29/13	01/29/13	EPA 8021B	
Surrogate: 4-Bromofluorobenzene		78.0 %	75-125		EA32906	01/29/13	01/29/13	EPA 8021B	

**General Chemistry Parameters by EPA / Standard Methods**

Chloride	15.6	1.05	mg/kg dry	1	EA33101	01/31/13	01/31/13	EPA 300.0	
% Moisture	5.0	0.1	%	1	EA33002	01/29/13	01/30/13	% calculation	

**Total Petroleum Hydrocarbons C6-C35 by EPA Method 8015M**

C6-C12	ND	26.3	mg/kg dry	1	EA33104	01/30/13	01/30/13	8015M	
>C12-C28	ND	26.3	mg/kg dry	1	EA33104	01/30/13	01/30/13	8015M	
>C28-C35	ND	26.3	mg/kg dry	1	EA33104	01/30/13	01/30/13	8015M	
Surrogate: 1-Chlorooctane		98.2 %	70-130		EA33104	01/30/13	01/30/13	8015M	
Surrogate: o-Terphenyl		110 %	70-130		EA33104	01/30/13	01/30/13	8015M	
Total Hydrocarbon nC6-nC35	ND	25.0	mg/kg dry	1	[CALC]	01/30/13	01/30/13	8015M	

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SW-E  
3A29004-05 (Soil)

Analyte	Result	Reporting Limit	Units	Dilution	Batch	Prepared	Analyzed	Method	Notes
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Permian Basin Environmental Lab

**Organics by GC**

Benzene	ND	0.00100	mg/kg dry	1	EA32906	01/29/13	01/29/13	EPA 8021B	
Toluene	ND	0.00200	mg/kg dry	1	EA32906	01/29/13	01/29/13	EPA 8021B	
Ethylbenzene	ND	0.00100	mg/kg dry	1	EA32906	01/29/13	01/29/13	EPA 8021B	
Xylene (p/m)	ND	0.00200	mg/kg dry	1	EA32906	01/29/13	01/29/13	EPA 8021B	
Xylene (o)	ND	0.00100	mg/kg dry	1	EA32906	01/29/13	01/29/13	EPA 8021B	
Surrogate: 1,4-Difluorobenzene		119 %	75-125		EA32906	01/29/13	01/29/13	EPA 8021B	
Surrogate: 4-Bromofluorobenzene		78.7 %	75-125		EA32906	01/29/13	01/29/13	EPA 8021B	

**General Chemistry Parameters by EPA / Standard Methods**

Chloride	2.40	1.01	mg/kg dry	1	EA33101	01/31/13	01/31/13	EPA 300.0	
% Moisture	1.0	0.1	%	1	EA33002	01/29/13	01/30/13	% calculation	

**Total Petroleum Hydrocarbons C6-C35 by EPA Method 8015M**

C6-C12	ND	25.3	mg/kg dry	1	EA33104	01/30/13	01/30/13	8015M	
>C12-C28	ND	25.3	mg/kg dry	1	EA33104	01/30/13	01/30/13	8015M	
>C28-C35	ND	25.3	mg/kg dry	1	EA33104	01/30/13	01/30/13	8015M	
Surrogate: 1-Chlorooctane		111 %	70-130		EA33104	01/30/13	01/30/13	8015M	
Surrogate: o-Terphenyl		124 %	70-130		EA33104	01/30/13	01/30/13	8015M	
Total Hydrocarbon nC6-nC35	ND	25.0	mg/kg dry	1	[CALC]	01/30/13	01/30/13	8015M	

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 801 S. Loop 464  
 Monahans TX, 79756

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 Project Number: 701583 012.01  
 Project Manager: Duray Smith

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**SW-W**  
**3A29004-06 (Soil)**

Analyte	Result	Reporting Limit	Units	Dilution	Batch	Prepared	Analyzed	Method	Notes
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**Permian Basin Environmental Lab**

**Organics by GC**

Benzene	ND	0.00100	mg/kg dry	1	EA32906	01/29/13	01/29/13	EPA 8021B	
Toluene	ND	0.00200	mg/kg dry	1	EA32906	01/29/13	01/29/13	EPA 8021B	
Ethylbenzene	ND	0.00100	mg/kg dry	1	EA32906	01/29/13	01/29/13	EPA 8021B	
Xylene (p/m)	ND	0.00200	mg/kg dry	1	EA32906	01/29/13	01/29/13	EPA 8021B	
Xylene (o)	ND	0.00100	mg/kg dry	1	EA32906	01/29/13	01/29/13	EPA 8021B	
Surrogate: 1,4-Difluorobenzene		117 %	75-125		EA32906	01/29/13	01/29/13	EPA 8021B	
Surrogate: 4-Bromofluorobenzene		86.8 %	75-125		EA32906	01/29/13	01/29/13	EPA 8021B	

**General Chemistry Parameters by EPA / Standard Methods**

Chloride	8.34	1.27	mg/kg dry	1	EA33101	01/31/13	01/31/13	EPA 300.0	
% Moisture	21.0	0.1	%	1	EA33002	01/29/13	01/30/13	% calculation	

**Total Petroleum Hydrocarbons C6-C35 by EPA Method 8015M**

C6-C12	ND	31.6	mg/kg dry	1	EA33105	01/30/13	01/31/13	8015M	
>C12-C28	ND	31.6	mg/kg dry	1	EA33105	01/30/13	01/31/13	8015M	
>C28-C35	ND	31.6	mg/kg dry	1	EA33105	01/30/13	01/31/13	8015M	
Surrogate: 1-Chlorooctane		95.3 %	70-130		EA33105	01/30/13	01/31/13	8015M	
Surrogate: o-Terphenyl		104 %	70-130		EA33105	01/30/13	01/31/13	8015M	
Total Hydrocarbon nC6-nC35	ND	25.0	mg/kg dry	1	[CALC]	01/30/13	01/31/13	8015M	

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 Monahans TX, 79756

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 Project Manager: Duray Smith

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**Organics by GC - Quality Control**  
**Permian Basin Environmental Lab**

Analyte	Result	Reporting Limit	Units	Spike Level	Source Result	%REC	%REC Limits	RPD	RPD Limit	Notes
<b>Batch EA32906 - General Preparation (GC)</b>										
<b>Blank (EA32906-BLK1) Prepared &amp; Analyzed: 01/29/13</b>										
Benzene	ND	0.00100	mg/kg wet							
Toluene	ND	0.00200	"							
Ethylbenzene	ND	0.00100	"							
Xylene (p/m)	ND	0.00200	"							
Xylene (o)	ND	0.00100	"							
Surrogate: 1,4-Difluorobenzene	70.7		ug/kg	60.0		118	75-125			
Surrogate: 4-Bromofluorobenzene	43.1		"	60.0		71.8	75-125			S-GC
<b>LCS (EA32906-BS1) Prepared &amp; Analyzed: 01/29/13</b>										
Benzene	0.0840	0.00100	mg/kg wet	0.100		84.0	80-120			
Toluene	0.113	0.00200	"	0.100		113	80-120			
Ethylbenzene	0.111	0.00100	"	0.100		111	80-120			
Xylene (p/m)	0.230	0.00200	"	0.200		115	80-120			
Xylene (o)	0.103	0.00100	"	0.100		103	80-120			
Surrogate: 1,4-Difluorobenzene	55.4		ug/kg	60.0		92.3	75-125			
Surrogate: 4-Bromofluorobenzene	49.3		"	60.0		82.2	75-125			
<b>LCS Dup (EA32906-BS1) Prepared &amp; Analyzed: 01/29/13</b>										
Benzene	0.0849	0.00100	mg/kg wet	0.100		84.9	80-120	1.08	20	
Toluene	0.118	0.00200	"	0.100		118	80-120	4.59	20	
Ethylbenzene	0.114	0.00100	"	0.100		114	80-120	2.71	20	
Xylene (p/m)	0.235	0.00200	"	0.200		117	80-120	2.21	20	
Xylene (o)	0.106	0.00100	"	0.100		106	80-120	2.69	20	
Surrogate: 1,4-Difluorobenzene	59.1		ug/kg	60.0		98.5	75-125			
Surrogate: 4-Bromofluorobenzene	49.5		"	60.0		82.4	75-125			
<b>Matrix Spike (EA32906-MS1) Source: 3A28001-02 Prepared &amp; Analyzed: 01/29/13</b>										
Benzene	0.0390	0.00100	mg/kg dry	0.108	ND	36.3	80-120			QM-05
Toluene	0.0422	0.00200	"	0.108	ND	39.2	80-120			QM-05
Ethylbenzene	0.0339	0.00100	"	0.108	ND	31.6	80-120			QM-05
Xylene (p/m)	0.0653	0.00200	"	0.215	ND	30.4	80-120			QM-05
Xylene (o)	0.0339	0.00100	"	0.108	ND	31.5	80-120			QM-05
Surrogate: 1,4-Difluorobenzene	65.6		ug/kg	60.0		109	75-125			
Surrogate: 4-Bromofluorobenzene	33.4		"	60.0		55.6	75-125			S-GC

Permian Basin Environmental Lab

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Southern Union Gas Services -Monahans  
 801 S. Loop 464  
 Monahans TX, 79756

Project: Trunk D  
 Project Number: 701583.012.01  
 Project Manager: Duray Smith

Fax (432) 943-1101

**General Chemistry Parameters by EPA / Standard Methods - Quality Control  
 Permian Basin Environmental Lab**

Analyte	Result	Reporting Limit	Units	Spike Level	Source Result	%REC	%REC Limits	RPD	RPD Limit	Notes
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**Batch EA33002 - \*\*\* DEFAULT PREP \*\*\***

**Blank (EA33002-BLK1)** Prepared: 01/29/13 Analyzed: 01/30/13

% Moisture	ND	0.1	%							
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**Duplicate (EA33002-DUP1)** Source: 3A29002-01 Prepared: 01/29/13 Analyzed: 01/30/13

% Moisture	8.9	0.1	%		9.1			2.22	20	
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**Duplicate (EA33002-DUP2)** Source: 3A29005-09 Prepared: 01/29/13 Analyzed: 01/30/13

% Moisture	2.0	0.1	%		2.0			0.00	20	
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**Batch EA33101 - \*\*\* DEFAULT PREP \*\*\***

**Blank (EA33101-BLK1)** Prepared & Analyzed: 01/31/13

Chloride	ND	1.00	mg/kg wet							
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**LCS (EA33101-BS1)** Prepared & Analyzed: 01/31/13

Chloride	9.93		mg/kg Wet	10.0		99.3	80-120			
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**LCS Dup (EA33101-BSD1)** Prepared & Analyzed: 01/31/13

Chloride	9.87		mg/kg Wet	10.0		98.7	80-120	0.535	20	
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**Duplicate (EA33101-DUP1)** Source: 3A28001-01 Prepared & Analyzed: 01/31/13

Chloride	279	1.09	mg/kg dry		278			0.644	20	
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**Matrix Spike (EA33101-MS1)** Source: 3A28001-01 Prepared & Analyzed: 01/31/13

Chloride	396	1.09	mg/kg dry	109	278	108	80-120			
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**Matrix Spike (EA33101-MS2)** Source: 3A29005-03 Prepared & Analyzed: 01/31/13

Chloride	95.2	1.01	mg/kg dry	88.4	2.94	104	80-120			
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Southern Union Gas Services -Monahans  
801 S. Loop 464  
Monahans TX, 79756

Project: Trunk D  
Project Number: 701583 012 01  
Project Manager: Duray Smith

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**Total Petroleum Hydrocarbons C6-C35 by EPA Method 8015M - Quality Control**  
**Permian Basin Environmental Lab**

Analyte	Result	Reporting Limit	Units	Spike Level	Source Result	%REC	%REC Limits	RPD	RPD Limit	Notes
<b>Batch EA33104 - 8015M</b>										
<b>Blank (EA33104-BLK1)</b>										
Prepared & Analyzed: 01/30/13										
C6-C12	ND	25.0	mg/kg wet							
>C12-C28	ND	25.0	"							
>C28-C35	ND	25.0	"							
Surrogate: 1-Chlorooctane	164		"	200		82.2	70-130			
Surrogate: o-Terphenyl	85.8		"	100		85.8	70-130			
<b>LCS (EA33104-BS1)</b>										
Prepared & Analyzed: 01/30/13										
C6-C12	1390	25.0	mg/kg wet	1500		92.8	75-125			
>C12-C28	1300	25.0	"	1500		86.9	75-125			
>C28-C35	ND	25.0	"	0.00			75-125			
Surrogate: 1-Chlorooctane	173		"	200		86.7	70-130			
Surrogate: o-Terphenyl	81.0		"	100		81.0	70-130			
<b>LCS Dup (EA33104-BSD1)</b>										
Prepared & Analyzed: 01/30/13										
C6-C12	1460	25.0	mg/kg wet	1500		97.6	75-125	5.14	20	
>C12-C28	1330	25.0	"	1500		88.5	75-125	1.84	20	
>C28-C35	ND	25.0	"	0.00			75-125		20	
Surrogate: 1-Chlorooctane	172		"	200		86.0	70-130			
Surrogate: o-Terphenyl	83.1		"	100		83.1	70-130			
<b>Matrix Spike (EA33104-MS1)</b>										
Source: 3A29005-09										
Prepared & Analyzed: 01/30/13										
C6-C12	1150	28.4	mg/kg dry	1140	ND	102	75-125			
>C12-C28	1370	28.4	"	1140	ND	120	75-125			
>C28-C35	ND	28.4	"	0.00	ND		75-125			
Surrogate: 1-Chlorooctane	140		"	114		123	70-130			
Surrogate: o-Terphenyl	72.8		"	56.8		128	70-130			
<b>Matrix Spike Dup (EA33104-MSD1)</b>										
Source: 3A29005-09										
Prepared & Analyzed: 01/30/13										
C6-C12	1150	28.4	mg/kg dry	1140	ND	101	75-125	0.278	20	
>C12-C28	1230	28.4	"	1140	ND	109	75-125	10.2	20	
>C28-C35	ND	28.4	"	0.00	ND		75-125		20	
Surrogate: 1-Chlorooctane	135		"	114		119	70-130			
Surrogate: o-Terphenyl	64.8		"	56.8		114	70-130			

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**Total Petroleum Hydrocarbons C6-C35 by EPA Method 8015M - Quality Control**  
**Permian Basin Environmental Lab**

Analyte	Result	Reporting Limit	Units	Spike Level	Source Result	%REC	%REC Limits	RPD	RPD Limit	Notes
<b>Batch EA33105 - 8015M</b>										
<b>Blank (EA33105-BLK1)</b>										
Prepared & Analyzed: 01/30/13										
C6-C12	ND	25.0	mg/kg wet							
>C12-C28	ND	25.0	"							
>C28-C35	ND	25.0	"							
Surrogate: 1-Chlorooctane	102		"	100		102	70-130			
Surrogate: o-Terphenyl	57.6		"	50.0		115	70-130			
<b>LCS (EA33105-BS1)</b>										
Prepared & Analyzed: 01/30/13										
C6-C12	840	25.0	mg/kg wet	1000		84.0	75-125			
>C12-C28	902	25.0	"	1000		90.2	75-125			
>C28-C35	ND	25.0	"	0.00			75-125			
Surrogate: 1-Chlorooctane	99.6		"	100		99.6	70-130			
Surrogate: o-Terphenyl	47.0		"	50.0		94.1	70-130			
<b>LCS Dup (EA33105-BSD1)</b>										
Prepared & Analyzed: 01/30/13										
C6-C12	872	25.0	mg/kg wet	1000		87.2	75-125	3.78	20	
>C12-C28	919	25.0	"	1000		91.9	75-125	1.88	20	
>C28-C35	ND	25.0	"	0.00			75-125		20	
Surrogate: 1-Chlorooctane	102		"	100		102	70-130			
Surrogate: o-Terphenyl	47.2		"	50.0		94.5	70-130			
<b>Matrix Spike (EA33105-MS1)</b>										
Source: 3A30002-01										
Prepared: 01/30/13 Analyzed: 01/31/13										
C6-C12	1270	32.9	mg/kg dry	1320	ND	96.6	75-125			
>C12-C28	1360	32.9	"	1320	ND	104	75-125			
>C28-C35	ND	32.9	"	0.00	ND		75-125			
Surrogate: 1-Chlorooctane	170		"	132		129	70-130			
Surrogate: o-Terphenyl	82.5		"	65.8		125	70-130			
<b>Matrix Spike Dup (EA33105-MSD1)</b>										
Source: 3A30002-01										
Prepared: 01/30/13 Analyzed: 01/31/13										
C6-C12	1350	32.9	mg/kg dry	1320	ND	103	75-125	6.28	20	
>C12-C28	1440	32.9	"	1320	ND	109	75-125	5.42	20	
>C28-C35	ND	32.9	"	0.00	ND		75-125		20	
Surrogate: 1-Chlorooctane	158		"	132		120	70-130			
Surrogate: o-Terphenyl	71.8		"	65.8		109	70-130			

Southern Union Gas Services -Monahans  
801 S. Loop 464  
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#### Notes and Definitions

S-GC Surrogate recovery outside of control limits. The data was accepted based on valid recovery of the remaining surrogate.

QM-05 The spike recovery was outside acceptance limits for the MS and/or MSD due to matrix interference. The LCS and/or LCSD were within acceptance limits showing that the laboratory is in control and the data is acceptable.

DET Analyte DETECTED

ND Analyte NOT DETECTED at or above the reporting limit

NR Not Reported

dry Sample results reported on a dry weight basis

RPD Relative Percent Difference

LCS Laboratory Control Spike

MS Matrix Spike

Dup Duplicate

Report Approved By: \_\_\_\_\_



Date: \_\_\_\_\_

1/31/2013

Brent Barron, Laboratory Director/Technical Director

This material is intended only for the use of the individual (s) or entity to whom it is addressed, and may contain information that is privileged and confidential.

If you have received this material in error, please notify us immediately at 432-686-7235.

Permian Basin Environmental Lab

*The results in this report apply to the samples analyzed in accordance with the samples received in the laboratory. This analytical report must be reproduced in its entirety, with written approval of Permian Basin Environmental Lab.*

10014 SCR 1213 Midland, TX 79706 432-686-7235

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TABLE 2

WASTE HAUL SUMMARY  
 SOUTHERN UNION GAS SERVICES  
 TRUNK D  
 TALON JOB NUMBER: 701583.012.01  
 HYDROCARBON RELEASE SITE  
 LEA COUNTY, NEW MEXICO

NUMBER OF LOADS HAULED	TONNAGE	YARDAGE	DATE TRANSPORTED	TYPE OF MATERIAL
3	N/A	52	2/6/2013	SOIL
1	N/A	20	2/7/2013	SOIL
4		72		TOTALS

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

HOBBS OCD

Form C  
Revised October 10,

OCT 24 2012  
Submit 2 Copies to appropriate District Office in accordance with Rule 116 on side of

RECEIVED

Release Notification and Corrective Action

OPERATOR

Initial Report  Final Report

Name of Company	Southern Union Gas Services	Contact	Curt Stanley
Address	801 S. Loop 464, Monahans, TX 79756	Telephone No.	575-390-7595
Facility Name	Trunk D (10/15/12)	Facility Type	Natural Gas Pipeline
Surface Owner	State of New Mexico	Lease No.	30-025-38822

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
G	3	23S	36E					Lea

Latitude 32 degrees 20.130' North Longitude 103 degrees 14.997 West

NATURE OF RELEASE

Type of Release	Natural Gas, Crude Oil and Produced Water	Volume of Release	2 bbls liquid and 1,824 MCF gas	Volume Recovered	None
Source of Release	16 Inch Natural Gas Pipeline	Date and Hour of Occurrence	October 15, 2012 - 1030 hours	Date and Hour of Discovery	October 15, 2012 - 0900 hours
Was Immediate Notice Given?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input 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 sixteen (16)-inch low pressure natural gas pipeline developed a leak, resulting in a release of natural gas, crude oil and produced water. During initial response activities the pipeline was shut-in to mitigate the release. Following initial response activities, the affected pipeline segment was replaced with 200 linear feet of 16 inch poly pipe.

Describe Area Affected and Cleanup Action Taken.\*

The affected area is approximately 1,500 square feet. The release will be remediated according to NMOCD regulatory 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:		<b>Oil Conservation Division</b> Environmental Specialist	
Printed Name:	Curt D. Stanley	Approved by Environmental Specialist:	
Title:	Environmental Specialist	Approval Date:	10/24/12
E-mail Address:	curt.stanley@sug.com	Expiration Date:	12/24/12
Date:	October 15, 2012	Conditions of Approval:	SUBMIT FINAL C-141 BY 12/24/12
Phone:	575-390-7595	Attached	<input type="checkbox"/>

IRP-10-12-285

\* Attach Additional Sheets If Necessary