3 February 2005

Mr. Larry Johnson, Environmental Engineer New Mexico Oil Conservation Division 1625 North French Hobbs, New Mexico 88240

Re:

Initial C-141 Duke Energy Field Services G-28-4 – Reference #130015 UL-A (NE¼ of the NE¼) of Section 2, Township 23 South, Range 36 East Latitude N 32° 20' 25.042" and Longitude W 103° 13' 40.062"

Dear Mr. Johnson:

Environmental Plus, Inc. (EPI), on behalf of Mr. Mark Owens, Duke Energy Field Services, L.P. (DEFS), submits the attached New Mexico Oil Conservation Division (NMOCD) form C-141 for the above referenced leak site located on land owned by the State of New Mexico, approximately 7.69 miles southwest of Eunice, New Mexico. The United States Geological Survey (USGS) database indicates there is one water supply well located within a one-mile radius of the release site; however, there are no wells located within a 1,000-foot radius of the release site. The USGS database indicates that depth to water for this well is approximately 180 feet below ground surface (bgs). The attached site information and metrics form ranks the site in accordance with the NMOCD Guidelines for Remediation of Leaks, Spills and Releases (August 13, 1993).

A remediation plan will be developed and submitted for NMOCD approval and will address issues identified during delineation of the vertical and horizontal extents of chloride, sulfates, total petroleum hydrocarbons (TPH) and benzene, toluene, ethylbenzene, and total xylenes (BTEX). The contaminated soil is exempt from RCRA 40 CFR Part 261.

If there are any questions please feel free to contact me at (505) 394-3481 or via e-mail at iolness@hotmail.com or Mr. Mark Owens at (505) 397-5541 or via e-mail at mrowens@duke-energy.com. All official communication should be addressed to:

Mr. Mark Owens Duke Energy Field Services 1625 West Marland Hobbs, New Mexico 88240

Sincerely,

ENVIRONMENTAL PLUS, INC.

lain Olness, P.G. Hydrogeologist

cc:

Mark Owens, Duke Energy Field Services, Hobbs, NM Lynn Ward, Duke Energy Field Services, Midland, TX Steve Weathers, Duke Energy Field Services – Denver, CO Polo Rendon, Duke Energy Field Services – Hobbs, NM

Duke 229153 Mcident - n PAC 0603140755 Opplication PRASCE 06.0306413481

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Incident Date: **NMOCD Notified:** Duke Energy Field Services Site 23 January 2005 3 February 2005 Information and Metrics Site: G-28-4 Assigned Site Reference #: 130015 Company: Duke Energy Field Services Street Address: Mailing Address: 1625 West Marland City, State, Zip: Hobbs, New Mexico 88240 Representative: Mark Owens Representative Telephone: (505) 397-5541 Telephone: Fluid volume released (bbls): 15 barrels Recovered (bbls): 10 barrels >25 bbls: Notify NMOCD verbally within 24 hrs and submit form C-141 within 15 days. (Also applies to unauthorized releases >500 mcf Natural Gas) 5-25 bbls: Submit form C-141 within 15 days (Also applies to unauthorized releases of 50-500 mcf Natural Gas) Leak, Spill, or Pit (LSP) Name: G-28-4 Source of contamination: 8" steel line began leaking, probably due to internal corrosion. Line clamp installed, line shut-in and scheduled for replacement. Land Owner, i.e., BLM, ST, Fee, Other: State of New Mexico LSP Dimensions: 40 feet by 50 feet LSP Area: $\approx 2,000 \text{ ft}^2$ Location of Reference Point (RP): Location distance and direction from RP: Latitude: N 32° 20' 25.042" Longitude: W 103° 13' 40.062" Elevation above mean sea level: 3,447 Feet from South Section Line: Feet from West Section Line: Location- Unit or 1/4: NE1/4 of the NE1/4 Unit Letter: A **Location- Section: 2** Location-Township: T23S Location-Range: R36E Surface water body within 1000 ' radius of site: none Domestic water wells within 1000' radius of site: none Agricultural water wells within 1000' radius of site: none Public water supply wells within 1000' radius of site: none Depth from land surface to ground water (DG): >150 feet Depth of contamination (DC): ≈ 5 feet Depth to ground water (DG – DC = DtGW): >100 feet 1. Ground Water 2. Wellhead Protection Area 3. Distance to Surface Water Body If Depth to GW <50 feet: 20 points If <1000' from water source, or;<200' from <200 horizontal feet: 20 points If Depth to GW 50 to 99 feet: 10 points private domestic water source: 20 points 200-100 horizontal feet: 10 points If >1000' from water source, or; >200' from If Depth to GW >100 feet: 0 points >1000 horizontal feet: 0 points private domestic water source: 0 points $Ground\ water\ Score = 0$ Wellhead Protection Area Score= 0 Surface Water Score = 0 Site Rank (1+2+3) = 0**Total Site Ranking Score and Acceptable Concentrations** >19 0-9 Parameter 10-19 Benzene1 10 ppm 10 ppm 10 ppm BTEX1 50 ppm 50 ppm 50 ppm **TPH** 100 ppm 1,000 ppm 5,000 ppm 100 ppm field VOC headspace measurement may be substituted for lab analysis

2



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

Submit 2 Copies to appropriate District Office in accordance with Rule 116 on back side of form

Release Notification and Corrective Action														
				OPE	RA'	ГOR		Initial Report	Final	Report				
						Contact: Mark Owens								
						Telephone No.: (505) 397-5541								
Facility Name: G-28-4						Facility Type	: 8" steel pip	oeline						
Surface Owner: State of New Mexico Mineral Owner						ner: Lease No.:								
Unit Letter	Section	Township	Donas	LOCAT Feet from the		N OF RELEASE orth/South Line Feet from the		East/West Line	County					
A	2	23 S	Range 36 E	reet from the	140	orth/South Lane	reet from the	East West Line	Lea					
		T atit	nda. N	32° 20' 25 0	42"	Langitudo	W/ 103º 13'/	10.062"						
Latitude: N 32° 20' 25.042" Longitude: W 103° 13' 40.062"														
NATURE OF RELEASE														
Type of Relea	se: Natural (Jas Pipeline Fl	uids · ·			Volume of Rele			Volume Recovered: 10 barrels					
Source of Rel	ease: 8" low	-pressure steel	pipeline			23 January 2005	of Occurrence:	23 January 200	Date and Hour of Discovery:					
Was Immedia	te Notice G	iven?				23 January 2005 23 January 2005 If YES, To Whom?								
		☐ Ye	s 🔲 No	o 🛛 Not Requi	ired									
By Whom?	By Whom?						Date and Hour							
Was a Water				Yes 🛛 No		If YES, Volume Impacting the Watercourse.								
If a Watercou	ırse was im j	pacted, Descri	be Fully.*	Not Applicable						į				
Describe Cau	se of Proble	m and Remed	ial Action	Taken.*			· · · · · · · · · · · · · · · · · · ·							
					e clai	mp was installed a	nd the line shut-i	n until it can be rep	laced with polyethy	ylene.				
D3h - 1	. A 66A - A -	- 1 Cl 1	- A2 TTC - B	. + 73	3	· · · · · · · · · · · · · · · · · · ·	-112-000 -	<u> </u>	-11111P					
									e land leased by B. n was excavated an					
									nd" the soil until su					
						ently scheduled fo								
I hereby certif	y that the inf	ormation given	above is	true and complete	e to t	he best of my know	vledge and under	stand that pursuant	to NMOCD rules a	ınd				
									which may endang he operator of liabi					
									face water, human					
or the environ	ment. In add	lition, NMOCE	acceptan	ce of a C-141 rep	юrt d	oes not relieve the	operator of respo	onsibility for comp	iance with any othe	ar				
federal, state,	or local laws	and/or regulat	ions.				T. CONCER	NELL WITCH IN	T ITOTO DI					
]					OIL CONSERVATION DIVISION									
Signature:														
Printed Name: Mark Owens						Approved by District Supervisor:								
Printed Name	e: Mark Ow	ens												
Title: Constru	Title: Construction Maintenance Supervisor					Approval Date:		Expiration Date:						
		-0.1-1												
E-mail Address: mrowens@duke-energy.com					Conditions of Ap	proval:	A	Attached						
Date:			Phone:											
Attach Additio	nal Sheets If	Necessary					,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,							

Pield Services

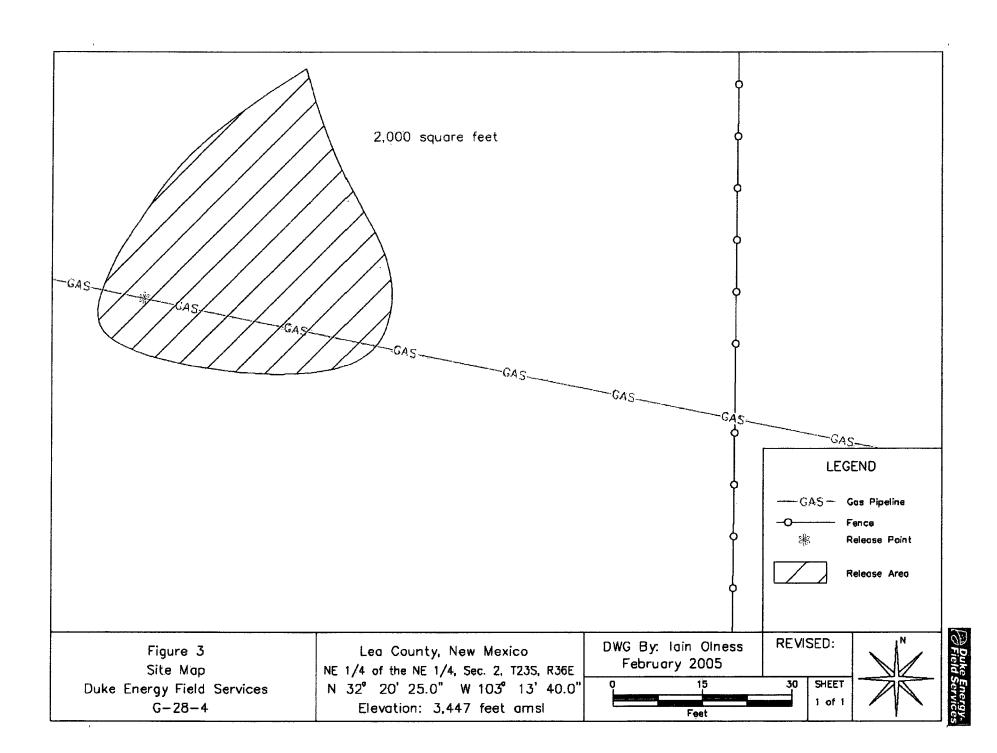


TABLE 1

WELL INFORMATION REPORT*

Duke Energy Field Services G-28-4 - Ref #130015

Well Number	Diversion ^A	Owner	Use	Source	Twsp	Rng	Sec q q q	Latitude	Longitude	Date Measured	Surface Elevation ⁸	Depth to Water (ft bgs)
USGS #1					23 8	36 E	04 424	<u> </u>		8-Mar-96	3,485	164.2
CP 00738	0	Dinwiddie Cattle Company	STK		23 S	36 E	14 3 4	N 32° 17' 49.46"	W 103° 14' 22.88"		3,360	
CP 00737	0	Sun Exploration and Production	PRO	Shallow	23 8	36 E	15 3 1 4	N 32° 18' 2.64"	W 103° 15' 39.71"	24-Aug-88	3,410	
CP 00603	3	U.R. Cattle Company	DOM	Shallow	23 S	36 E	15 4 1 3	N 32° 18' 2.6"	W 103° 15' 8.98"	16-Feb-80	3,380	149
USGS #2	ļ			<u></u>	23 S	36 E	15 441			17-Dec-70	3,370	145.91
USGS #3				<u> </u>	23 S	36 E	15 441			6-Mar-96	3.370	144.29
CP 00558	3	Ross L. Robinson, U.R. Cattle Co.	STK	Shallow	23 8	36 E	16 3.33	N 32° 17' 49.67"	W 103° 16' 41.34"	22-Jul-76	3,440	220
USGS #4					23 S	36 E	16 343			17-Dec-70	3,450	261.86
USGS #5				ļ	23 8.	36 E	16 343		ļ	14-May-91	3,450	411.5
CP 00925	141.14	Energen Resources Corp.	SRO		23 S	36E	22 444	N 32° 16' 57.18"	W 103° 14' 53.64"	ļ	3,400	
USGS #6				ļ.——	23 8	36 E	22 344			1-Dec-53	3.420	188.57
USGS #7					23 S		23 114			17-Dec-70	3,370	141.23
USGS #8					23 S		23 221			17-Dec-70	3,355	132.39
USGS #9					23 S		26 333			28-Feb-96	3,360	140.9
CP 00109	3	Deep Wells Ranch, Inc.	STK	Shallow	23.8	36 E	31 213	N 32º 15' 52.14"	W 103° 18' 13.55"	15-Jun-66	3,440	178
CP:00459	3	Deep Wells Ranch, Inc.	STK		23 S	36 E	31 333	N 32° 15′ 12.93″	W 103° 18' 43.92"	19-Mar-68	3,465	200
USGS #10		. 9.1.11			23 S		31 214			21-Jan-76	3,435	174.93
USGS #11					23 S	36E	31 214			7-Mar-96	3,435	174.14
USGS #12					23 8	36 E	31 2.33				3:445	
USGS #13					23 S	36E	35 211			28-Feb-96	3,340	122.43
CP 00497	3	El Paso Natural Gas Company	EXP	Shallow	23 S	36 E	36 433	N 32° 15' 12.37"	W 103° 13' 6.12"	18-Apr-71	3,330	133
CP 00512	3	El Paso Natural Gas Company	EXP	Shallow	23 S	36 E	36 134	N 32° 15' 38.59"	W 103° 13' 36.84"	1-Dec-72	3,335	128
CP 00621	3	El Paso Natural Gas Company	EXP	Shallow	23 8	36.E	36 223	N 32º 15' 51.58"	W 103° 12' 50.72"	8-Jul-80	3,325	127
CP 00634	3	El Paso Natural Gas Company	EXP	Shallow	23 S	36 E	36 121	N 32° 15' 51.64"	W 103° 13' 21.46"	15-Jun-81	3,335	125
CP 00651	3	El Paso Natural Gas Company	IND	Shallow	23 8.	36 E	36 132	N 32° 15' 38.59"	W 103° 13' 36.84"	1-Jul-82	3,340	123
CP 00682	3	El Paso Natural Gas Company	EXP		23 S	36 E	36 124	N 32º 15' 51.64"	W 103° 13' 21.46"	15-Sep-85	3,335	
USGS #14					23 S	36 E	36 131			20-Jan-76	3,330	122.58
USGS #15					23 S	36 E	36 314			22-Feb-96	3,340	120.92
USGS #16					23 S	36 E	36 341			17-Dec-70	3,335	136.21
USGS #17					23 S	36 E	36 342			20-Oct-65	3,335	142.17
CP 00763 EXP	0	Chevron USA, Inc.	SAN	Shallow	22 S	36 E	01 322	N 32° 25' 1.46"	W 103° 13' 21.77"	11-Oct-91	3,500	137
USGS #18					22 S	36 E	01 333			12-Nov-53	3,495	111.24
USGS #19					22 S	36 E	02 144				3,550	
USGS #20	1				22 S	36 E	02 323				3,535	
USGS #21					22 8	36 E	02 444				3,500	
USGS #22					22 S	36 E	02 442			20-Jan-76	3,500	118.48
USGS #23					22 S		02 444				3,500	
USGS #24					22 S	36 E	04 222			3-Apr-68	3,560	702.23
CP 00727	3	Dasco Land Corporation	STK	Shallow	22 S	36 E	05 231	N 32° 25' 14.38"	W 103° 17' 12.71"	26-Apr-88	3,600	
CP 00469	3	W. T. Tivis, Jr.	STK		22 S	36 E	06 321	N 32° 25′ 1.55″	W 103° 18' 29.6"	7-Feb-69	3,585	195
USGS #25					228	36 E	06 321			14-Feb-96	3,585	179.53
USGS #26					22 S		06 412			1-May-91	3,580	171.04
CP 00476 EXP		Ross Robinson	STK		22 S	36 E	07 231	N 32° 24' 22.28"	W 103° 18' 14.09"		3,595	
USGS #27					22 S	36 E	09 341			1-May-91	3,560	171.75
USGS #28		-			22 S	36.E	09 341			3-Dec-70	3,560	172.27

TABLE 1

WELL INFORMATION REPORT*

Duke Energy Field Services G-28-4 - Ref #130015

Well Number	Well Number Diversion Cowner USGS #29		Use	Source	Twsp	Rng	Sec q q q	Latitude	Longitude	Date Measured	Surface Elevation ^B	Depth to Water (ft bgs)
USGS #29					22 S	36 E	09 341			3-Dec-70	3,560	178.05
L 11013	3	Dasco Land Corporation	STK		22 8	36 E	10 333	N 32° 23' 56.1"	W 103° 15' 40.14"		3,545	
USGS #30					22 S	36 E	11 214				3,525	
USGS #31					22 S	36 E	11 224				3,505	
USGS #32			1		22 S	36 E	11 223			3-Dec-70	3,520	125.42
U8GS #33					22 \$	36 E	12 311			15-Feb-96	3,475	124.13
USGS #34					22 S	36 E	13 222			20-Jan-76	3,450	23.41
CP 00070 2	3	McVay Drilling Company	STK	Shallow	228	36 E	16 122	N 32° 23' 42.95"	W 103° 16' 26.28"	5-Oct-72	3,565	170
USGS #35			T		22 S	36.E	16 211			15-Feb-96	3,450	175.28
USGS #36					22 S	36 E	16 211			7-Mar-86	3,450	174.09
USGS #37					22 S	36 E	17 141			3-Dec-70	3.565	484.06
CP 00485 EXP		El Paso Natural Gas Company	NON		22 S	36 E	22 133	N 32° 22' 37.79"	W 103° 15' 40.09"		3,515	
CP 00609	3	U.R. Cattle Company	DOM		22 S	36 E	22 431	N 32° 22' 11.77"	W 103° 15' 9.23"	28-Jun-80	3,565	22
USGS #38			1		22 S	36 E	25 434			15-Feb-96	3,430	117.83
USGS #39					22 S	36 E	25 434			9-Dec-70	3,430	121.52
USGS #40					22 S	36 E	25 434			21-Oct-65	3,430	118.07
USGS #41					22 S	36 E	26 414				3,480	
CP 00575	3	Millard Deck	STK	Shallow	22 S	36 E	27. 433	N 32° 21' 19.49"	W 103° 15' 9.39"	13-Nov-78	3,505	160
USGS #42					22 S	36 E	27 222			21-Jan-76	3,500	166.68
USGS:#43					22 S	36 E	27 444			21-Feb-96	3,515	188.39
USGS #44					22 S	36 E	33 232			20-Feb-96	3,475	474.08
USGS #45		المستداد المستنششة الساول يهيون والهرامة الساد المستداد المشداد المستداد			22 8	36 E	35 313	مارزيين در مايلات المارد المارد المارد	70. 41. 44. 5. 41.	15-Feb-96	3,490	180.81

^{* =} Data obtained from the New Mexico Office of the State Engineer Website (http://iwaters.ose.state.mn.us:7001/iWATERS/wr_RegisServlet1) and USGS Database. Shaded well information indicates well location shown on Figure 2

IND = Industrial

STK = Livestock Watering

CLW = Change Location of Well (Ground)

EXP = Expired

(quarters are 1=NW, 2=NE, 3=SW, 4=SE)

(quarters are biggest to smallest - X Y are in Feet - UTM are in Meters)

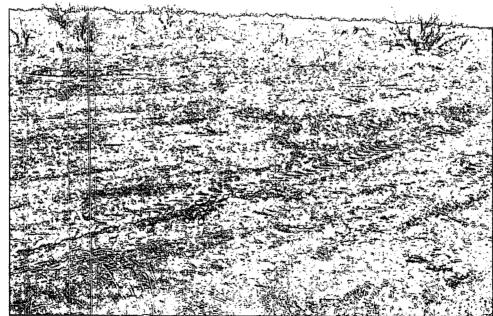
A = in acre feet per annum

B = Interpolated from USGS Topographical Map





Photograph #1: Release area, looking easterly.



Photograph #2: Release Area, looking northeasterly.