DCP Midstream
370 17th Street, Suite 2500
Denver, CO 80202
303-595-3331
303-605-2226 *FAX*

January 16, 2012

Mr. Leonard Lowe
Environmental Engineer
New Mexico Oil Conservation Division
1220 S. St. Francis Dr.
Santa Fe, NM 87505

RE: 3rd Quarter 2011 Groundwater Monitoring Results
DCP Midstream, LP J-4-2 Pipeline Release (1RP-1728)
Unit C, Section 27, Township 19 South, Range 35 East
Lea County, New Mexico

Dear Mr. Lowe:

DCP Midstream, LP (DCP) is pleased to submit for your review, a copy of the 3rd Quarter 2011 Groundwater Monitoring Results for the DCP J-4-2 Pipeline Release located in Lea County, New Mexico (Unit C, Section 27, Township 19 South, Range 35 East).

If you have any questions regarding the report, please call at 303-605-1718 or e-mail me swweathers@dcpmidstream.com .

Sincerely

DCP Midstream, LP

Stephen Weathers, PG
Principal Environmental Specialist

cc: Larry Johnson, OCD Hobbs District Office (Copy on CD)
Environmental Files

Third Quarter 2011 Groundwater Monitoring Summary Report

J-4-2 Pipeline Release
Lea County, New Mexico
1RP-1728

Prepared for:

DCP Midstream

370 17th St., Suite 2500
Denver, CO 80202

Prepared by:

Tasman Geosciences

5690 Webster, Ave
Arvada, CO 80002

November 22, 2011

Table of Contents

1. Introduction

Tasman Geosciences, LLC (Tasman) is submitting to DCP Midstream (DCP) the results of the third quarter groundwater monitoring activities conducted September 16 of 2011 at the J-4-2 pipeline release (Site) in Lea County, New Mexico (Figure 1). The field activities described herein were performed with the purpose of monitoring groundwater flow and quality conditions and assessing the presence of light non-aqueous phase liquid (LNAPL) hydrocarbons in the Site subsurface. These activities were performed through the end of the 2nd quarter 2011 by American Environmental Consulting LLC (AEC) after which project responsibilities were transferred to Tasman Geosciences, LLC (Tasman). The data collected herein were used to develop groundwater elevation maps, an analytical results map, and light non-aqueous phase liquid (LNAPL) versus time and groundwater elevation graphs to evaluate current conditions at the Site.

2. Site Location and Background

The Site is located in the northeastern quarter of the northwestern quarter (Unit C) of Section 27, Township 19 South, Range 35 East approximately 3 miles south of the of intersection of US Highway 82 and State Highway 483. This area is sparsely populated and land use is primarily associated with livestock grazing and oil and gas extraction and conveyance.

Based on findings from previous Site investigations, a natural gas condensate release was reported at the Site on August 3, 2005. Environmental Plus Incorporated (EPI) of Eunice, New Mexico, performed initial site investigation activities. EPI reported that the spill was limited to an approximate area of 2,800 square feet, and did not migrate to any surface water features. EPI installed monitoring wells MW-1, MW-2, and MW-3 as a part of the initial soil and groundwater characterization effort in February 2006. Monitoring wells MW-4, MW-6, MW-7, and MW-8 were installed in September 2006 as part of a Site investigation completed by AEC. Installation of monitoring well MW-5 was not completed during this event due to refusal encountered while advancing the borehole. Groundwater samples collected in 2006 from the newly installed wells indicated that dissolved phase petroleum hydrocarbons and chloride had impacted groundwater at the Site in the vicinity of monitoring wells MW-1 and MW-2. In addition, light non-aqueous phase liquid (LNAPL) was detected at monitoring well MW-2.

3. Groundwater Monitoring

This section describes the groundwater field and laboratory activities performed during the third quarter 2011 monitoring event. Monitoring activities included Site-wide groundwater gauging, LNAPL measurements, and groundwater sampling. Figure 2 illustrates the groundwater monitoring network utilized to perform these activities at the Site.

3.1 Groundwater and LNAPL Elevation Monitoring

Groundwater and LNAPL levels are measured in order to evaluate hydraulic characteristics and provide information regarding seasonal and annual fluctuations in groundwater elevations at the Site. During the third quarter 2011, groundwater levels were measured at seven (7) Site monitoring well locations.

Groundwater levels were measured on the north side of the well casing to the nearest 0.01-foot using an oil-water interface probe (IP). Measured groundwater levels are presented in Table 1. Groundwater level data were later converted to elevation (feet above mean sea level [AMSL]) by subtracting the measured groundwater level from top of casing elevation survey datum. LNAPL levels, where indicated by the IP, were also recorded on the field data sheets.

Groundwater elevation measurements collected during the third quarter 2011 monitoring event as well as historical elevations are presented in Table 1 and a third quarter 2011 groundwater elevation contour map is illustrated on Figure 3. Groundwater elevations ranged from 3,705.65 feet AMSL at monitoring well MW-8 to 3,710.33 feet AMSL at monitoring well MW-4. As illustrated on Figure 3, groundwater flow at the Site generally trends to the southeast with a downward gradient of approximately 0.006 foot per foot between monitoring wells MW-4 and MW-8.

LNAPL was detected at MW-1 (0.29-feet) and MW-2 (0.64-feet) with measured thicknesses indicated in parenthesis.

3.2 Groundwater Quality Monitoring

Prior to collecting groundwater samples, groundwater levels and total well depth were measured at each of the Site monitoring wells, as previously described. Subsequently, a minimum of three well casing volumes of groundwater (calculated from total depth of the well and groundwater level measurements) were purged from the subject well prior to collecting groundwater samples. Groundwater samples were collected using dedicated polyethylene bailers, placed in clean laboratory supplied containers for the selected analytical methods and packed in an ice-filled cooler and maintained at approximately four (4) degrees Celsius (^0C) for transportation. Groundwater samples were then shipped under chain-of-custody procedures to Accutest Laboratories (Accutest) in Wheat Ridge, Colorado, for analysis.

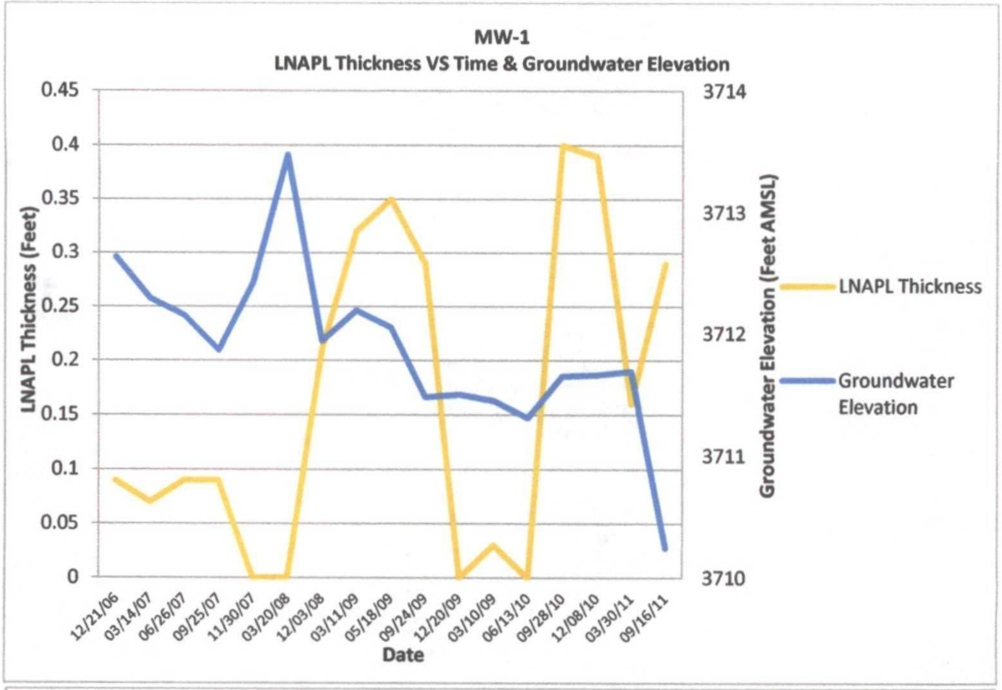
Water quality samples were collected from five of seven wells. MW-1 and MW-2 were not sampled due to the presence LNAPL detected in the well casing. Water quality samples were submitted to be analyzed for benzene, toluene, ethylbenzene, and xylene (BTEX) by United States Environmental Protection Agency (USEPA) Method 8260B and chloride by USEPA Method 300.

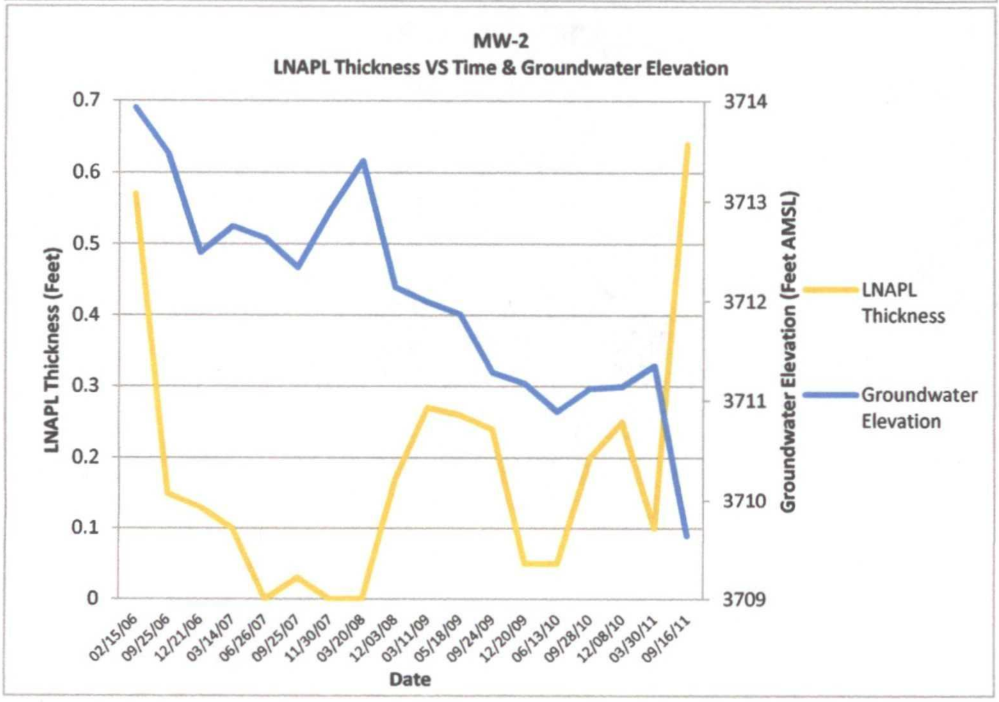
Table 2 summarizes BTEX and chloride concentrations in groundwater samples collected during the September 2011 event. Laboratory analytical reports for the event are included in Appendix A and analytical results are summarized on Figure 4. The groundwater samples collected from the Site monitoring wells did not contain concentrations of dissolved phase BTEX above laboratory reporting limits. Chloride was detected in all five of the sampled wells with concentrations ranging from 368 milligrams per liter (mg/L) in MW-8 to 2,190 mg/L in MW-3.

4. Remediation Activities

A product collection bailer is installed at monitoring well MW-2. Approximately 0.6 gallons of product had been collected in the bailer which was transferred to the truck mounted purge water storage tank and subsequently transported and disposed of at the DCP Linam Ranch facility. The product collection bailer was replaced in the monitoring well at the level of the product/water interface.

As illustrated in the graphs below, LNAPL thickness in MW-1 and MW-2 does not appear to exhibit any seasonal fluctuation trends or a relationship to groundwater levels.





5. Conclusions

While the dissolved phase hydrocarbon impacts did not exceed the regulatory limits in any of the sampled monitoring wells during this event, LNAPL persists at MW-1 and MW-2. Considering the apparent minimal subsurface lateral extent of LNAPL at the Site, the source material does not appear significant in terms of emplaced volume. The persistence of LNAPL in the vicinity of MW-1 and MW-2 (detected at these well for 5 years) and absence of down gradient free phase and dissolved phase impacts to groundwater indicates that the material is not mobile in the subsurface. Key factors effecting mobility of product at the Site are tied to the transmissivity of the formation and the hydraulic gradient across the Site. There is little hydraulic potential at the Site so even though the subsurface may be transmissive the overall plume velocity is slow. Biodegradation of source material over distance and time from the point of release may also be occurring, however, these processes do not appear to be very robust given the noted persistence of LNAPL at the Site.

Ongoing quarterly activities of groundwater sampling will provide for continued monitoring of Site conditions BTEX, and LNAPL trends.

6. Recommendations

Based on evaluation of 2011 and historical Site observations and monitoring results, recommendations have been developed for future activities, as included below:

- Continue groundwater monitoring and sampling at the monitoring locations illustrated on Figure 2.
- Conduct vacuum enhanced recovery of LNAPL at monitoring wells MW-1 and MW-2. Currently, it is anticipated that Tasman will schedule 1-2 event(s) to be conducted during the following monitoring period. During these events an estimate of barrels of liquid removed, initial and final product thickness, duration of the vacuum recovery event, and product recharge measured during the following quarter will be provided. The recovered liquid will subsequently be transported and disposed of at the DCP Linam Ranch facility.

Tables

TABLE 1
THIRD QUARTER 2011
SUMMARY OF GROUNDWATER ELEVATION DATA
J-4-2 PIPELINE RELEASE
LEA COUNTY, NEW MEXICO

Location	Date	Depth to Groundwater (1) (feet)	Depth to Product (1) (feet)	Free Phase Hydrocarbon Thickness (feet)	Total Depth (2) (feet)	TOC Elevation (3) (feet amsl)	Groundwater Elevation (feet amsl)	Change in Groundwater Elevation Since Previous Event (4) (feet)
MW-1*	06/13/10			0			3711.31	-0.14
MW-1*	09/28/10			0.4			3711.65	0.34
MW-1*	12/08/10			0.39			3711.66	0.01
MW-1*	03/30/11	28.88	28.72	0.16			3711.69	0.03
MW-1*	06/11/11	29.5	29.31	0.19			3711.09	-0.60
MW-1*	09/16/11	30.54	30.25	0.29	43.05	3740.45	3710.13	-0.96
MW-2*	06/13/10			0.05			3710.89	
MW-2*	09/28/10			0.2			3711.12	0.23
MW-2*	12/08/10			0.25			3711.14	0.02
MW-2*	03/30/11	29.35	29.25	0.1			3711.35	0.21
MW-2*	06/11/11	30.55	30.35	0.2			3710.22	-1.13
MW-2*	09/16/11	31.54	30.90	0.64	43.30	3740.62	3709.56	-0.66
MW-3	06/13/10						3711.01	-0.18
MW-3	09/28/10						3711.24	0.23
MW-3	12/08/10						3711.25	0.01
MW-3	03/30/11	28.14					3711.25	0.00
MW-3	06/11/11	28.76					3710.63	-0.62
MW-3	09/16/11	29.62			35.20	3739.39	3709.77	-0.86
MW-4	06/13/10						3711.41	-0.15
MW-4	09/28/10						3711.64	0.23
MW-4	12/08/10						3711.72	0.08
MW-4	03/30/11	28.47					3711.77	0.05
MW-4	06/11/11	29.12					3711.12	-0.65
MW-4	09/16/11	29.91			37.95	3740.24	3710.33	-0.79
MW-6	06/13/10						3710.61	-0.06
MW-6	09/28/10						3710.56	-0.05
MW-6	12/08/10						3710.71	0.15
MW-6	03/30/11	29.05					3710.91	0.20
MW-6	06/11/11	29.81					3710.15	-0.76
MW-6	09/16/11	30.55			34.31	3739.96	3709.41	-0.74
MW-7	06/13/10						3708.11	-0.24
MW-7	09/28/10						3708.23	0.12
MW-7	12/08/10						3708.28	0.05
MW-7	03/30/11	32.37					3708.36	0.08
MW-7	06/11/11	33.14					3707.59	-0.77
MW-7	09/16/11	33.76			40.41	3740.73	3706.97	-0.62
MW-8	06/13/10						3707.46	0.75
MW-8	09/28/10						3706.62	-0.84
MW-8	12/08/10						3706.70	0.08
MW-8	03/30/11	30.63					3706.69	-0.01
MW-8	06/11/11	31.32					3706.00	-0.69
MW-8	09/16/11	31.67			38.58	3737.32	3705.65	-1.04
Average Change in groundwater elevation since the previous monitoring event								-0.81

Notes:

1- Depths measured from the north edge of the well casing.

2- Total depths were collected and recorded during the third quarter 2011 monitoring event. Total depths were not collected in wells that had LNAPL.

3-TOC elevations for monitoring wells MW-4, MW-5, MW-6, MW-7, & MW-8 were calculated by adding the PVC stick-up length (in feet) to the surveyed ground surface elevations (in feet amsl).

4- Changes in groundwater elevation calculated by subtracting the measurement collected during the previous monitoring even from the measurement collected during the most recen monitoring event.

Monitoring well location MW-5 was not installed due geologic refusal that was encountered during drilling activities.

Data presented for all other well locations includes previous four sampling events, when available. Historic groundwater elevation data for these locations are available upon request.

Sample locations are shown on Figure 2 and a groundwater elevation contour map is shown on Figure 3

amsl - feet above mean sea level.

TOC - top of casing

* Groundwater elevation was corrected for product thickness using the following calculation:

Groundwater elevation = (TOC Elevation - Measured Depth to Water) + (LNAPL Thickness in Well * LNAPL Density)
LNAPL density was assumed to be approximately 0.75 grams per cubic centimeter

TABLE 2
THIRD QUARTER 2011
SUMMARY OF BTEX AND CHLORIDE CONCENTRATIONS IN GROUNDWATER
J-4-2 PIPELINE RELEASE
LEA COUNTY, NEW MEXICO

Location Identification	Sample Date	Benzene (mg/l)	Toluene (mg/l)	Ethylbenzene (mg/l)	Total Xylenes (mg/l)	Chlorides (mg/l)	Comments
New Mexico Water Quality Control Commission Groundwater Standards (mg/L)		0.01	0.75	0.75	0.62	250*	
MW-1	6/13/2010	0.0016	<0.001	<0.0003	0.0095	1800	
MW-1	9/29/2010	LNAPL	LNAPL	LNAPL	LNAPL	LNAPL	
MW-1	12/8/2010	LNAPL	LNAPL	LNAPL	LNAPL	LNAPL	
MW-1	3/30/2011	LNAPL	LNAPL	LNAPL	LNAPL	LNAPL	
MW-1	9/16/2011	LNAPL	LNAPL	LNAPL	LNAPL	LNAPL	
MW-2	6/13/2010	LNAPL	LNAPL	LNAPL	LNAPL	LNAPL	
MW-2	9/29/2010	LNAPL	LNAPL	LNAPL	LNAPL	LNAPL	
MW-2	12/8/2010	LNAPL	LNAPL	LNAPL	LNAPL	LNAPL	
MW-2	3/30/2011	LNAPL	LNAPL	LNAPL	LNAPL	LNAPL	
MW-2	9/16/2011	LNAPL	LNAPL	LNAPL	LNAPL	LNAPL	
MW-3	6/13/2010	<0.0003	<0.001	<0.0003	<0.0006	2130	
MW-3	9/29/2010	<0.001	<0.002	<0.002	<0.004	2220	
MW-3	12/8/2010	<0.001	<0.002	<0.002	<0.004	2530	
MW-3	3/30/2011	<0.001	<0.002	<0.002	<0.002	2230	
MW-3	6/11/2011	<0.001	<0.002	<0.002	<0.004	2210	
MW-3	9/16/2011	<0.001	<0.002	<0.002	<0.004	2190	Duplicate sample collected
MW-4	6/13/2010	<0.0003	<0.001	<0.0003	<0.0006	2150	
MW-4	9/29/2010	<0.001	<0.002	<0.002	<0.004	2130	
MW-4	12/8/2010	<0.001	<0.002	<0.002	<0.004	2740	
MW-4	3/30/2011	<0.001	<0.002	<0.002	<0.002	2300	
MW-4	6/11/2011	<0.001	<0.002	<0.002	<0.004	2230	
MW-4	9/16/2011	<0.001	<0.002	<0.002	<0.004	1980	
MW-6	6/13/2010	<0.0003	<0.001	<0.0003	<0.006	533	
MW-6	9/29/2010	<0.001	<0.002	<0.002	<0.004	445	
MW-6	12/8/2010	<0.001	<0.002	<0.002	<0.004	513	
MW-6	3/30/2011	<0.001	<0.002	<0.002	<0.002	491	
MW-6	6/11/2011	<0.001	<0.002	<0.002	<0.004	503	
MW-6	9/16/2011	<0.001	<0.002	<0.002	<0.004	476	
MW-7	6/13/2010	<0.0003	<0.001	<0.0003	<0.006	1280	
MW-7	9/29/2010	<0.001	<0.002	<0.002	<0.004	1210	
MW-7	12/8/2010	<0.001	<0.002	<0.002	<0.004	1180	
MW-7	3/30/2011	<0.001	<0.002	<0.002	<0.002	1210	
MW-7	6/11/2011	<0.001	<0.002	<0.002	<0.004	1210	
MW-7	9/16/2011	<0.001	<0.002	<0.002	<0.004	1170	
MW-8	6/13/2010	<0.0003	<0.001	<0.0003	<0.006	415	
MW-8	9/29/2010	<0.001	<0.002	<0.002	<0.004	347	
MW-8	12/8/2010	<0.001	<0.002	<0.002	<0.004	336	
MW-8	3/30/2011	<0.001	<0.002	<0.002	<0.002	383	
MW-8	6/11/2011	<0.001	<0.002	<0.002	<0.004	454	
MW-8	9/16/2011	<0.001	<0.002	<0.002	<0.004	368	

Notes:

1.) The environmental cleanup standards for water that are applicable to the J-4-2 Pipeline Release site are the New Mexico Water Quality Control Commission (NMWQCC) Groundwater Standards.

2.) Monitoring well location MW-5 was not installed due geologic refusal that was encountered during drilling activities.

3.) Data presented for all other well locations includes previous four sampling events, when available. Historic groundwater analytical results for these locations are available upon request.

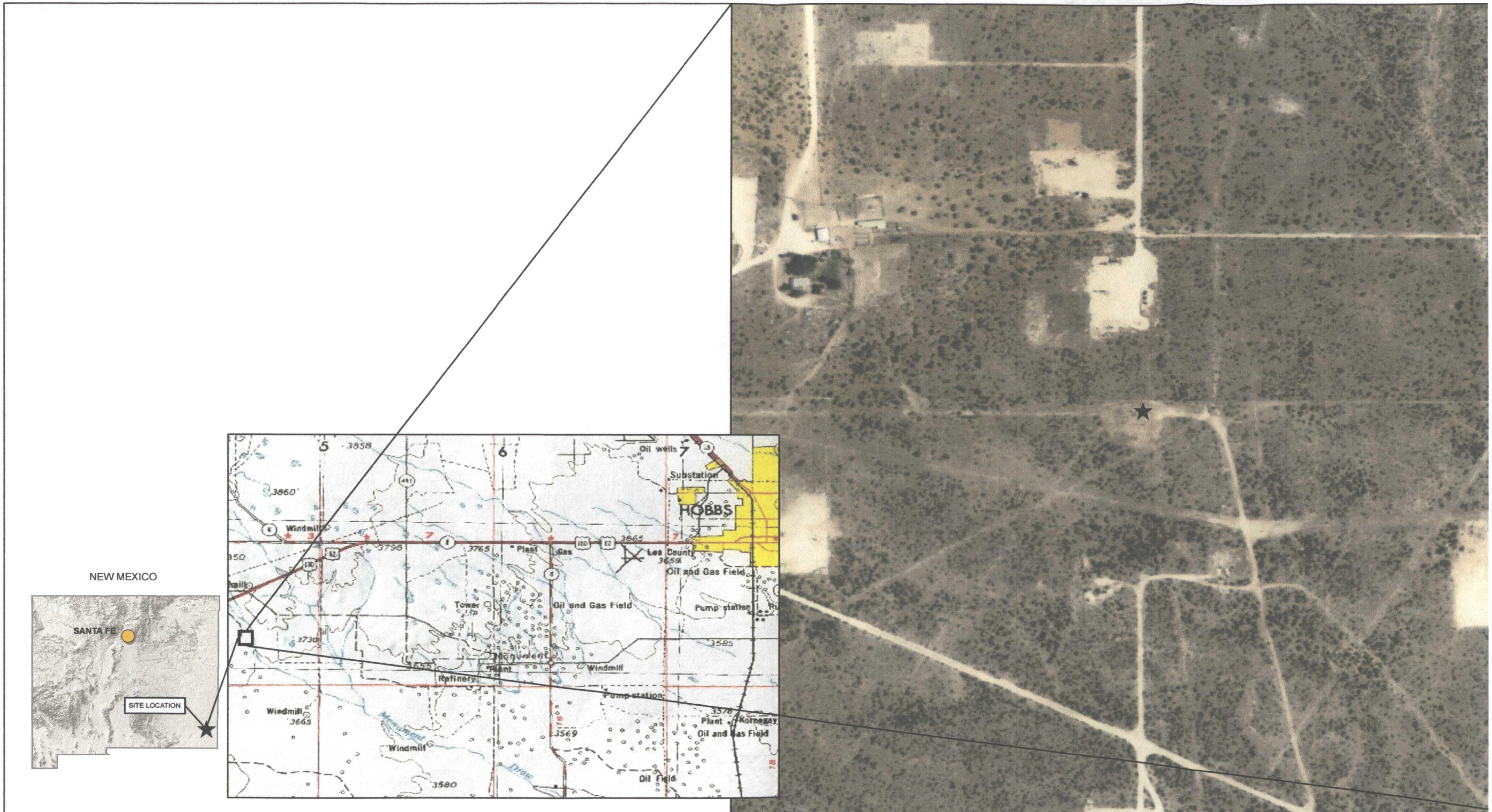
Sample locations are shown on Figure 2 and analytical results are illustrated on Figure 4.

* Chlorides are subject to the National Secondary Drinking Water Regulations (NSDWR) secondary maximum contaminant levels (SMCLs) and not an enforceably regulated constituent. The 250 mg/L standard is established only as a guideline to assist public water systems in managing their drinking water for aesthetic considerations, such as taste, color, and odor.

LNAPL = Light Non-Aqueous Phase Liquid

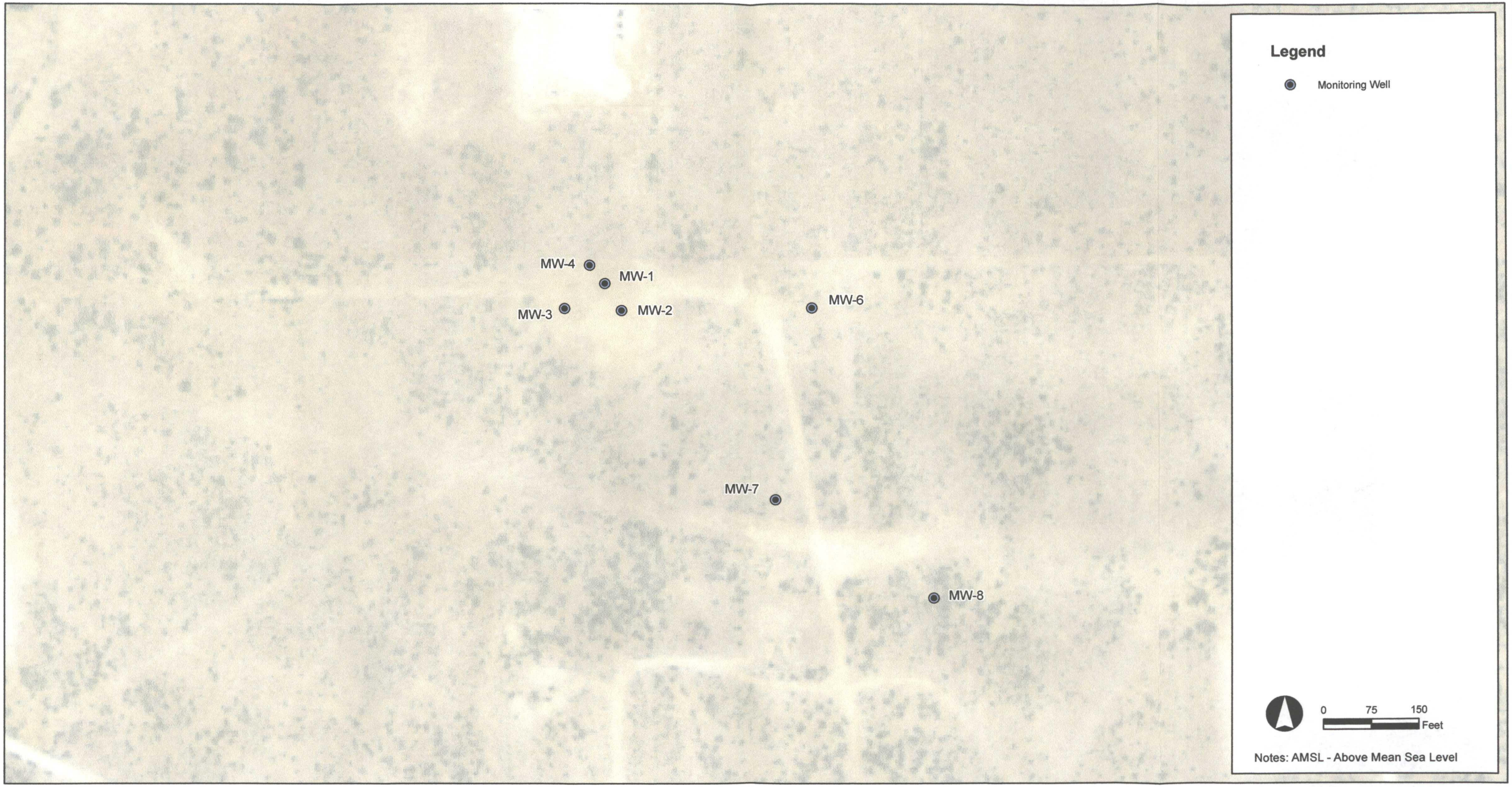
mg/L = milligrams per liter.

Figures



DESIGNED BY: B. Humphrey	Tasman Geosciences, LLC 5690 Webster St. Arvada, CO 8002 720-988-2024	**J-4-2 PIPELINE RELEASE** *Third Quarter 2011 Groundwater Monitoring Summary Report*	SITE LOCATION	FIGURE 1
DRAWN BY: J. Clonts				
SHEET CHK'D BY:				
CROSS CHK'D BY:				
APPROVED BY:				
APPROVED BY:				

Tasman Geosciences



DESIGNED BY: B. Humphrey
DRAWN BY: J. Clonts
SHEET CHK'D BY: ________
CROSS CHK'D BY: ________
APPROVED BY: ________
APPROVED BY: ________

Tasman Geosciences

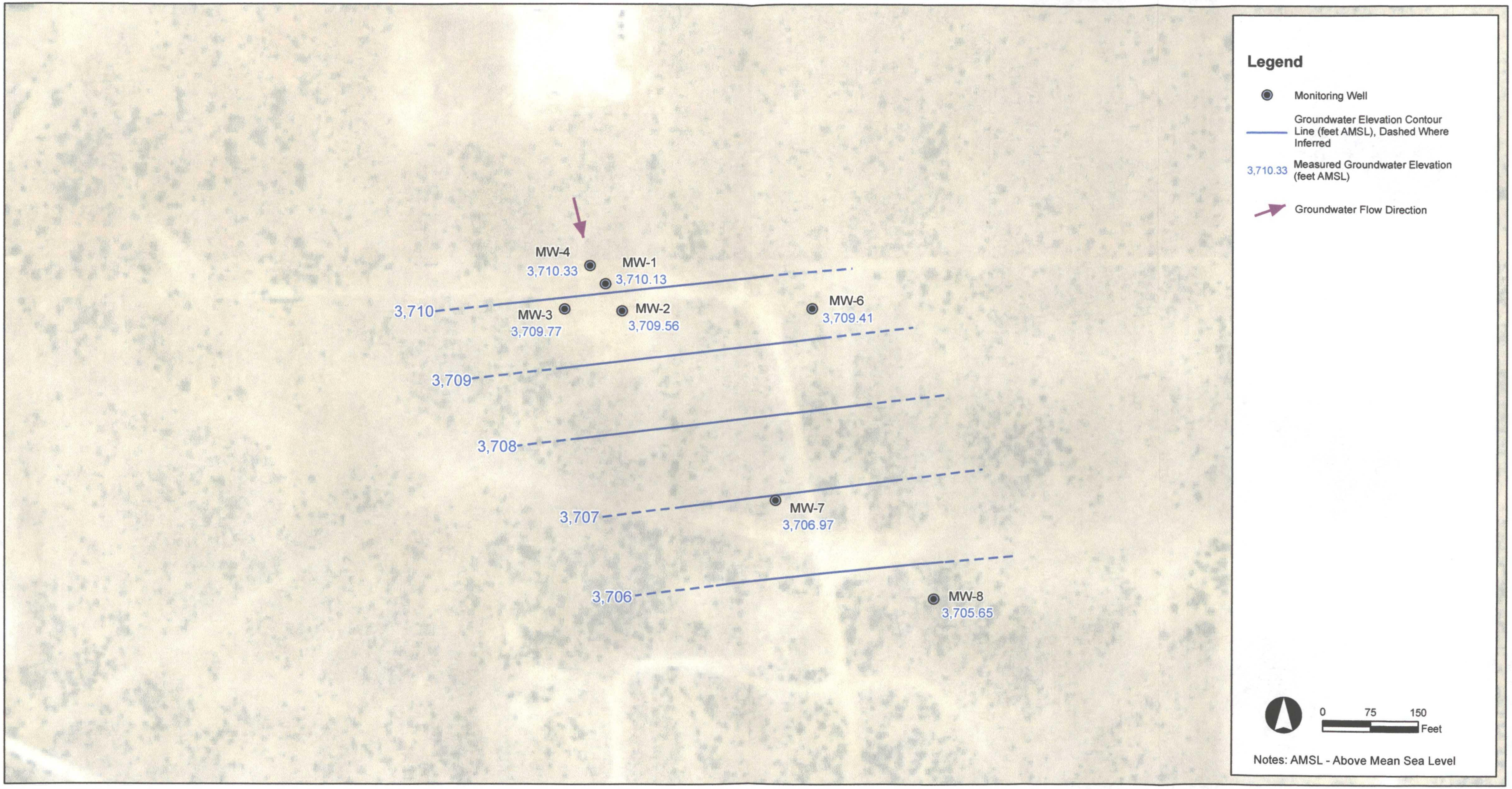
Tasman Geosciences, LLC
5690 Webster St.
Arvada, CO 8002
720-988-2024

J-4-2 PIPELINE RELEASE

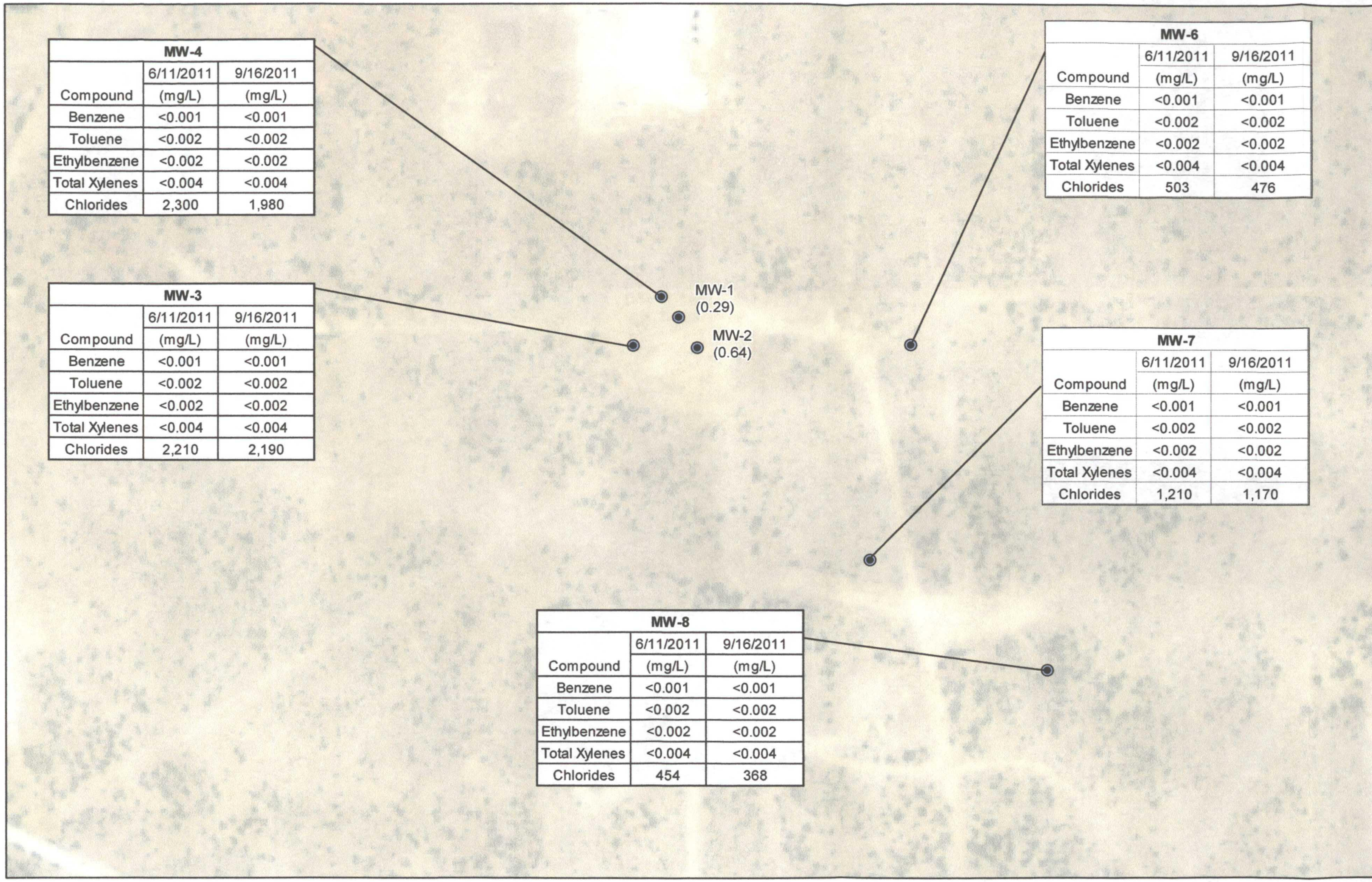
Third Quarter 2011 Groundwater Monitoring Summary Report

SITE MAP

FIGURE 2



DESIGNED BY: B. Humphrey DRAWN BY: J. Clonts SHEET CHK'D BY: ____ CROSS CHK'D BY: ____ APPROVED BY: ____ APPROVED BY: ____	Tasman Geosciences Tasman Geosciences, LLC 5690 Webster St. Arvada, CO 8002 720-988-2024	**J-4-2 PIPELINE RELEASE** *Third Quarter 2011 Groundwater Monitoring Summary Report*	GROUNWATER ELEVATION CONTOUR MAP (SEPTEMBER 16, 2011)	FIGURE 3



MW-4		
	6/11/2011	9/16/2011
Compound	(mg/L)	(mg/L)
Benzene	<0.001	<0.001
Toluene	<0.002	<0.002
Ethylbenzene	<0.002	<0.002
Total Xylenes	<0.004	<0.004
Chlorides	2,300	1,980

MW-3		
	6/11/2011	9/16/2011
Compound	(mg/L)	(mg/L)
Benzene	<0.001	<0.001
Toluene	<0.002	<0.002
Ethylbenzene	<0.002	<0.002
Total Xylenes	<0.004	<0.004
Chlorides	2,210	2,190

MW-6		
	6/11/2011	9/16/2011
Compound	(mg/L)	(mg/L)
Benzene	<0.001	<0.001
Toluene	<0.002	<0.002
Ethylbenzene	<0.002	<0.002
Total Xylenes	<0.004	<0.004
Chlorides	503	476

MW-7		
	6/11/2011	9/16/2011
Compound	(mg/L)	(mg/L)
Benzene	<0.001	<0.001
Toluene	<0.002	<0.002
Ethylbenzene	<0.002	<0.002
Total Xylenes	<0.004	<0.004
Chlorides	1,210	1,170

MW-8		
	6/11/2011	9/16/2011
Compound	(mg/L)	(mg/L)
Benzene	<0.001	<0.001
Toluene	<0.002	<0.002
Ethylbenzene	<0.002	<0.002
Total Xylenes	<0.004	<0.004
Chlorides	454	368

Legend

- Monitoring Well
- (0.29) Measured LNAPL thickness in feet

Notes:
Data reported for the March 30, 2011 monitoring event were collected by AEC and provided in the first quarter 2011 groundwater monitoring summary report.

All aqueous analytical results are presented in milligrams per liter (mg/L)

LNAPL - Light Non Aqueous Phase Liquid

0 75 150 Feet

DESIGNED BY: B. Humphrey
DRAWN BY: J. Clonts
SHEET CHK'D BY:
CROSS CHK'D BY:
APPROVED BY:
APPROVED BY:

Tasman Geosciences

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720-988-2024

J-4-2 PIPELINE RELEASE

Third Quarter 2011 Groundwater Monitoring Summary Report

ANALYTICAL RESULTS MAP

FIGURE 4

Appendix A

Laboratory Analytical Report