ENVIRONMENTAL PLUS, INC.
CONSULTING AND REMEDIAL CONSTRUCTION

18 January 2006

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

UTR > 100'
Check Sulfide

RE: Remediation Proposal
Duke Energy Field Services - Lynch Discharge Line Release Site (Ref. #130016)
UL-H (SE¼ of the NE ¼) of Section 15, T19S, R34E
Latitude N 32° 39' 49.9" and Longitude W 103° 32' 28.8"

Dear Mr. Johnson:

On November 13, 2004, a release of approximately 8 barrels of natural gas liquids (NGL) occurred as a result of a line leak at the above-referenced site. No free liquids were recovered. Delineation activities commenced on February 21, 2005. The release occurred on the DEFS operated Lynch Booster discharge line which was excavated and the line replaced prior to delineation activities. DEFS retained Environmental Plus, Inc. (EPI) in February 2005 to delineate the extent of impacted soil at the site. This letter report documents the results of the delineation activities and recommends how to proceed with the remediation of the impacted soil.

Site Background

The site is located in the SE¼ of the NE¼ of Section 15, Township 19 South, Range 34 East at an elevation of approximately 3,895 feet above mean sea level (reference *Figures 1* and *2*). The property is owned by the United States Federal Government and managed by the Bureau of Land Management (BLM). The leak site is located immediately west of Mescalero Ridge in the Querecho Plains, a vast sand dune area covering approximately 400 square miles (Nicholson and Clebsch, 1961). A search for area water wells was completed utilizing the *New Mexico Office of the State Engineers* website and a database maintained by the United States Geological Survey (USGS). No wells were found to be located in Section 15; however, a total of 5 wells were found to be located in one of the eight adjacent sections (i.e., sections 9, 10, 11, 14, 16, 21, 22 and 23 of Township 19 South, Range 34 East). The average depth to water in these wells was reported to be approximately 127 feet below ground surface (bgs) and ranged from 28.73 feet bgs to 231.18 feet bgs (reference *Table 2*).

No water supply wells or bodies of surface water were found to be located within a 1,000-foot radius of the release location (reference *Figure 2*). Although the average depth to water in wells located in the vicinity of the release is estimated to be approximately 127 feet bgs, well number *USGS #4* is located northwest of the site at approximately the same elevation. The water level in this well, as recorded in January 1996 was 28.73 feet bgs. Based on this information, remedial goals for groundwater less than 50-feet bgs was selected as a conservative measure due to similar topographic and elevation characteristics of the release site and well USGS #4. Therefore, the New Mexico Oil Conservation Division (NMOCD) Remedial Goals used are as follows:

Facility - fPAC0613846794
Incident - nPAC0613846926
Application - pPAC0613847130

Parameter	Remedial Goal
Benzene	10 parts per million
BTEX	50 parts per million
TPH	100 parts per million

Chloride residuals may not be capable of impacting groundwater above the New Mexico Water Quality Control Commission groundwater standard of 250 mg/L.

P.O. BOX 1558 ••• 2100 AVENUE O ••• EUNICE, NEW MEXICO 88231
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Field Work

EPI was on site on February 21, 2005 to delineate the extent of NGL-impacted soil. Pipeline replacement activities impared identification of the exact point of release. Using the location and area of the overspray and excavation of a trench parallel to the pipeline, the origin of the release was estimated and delineation of subsurface contamination commenced (reference *Figure 4*). During the excavation of the trench, samples were collected with a portion of the sample being placed in a laboratory provided container and the remainder placed in a self sealing polyethylene bag. The samples placed in laboratory provided containers were immediately placed on ice for potential transport to Environmental Lab of Texas in Odessa, Texas, for quantification of benzene, toluene, ethylbenzene and total xylenes (BTEX), gasoline range organics (GRO), diesel range organics (DRO) and chloride.

The portion of the samples placed in the self-sealing polyethylene bag were placed in a heated environment (i.e., cab of a truck) to allow the volatilization of organic vapors. After the samples had been allowed to equilibrate to ≈70° F, they were analyzed for the presence of organic vapors utilizing a MiniRae® photoionozation detector (PID) equipped with a 9.8 electron-volt (eV) lamp. PID readings were used to delineate subsurface contamination levels along the trench.

The trench was excavated to depths of 5 to 10 feet below ground surface (bgs) and samples were collected at various depths. Field analyses of the samples collected during excavation activities indicated the presence of organic vapors at concentrations ranging from 6.1 parts per million (ppm) at 5 feet bgs approximately 80 feet from the point of release (POR) to 464 ppm at 5 feet bgs approximately 50 feet from the POR (reference *Table 1*).

On April 15, 2005, soil samples were collected from the test trench at locations LD-A and LD-B at 5-feet bgs which had previously exhibited the highest PID readings. The samples were placed in laboratory provided containers and submitted for quantification of TPH and BTEX constituents and chloride concentrations. Table 1 and Figure 4 summarize the PID readings, the results of the laboratory analyses and the sample locations.

During excavation activities, the lithology was defined as sand to a depth of at least 10 feet bgs.

Analytical Data

Analytical results for the samples collected during delineation activities indicated soil impacted above the NMOCD remedial threshold does not extend past a depth of 5-feet bgs. (reference *Table 1*).
Chloride concentrations for the samples obtained during delineation were reported ranging from 24.4 mg/Kg to 65.8 mg/Kg. The reported concentrations are below the New Mexico Water Quality Control Commission's (NMWQCC) chloride standards for groundwater of 250 mg/L for all samples (reference *Table 2*).

Conclusions

Based on field and laboratory analyses, soil impacted above the NMOCD remedial thresholds extends to a maximum depth of 5-feet bgs (reference *Table 2*). The release area is approximately 5,650 square feet in size. The volume of soil that is required to be treated is unknown; however, if the entire release area was excavated to a depth of 5-feet bgs, the volume of soil excavated would be approximately 1,050 cubic yards (*in situ*). Due to the fact that impacts above the NMOCD remedial thresholds are not expected to extend to a depth of 5 feet across the entire area, the volume of impacted soil is actually less than 1,050 cubic yards.

Chloride concentrations were reported below the NMWQCC standards for groundwater in all samples collected during delineation. Due to the fact that reported chloride levels were below the NMWQCC chloride standards for groundwater, groundwater would not be impacted by chloride.

Recommendations

Based on field and analytical results, it is recommended that soil impacted above the NMOCD remedial limits be excavated. The final lateral and vertical extents will be determined via field analyses of soil samples collected during excavation activities. Upon completion of excavation activities, the excavation basin will be sampled (i.e., grab samples collected from the sidewalls and floor) and the samples submitted to an independent laboratory for quantification of TPH, BTEX and chlorides. ADD Sulfide

The excavated soil impacted above the NMOCD remedial thresholds will be treated via blending impacted soil with clean soil obtained from along the right-of-way until NMOCD remedial goals are achieved. Samples will be collected from the blended soil and analyzed in the field to ascertain when NMOCD guidelines had been achieved. At that point, soil samples will be collected from the blended soil and submitted to an independent laboratory to verify field analyzes. Upon receipt of analytical results verifying the blending of the soil to NMOCD remedial guidelines or below, the excavation will be backfilled, contoured to allow natural drainage and seeded with a seed blend approved by the BLM.

Should you have any questions or concerns, please feel free to contact me at (505) 394-3481 or via e-mail at iolness@envplus.net. Upon your approval, EPI will initiate the next phase of the remediation. All official correspondence should be submitted to Ronnie Gilchrest at:

Ronnie Gilchrest
Duke Energy Field Services
1625 West Marland
Hobbs, NM 88240

(505) 391-5705
rgilchrest@duke-energy.com

Sincerely,

ENVIRONMENTAL PLUS, INC.

Iain A. Olness, P.G.
Hydrogeologist

cc: Ronnie Gilchrest, DEFS – Hobbs, NM (rgilchrest@duke-energy.com)
Mark Owens, DEFS – Hobbs, NM (mrowens@duke-energy.com)
Lynn Ward, DEFS – Midland, TX (lcward@Duke-Energy.com)
Steve Weathers, DEFS – Denver, CO (SWWeathers@Duke-Energy.com)
File

encl. Figure 1 – Area Map
Figure 2 – Site Location Map
Figure 3 – Site Map
Figure 4 – Delineation Sampling Map
Table 1 – Summary of Soil Field Analyses and Laboratory Analytical Results
Table 2 – Well Information Report
Attachment I – Laboratory Results and Chain-of-Custody Form
Attachment II – Informational Copy of Initial C-141

FIGURES

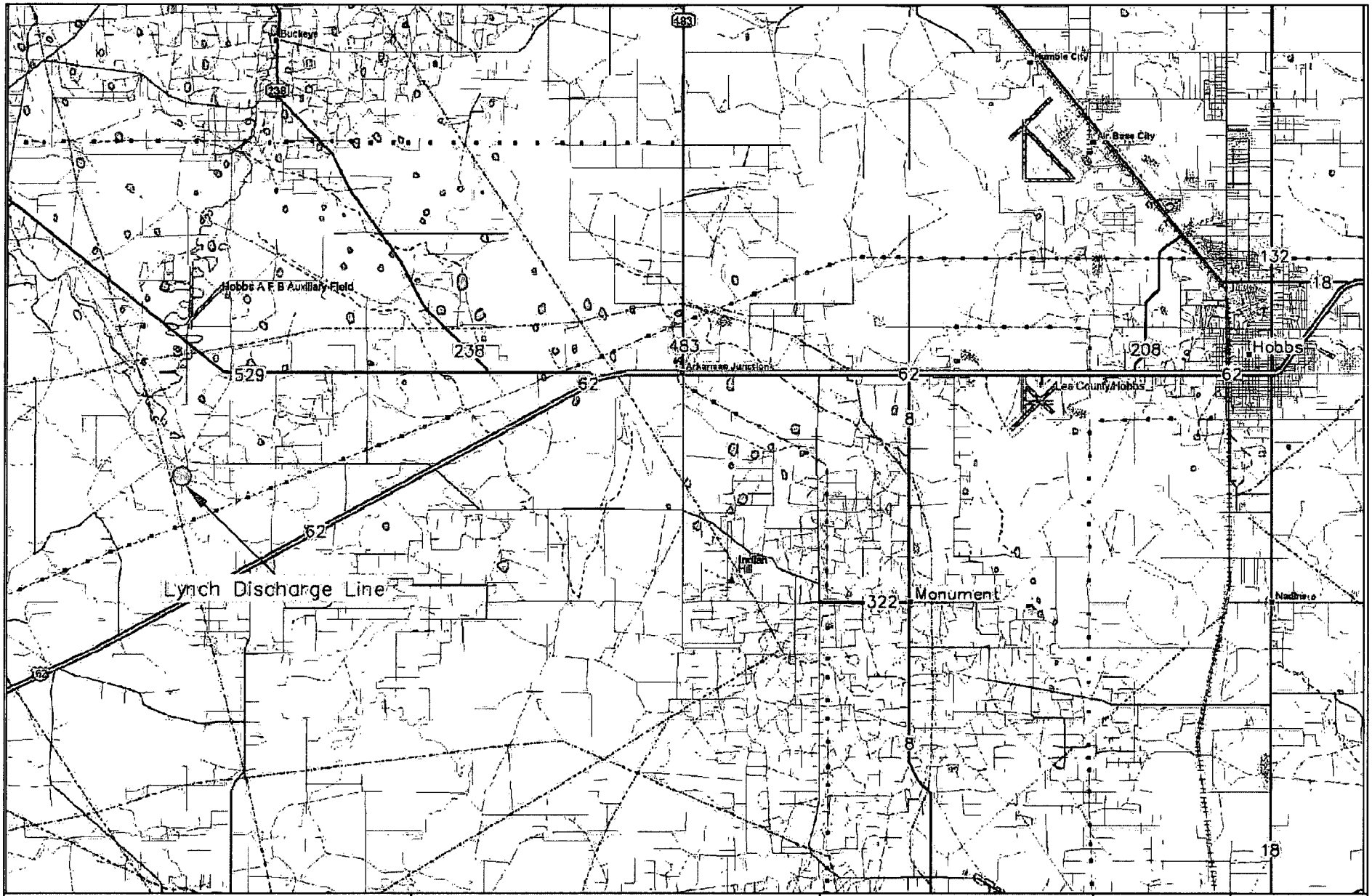

Figure 1 Area Map Duke Energy Field Services Lynch Discharge Line	Lea County, New Mexico SE 1/4 of the NE 1/4, Sec. 15, T19S, R34E N 32° 39' 49.9" W 103° 32' 28.8" Elevation: 3,895 feet amsl	DWG By: Iain Olness March 2005 0 2.0 4.0 Miles	REVISED: SHEET 1 of 1

N

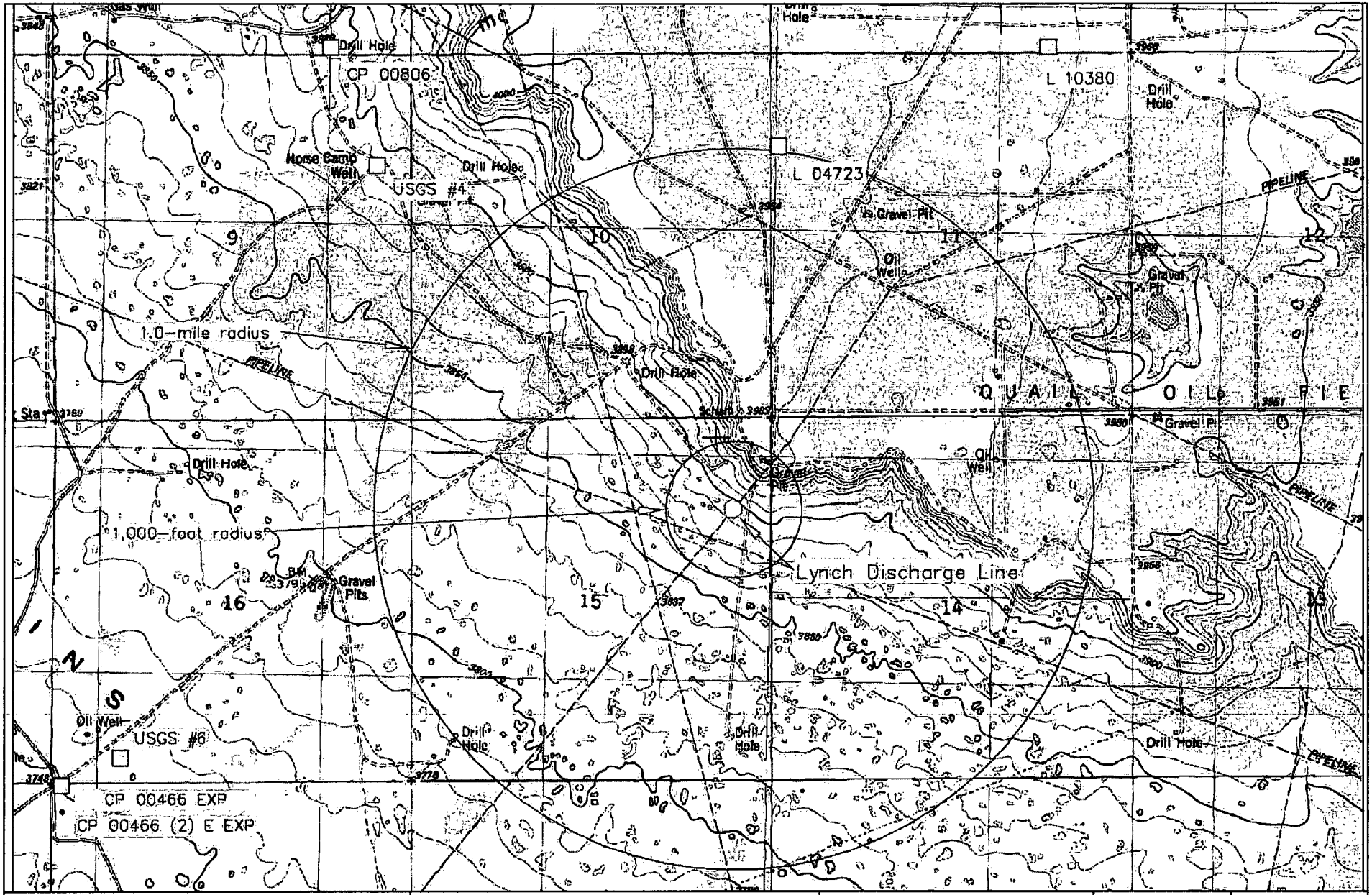

Figure 2 Site Location Map Duke Energy Field Services Lynch Discharge Line	Lea County, New Mexico SE 1/4 of the NE 1/4, Sec. 15, T19S, R34E N 32° 39' 49.9" W 103° 32' 28.8" Elevation: 3,895 feet amsl	DWG By: Iain Olness March 2005 0 2,000 4,000 Feet	REVISED: SHEET 1 of 1

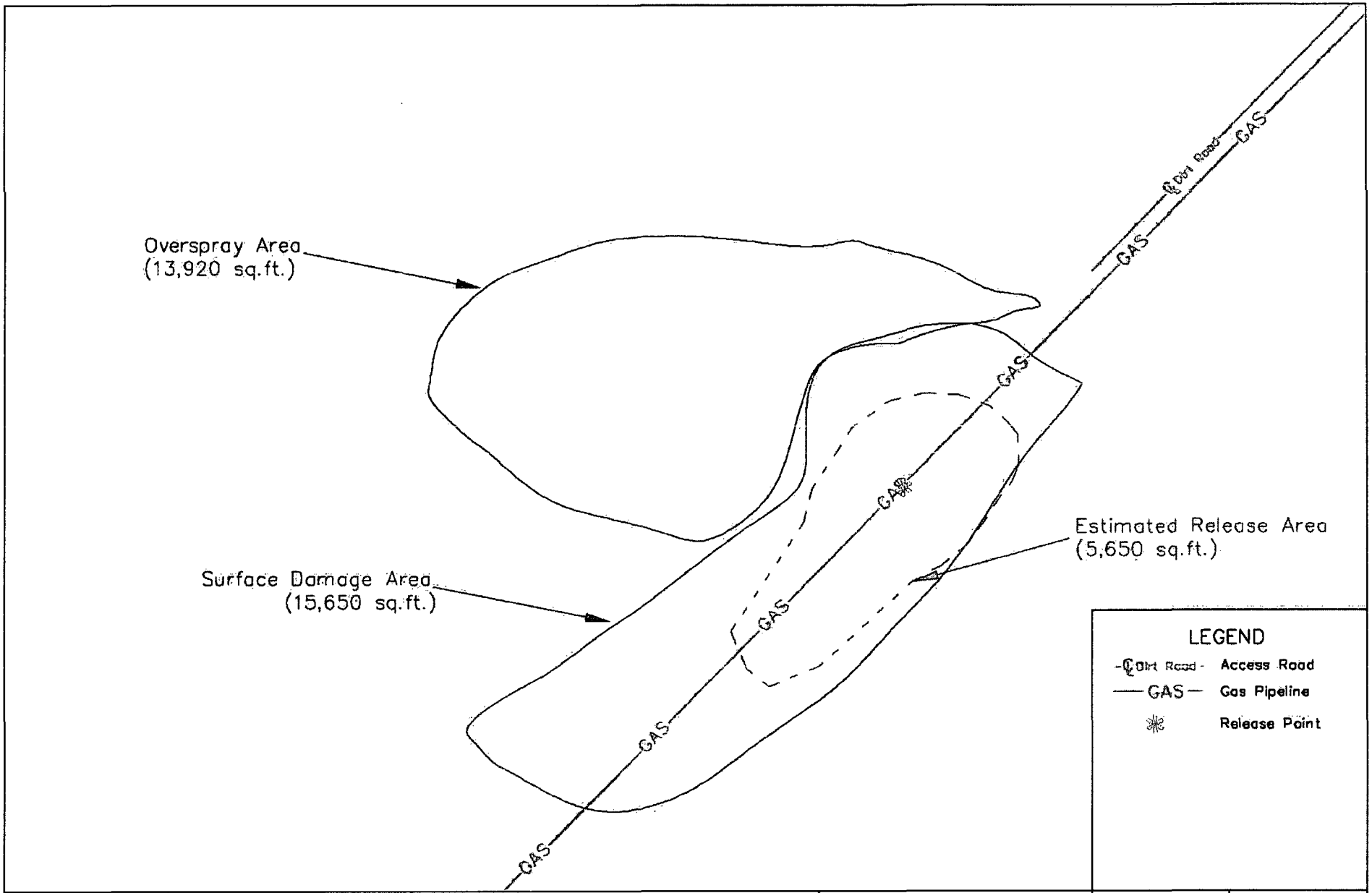

Figure 3 Site Map Duke Energy Field Services Lynch Discharge Line	Lea County, New Mexico SE 1/4 of the NE 1/4, Sec. 15, T19S, R34E N 32° 39' 49.9" W 103° 32' 28.8" Elevation: 3,895 feet amsl	Drawing By: IAO March 2005 0 50 100 Feet	REVISED: SHEET 1 of 1	N

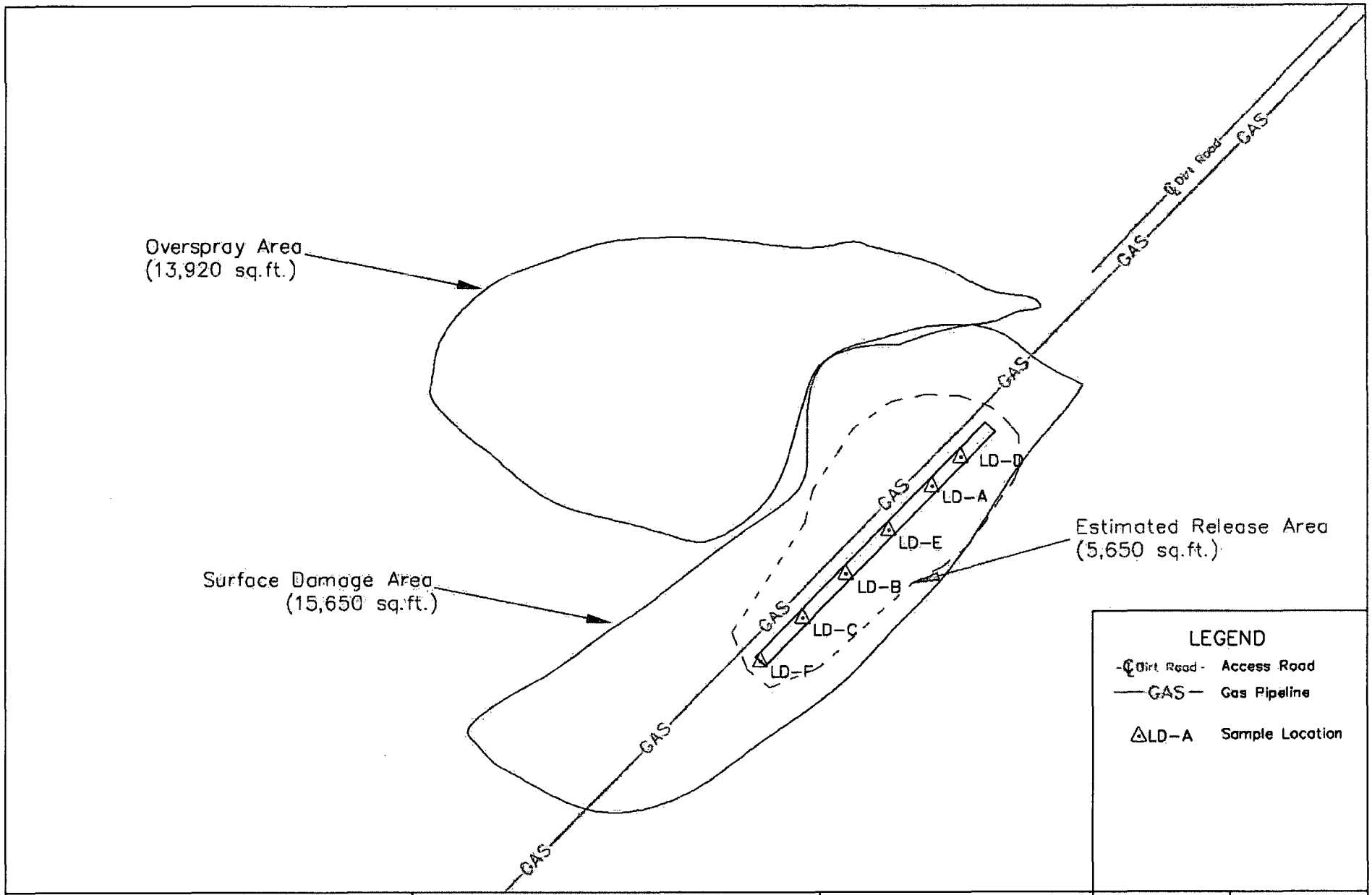

Figure 4 Delineation Sampling Map Duke Energy Field Services Lynch Discharge Line	Lea County, New Mexico SE 1/4 of the NE 1/4, Sec. 15, T19S, R34E N 32° 39' 49.9" W 103° 32' 28.8" Elevation: 3,895 feet amsl	Drawing By: IAO March 2005 0 50 100 Feet	REVISED: SHEET 1 of 1	N

TABLES

TABLE 1

Summary of Soil Field Analyses and Laboratory Analytical Results

DEFS Lynch Discharge Line (Ref. #130016)

Soil Boring	Depth (feet)	Sample Date	PID Reading (ppm)	Field Chloride (mg/Kg)	Benzene (mg/Kg)	Toluene (mg/Kg)	Ethylbenzene (mg/Kg)	Total Xylenes (mg/Kg)	Total BTEX (mg/Kg)	TPH (as gasoline) (mg/Kg)	TPH (as diesel) (mg/Kg)	Total TPH (mg/Kg)	Chloride (mg/Kg)
LD-A	5	21-Feb-05	423	--	--	--	--	--	--	--	--	--	--
	5	15-Apr-05	12.5	--	<0.005	<0.005	<0.005	<0.015	<0.030	<10.0	<10.0	<20.0	48
	7	21-Feb-05	160	--	--	--	--	--	--	--	--	--	--
	10	21-Feb-05	122	--	<0.0250	0.0742	0.0690	0.262	0.405	<10.0	<10.0	<10.0	30.5
LD-B	5	21-Feb-05	464	--	--	--	--	--	--	--	--	--	--
	5	15-Apr-05	273	--	<0.005	<0.005	<0.005	<0.015	<0.030	<10.0	<10.0	<20.0	64
	10	21-Feb-05	114	--	<0.0250	0.0172[4]	0.017	0.0603	0.077	<10.0	<10.0	<10.0	65.8
LD-C	5	21-Feb-05	151	--	<0.0250	<0.0250	<0.0250	<0.0250	<0.125	<10.0	<10.0	<10.0	24.4
LD-D	5	21-Feb-05	19.8	--	--	--	--	--	--	--	--	--	--
LD-E	5	21-Feb-05	275	--	--	--	--	--	--	--	--	--	--
	8	21-Feb-05	77.0	--	--	--	--	--	--	--	--	--	--
LD-F	5	21-Feb-05	6.1	--	--	--	--	--	--	--	--	--	--
NMOCD Remedial Thresholds			**100[3]**		**10**				**50**			**100**	**250[5]**

[1] *Bolded values are in excess of the NMOCD Remediation Thresholds*

[2] *-- = Not Analyzed*

[3] *In lieu of laboratory analyes of benzene, toluene, ethylbenzene and total xylenes.*

[4] *Detected, but below the reporting limit; therefore the result is an estimated concentration (CLP J-Flag)*

[5] *Chloride residuals may not be capable of impacting local groundwaterabove the NMWQCCstandard of 250 mg/L*

TABLE 2

WELL INFORMATION REPORT*

Duke Energy Field Services Lynch Discharge Line - Ref #130016

Well Number	Diversion[A]	Owner	Use	Source	Twsp	Rng	Sec q q q	Latitude	Longitude	Date Measured	Surface Elevation[B]	Depth to Water (ft bgs)
L 10380	0	Charles B. Gillespie, Jr.	PRO	Shallow	19 S	34 E	02 4 4 3	N 32° 40' 55.32"	W 103° 31' 34.61"	11-Mar-94	3,973	100
USGS #1					19 S	34 E	03 4 1 2			28-Feb-81	3,883	104.9
CP 00806	0	Kenneth Smith	STK	Shallow	19 S	34 E	04 4 4	N 32° 40' 54.91"	W 103° 33' 38.15"		3,886	
CP 00875	0	Matador Petroleum, Inc.	PRO		19 S	34 E	05 3 4 3	N 32° 40' 54.68"	W 103° 35' 10.86"		3,806	
USGS #2					19 S	34 E	06 3 4 1			30-Jan-96	3,776	239.06
USGS #3					19 S	34 E	09 1 1 4				3,840	
USGS #4					19 S	34 E	09 2 4 2			30-Jan-96	3,896	28.73
L 04723	3	Cactus Drilling Company	PRO	Shallow	19 S	34 E	11 1 1 1	N 32° 40' 42.06"	W 103° 32' 20.82"	24-Sep-61	3,985	123
L 04059	3	Noble Drilling Company	PRO	Shallow	19 S	34 E	12 1 4			29-Jan-59	3,960	60
USGS #5					19 S	34 E	12 2 4 4			29-May-91	3,927	74.07
CP 00466 EXP	0	Gulf Oil Corporation	PRO		19 S	34 E	16 3 1 2	N 32° 39' 10.29"	W 103° 34' 24.43"		3,748	
CP 00466 (2) E EXP	0	Penzoil United, Inc.	PRO		19 S	34 E	16 3 3 2	N 32° 39' 10.29"	W 103° 34' 24.43"		3,748	
USGS #6					19 S	34 E	16 3 3 4			7-Apr-86	3,762	231.18
CP 00680 EXP	0	C. W. Trainer	OBS		19 S	34 E	25 4 3 3	N 32° 37' 26.49"	W 103° 30' 48.18"		3,730	
CP 00863	3	C. W. Trainer	OBS	Shallow	19 S	34 E	25 4 3 3	N 32° 37' 26.49"	W 103° 30' 48.18"	20-Jul-85	3,730	28
USGS #7					19 S	34 E	31 1 3 1			14-Mar-68	3,616	53.14
USGS #8					19 S	34 E	31 1 3 2			17-Nov-65	3,620	58.60 P
USGS #9					19 S	34 E	31 2 3 2			15-Dec-76	3,634	147.58 P
										28-Jan-81		147.86 P

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

[A] = in acre feet per annum

[B] = Interpolated from USGS Topographical Map
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)

ATTACHMENT I

LABORATORY RESULTS
AND
CHAIN-OF-CUSTODY FORM

ENVIRONMENTAL LAB OF

12600 West I-20 East - Odessa, Texas 79765

Analytical Report

Prepared for:

Iain Olness

Environmental Plus, Incorporated

P.O. Box 1558

Eunice, NM 88231

Project: Duke Energy- Lynch Discharge Line

Project Number: None Given

Location: NE 1/4, Sec 15, T19S, R34E

Lab Order Number: 5B23009

Report Date: 02/25/05

Environmental Plus, Incorporated	Project: Duke Energy- Lynch Discharge Line	Fax: 505-394-2601
P.O. Box 1558	Project Number: None Given	**Reported:**
Eunice NM, 88231	Project Manager: Iain Olness	02/25/05 17:35

ANALYTICAL REPORT FOR SAMPLES

Sample ID	Laboratory ID	Matrix	Date Sampled	Date Received
LD-A (10')	5B23009-01	Soil	02/21/05 09:40	02/23/05 13:35
LD-B (10')	5B23009-02	Soil	02/21/05 10:22	02/23/05 13:35
LD-C (5')	5B23009-03	Soil	02/21/05 10:40	02/23/05 13:35

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Organics by GC

Environmental Lab of Texas

Analyte	Result	Reporting Limit	Units	Dilution	Batch	Prepared	Analyzed	Method	Notes
LD-A (10') (5B23009-01) Soil									
Benzene	ND	0.0250	mg/kg dry	25	EB52408	02/23/05	02/23/05	EPA 8021B	
Toluene	**0.0742**	0.0250	"	"	"	"	"	"	
Ethylbenzene	**0.0690**	0.0250	"	"	"	"	"	"	
Xylene (p/m)	**0.211**	0.0250	"	"	"	"	"	"	
Xylene (o)	**0.0507**	0.0250	"	"	"	"	"	"	
Surrogate: a,a,a-Trifluorotoluene		*81.8 %*	*80-120*		"	"	"	"	
Surrogate: 4-Bromofluorobenzene		*94.0 %*	*80-120*		"	"	"	"	
Gasoline Range Organics C6-C12	ND	10.0	mg/kg dry	1	EB52307	02/23/05	02/24/05	EPA 8015M	
Diesel Range Organics >C12-C35	ND	10.0	"	"	"	"	"	"	
Total Hydrocarbon C6-C35	ND	10.0	"	"	"	"	"	"	
Surrogate: 1-Chlorooctane		*79.8 %*	*70-130*		"	"	"	"	
Surrogate: 1-Chlorooctadecane		*79.0 %*	*70-130*		"	"	"	"	
LD-B (10') (5B23009-02) Soil									
Benzene	ND	0.0250	mg/kg dry	25	EB52408	02/23/05	02/23/05	EPA 8021B	
Toluene	**J [0.0172]**	0.0250	"	"	"	"	"	"	J
Ethylbenzene	**J [0.0165]**	0.0250	"	"	"	"	"	"	J
Xylene (p/m)	**0.0603**	0.0250	"	"	"	"	"	"	
Xylene (o)	**J [0.0192]**	0.0250	"	"	"	"	"	"	J
Surrogate: a,a,a-Trifluorotoluene		*82.5 %*	*80-120*		"	"	"	"	
Surrogate: 4-Bromofluorobenzene		*89.6 %*	*80-120*		"	"	"	"	
Gasoline Range Organics C6-C12	ND	10.0	mg/kg dry	1	EB52307	02/23/05	02/24/05	EPA 8015M	
Diesel Range Organics >C12-C35	ND	10.0	"	"	"	"	"	"	
Total Hydrocarbon C6-C35	ND	10.0	"	"	"	"	"	"	
Surrogate: 1-Chlorooctane		*89.8 %*	*70-130*		"	"	"	"	
Surrogate: 1-Chlorooctadecane		*85.0 %*	*70-130*		"	"	"	"	
LD-C (5') (5B23009-03) Soil									
Benzene	ND	0.0250	mg/kg dry	25	EB52408	02/23/05	02/24/05	EPA 8021B	
Toluene	ND	0.0250	"	"	"	"	"	"	
Ethylbenzene	ND	0.0250	"	"	"	"	"	"	
Xylene (p/m)	ND	0.0250	"	"	"	"	"	"	
Xylene (o)	ND	0.0250	"	"	"	"	"	"	
Surrogate: a,a,a-Trifluorotoluene		*86.7 %*	*80-120*		"	"	"	"	
Surrogate: 4-Bromofluorobenzene		*88.4 %*	*80-120*		"	"	"	"	
Gasoline Range Organics C6-C12	ND	10.0	mg/kg dry	1	EB52307	02/23/05	02/24/05	EPA 8015M	
Diesel Range Organics >C12-C35	ND	10.0	"	"	"	"	"	"	
Total Hydrocarbon C6-C35	ND	10.0	"	"	"	"	"	"	

Environmental Plus, Incorporated	Project: Duke Energy- Lynch Discharge Line	Fax: 505-394-2601
P.O. Box 1558	Project Number: None Given	**Reported:**
Eunice NM, 88231	Project Manager: Iain Olness	02/25/05 17:35

Organics by GC

Environmental Lab of Texas

Analyte	Result	Reporting Limit	Units	Dilution	Batch	Prepared	Analyzed	Method	Notes
LD-C (5') (5B23009-03) Soil									
Surrogate: 1-Chlorooctane		*93.8 %*	*70-130*		*EB52307*	*02/23/05*	*02/24/05*	*EPA 8015M*	
Surrogate: 1-Chlorooctadecane		*82.2 %*	*70-130*		*"*	*"*	*"*	*"*	

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Environmental Plus, Incorporated	Project: Duke Energy- Lynch Discharge Line	Fax: 505-394-2601
P.O. Box 1558	Project Number: None Given	**Reported:**
Eunice NM, 88231	Project Manager: Iain Olness	02/25/05 17:35

General Chemistry Parameters by EPA / Standard Methods

Environmental Lab of Texas

Analyte	Result	Reporting Limit	Units	Dilution	Batch	Prepared	Analyzed	Method	Notes
LD-A (10') (5B23009-01) Soil									
Chloride	**30.5**	5.00	mg/kg	10	EB52503	02/24/05	02/24/05	EPA 300.0	
% Moisture	**1.6**	0.1	%	1	EB52401	02/23/05	02/24/05	% calculation	
LD-B (10') (5B23009-02) Soil									
Chloride	**65.8**	5.00	mg/kg	10	EB52503	02/24/05	02/24/05	EPA 300.0	
% Moisture	**2.0**	0.1	%	1	EB52401	02/23/05	02/24/05	% calculation	
LD-C (5') (5B23009-03) Soil									
Chloride	**24.4**	5.00	mg/kg	10	EB52503	02/24/05	02/24/05	EPA 300.0	
% Moisture	**8.7**	0.1	%	1	EB52401	02/23/05	02/24/05	% calculation	

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Organics by GC - Quality Control

Environmental Lab of Texas

Analyte	Result	Reporting Limit	Units	Spike Level	Source Result	%REC	%REC Limits	RPD	RPD Limit	Notes
Batch EB52307 - Solvent Extraction (GC)										
Blank (EB52307-BLK1)				Prepared: 02/23/05 Analyzed: 02/24/05						
Gasoline Range Organics C6-C12	ND	10.0	mg/kg wet							
Diesel Range Organics >C12-C35	ND	10.0	"							
Total Hydrocarbon C6-C35	ND	10.0	"							
Surrogate: 1-Chlorooctane	*44.9*		*mg/kg*	*50.0*		*89.8*	*70-130*			
Surrogate: 1-Chlorooctadecane	*41.1*		*"*	*50.0*		*82.2*	*70-130*			
LCS (EB52307-BS1)				Prepared: 02/23/05 Analyzed: 02/24/05						
Gasoline Range Organics C6-C12	453	10.0	mg/kg wet	500		90.6	75-125			
Diesel Range Organics >C12-C35	460	10.0	"	500		92.0	75-125			
Total Hydrocarbon C6-C35	913	10.0	"	1000		91.3	75-125			
Surrogate: 1-Chlorooctane	*46.7*		*mg/kg*	*50.0*		*93.4*	*70-130*			
Surrogate: 1-Chlorooctadecane	*36.7*		*"*	*50.0*		*73.4*	*70-130*			
Calibration Check (EB52307-CCV1)				Prepared: 02/23/05 Analyzed: 02/24/05						
Gasoline Range Organics C6-C12	509		mg/kg	500		102	80-120			
Diesel Range Organics >C12-C35	565		"	500		113	80-120			
Total Hydrocarbon C6-C35	1070		"	1000		107	80-120			
Surrogate: 1-Chlorooctane	*48.6*		*"*	*50.0*		*97.2*	*70-130*			
Surrogate: 1-Chlorooctadecane	*47.8*		*"*	*50.0*		*95.6*	*70-130*			
Matrix Spike (EB52307-MS1)	**Source: 5B23007-03**			Prepared: 02/23/05 Analyzed: 02/24/05						
Gasoline Range Organics C6-C12	530	10.0	mg/kg dry	602	ND	88.0	75-125			
Diesel Range Organics >C12-C35	579	10.0	"	602	ND	96.2	75-125			
Total Hydrocarbon C6-C35	1110	10.0	"	1200	ND	92.5	75-125			
Surrogate: 1-Chlorooctane	*37.3*		*mg/kg*	*50.0*		*74.6*	*70-130*			
Surrogate: 1-Chlorooctadecane	*39.3*		*"*	*50.0*		*78.6*	*70-130*			
Matrix Spike Dup (EB52307-MSD1)	**Source: 5B23007-03**			Prepared: 02/23/05 Analyzed: 02/24/05						
Gasoline Range Organics C6-C12	516	10.0	mg/kg dry	602	ND	85.7	75-125	2.68	20	
Diesel Range Organics >C12-C35	600	10.0	"	602	ND	99.7	75-125	3.56	20	
Total Hydrocarbon C6-C35	1120	10.0	"	1200	ND	93.3	75-125	0.897	20	
Surrogate: 1-Chlorooctane	*41.4*		*mg/kg*	*50.0*		*82.8*	*70-130*			
Surrogate: 1-Chlorooctadecane	*38.0*		*"*	*50.0*		*76.0*	*70-130*			

Organics by GC - Quality Control

Environmental Lab of Texas

Analyte	Result	Reporting Limit	Units	Spike Level	Source Result	%REC	%REC Limits	RPD	RPD Limit	Notes
Batch EB52408 - EPA 5030C (GC)										
Blank (EB52408-BLK1)				Prepared & Analyzed: 02/23/05						
Benzene	ND	0.0250	mg/kg wet							
Toluene	ND	0.0250	"							
Ethylbenzene	ND	0.0250	"							
Xylene (p/m)	ND	0.0250	"							
Xylene (o)	ND	0.0250	"							
Surrogate: a,a,a-Trifluorotoluene	*84.0*		*ug/kg*	*100*		*84.0*	*80-120*			
Surrogate: 4-Bromofluorobenzene	*97.1*		*"*	*100*		*97.1*	*80-120*			
LCS (EB52408-BS1)				Prepared & Analyzed: 02/23/05						
Benzene	91.7		ug/kg	100		91.7	80-120			
Toluene	96.7		"	100		96.7	80-120			
Ethylbenzene	105		"	100		105	80-120			
Xylene (p/m)	237		"	200		118	80-120			
Xylene (o)	119		"	100		119	80-120			
Surrogate: a,a,a-Trifluorotoluene	*89.5*		*"*	*100*		*89.5*	*80-120*			
Surrogate: 4-Bromofluorobenzene	*104*		*"*	*100*		*104*	*80-120*			
Calibration Check (EB52408-CCV1)				Prepared: 02/23/05 Analyzed: 02/24/05						
Benzene	95.1		ug/kg	100		95.1	80-120			
Toluene	98.1		"	100		98.1	80-120			
Ethylbenzene	100		"	100		100	80-120			
Xylene (p/m)	229		"	200		114	80-120			
Xylene (o)	117		"	100		117	80-120			
Surrogate: a,a,a-Trifluorotoluene	*90.3*		*"*	*100*		*90.3*	*80-120*			
Surrogate: 4-Bromofluorobenzene	*99.0*		*"*	*100*		*99.0*	*80-120*			
Matrix Spike (EB52408-MS1)	**Source: 5B23009-03**			Prepared & Analyzed: 02/23/05						
Benzene	101		ug/kg	100	ND	101	80-120			
Toluene	104		"	100	ND	104	80-120			
Ethylbenzene	104		"	100	ND	104	80-120			
Xylene (p/m)	236		"	200	ND	118	80-120			
Xylene (o)	116		"	100	ND	116	80-120			
Surrogate: a,a,a-Trifluorotoluene	*93.7*		*"*	*100*		*93.7*	*80-120*			
Surrogate: 4-Bromofluorobenzene	*113*		*"*	*100*		*113*	*80-120*			

Organics by GC - Quality Control

Environmental Lab of Texas

Analyte	Result	Reporting Limit	Units	Spike Level	Source Result	%REC	%REC Limits	RPD	RPD Limit	Notes
Batch EB52408 - EPA 5030C (GC)										
Matrix Spike Dup (EB52408-MSD1)	**Source: 5B23009-03**			Prepared & Analyzed: 02/23/05						
Benzene	90.4		ug/kg	100	ND	90.4	80-120	11.1	20	
Toluene	94.5		"	100	ND	94.5	80-120	9.57	20	
Ethylbenzene	102		"	100	ND	102	80-120	1.94	20	
Xylene (p/m)	235		"	200	ND	118	80-120	0.00	20	
Xylene (o)	117		"	100	ND	117	80-120	0.858	20	
Surrogate: a,a,a-Trifluorotoluene	*82.4*		"	*100*		*82.4*	*80-120*			
Surrogate: 4-Bromofluorobenzene	*114*		"	*100*		*114*	*80-120*			

12600 West I-20 East - Odessa, Texas 79705 - (432) 563-1800 - Fax (432) 563-1713

General Chemistry Parameters by EPA / Standard Methods - Quality Control

Environmental Lab of Texas

Analyte	Result	Reporting Limit	Units	Spike Level	Source Result	%REC	%REC Limits	RPD	RPD Limit	Notes
Batch EB52401 - General Preparation (Prep)										
Blank (EB52401-BLK1)				Prepared: 02/23/05 Analyzed: 02/24/05						
% Moisture	ND	0.1	%							
Duplicate (EB52401-DUP1)	**Source: 5B23001-01**			Prepared: 02/23/05 Analyzed: 02/24/05						
% Moisture	1.0	0.1	%		1.0			0.00	20	
Batch EB52503 - Water Extraction										
Blank (EB52503-BLK1)				Prepared & Analyzed: 02/24/05						
Chloride	ND	0.500	mg/kg							
Blank (EB52503-BLK2)				Prepared & Analyzed: 02/24/05						
Chloride	ND	0.500	mg/kg							
LCS (EB52503-BS1)				Prepared & Analyzed: 02/24/05						
Chloride	10.3		mg/L	10.0		103	80-120			
LCS (EB52503-BS2)				Prepared & Analyzed: 02/24/05						
Chloride	10.4		mg/L	10.0		104	80-120			
Calibration Check (EB52503-CCV1)				Prepared & Analyzed: 02/24/05						
Chloride	10.4		mg/L	10.0		104	80-120			
Calibration Check (EB52503-CCV2)				Prepared & Analyzed: 02/24/05						
Chloride	10.4		mg/L	10.0		104	80-120			
Duplicate (EB52503-DUP1)	**Source: 5B22006-01**			Prepared & Analyzed: 02/24/05						
Chloride	35.3	5.00	mg/kg		42.2			17.8	20	

General Chemistry Parameters by EPA / Standard Methods - Quality Control

Environmental Lab of Texas

Analyte	Result	Reporting Limit	Units	Spike Level	Source Result	%REC	%REC Limits	RPD	RPD Limit	Notes
Batch EB52503 - Water Extraction										
Duplicate (EB52503-DUP2)		**Source: 5B24002-02**		Prepared & Analyzed: 02/24/05						
Chloride	17.2	5.00	mg/kg		17.1			0.583	20	

Notes and Definitions

J	Detected but below the Reporting Limit; therefore, result is an estimated concentration (CLP J-Flag).
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: Raland K Tuttle Date: 2/25/2005

Raland K. Tuttle, Lab Manager
Celey D. Keene, Lab Director, Org. Tech Director
Peggy Allen, QA Officer
Jeanne Mc Murrey, Inorg. Tech Director
James L. Hawkins, Chemist/Geologist
Sandra Sanchez, Lab Tech.

Environmental Lab of Texas, Inc.

Chain of Custody Form

12600 West I-20 East, Odessa Texas 79763
432-563-1800 FAX: 432-563-1713

Company Name:	Environmental Plus, Inc.
EPI Project Manager:	Iain Olness
Mailing Address:	P.O. BOX 1558
City, State, Zip:	Eunice New Mexico 88231
EPI Phone#/Fax#:	505-394-3481 / 505-394-2601
Client Company:	Duke Energy Field Services
Facility Name:	Lynch Discharge Line (Ref.
Project Location:	NE ¼, Sec 15, T19S, R34E
EPI Sampler Name:	Felix Hernandez

Bill To

Attn: Iain Olness
PO Box 1558,
Eunice, NM 88231

LAB I.D.	SAMPLE I.D.	(G)RAB OR (C)OMP.	# CONTAINERS	MATRIX: GROUND WATER	MATRIX: WASTEWATER	MATRIX: SOIL	MATRIX: CRUDE OIL	MATRIX: SLUDGE	MATRIX: OTHER:	PRESERV.: ACID/BASE	PRESERV.: ICE/COOL	PRESERV.: OTHER	SAMPLING: DATE	SAMPLING: TIME	ANALYSIS REQUEST: BTEX 8021B	TPH 8015M	CHLORIDES (Cl)	SULFATES (SO_4^{-2})	pH	TCLP	OTHER >>	PAH
52B2309																						
-01 1	LD-A (10')	G	1			X				X	X		21-Feb	9:40	X	X	X					
-02 2	LD-B (10')	G	1			X				X	X		21-Feb	10:22	X	X	X					
-03 3	LD-C (5')	G	1			X				X	X		21-Feb	10:40	X	X	X					
4																						
5																						
6																						
7																						
8																						
9																						
10																						

Sampler Relinquished: Felix Hernandez Date 2-22-05 Time 1040 Received By: Iain Olness

Relinquished by: Iain Olness Date 2/23/05 Time 1035 Received By: Felix Hernandez

Delivered by: Felix Hernandez 2-23-05 1325 Sample Cool & Intact: Yes / No Checked By:

Rec 3.5°C

E-mail results to: iolness@hotmail.com

REMARKS: 3.5°C

4oz jar

Environmental Lab of Texas
Variance / Corrective Action Report – Sample Log-In

Client: Environ. Plus, Inc.

Date/Time: 2/23/05 1:37

Order #: SB22009

Initials: CK

Sample Receipt Checklist

Temperature of container/cooler?	Yes	No	3.5 C
Shipping container/cooler in good condition?	Yes	No	
Custody Seals intact on shipping container/cooler?	Yes	No	Not present
Custody Seals intact on sample bottles?	Yes	No	Not present
Chain of custody present?	Yes	No	
Sample Instructions complete on Chain of Custody?	Yes	No	
Chain of Custody signed when relinquished and received?	Yes	No	
Chain of custody agrees with sample label(s)	Yes	No	
Container labels legible and intact?	Yes	No	
Sample Matrix and properties same as on chain of custody?	Yes	No	
Samples in proper container/bottle?	Yes	No	
Samples properly preserved?	Yes	No	
Sample bottles intact?	Yes	No	
Preservations documented on Chain of Custody?	Yes	No	
Containers documented on Chain of Custody?	Yes	No	
Sufficient sample amount for indicated test?	Yes	No	
All samples received within sufficient hold time?	Yes	No	
VOC samples have zero headspace?	Yes	No	Not Applicable

Other observations:

_____

_____

_____

Variance Documentation:

Contact Person: - _____ Date/Time: _____ Contacted by: _____

Regarding:

_____

_____

_____

Corrective Action Taken:

_____

_____

_____

_____

_____

_____

_____

_____

CARDINAL LABORATORIES

PHONE (325) 673-7001 · 2111 BEECHWOOD · ABILENE, TX 79603
PHONE (505) 393-2326 · 101 E. MARLAND · HOBBS, NM 88240

ANALYTICAL RESULTS FOR
ENVIRONMENTAL PLUS, INC.
ATTN: IAIN OLNESS
P.O. BOX 1558
EUNICE, NM 88231
FAX TO: (505) 394-2601

Receiving Date: 04/15/05
Reporting Date: 04/20/05
Project Owner: DUKE ENERGY FIELD SERVICES
Project Name: LYNCH DISCHARGE LINE
Project Location: NE 1/4, SEC 15, T19S, R34E

Sampling Date: 04/15/05
Sample Type: SOIL
Sample Condition: COOL & INTACT
Sample Received By: AH
Analyzed By: BC/AH

LAB NUMBER	SAMPLE ID	GRO (C_6-C_{10}) (mg/Kg)	DRO (>C_{10}-C_{28}) (mg/Kg)	Cl* (mg/Kg)
ANALYSIS DATE		04/18/05	04/18/05	04/19/05
H9715-1	LD-A (5')	<10.0	<10.0	48
H9715-2	LD-B (5')	<10.0	<10.0	64
Quality Control		771	771	998
True Value QC		800	800	1000
% Recovery		96.3	96.4	99.8
Relative Percent Difference		6.0	4.0	0.2

METHODS: TPH GRO & DRO: EPA SW-846 8015 M; Cl^-: Std. Methods 4500-Cl^-B
*Analyses performed on 1:4 w:v aqueous extracts.

Chemist

4/20/05
Date

H9715A.XLS

CARDINAL LABORATORIES

PHONE (325) 673-7001 • 2111 BEECHWOOD • ABILENE, TX 79603
PHONE (505) 393-2326 • 101 E. MARLAND • HOBBS, NM 88240

ANALYTICAL RESULTS FOR
ENVIRONMENTAL PLUS, INC.
ATTN: IAIN OLNESS
P.O. BOX 1558
EUNICE, NM 88231
FAX TO: (505) 394-2601

Receiving Date: 04/15/05
Reporting Date: 04/21/05
Project Owner: DUKE ENERGY FIELD SERVICES
Project Name: LYNCH DISCHARGE LINE
Project Location: NE 1/4, SEC 15, T19S, R34E

Sampling Date: 04/15/05
Sample Type: SOIL
Sample Condition: COOL & INTACT
Sample Received By: AH
Analyzed By: BC

LAB NUMBER	SAMPLE ID	BENZENE (mg/Kg)	TOLUENE (mg/Kg)	ETHYL BENZENE (mg/Kg)	TOTAL XYLENES (mg/Kg)
ANALYSIS DATE		04/20/05	04/20/05	04/20/05	04/20/05
H9715-1	LD-A (5')	<0.005	<0.005	<0.005	<0.015
H9715-2	LD-B (5')	<0.005	<0.005	<0.005	<0.015
Quality Control		0.091	0.088	0.094	0.298
True Value QC		0.100	0.100	0.100	0.300
% Recovery		90.7	87.6	94.4	99.2
Relative Percent Difference		3.5	7.2	3.9	5.3

METHOD: EPA SW-846 8260

Chemist

4/21/05
Date

Cardinal Laboratories

101 East Marland, Hobbs, NM 88240
(505) 393-2326

Chain of Custody Form

H9715

Company Name:	Environmental Plus, Inc.
EPI Project Manager:	Iain Olness
Mailing Address:	P.O. BOX 1558
City, State, Zip:	Eunice New Mexico 88231
EPI Phone#/Fax#:	505-394-3481 / 505-394-2601
Client Company:	Duke Energy Field Services
Facility Name:	Lynch Discharge Line (Ref.
Project Location:	NE ¼, Sec 15, T19S, R34E
EPI Sampler Name:	Felix Hernandez

Bill To

Duke Energy Field Services

Attn: Ronnie Gilchrist
1625 West Marland,
Hobbs, NM 88240

LAB I.D.		SAMPLE I.D.	(G)RAB OR (C)OMP.	# CONTAINERS	MATRIX: GROUND WATER	WASTEWATER	SOIL	CRUDE OIL	SLUDGE	OTHER:	PRESERV.: ACID/BASE	ICE/COOL	OTHER	SAMPLING: DATE	TIME	ANALYSIS REQUEST: BTEX 8021B	TPH 8015M	CHLORIDES (Cl^-)	SULFATES ($SO_4^=$)	pH	TCLP	OTHER >>>	PAH
H9715-1	1	LD-A (5')	G	1			X				X	X		15-Apr	9:00	X	X	X					
-2	2	LD-B (5')	G	1			X				X	X		15-Apr	9:20	X	X	X					
	3																						
	4																						
	5																						
	6																						
	7																						
	8																						
	9																						
	10																						

Sampler Relinquished: Felix Hernandez	Date 4/15/05 Time	Received By:	E-mail results to: iolness@hotmail.com
Relinquished by:	Date 4/15/05 Time 10:50	Received By: (lab staff) Amy Hill	REMARKS: If TPH concentrations are > 100ppm, do not run BTEX or chlorides
Delivered by:	Sample Cool & Intact: Yes / No	Checked By:	

ATTACHMENT II

INFORMATIONAL COPY OF INITIAL C-141

call ... 0' 505/390-7307 ...

District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 South First, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources

Oil Conservation Division
2040 South Pacheco
Santa Fe, NM 87505

Form C-141
Revised March 17, 1999

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

Release Notification and Corrective Action

OPERATOR

X Initial Report Final Report

Name of Company Duke Energy Field Services, LP	Contact Lynn Ward/Ronnie Gilchrest
Address 10 Desta Dr., Suite 10, Midland, TX 79705	Telephone No. 432/620-4207
Facility Name Lynch Discharge Line/7" MM Line	Facility Type Compressor Station Discharge Line

Surface Owner Bureau of Land Management	Mineral Owner Bureau of Land Management	Lease No.☐

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
	NE/4 of 15	19S	34E					Lea County

NATURE OF RELEASE

Type of Release Pipeline Liquids	Volume of Release 8 bbls	Volume Recovered 0
Source of Release High Pressure 7" Steel Pipeline	Date and Hour of Occurrence 11/13/04 @ 9:00 am MST	Date and Hour of Discovery 11/13/04 @ 11:00 am MST
Was Immediate Notice Given? X Yes No Not Required	If YES, To Whom? Gary Wink, Hobbs District Office, OCD	
By Whom? Lynn Ward☐	Date and Hour 11/13/04 @ 11:30 am MST	
Was a Watercourse Reached? Yes X No	If YES, Volume Impacting the Watercourse. NA	

If a Watercourse was Impacted, Describe Fully.*
NA

Describe Cause of Problem and Remedial Action Taken.*☐At approximately 9:00 am on 11/13/04, the DEFS Lynch Booster shutdown automatically indicating low discharge pressure. Field Operators were dispatched to investigate. The Operators found a leak on the discharge line (7" MM Line) of the booster in the NE/4 of Section 15, T19S, R34E. The line volume is normally approximately 8 MMscfd. The volume of liquids lost is unknown but estimated at 8 bbls which caused a spray of pipeline liquids over approximately 3 acres. The line was shutin and allowed to depressurize. The gas was re-routed in order to restart the booster. DEFS was in the process of replacing the line prior to the failure and anticipates completion the first week of December. **Remediation activities/delineation has been delayed due to recent weather conditions. DEFS anticipates delineation will be conducted by a 3rd party and will provide additional information at that time.**

Describe Area Affected and Cleanup Action Taken.*
The affected line was depressurized. Gas volume was re-routed. DEFS is currently replacing the MM Line. **Cleanup activities are delayed due to recent weather conditions and reducing impact of vehicle traffic to soils. Work proposal will be provided as soon as possible.**

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: Lynn Ward	OIL CONSERVATION DIVISION	
Printed Name: Lynn Ward	Approved by District Supervisor:	
Title: Sr. Environmental Specialist	Approval Date:	Expiration Date:
Date: 11/23/04 Phone: 432/620-4207	Conditions of Approval:	Attached

* Attach Additional Sheets If Necessary

Regional Environmental: Lynch 2.1.1.1