NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON
Governor
Joanna Prukop
Cabinet Secretary

Mark E. Fesmire, P.E.
Director
Oil Conservation Division

September 28, 2006

Lynn Ward lcward@duke-energy.com
Duke Energy Field Services
10 Desta Dr. Ste 400W
Midland, TX 79705

Lovington Paddock

Re: Closure Approval: Pure Resources B-2 Line NMOCD 1-RP# 45
Site Reference UL- p, Sec-25 T-16S R-36E
Initial Notification Date: July 17, 2005
Closure Request Dated: September 21, 2006

Dear Ms Ward,

The **Final Closure Document** submitted to the New Mexico Oil Conservation Division (OCD) by Environmental Plus, Inc. for Duke Energy Field Services is **hereby approved**. According to the information provided, no further action is required at this time.

Please be advised that OCD approval does not relieve Duke Energy Field Services of responsibility should remaining contaminants pose a future threat to ground water, surface water, human health or the environment. Additionally, OCD approval does not relieve Duke Energy Field Services of responsibility for compliance with any other federal, state, or local laws and/or regulations.

If you have any questions or need assistance please feel free to call me at (505) 393-6161, x111 or email lwjohnson@state.nm.us

Sincerely,

LJohnson

Larry Johnson - Environmental Engineer

Cc: Chris Williams - District I Supervisor
Wayne Price – Environmental Bureau Chief
Pat Caperton – District 1Environmental Tech

ENVIRONMENTAL PLUS, INC.
CONSULTING AND REMEDIAL CONSTRUCTION

21 September 2006

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

RE: Duke Energy Field Services (DEFS)- Pure Resources B-2 Line – NMOCD 1RP #45; EPI Ref. #130026
UL-P (SE¼ of the SE¼) of Section 25, Township 16 South, Range 36 East
Latitude N 32° 53' 17.58" and Longitude W 103° 18' 2.04"

Dear Mr. Johnson:

On July 14, 2005, a release of approximately 25 barrels of production water occurred as a result of a cut in an unmarked Pure Resources 1 ½ inch fiberglass disposal line during a line removal. As a New Mexico One-Call had been made and this line was not marked, the New Mexico Oil Conservation Division instructed Pure Resources to file the Initial C-141 for the site (reference *Attachment III*). DEFS retained Environmental Plus, Inc. (EPI) in July 2005 to delineate the extent of impacted soil at the site. After delineation activities were completed, excavation of hydrocarbon and chloride impacted soil began. This letter report documents the results of the remediation activities, and requests the NMOCD require no further action and issue a *Site Closure Letter*.

Site Background

The site is located in the SE¼ of the SE¼ of Section 25, Township 16 South, Range 36 East at an elevation of approximately 3,830 feet above mean sea level (reference *Figures 1 and 2*). The property is owned by the City of Lovington, New Mexico. A search for area water wells utilizing the *New Mexico Office of the State Engineers* website and a database maintained by the United States Geological Survey (USGS) indicate there are 36 water supply wells located near the release site area; 13 of these wells are within a one-mile radius and one is within a 1,000-foot radius (reference *Table 1* and *Figures 1 and 2*). Depth to water for these wells is approximately 59 feet below ground surface (bgs). Utilizing this information, it was determined that the New Mexico Oil Conservation Division (NMOCD) Remedial Goals for this site were as follows:

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

***Chloride and Sulfate residuals may not be capable of impacting groundwater above NMWQCC of 250 mg/L and 650 mg/L, respectively.*

Field Work

On July 22, 2005, EPI and DEFS personnel were on site to initiate cleanup activities. After the fluids were recovered, saturated soil was excavated and placed on plastic sheets for later disposal. Excavation activities continued based on delineation results from field analyses of organic vapor and chlorides concentrations. The

P.O. BOX 1558 ••• 2100 AVENUE O ••• EUNICE, NEW MEXICO 88231
TELEPHONE 505•394•3481 ••• FAX 505•394•2601

ENVIRONMENTAL PLUS, INC.

excavation would extend from a maximum depth of 15-feet bgs on the northwest side to a minimum depth of 3-feet bgs on the northeast side. On August 10, 2005, soil samples were collected from the excavation floors and sidewalls. A portion of each sample was analyzed in the field for the presence of organic vapors utilizing a calibrated MiniRae® photoionozation detector (PID) equipped with a 10.6 electron-volt (eV) lamp. Field analyses indicated organic vapor concentrations ranged from 0.1 to 5.4 ppm. The remaining portion of each sample was submitted for laboratory quantification of BTEX constituents, TPH and chlorides. Laboratory analyses indicated TPH concentrations remained above NMOCD remedial thresholds in the northwestern (SP-3) and southwestern (SP-8) sidewall samples. Reported chloride concentrations remained elevated in the northwestern sidewall (SP-3) and central excavation (SP-2) samples (reference *Table 2* and *Figure 4*).

Excavation activities resumed on August 19, 2005 concentrating on the removal of TPH and chloride impacted soils in the northwestern and southwestern sidewalls, and center of the excavation. Soil samples were collected from the recently excavated portion of the site (reference *Figure 4*). A portion of each sample was analyzed in the field for the presence of organic vapors. Field analyses indicated organic vapor concentrations ranged from 0.0 to 0.7 ppm. The remaining portion of each sample was submitted for laboratory quantification of BTEX constituents, TPH and chlorides. Analytical results indicated that impacted soil had been removed from the excavation (reference *Table 2*).

From September 9, 2005 to August 15, 2005, approximately 1,372 cubic yards of excavated, impacted soil were transported to Sundance Services for disposal. Approximately 1,870 cubic yards of clean soil was purchased from Raymond Anderson and utilized for backfill material. Backfilling activities commenced on September 15, 2005 and continued through September 21, 2005.

Analytical Data

Analytical results for the soil samples collected on August 10, 2005 indicated benzene concentrations ranged from non-detectable at or above the laboratory method detection limit (MDL) to 0.008 mg/Kg, below the NMOCD remedial threshold of 10 mg/Kg. BTEX constituent concentrations ranged from not-detectable at or above laboratory MDL to 0.0230 mg/Kg, below the NMOCD remedial thresholds of 50 mg/Kg. TPH concentrations were not-detectable for all samples, except the northwest (SP-3) and southwest (SP-8) sidewall samples. Analytical results indicated TPH concentrations in SP-3 were 960 mg/Kg and SP-8 were 156 mg/Kg. Reported chloride concentrations ranged from 32 to 576 mg/Kg (reference *Table 2* and *Figure 4*).

Analytical results for the soil samples collected on August 19, 2005 indicated that TPH and BTEX constituent concentrations were non-detectable at or above laboratory MDL. Reported chloride concentrations ranged from 48 to 64 mg/Kg, below chloride remedial goals of 250 mg/Kg (reference *Table 2*).

Conclusions

Based on field and laboratory analytical results, soil impacted above NMOCD remedial thresholds had been successfully removed from the excavation. Additionally, final chloride concentrations were reported below the remedial goal of 250 mg/Kg in all samples collected during the excavation phase. Based on laboratory analyses indicating low chloride concentrations in the excavation sidewalls and floor, groundwater should not be impacted as a result of this release.

Recommendations

Based on field and analytical results, the excavation was backfilled with clean soil obtained from an off-site source, contoured to allow natural drainage. Excavated, contaminated soil was disposed of at a State of New Mexico approved disposal facility.

Environmental Plus, Inc., on behalf of Duke Energy Field Services, recommends this site closure be approved and request the NMOCD issue a *Site Closure Letter.* Should you have any questions or concerns, please feel free to contact me at (505) 394-3481 or via e-mail at jstegemoller@envplus.net. All official correspondence should be submitted to Lynn Ward at:

Lynn Ward
Duke Energy Field Services
10 Desta Drive, Suite 400-W
Midland, Texas 79705

(432) 620-4207
lcward@duke-energy.com

Sincerely,

ENVIRONMENTAL PLUS, INC.

Jason Stegemoller
Environmental Scientist

cc: Mark Owens, DEFS – Hobbs, NM
Lynn Ward, DEFS – Midland, TX
Steve Weathers, DEFS – Denver, CO
Pat Wise, City of Lovington – Lovington, NM
File

encl. Figure 1 – Area Map
Figure 2 – Site Location Map
Figure 3 – Initial Excavation (July 21, 2005) Site Map
Figure 4 – Excavation and Final Sample Location Map
Table 1 – Well Information Report
Table 2 – Summary of Excavation Field and Laboratory Analytical Results
Attachment I – Laboratory Results and Chain-of-Custody Form
Attachment II – Site Photographs
Attachment III – Informational Copy of Initial NMOCD C-141 Form
Attachment IV – Final NMOCD C-141 Form

FIGURES

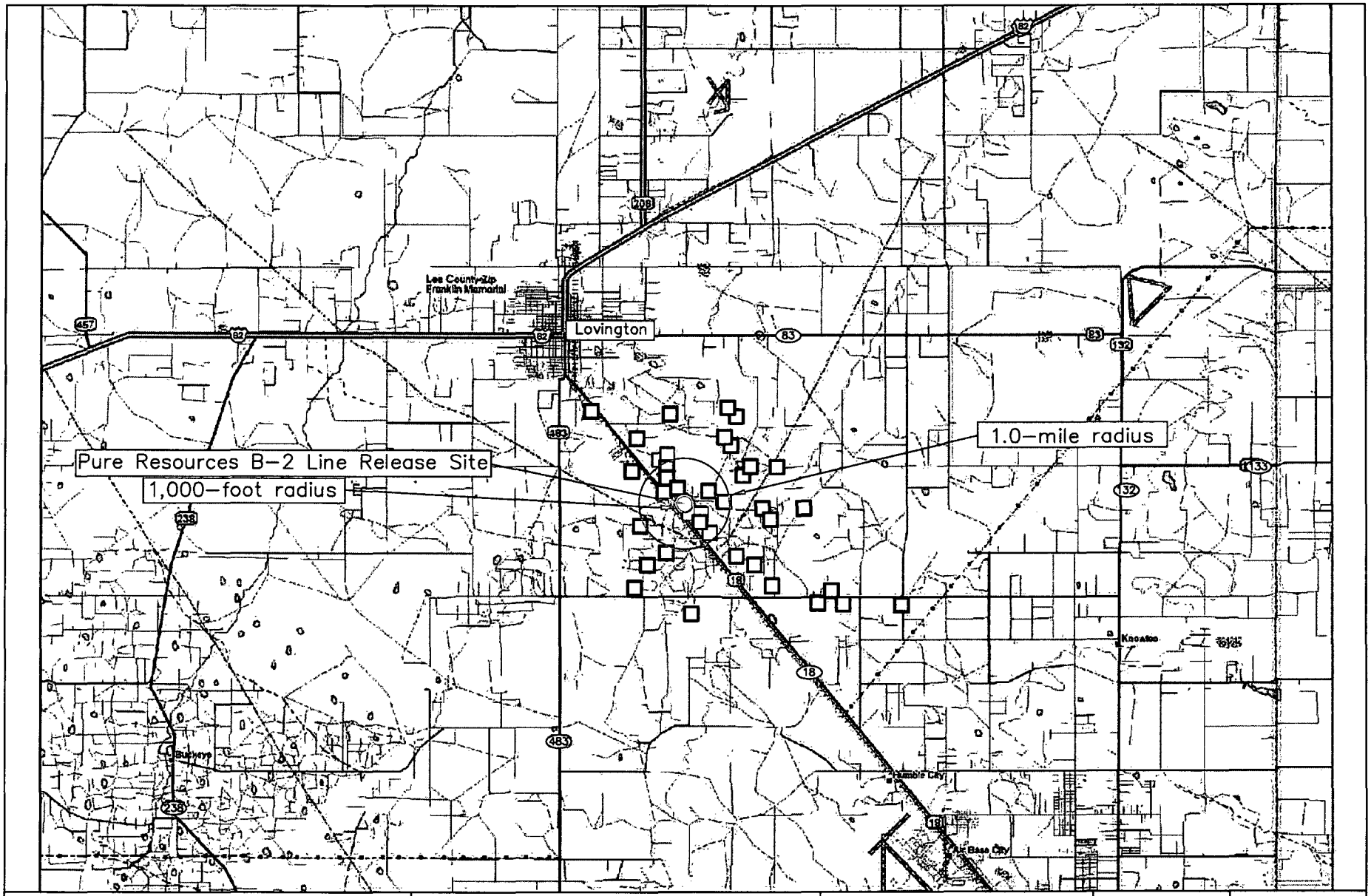


Figure 1 Area and Well Location Map Duke Energy Field Services Pure Resources B-2 Line	Lea County, New Mexico SE 1/4 of the SE 1/4, Sec. 25, T16S, R36E N 32° 53' 17.58" W 103° 18' 2.04" Elevation: 3,830 feet amsl	DWG By: Jason Stegemoller July 2005	REVISED:	N
		0 3.0 6.0 Miles	SHEET 1 of 1	

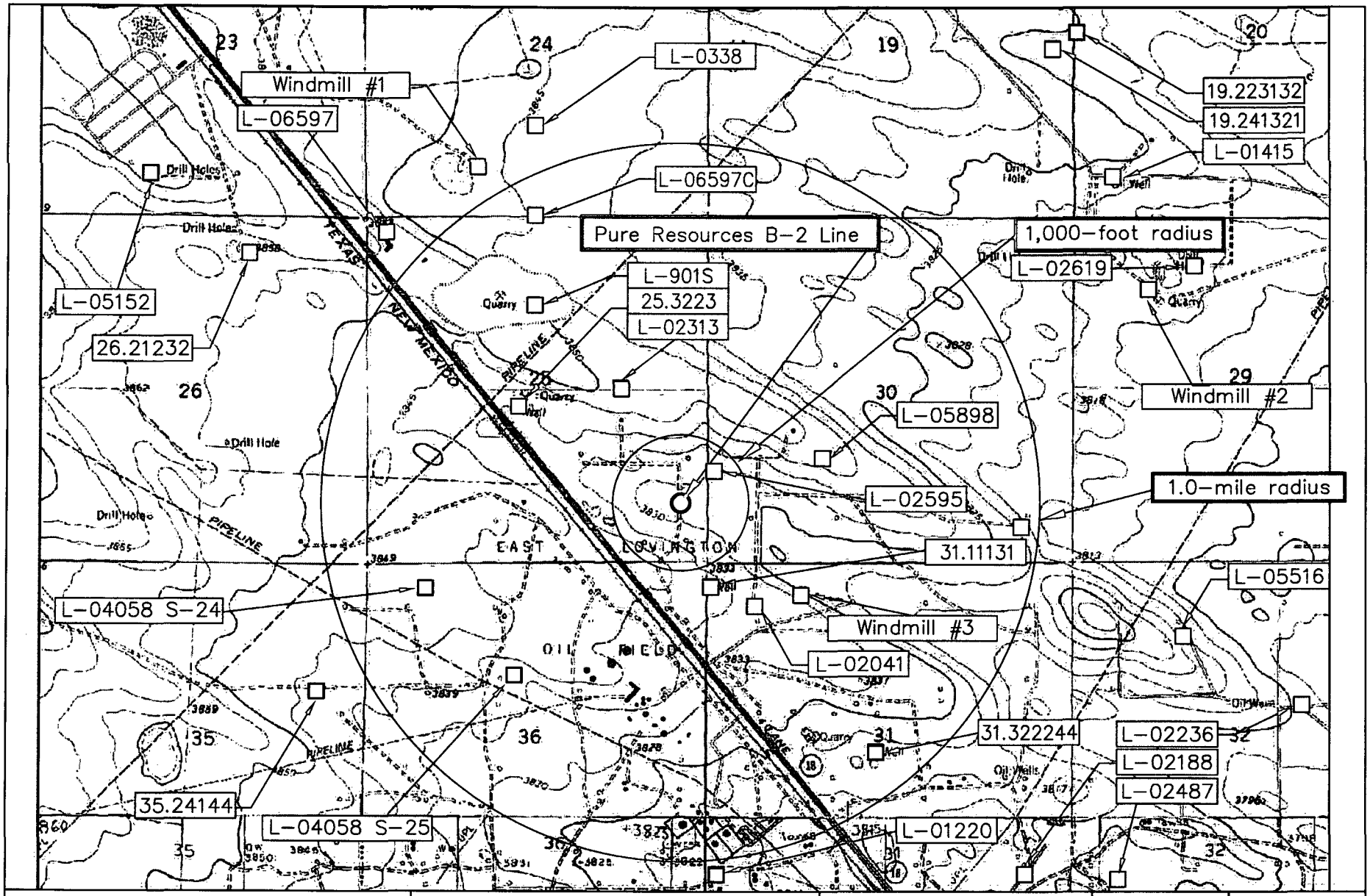


Figure 2 Site and Well Location Map Duke Energy Field Services Pure Resources B-2 Line	Lea County, New Mexico SE 1/4 of the SE 1/4, Sec. 25, T16S, R36E N 32° 53' 17.58" W 103° 18' 2.04" Elevation: 3,830 feet amsl	DWG By: Jason Stegemoller July 2005	REVISED:	N
		0 2,000 4,000 Feet	SHEET 1 of 1	

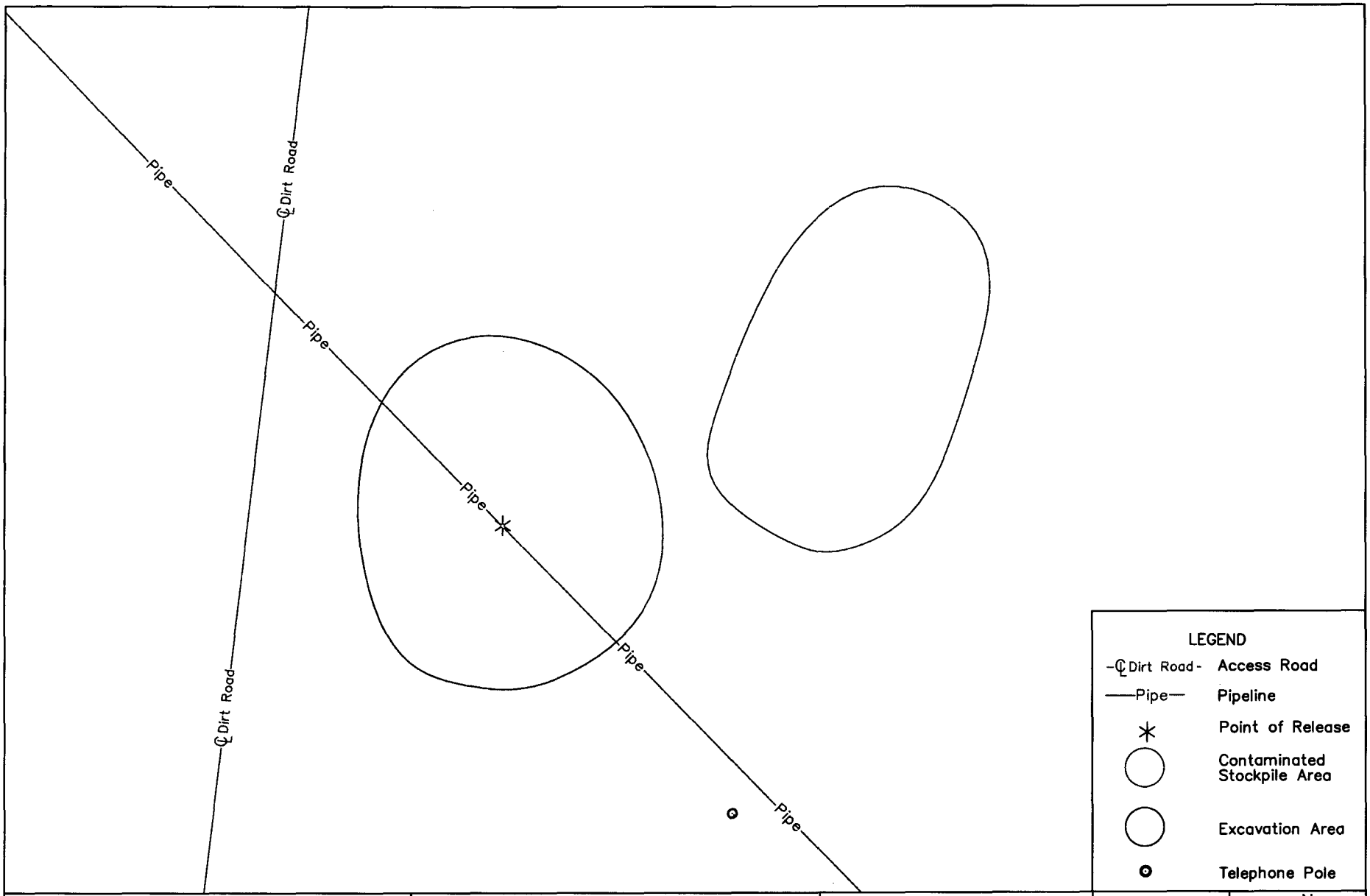


Figure 3
Initial Excavation (July 21, 2005) and Site Map
DEFS
Pure Resources B-2 Line

Lea County, New Mexico
SE 1/4 of the SE 1/4, Sec. 25, T16S, R36E
N 32 53' 17.58" W 104° 18' 2.04"
Elevation: 3,830 feet amsl

DWG By: Jason Stegemoller
September 2005

REVISED:

0 20 40
Feet

SHEET
1 of 1

N

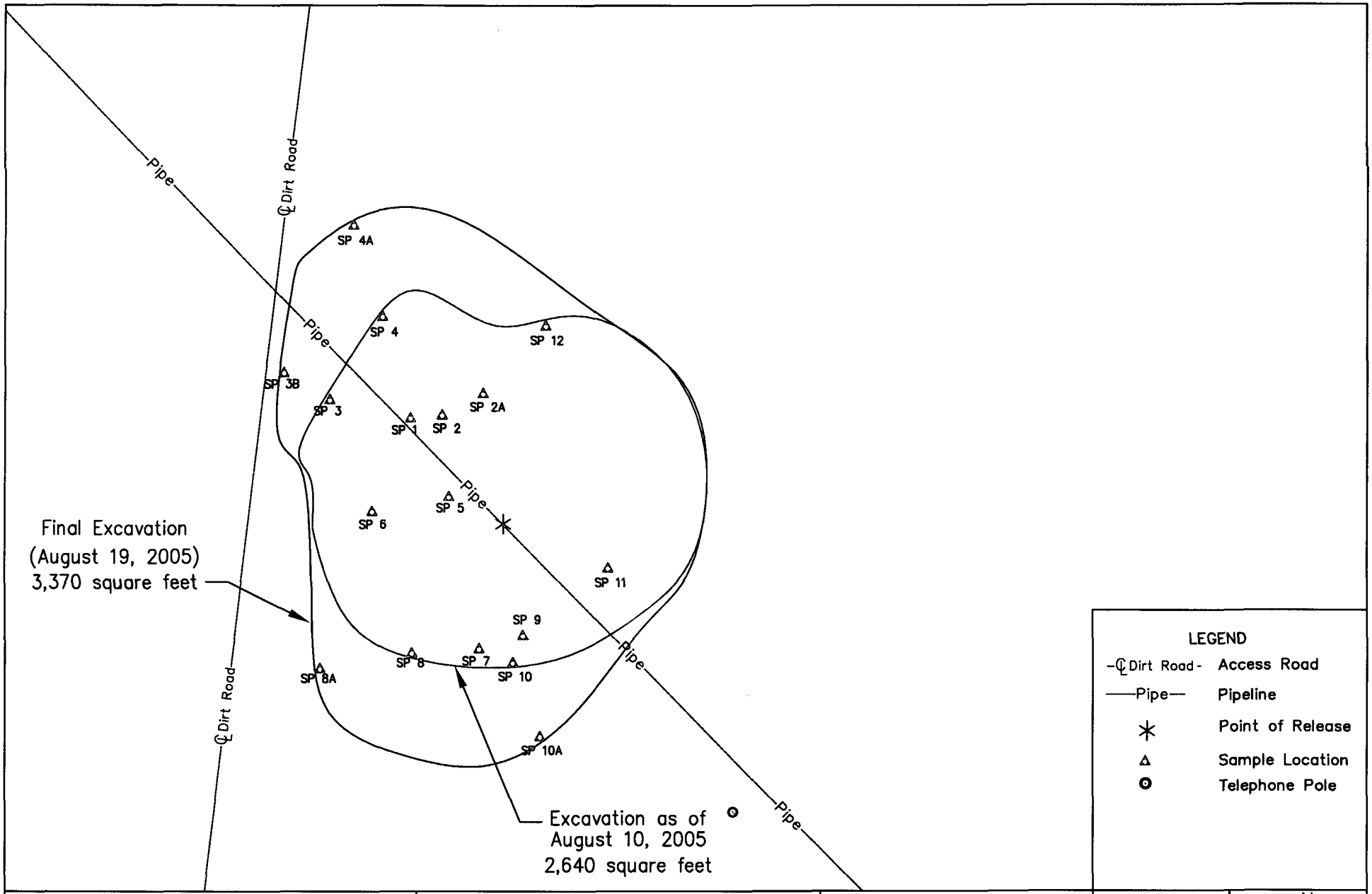


Figure 4 Excavation and Final Sample Location Map DEFS Pure Resources B–2 Line	Lea County, New Mexico SE 1/4 of the SE 1/4, Sec. 25, T16S, R36E N 32 53' 17.58" W 104° 18' 2.04" Elevation: 3,830 feet amsl	DWG By: Jason Stegemoller September 2005	REVISED:	N
			SHEET 1 of 1	

TABLES

TABLE 1

WELL INFORMATION REPORT*

Duke Energy Field Services Pure Resources B-2 Line - Ref #130026

Well Number	Diversion[A]	Owner	Use	Twsp	Rng	Sec q q q	Latitude	Longitude	Surface Elevation[B]	Well Depth (ft bgs)	Depth to Water (ft bgs)
L-05152	0	H.T. MR. MONTIETH	STK	16S	36E	23 3 4	32° 52' 42.41"	103° 18' 42.53"	3,875	115	75
L-06957	10	SHELBY H. & NELLENE GILMORE	FPO	16S	36E	23 3 1 3	32° 54' 0.76"	103° 20' 0.19"	3,857	155	65
L-0338	316.5	WINFRED L. STROOPE	IRR	16S	36E	24 4 1 4	32° 54' 13.8"	103° 18' 26.67"	3,845	202	
L-06597C	27	DAIRY FARMERS OF AMERICA, INC.	IRR	16S	36E	24 4 3 4	32° 54' 0.63"	103° 18' 26.63"	3,845		
L-901S	13	DAIRY FARMERS OF AMERICA, INC.	IRR	16S	36E	25 2 1 4	32° 53' 47.59"	103° 18' 26.68"	3,850		
25.3223				16S	36E	25 3 2 2 2 3	32° 53' 31.74"	103° 18' 29.51"	3,845		75.9
L-02313	3	H.T. MONTIETH	STK	16S	36E	25 2 4	32° 53' 34.52"	103° 18' 11.18"			
19.223132				16S	37E	19 2 2 3 1 3 2	32° 53' 34.52"	103° 18' 11.18"	3,829		30.62
19.241321				16S	37E	19 2 4 1 3 2 1	32° 53' 34.52"	103° 18' 11.18"	3,821		52.77
L-01415	3	SHELBY H. GILMORE	STK	16S	37E	20 3 3	32° 54' 0.32"	103° 16' 49.89"	3,825	110	40
L-02619	3	GULF OIL CORPORATION	PRO	16S	37E	29 1 2 3	32° 53' 53.5"	103° 16' 26.6"	3,816	108	44
L-05898	0	ROBINSON BROTHERS DRILLING CO.	PRO	16S	37E	30 3 2 3	32° 53' 24.8"	103° 17' 32.7"	3,845	100	60
L-02595		MORAN DRILLING CO.	STK	16S	37E	30 3 1 3	32° 53' 21.24"	103° 17' 55.68"	3,835	105	48
31.11131				16S	37E	31 1 1 1 3 1	32° 53' 5.2"	103° 17' 54.92"	3,839		70.94
L-05516	0	TEXACO PRODUCING INC.	PRO	16S	37E	32 1 2 3	32° 52' 55.27"	103° 16' 34.59"			
L-02041	3	THE TEXAS COMPANY	PRO	16S	37E	31 1 1	32° 52' 55.27"	103° 17' 55.8"			
31.322244				16S	37E	31 3 2 2 2 4 4	32° 52' 39.83"	103° 17' 25.12"	3,822		61.93
L-02236	3	PARKER DRILLING CO.	PRO	16S	37E	32 2 3	32° 52' 42.28"	103° 16' 19.26"	3,802	100	
L-02188	3	H.T. MONTIETH	DOM	16S	37E	20 1 3	32° 52' 39.83"	103° 17' 25.12"	3,812	102	35
L-02487	3	LEE DRILLING CO.	PRO	16S	37E	32 3 3	32° 52' 16.32"	103° 16' 50.16"	3,810	90	35
L-01220	3	J.R. SHARP DRILLING CO.	PRO	16S	37E	31 3 3	32° 52' 16.29"	103° 17' 56.04"	3,819	120	55
L-04058 S-25	0	CITY OF LOVINGTON	MUN	16S	36E	36 1 4 2	32° 52' 42.41"	103° 18' 42.53"	3,839	256	88
35.24144				16S	36E	35 2 4 1 4 4	32° 52' 48.79"	103° 19' 5.78"	3,848		75.9
L-4058 S-24	0	CITY OF LOVINGTON	MUN	16S	36E	36 1 1 2	32° 52' 55.45"	103° 18' 18.58"	3,850	257	88
26.21232				16S	36E	26 2 1 2 3 2	32° 52' 54.76"	103° 19' 18.01"	3,858		65.95
WINDMILL #1				16S	36E		32° 54' 7.3"	103° 18' 37.5"	3,852		
WINDMILL #2				16S	36E		32° 53' 49.20"	103° 16' 35.83"	3,816		
WINDMILL #3				16S	36E		32° 53' 3.78"	103° 17' 38.7"	3,832		
L-00338 ETAL	27	WINFRED L. STROOPE	IRR	16S	36E	25 2 1 4	32° 55' 6.37"	103° 20' 15.65"	3,894		
WINDMILL				16S	37E		32° 55' 3.36"	103° 18' 21.58"			
WINDMILL				16S	37E		32° 53' 9.65"	103° 15' 9.93"			
12.11321				17S	37E	12 1 1 3 2 1	32° 51' 13"	103° 12' 50"	3,748	140	81.28
3.31324				17S	37E	03 3 1 3 2 4	32° 51' 31"	103° 14' 32"	3,773	130	60.75
5.412221				17S	37E	05 4 1 2 2 2 1	32° 51' 38"	103° 15' 57"	3,791	130	57.65
WINDMILL				16S	37E		32° 53' 59.55"	103° 15' 48.20"			
12.22322				17S	36E	12 2 2 3 2 2	32° 51' 3.61"	103° 17' 51.31"	3,811	110	55.32

* = Data obtained from the New Mexico Office of the State Engineer Website (http://iwaters.ose.state.nm.us:7001/iWATERS/wr_RegisServlet1), USGS Topographical Map 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

PRO = Prospecting or development of a natural resource
DOM= Domestic
COM = Commercial
STK = Stock
(quarters are 1=NW, 2=NE, 3=SW, 4=SE)
(quarters are biggest to smallest - X Y are in Feet - UTM are in Meters)

IRR = Irrigation
MUN= Municipal
FPO= Feed Pen Operation
EXP = Expired

TABLE 2
Summary of Excavation Field and Laboratory Analytical Results
DEFS-Pure Resources B-2 (Ref.#130026)

Soil Sample I.D.	Depth (feet)	Sample Date	Soil Status	PID Reading (ppm)	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)
SP-1	15	10-Aug-05	In Situ	0.1	<0.002	<0.002	<0.002	<0.006	<0.012	<50.0	<50.0	<50.0	80
SP-2	12	10-Aug-05	Excavated	0.2	<0.002	<0.002	<0.002	<0.006	<0.012	<50.0	<50.0	<50.0	576
SP-2A (12')	12	19-Aug-05	In Situ	0.7	<0.005	<0.005	<0.005	<0.015	<0.03	<10.0	<10.0	<10.0	48
SP-3	12	10-Aug-05	Excavated	5.4	0.008	0.008	<0.002	0.007	0.023	<50.0	960	**960**	576
SP-3B (12')	12	19-Aug-05	In Situ	0.3	<0.005	<0.005	<0.005	<0.015	<0.03	<10.0	<10.0	<10.0	48
SP-4	12	10-Aug-05	Excavated	1.5	<0.002	<0.002	<0.002	<0.006	<0.012	<50.0	<50.0	<50.0	240
SP-4A (12')	12	19-Aug-05	In Situ	0.0	<0.005	<0.005	<0.005	<0.015	<0.03	<10.0	<10.0	<10.0	48
SP-5	10	10-Aug-05	In Situ	0.7	0.004	<0.002	<0.002	<0.006	0.0040	<50.0	<50.0	<50.0	32
SP-6	7	10-Aug-05	In Situ	0.3	0.002	<0.002	<0.002	<0.006	0.0020	<50.0	<50.0	<50.0	64
SP-7	12	10-Aug-05	In Situ	1.4	0.003	<0.002	<0.002	<0.006	0.0030	<50.0	<50.0	<50.0	48
SP-8	9	10-Aug-05	Excavated	2.1	<0.002	<0.002	<0.002	<0.006	<0.012	<50.0	156	**156**	48
SP-8A (9')	9	19-Aug-05	In Situ	0.3	<0.005	<0.005	<0.005	<0.015	<0.03	<10.0	<10.0	<10.0	48
SP-9	9	10-Aug-05	In Situ	1.8	<0.002	<0.002	<0.002	<0.006	<0.012	<50.0	<50.0	<50.0	80
SP-10	9	10-Aug-05	Excavated	3.3	<0.002	<0.002	<0.002	<0.006	<0.012	<50.0	<50.0	<50.0	64
SP-10A (9')	9	19-Aug-05	In Situ	0.2	<0.005	<0.005	<0.005	<0.015	<0.03	<10.0	<10.0	<10.0	64
SP-11	4	10-Aug-05	In Situ	0.6	<0.002	<0.002	<0.002	<0.006	<0.012	<50.0	<50.0	<50.0	80
SP-12	3	10-Aug-05	In Situ	2.4	<0.002	<0.002	<0.002	<0.006	<0.012	<50.0	<50.0	<50.0	144
NMOCD Remedial Thresholds				**100**	**10**				**50**			**100**	**250** [3]

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

[2] *NA=Not Analyzed*

[3] *Chloride residuals may not be capable of impacting local groundwater above the NMWQCC standards of 250 mg/L*

ATTACHMENT I

LABORATORY RESULTS AND CHAIN-OF-CUSTODY FORM

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
PO BOX 1558
EUNICE, NM 88231
FAX: 505-394-2601

Receiving Date: 8/10/05
Reporting Date: 8/15/05
Project Number: 130026
Project Name: PURE RESOURCES B-2
Project Location: UL-P, SEC 25, T16S, R36E
Sampler: GEORGE BLACKBURN

Sampling Date: 8/10/05
Sample Type: SOIL
Sample Condition: COOL & INTACT
Sample Received By: GP
Analyzed By: JD

LAB NUMBER	SAMPLE ID	BENZENE (mg/kg)	TOLUENE (mg/kg)	ETHYLBENZENE (mg/kg)	TOTAL XYLENES (mg/kg)
ANALYSIS DATE:		8/13/05	8/13/05	8/13/05	8/13/05
H10071-1	SP-1 (15')	<0.002	<0.002	<0.002	<0.006
H10071-2	SP-2 (12')	<0.002	<0.002	<0.002	<0.006
H10071-3	SP-3 (12')	0.008	0.008	<0.002	0.007
H10071-4	SP-4 (12')	<0.002	<0.002	<0.002	<0.006
H10071-5	SP-5 (10')	0.004	<0.002	<0.002	<0.006
H10071-6	SP-6 (7')	0.002	<0.002	<0.002	<0.006
H10071-7	SP-7 (12')	0.003	<0.002	<0.002	<0.006
H10071-8	SP-8 (9')	<0.002	<0.002	<0.002	<0.006
H10071-9	SP-9 (9')	<0.002	<0.002	<0.002	<0.006
H10071-10	SP-10 (9')	<0.002	<0.002	<0.002	<0.006
H10071-11	SP-11 (4')	<0.002	<0.002	<0.002	<0.006
H10071-12	SP-12 (3')	<0.002	<0.002	<0.002	<0.006
Quality Control		0.108	0.095	0.112	0.97
True Value QC		0.100	0.100	0.100	0.300
% Recovery		108	95	112	97
Relative Percent Difference		0.9	1	1.7	1.7

METHODS: EPA - SW 846-8021B, 5030B; Gas Chromatography

Jennelle D. Burns
Chemist

8/15/05
Date

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
PO BOX 1558
EUNICE, NM 88231
FAX: 505-394-2601

Receiving Date: 8/10/05
Reporting Date: 8/15/05
Project Number: 130026
Project Name: PURE RESOURCES B-2
Project Location: UL-P, SEC 25, T16S, R36E
Sampler: GEORGE BLACKBURN

Sampling Date: 8/10/05
Sample Type: SOIL
Sample Condition: COOL & INTACT
Sample Received By: GP
Analyzed By: JD

LAB ID	SAMPLE ID	TPH GRO (mg/kg)	TPH DRO (mg/kg)		TPH TOTAL (mg/kg)
ANALYSIS DATE		7/13/05	7/13/05		7/13/05
H10071-1	SP-1 (15')	<50.0	<50.0		<50.0
H10071-2	SP-2 (12')	<50.0	<50.0		<50.0
H10071-3	SP-3 (12')	<50.0	960		960
H10071-4	SP-4 (12')	<50.0	<50.0		<50.0
H10071-5	SP-5 (10')	<50.0	<50.0		<50.0
H10071-6	SP-6 (7')	<50.0	<50.0		<50.0
H10071-7	SP-7 (12')	<50.0	<50.0		<50.0
H10071-8	SP-8 (9')	<50.0	156		156
H10071-9	SP-9 (9')	<50.0	<50.0		<50.0
H10071-10	SP-10 (9')	<50.0	<50.0		<50.0
H10071-11	SP-11 (4')	<50.0	<50.0		<50.0
H10071-12	SP-12 (3')	<50.0	<50.0		<50.0
Blank		<50.0	<50.0		<50.0
Matrix Spike		64.4	59.8		124
Matrix Spike Duplicate		65.6	58.6		124
True Value		60	60		120
% Recovery (Ave)		108	98.7		103
Relative Percent Difference		1.8	2		0

METHOD: EPA SW 846-8015 M

Chemist

8/15/05
Date

Cardinal Laboratories Inc.

Chain of Custody Form

101 East Marland, Hobbs, NM 88240
505-393-2326 Fax 505-393-2476

2111 Beechwood, Abilene, TX 79603
915-673-7001 Fax 915-673-7020

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:	Pure Resources B-2 (Ref. #130026)
Project Location:	UL-P, Sec. 25, T16S, R36E
EPI Sampler Name:	George Blackburn

Bill To

Duke Energy.

Attn: Paul Mulkey
11525 West Carlsbad Highway,
Hobbs, NM 88240

ANALYSIS REQUEST

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	BTEX 8021B	TPH 8015M	CHLORIDES (Cl^-)	SULFATES ($SO_4^{=}$)	pH	TCLP	OTHER >>>	PAH			
H10071-11	1	SP-11 (4')	G	1			X					X		10-Aug-05	13:00	X	X	X								
-12	2	SP-12 (3')	G	1			X					X		10-Aug-05	13:10	X	X	X								
-3	3																									
-4	4																									
-5	5																									
-6	6																									
-7	7																									
-8	8																									
-9	9																									
-10	10																									

Sampler Relinquished:	Date 8-10-05 Time 4:10	Received By:	E-mail results to: iolness@hotmail.com & pdmulkey@duke-energy.com
Relinquished by:	Date 08/10/2005 Time 4:20pm	Received By: (lab staff)	REMARKS: ANY QUESTIONS, CONTACT IAIN OLNESS AT EPI AT (505) 394-3481.
Delivered by:	Sample Cool & Intact: Yes / No	Checked By:	

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: 08/22/05
Reporting Date: 08/24/05
Project Owner: DUKE ENERGY FIELD SERVICES
Project Name: PURE RESOURCES (Ref. #130026)
Project Location: UL-P SEC. 25, T16S, R36E

Sampling Date: 08/19/05
Sample Type: SOIL
Sample Condition: COOL & INTACT
Sample Received By: NF
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		08/23/05	08/23/05	08/23/05
H10104-1	SP-10A (9')	<10.0	<10.0	64
H10104-2	SP-8A (9')	<10.0	<10.0	48
H10104-3	SP-2A (12')	<10.0	<10.0	48
H10104-4	SP-3B (12')	<10.0	<10.0	48
H10104-5	SP-4A (12')	<10.0	<10.0	48
Quality Control		796	781	980
True Value QC		800	800	1000
% Recovery		99.5	97.6	98.0
Relative Percent Difference		8.3	7.6	0.0

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

Chemist

8/24/05
Date

H10104A.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
PO BOX 1558
EUNICE, NM 88231
FAX: 505-394-2601

Receiving Date: 8/10/05
Reporting Date: 8/15/05
Project Number: 130026
Project Name: PURE RESOURCES B-2
Project Location: UL-P, SEC 25, T16S, R36E
Sampler: GEORGE BLACKBURN

Sampling Date: 8/10/05
Sample Type: SOIL
Sample Condition: COOL & INTACT
Sample Received By: GP
Analyzed By: JD

LAB ID	SAMPLE ID	TPH GRO (mg/kg)	TPH DRO (mg/kg)		TPH TOTAL (mg/kg)
ANALYSIS DATE		7/13/05	7/13/05		7/13/05
H10071-1	SP-1 (15')	<50.0	<50.0		<50.0
H10071-2	SP-2 (12')	<50.0	<50.0		<50.0
H10071-3	SP-3 (12')	<50.0	960		960
H10071-4	SP-4 (12')	<50.0	<50.0		<50.0
H10071-5	SP-5 (10')	<50.0	<50.0		<50.0
H10071-6	SP-6 (7')	<50.0	<50.0		<50.0
H10071-7	SP-7 (12')	<50.0	<50.0		<50.0
H10071-8	SP-8 (9')	<50.0	156		156
H10071-9	SP-9 (9')	<50.0	<50.0		<50.0
H10071-10	SP-10 (9')	<50.0	<50.0		<50.0
H10071-11	SP-11 (4')	<50.0	<50.0		<50.0
H10071-12	SP-12 (3')	<50.0	<50.0		<50.0
Blank		<50.0	<50.0		<50.0
Matrix Spike		64.4	59.8		124
Matrix Spike Duplicate		65.6	58.6		124
True Value		60	60		120
% Recovery (Ave)		108	98.7		103
Relative Percent Difference		1.8	2		0

METHOD: EPA SW 846-8015 M

Janelle D. Brin
Chemist

8/15/05
Date

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: 08/10/05
Reporting Date: 08/12/05
Project Owner: DUKE ENERGY FIELD SERVICES
Project Name: PURE RESOURCES B-2 (REF. #130026)
Project Location: UL-P, SEC.25, T16S, R36E

Analysis Date: 08/11/05
Sampling Date: 08/10/05
Sample Type: SOIL
Sample Condition: COOL & INTACT
Sample Received By: GP
Analyzed By: AH

LAB NUMBER	SAMPLE ID	Cl^- (mg/Kg)
H10071-1	SP-1 (15')	80
H10071-2	SP-2 (12')	576
H10071-3	SP-3 (12')	576
H10071-4	SP-4 (12')	240
H10071-5	SP-5 (10')	32
H10071-6	SP-6 (7')	64
H10071-7	SP-7 (12')	48
H10071-8	SP-8 (9')	48
H10071-9	SP-9 (9')	80
H10071-10	SP-10 (9')	64
H10071-11	SP-11 (4')	80
H10071-12	SP-12 (3')	144
Quality Control		970
True Value QC		1000
% Recovery		97.0
Relative Percent Difference		3.0

METHOD: Standard Methods	4500-ClB

Note: Analysis performed on a 1:4 w:v aqueous extract.

Amy Hill
Chemist

8/12/05
Date

H10071

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: 08/22/05
Reporting Date: 08/23/05
Project Owner: DUKE ENERGY FIELD SERVICES
Project Name: PURE RESOURCES (Ref. #130026)
Project Location: UL-P SEC. 25, T16S, R36E

Sampling Date: 08/19/05
Sample Type: SOIL
Sample Condition: COOL & INTACT
Sample Received By: NF
Analyzed By: BC

LAB NUMBER	SAMPLE ID	BENZENE (mg/Kg)	TOLUENE (mg/Kg)	ETHYL BENZENE (mg/Kg)	TOTAL XYLENES (mg/Kg)
ANALYSIS DATE		08/22/05	08/22/05	08/22/05	08/22/05
H10104-1	SP-10A (9')	<0.005	<0.005	<0.005	<0.015
H10104-2	SP-8A (9')	<0.005	<0.005	<0.005	<0.015
H10104-3	SP-2A (12')	<0.005	<0.005	<0.005	<0.015
H10104-4	SP-3B (12')	<0.005	<0.005	<0.005	<0.015
H10104-5	SP-4A (12')	<0.005	<0.005	<0.005	<0.015
Quality Control		0.105	0.101	0.099	0.310
True Value QC		0.100	0.100	0.100	0.300
% Recovery		105	101	99.4	103.0
Relative Percent Difference		.4.7	0.5	0.5	3.4

METHOD: EPA SW-846 8260

Chemist

8/23/05
Date

H10104BAL5

Cardinal Laboratories Inc.

Chain of Custody Form

101 East Marland, Hobbs, NM 88240
505-393-2326 Fax 505-393-2476

2111 Beechwood, Abilene, TX 79603
915-673-7001 Fax 915-673-7020

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:	**Pure Resources B-2 (Ref. #130026)**
Project Location:	**UL-P, Sec. 25, T16S, R36E**
EPI Sampler Name:	**George Blackburn**

Bill To

Duke Energy

Attn: Paul Mulkey
11525 West Carlsbad Highway,
Hobbs, NM 88240

ANALYSIS REQUEST

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	BTEX 8021B	TPH 8015M	CHLORIDES (Cl)	SULFATES ($SO_4^=$)	pH	TCLP	OTHER >>>	PAH			
H10104-1	1	SP-10A (9')	G	1			X					X		19-Aug-05	9:13	X	X	X								
-2	2	SP-8A (9')	G	1			X					X		19-Aug-05	9:23	X	X	X								
-3	3	SP-2A (12')	G	1			X					X		19-Aug-05	10:16	X	X	X								
-4	4	SP-3B (12')	G	1			X					X		19-Aug-05	12:33	X	X	X								
-5	5	SP-4A (12')	G	1			X					X		19-Aug-05	14:18	X	X	X								
	6																									
	7																									
	8																									
	9																									
	10																									

Sampler Relinquished: Date 8-22-05 Time 330 Received By:

Relinquished by: Date 8/22/05 Time 1630 Received By: (lab staff)

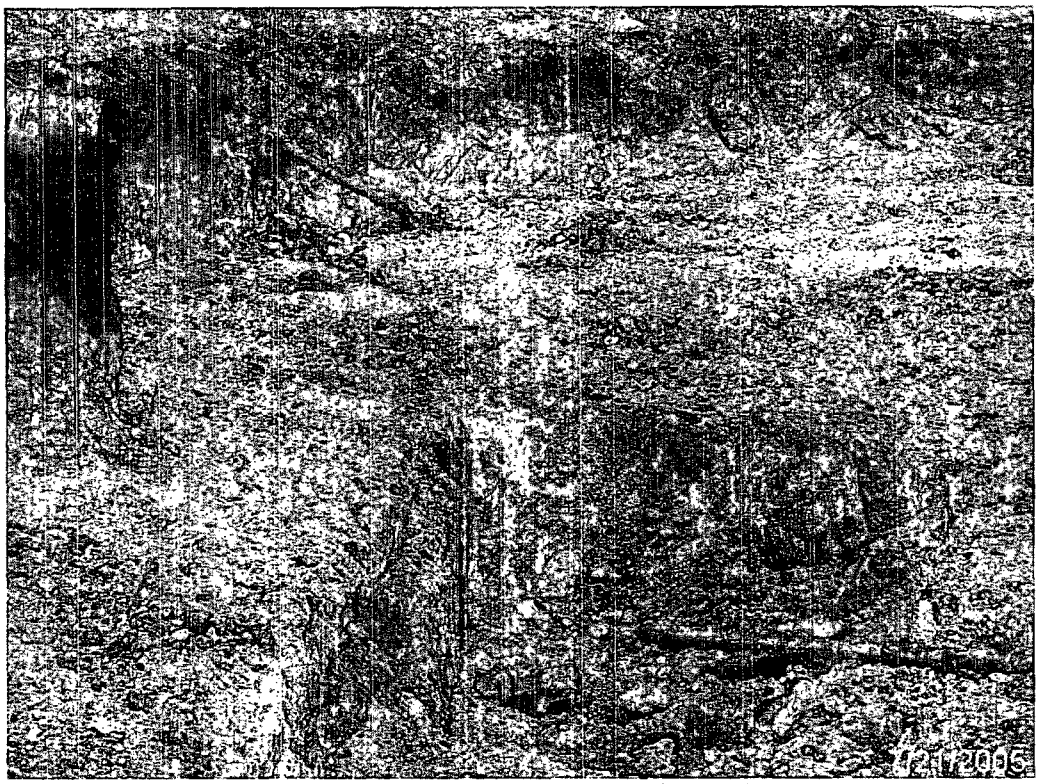
Delivered by: Sample Cool & Intact: (Yes) No Checked By:

E-mail results to: iolness@hotmail.com & pdmulkey@duke-energy.com

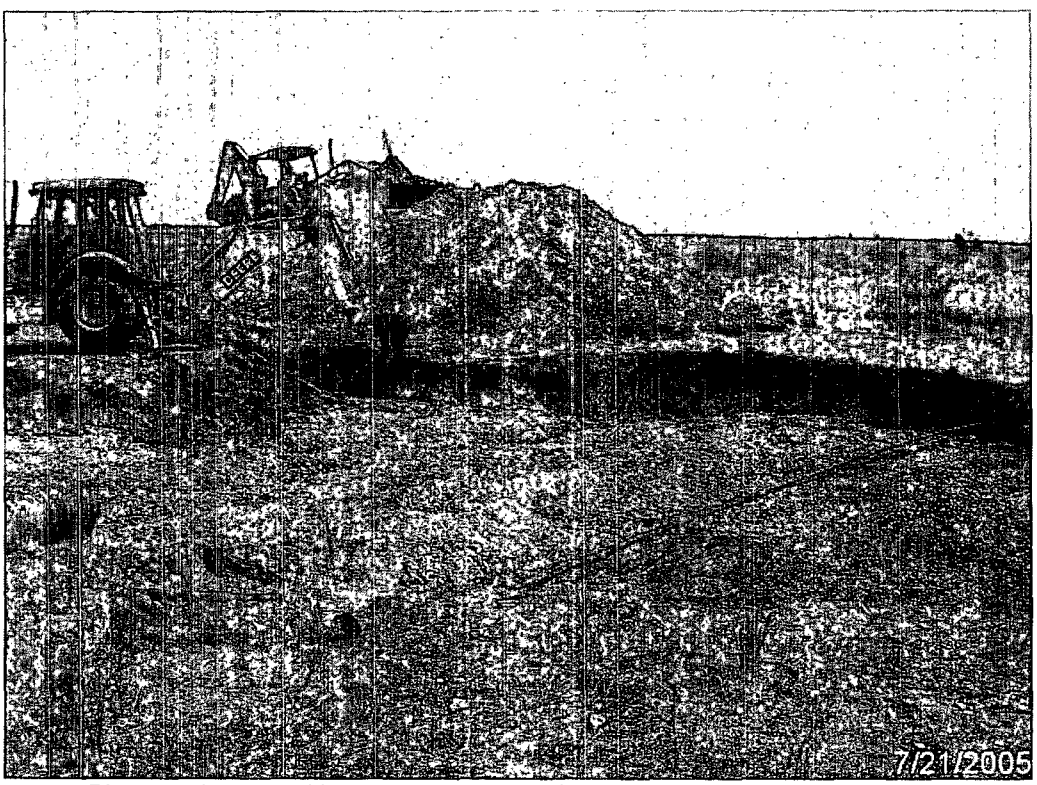
REMARKS: ANY QUESTIONS, CONTACT IAIN OLNESS AT EPI AT (505) 394-3481.

ATTACHMENT II

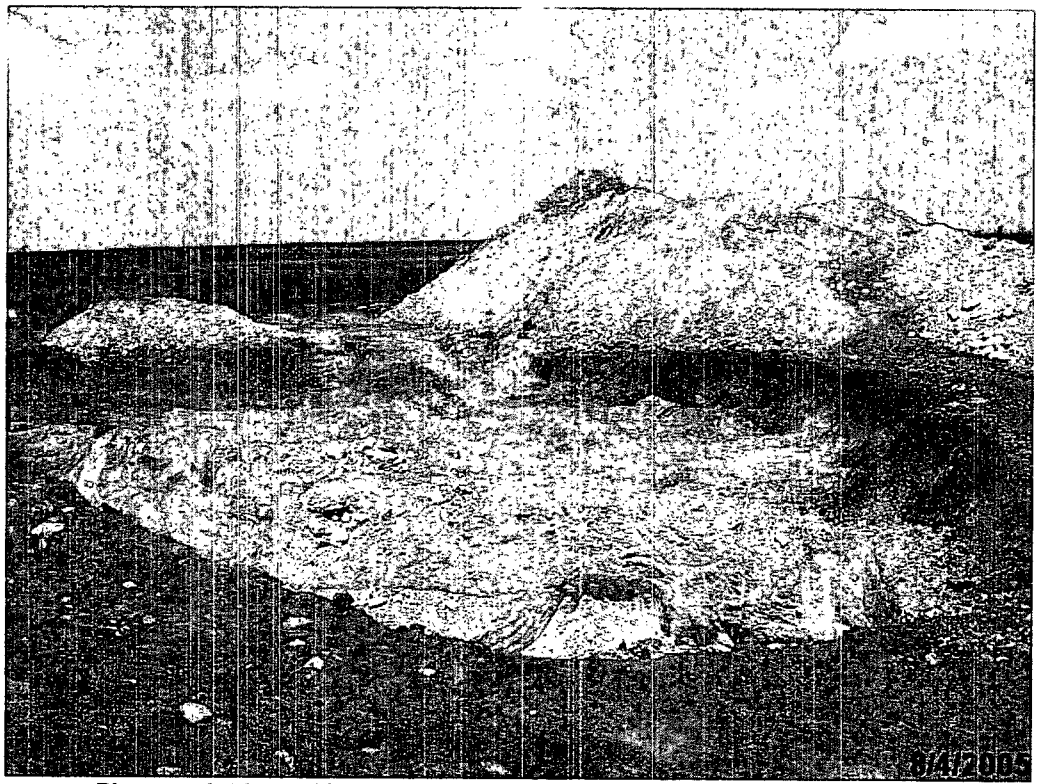
SITE PHOTOGRAPHS



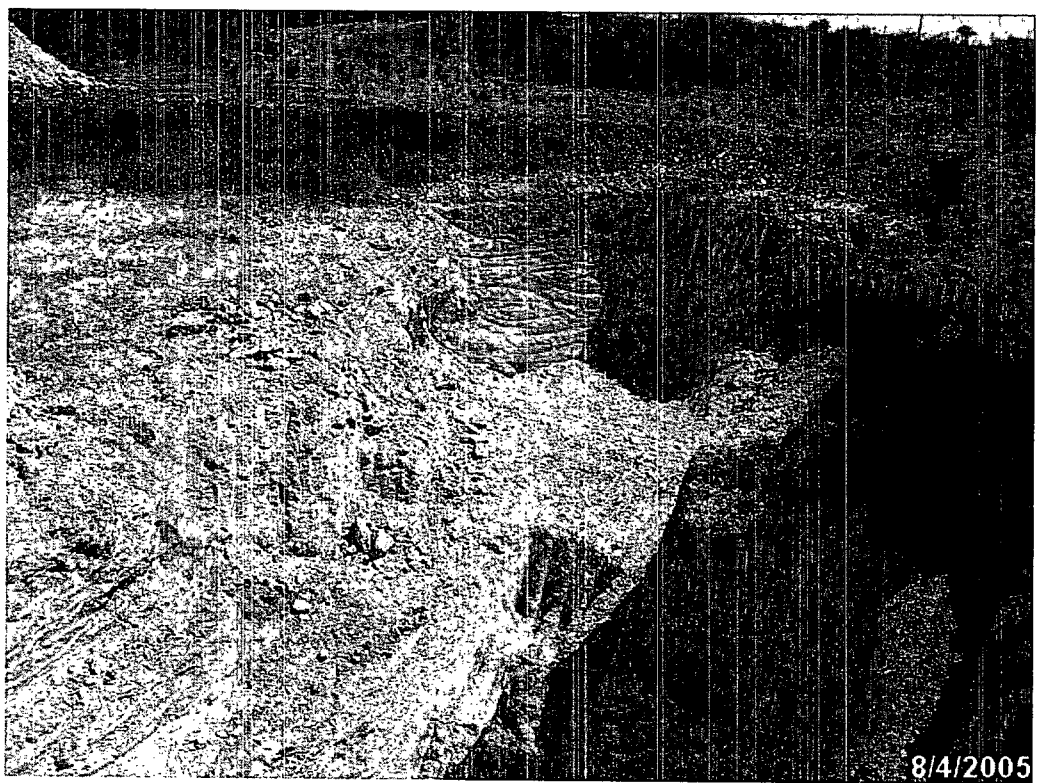
Photograph #1- Looking westerly at point of release.



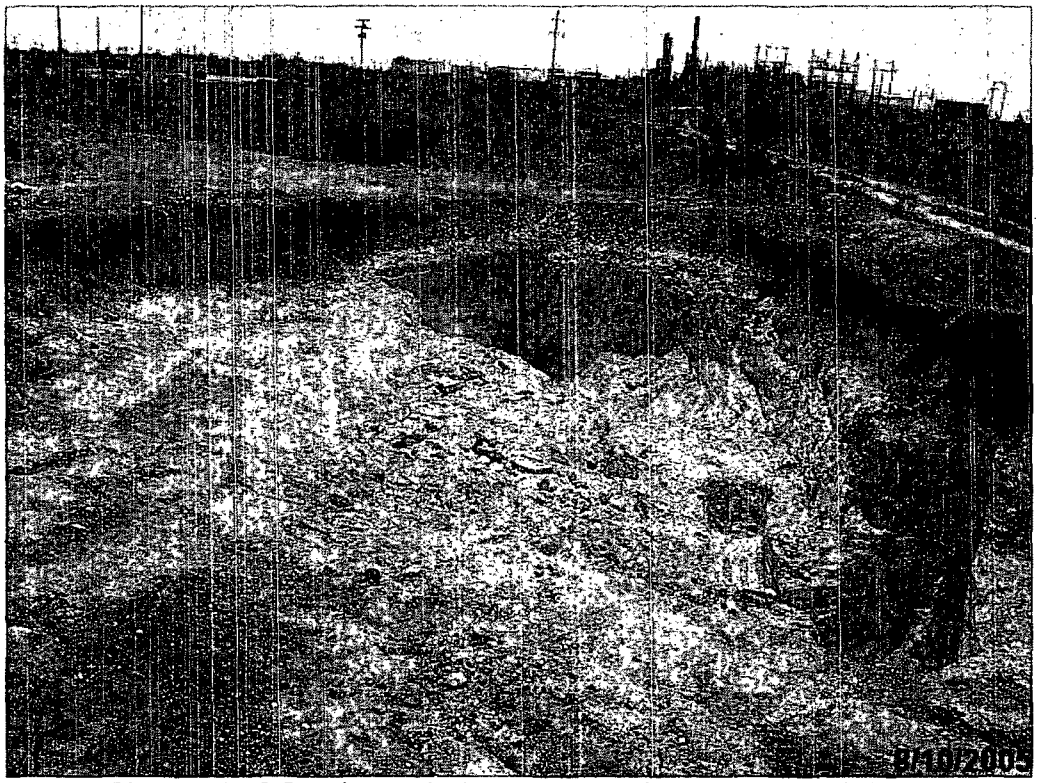
Photograph #2- Looking easterly at excavation and stockpiling of saturated soil.



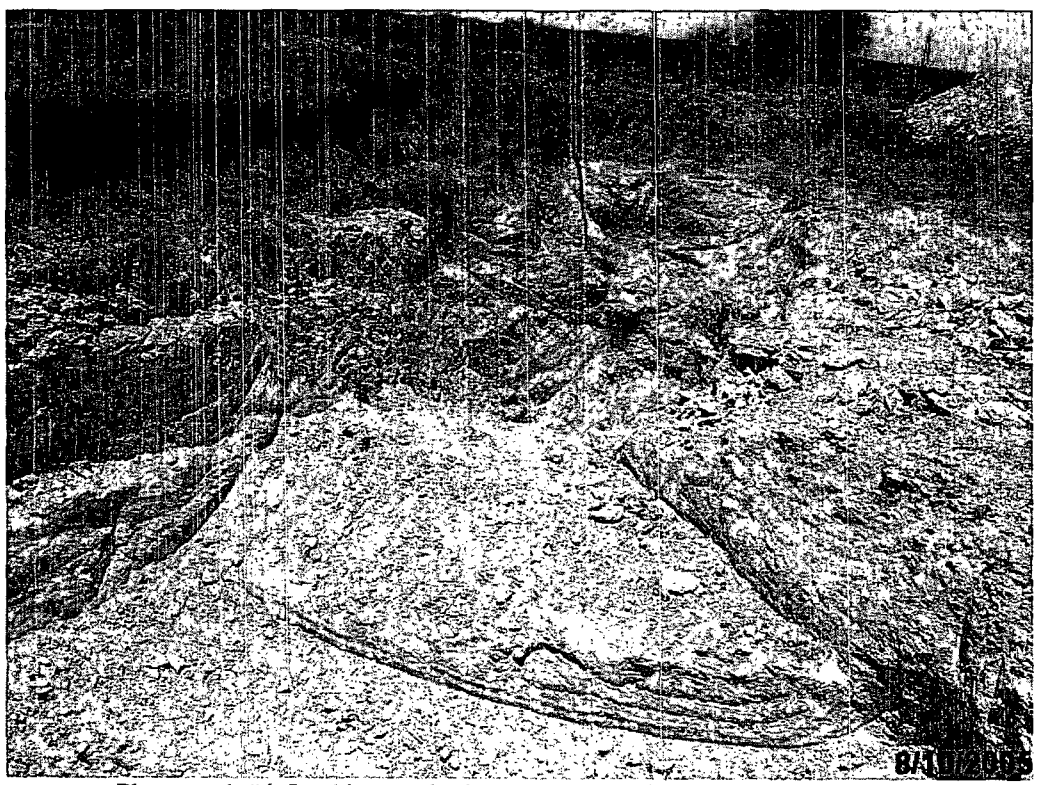
Photograph #3- Looking northeasterly across excavation as of August 4, 2005.



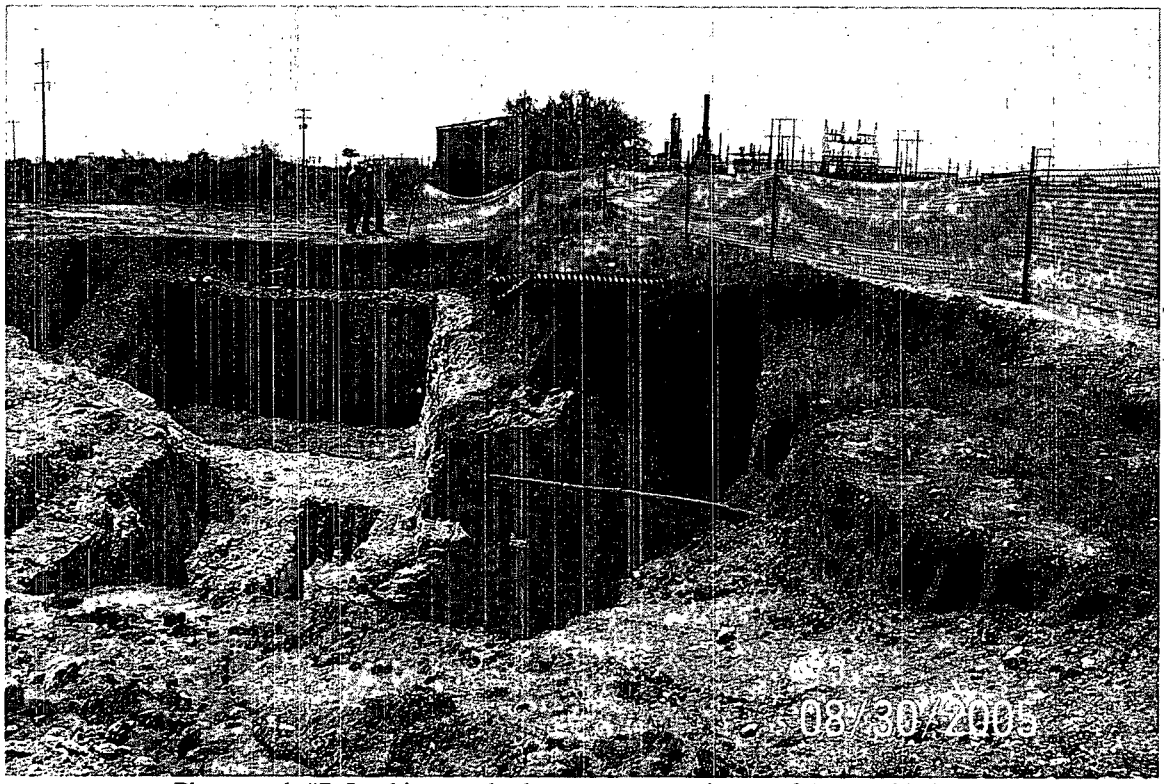
Photograph #4-Looking southwesterly across excavation as of August 4, 2005.



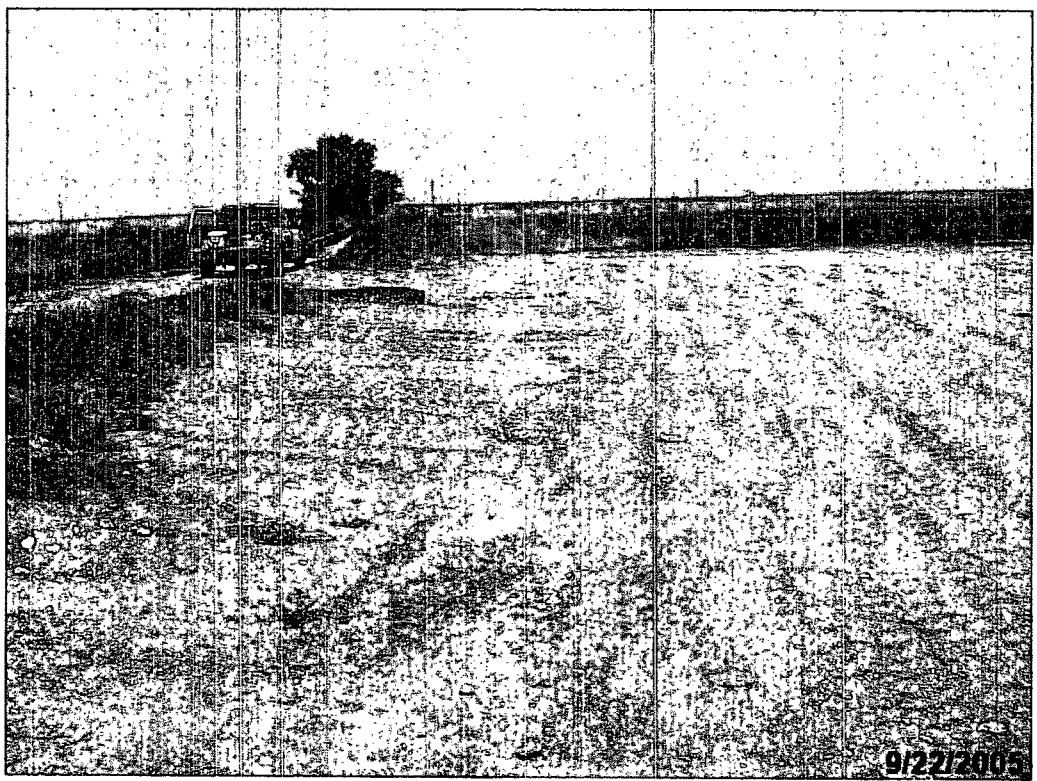
Photograph #5- Looking southerly across excavation as of August 10, 2005.



Photograph #6- Looking northerly across excavation as of August 10, 2005

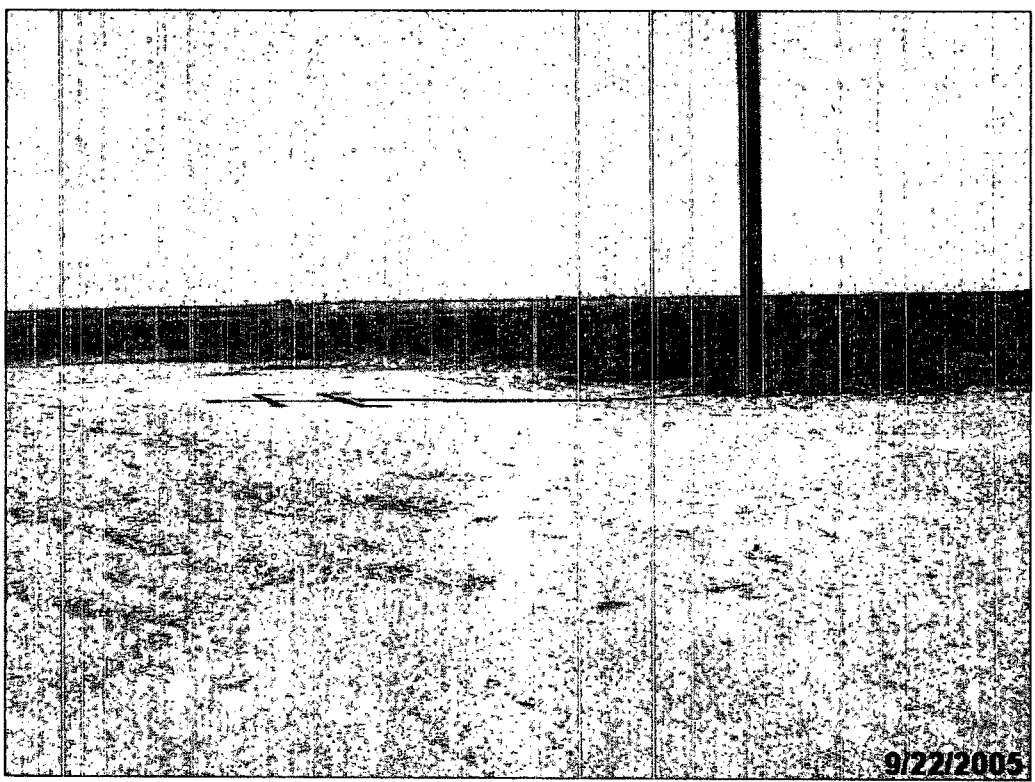


Photograph #7- Looking southerly across excavation as of August 30, 2005.



Photograph #8- Looking northerly at site backfilled and graded as of September 22, 2005.

Photograph #8- Looking northeasterly at site backfilled and graded as of September 22, 2005.



Photograph #8- Looking easterly at site backfilled and graded as of September 22, 2005.

ATTACHMENT III

INFORMATIONAL COPY OF INITIAL NMOCD C-141 FORM

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 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

☐ Initial Report ☒ Final Report

Name of Company Pure Resource	Contact Darryl Ruthardt
Address P.O. Box 609 Lovington, NM 88260	Telephone No. Office: 505-396-7303 Cellular: 505-390-8418
Facility Name Lovington Paddock Unit	Facility Type Oil and Gas Production Facility with Water Flood Operations

Surface Owner	Mineral Owner	Lease No.
City of Lovington		

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
I	25	16S	36E					Lea

NATURE OF RELEASE

Type of Release Produced Water with Iron Sulfide Residual	Volume of Release Est 25 Barrels	Volume Recovered 20 Barrels
Source of Release 1 ½" Fiberglass injection line	Date and Hour of Occurrence 11:30 am	Date and Hour of Discovery July 15, 2005 11:30 am
Was Immediate Notice Given? Yes ☐ No ☐ Not Required	If YES, To Whom? Duke was told that they needed to call NMOCD	
By Whom? Duke Employee	Date and Hour July 15, 2005 (?)	
Was a Watercourse Reached? ☐ Yes ☒ No	If YES, Volume Impacting the Watercourse.	

If a Watercourse was Impacted, Describe Fully.*

Describe Cause of Problem and Remedial Action Taken.*
Duke was removing one of their old lines that ran across the field. They hit our inj line causing the leak. They called our office and reported the leak. We responded in driving time to the leak. The line was isolated within 10 – 15 min of the call. We informed Duke that they would need to call the NMOCD and the CITY OF Lovington.

Describe Area Affected and Cleanup Action Taken.*
Produced Water and Iron Sulfide residual spray on pasture land and vegetation adjacent to well location covering approximately 350 square feet of surface area. Source of leak was isolated by Pure. Duke had a vac truck at the leak site picking up the free standing fluid. We left the cleanup work to Duke. We were informed by the the NMOCD that we would need to file a C-141 since the injection line and produced water belonged to Pure Resources. (7-25-05)

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:	OIL CONSERVATION DIVISION
Printed Name: Darryl Ruthardt	Approved by District Supervisor:
Title: East Area Production Foreman	Approval Date: / Expiration Date:
Date: July 26,2005 Phone: 505-396-7503	Conditions of Approval: / Attached ☐

* Attach Additional Sheets If Necessary

ATTACHMENT IV

FINAL NMOCD C-141 FORM

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 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

☐ Initial Report ☒ Final Report

Name of Company Duke Energy Field Services	**Contact** Lynn Ward
Address 10 Desta Drive, Suite 400-W, Midland, Texas 79705	**Telephone No.** (432) 620-4207
Facility Name Pure Resources B-2 Line	**Facility Type** Cut 1 ½" Fiberglass Disposal Line

Surface Owner City of Lovington, New Mexico	**Mineral Owner**	**Lease No.** NMOCD – 1RP# 45

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the North/South Line	Feet from the East/West Line	County: Lea Lat. N 32° 53' 17.58" Lon. W 103° 18' 2.04"
P	25	T16S	R36E			

NATURE OF RELEASE

Type of Release Production Water	**Volume of Release** ≈25 barrels	**Volume Recovered** ≈20 barrels
Source of Release Unmarked Pure Resources B-2 Line (1 ½" fiberglass disposal line) cut while removing an adjacent line	**Date and Hour of Occurrence** July 14, 2005	**Date and Hour of Discovery** July 14, 2005
Was Immediate Notice Given? ☒ Yes ☐ No ☐ Not Required	**If YES, To Whom?** Larry Johnson, NMOCD Hobbs District	
By Whom? Lynn Ward, DEFS Midland	**Not Required**	
Was a Watercourse Reached? ☐ Yes ☒ No	**If YES, Volume Impacting the Watercourse.** NA	

If a Watercourse was Impacted, Describe Fully.*
NA

Describe Cause of Problem and Remedial Action Taken.*
Unmarked Pure Resources B-2 Line (1 ½" fiberglass disposal line) cut while removing an adjacent DEFS line. Line was shut off and saturated soil scraped/excavated and put on plastic.

Describe Area Affected and Cleanup Action Taken.*
Approximately 1,372 cubic yards of hydrocarbon and chloride impacted soil were excavated and disposed at Sundance Services, Inc. from a surface area of approximately 3,370 square feet. The excavation was backfilled with clean soil obtained from an off site source and graded to allow natural drainage. Remedial Goals: TPH = 100 mg/Kg, benzene = 10 mg/Kg, and BTEX = 50 mg/Kg.

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 **E-mail Address:** lcward@duke-energy.com	**Approved by District Supervisor:**
Title: Environmental Specialist	**Approval Date:** / **Expiration Date:**
Date: 9/21/06 **Phone:** (432) 620-4207	**Conditions of Approval:** / **Attached** ☐

* Attach Additional Sheets If Necessary