



15 April 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-28-14 Ext. 3 – Reference #130018
UL-D (NW¼ of the NW¼) of Section 26, Township 23 South, Range 36 East
Latitude N 32° 16' 49.349" and Longitude W 103° 14' 27.415"

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 Deep Wells Ranch, approximately 11.9 miles south-southwest of Eunice, New Mexico. The United States Geological Survey (USGS) database indicates there are no water supply wells located within a 1,000-foot radius of the release site; however, there are six wells located within a one mile radius of the release site (reference *Figure 2*). Depth to water for these wells, excluding well number CP 00925, is approximately 148 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

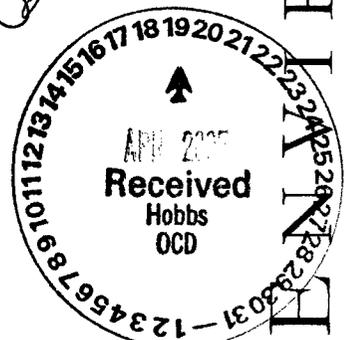
Sincerely,

ENVIRONMENTAL PLUS, INC.

Iain 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

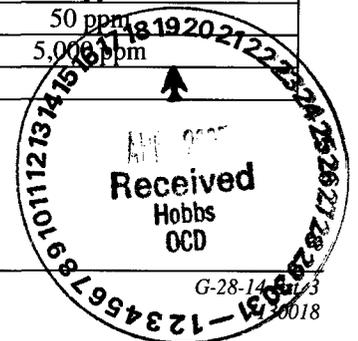
#1029

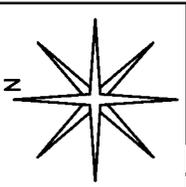
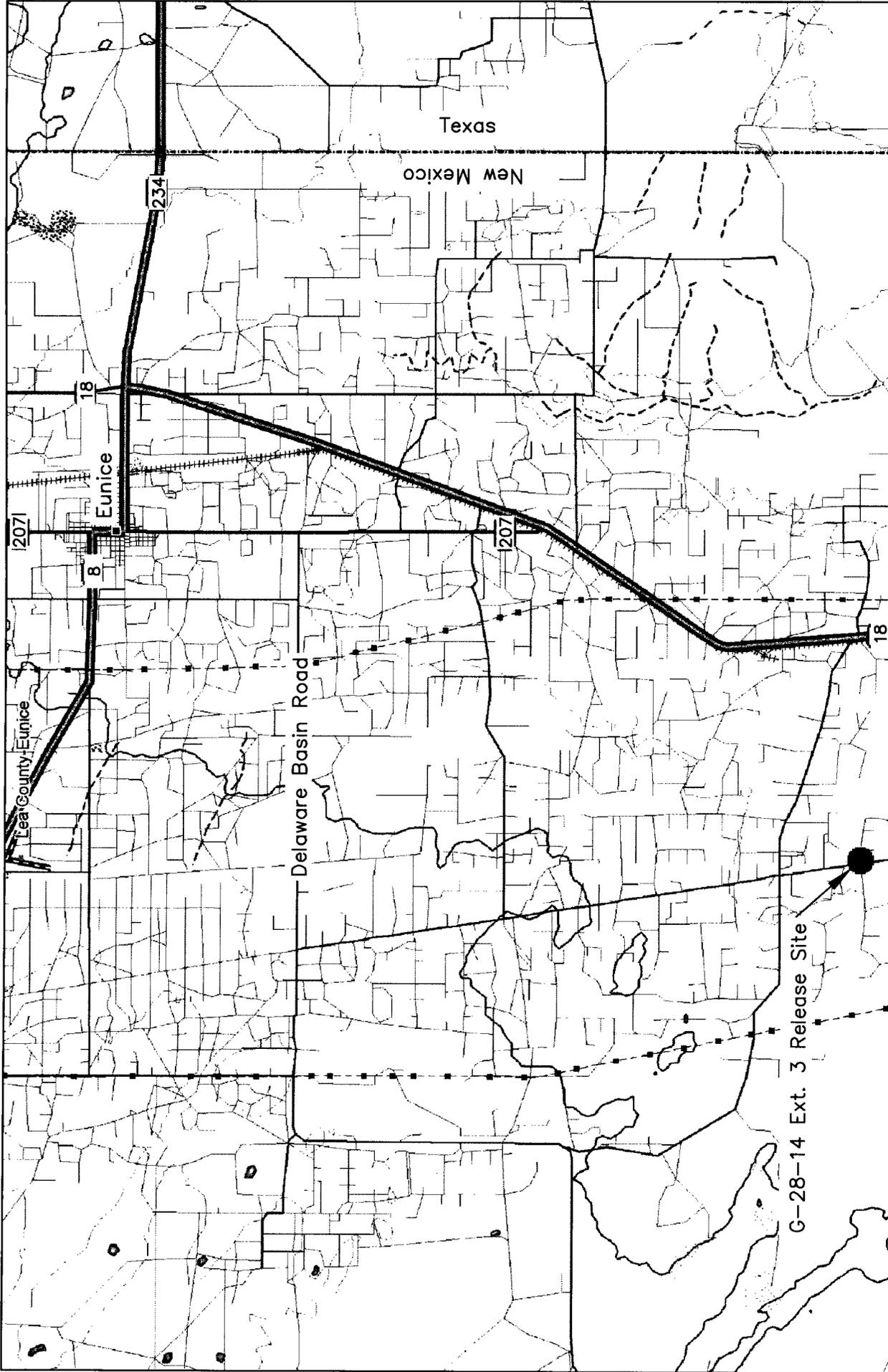


ENVIRONMENTAL PLUS, INC.

Duke Energy Field Services Site Information and Metrics		Incident Date: 27 March 2005	NMOCD Notified: 27 March 2005
Site: G-28-14 Ext. 3		Assigned Site Reference #: 130018	
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): 12 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-28-14 Ext. 3			
Source of contamination: 8" Marlex Line weld failed, section of line has been replaced.			
Land Owner, i.e., BLM, ST, Fee, Other: Deep Wells Ranch			
LSP Dimensions: 65 feet by 145 feet			
LSP Area: ≈6,660 ft ²			
Location of Reference Point (RP):			
Location distance and direction from RP:			
Latitude: N 32° 16' 49.349"			
Longitude: W 103° 14' 27.415"			
Elevation above mean sea level: 3,364			
Feet from South Section Line:			
Feet from West Section Line:			
Location- Unit or 1/4: NW1/4 of the NW1/4		Unit Letter: D	
Location- Section: 26			
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): ≈ 148 feet			
Depth of contamination (DC): Unknown			
Depth to ground water (DG - DC = DtGW): Unknown, but assumed to be greater than 100 feet			
1. Ground Water		2. Wellhead Protection Area	
If Depth to GW <50 feet: 20 points		If <1000' from water source, or; <200' from private domestic water source: 20 points	
If Depth to GW 50 to 99 feet: 10 points		If >1000' from water source, or; >200' from private domestic water source: 0 points	
If Depth to GW >100 feet: 0 points			
Ground water Score = 0		Wellhead Protection Area Score = 0	
Site Rank (1+2+3) = 0		Surface Water Score = 0	
Total Site Ranking Score and Acceptable Concentrations			
Parameter	>19	10-19	0-9
Benzene ¹	10 ppm	10 ppm	10 ppm
BTEX ¹	50 ppm	50 ppm	50 ppm
TPH	100 ppm	1,000 ppm	5,000 ppm

¹100 ppm field VOC headspace measurement may be substituted for lab analysis





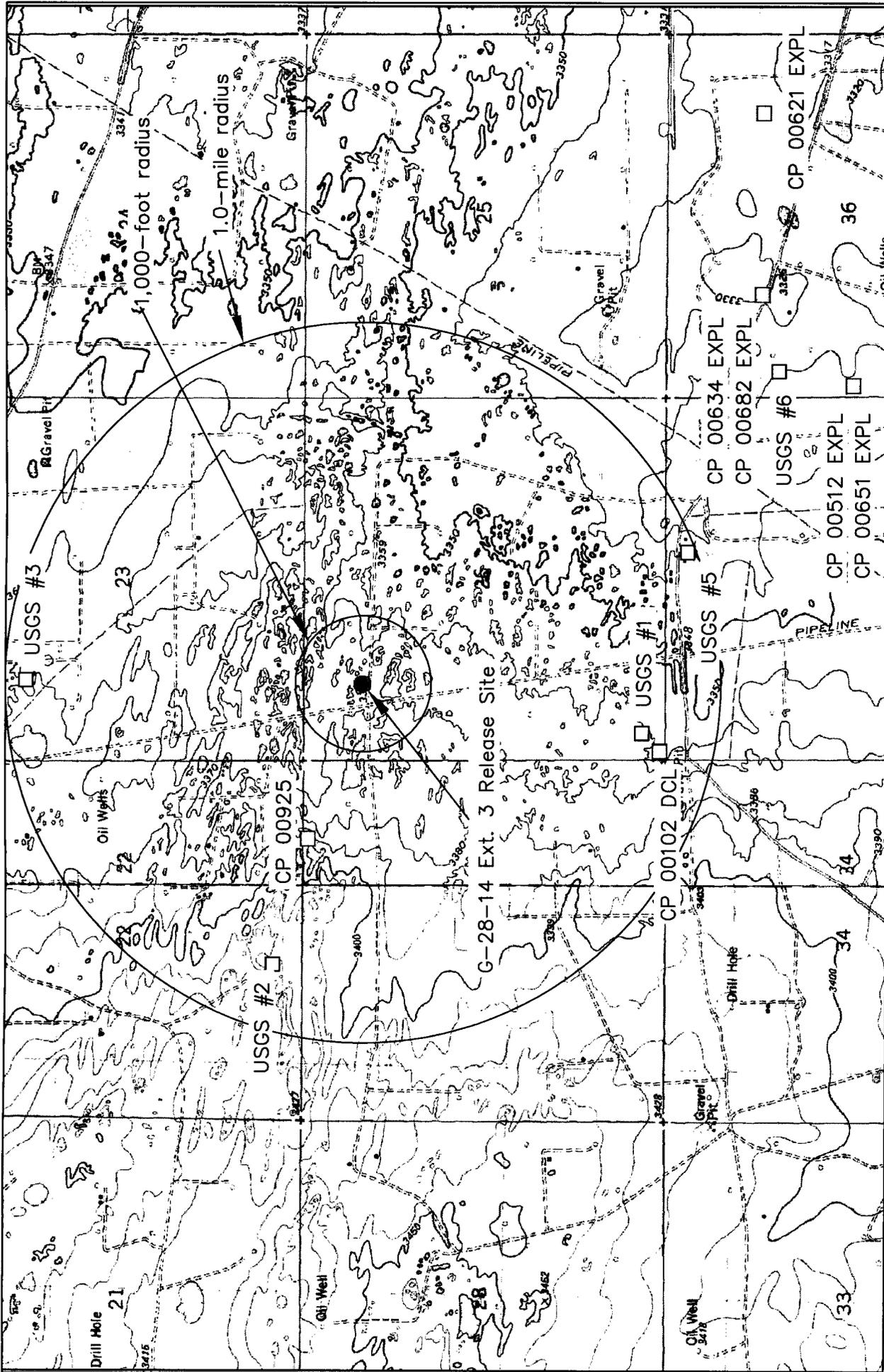
DWG By: Iain Olness
April 2005

REVISED:

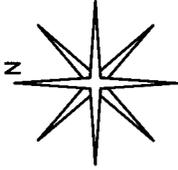
0 2.0 4.0 SHEET
Miles 1 of 1

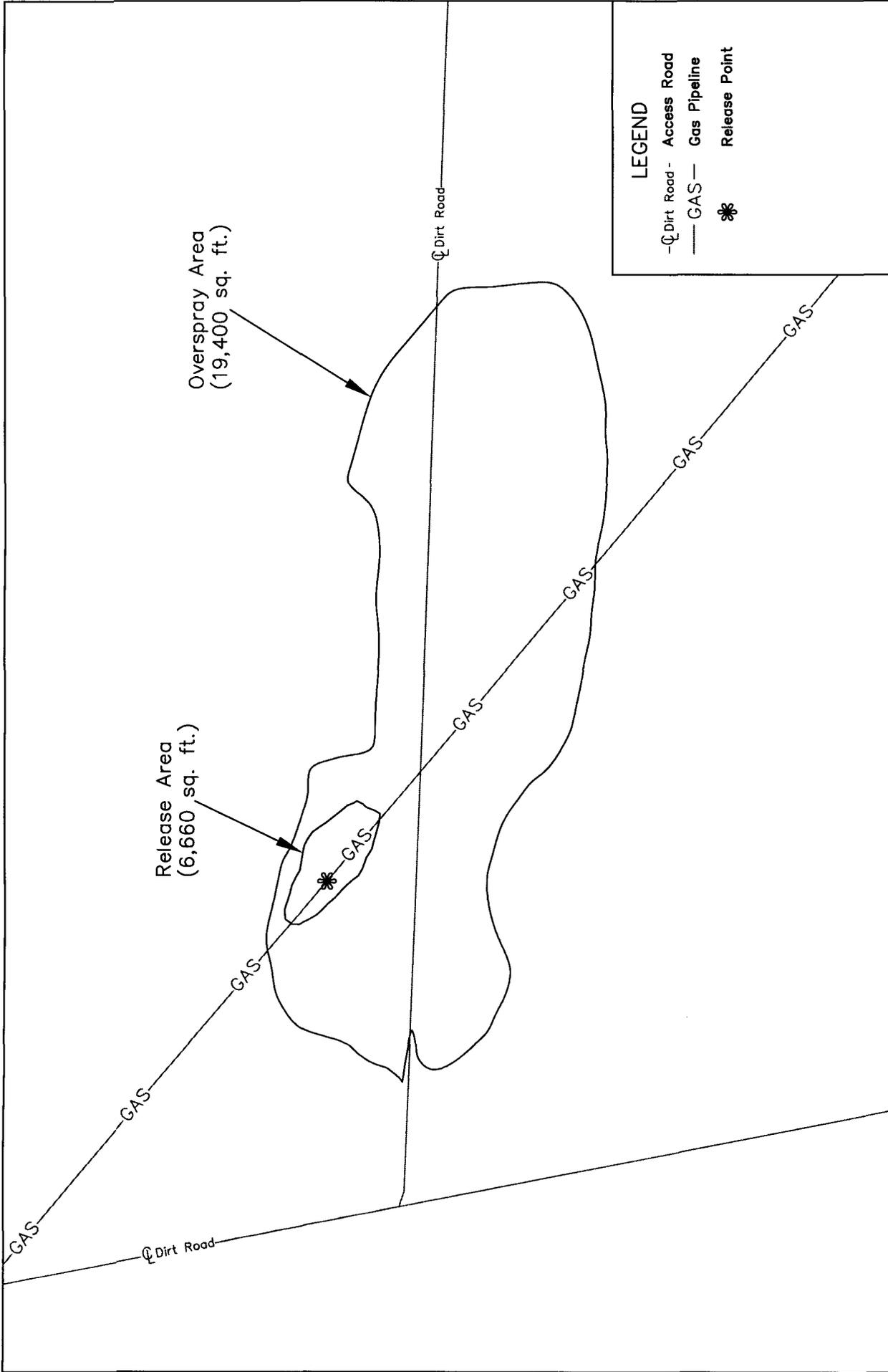
Lea County, New Mexico
NW 1/4 of the NW 1/4, Sec. 26, T23S, R36E
N 32° 16' 49.3" W 103° 14' 27.4"
Elevation: 3,364 feet amsl

Figure 1
Area Map
Duke Energy Field Services
G-28-14 Ext. 3



<p>Figure 2 Site and Well Location Map Duke Energy Field Services G-28-14 Ext. 3</p>	<p>Lea County, New Mexico NW 1/4 of the NW 1/4, Sec. 26, T23S, R36E N 32° 16' 49.3" W 103° 14' 27.4" Elevation: 3,364 feet amsl</p>		<p>REVISED: April 2005</p>
	<p>DWG By: Iain Olness</p>	<p>4.0 SHEET 1 of 1</p>	





LEGEND

- Dirt Road - Access Road
- GAS — Gas Pipeline
- * Release Point

<p>Figure 3 Site Map Duke Energy Field Services G-28-14 Ext. 3</p>	<p>Lea County, New Mexico NW 1/4 of the NW 1/4, Sec. 26, T23S, R36E N 32° 16' 49.3" W 103° 14' 27.4" Elevation: 3,364 feet amsl</p>	<p>Drawing By: IAO April 2005</p>	<p>REVISED:</p>	
	<p>0 140 280 Feet</p>	<p>280 SHEET 1 of 1</p>		

TABLE 1

WELL INFORMATION REPORT*

Duke Energy Field Services G-28-14 Ext. 3 - Ref #130018

Well Number	Diversions ^A	Owner	Use	Twsp	Rng	Sec q q q	Latitude	Longitude	Date Measured	Surface Elevation ^B	Well Depth (ft. bgs)	Depth to Water (ft. bgs)
USGS #4				23 S	36 E	23 22 1			17-Dec-70	3,355		132.39
CP 00497 EXPL	3	El Paso Natural Gas Company	EXP	23 S	36 E	36 4	N 32° 15' 12.37"	W 103° 13' 6.12"	18-Apr-71	3,337	246	133
USGS #7				23 S	36 E	36 3 1 4			22-Feb-96	3,335		120.92
USGS #8				23 S	36 E	36 3 4 1			17-Dec-70	3,335		136.21
USGS #9				23 S	36 E	36 3 4 2			20-Oct-65	3,325		142.17R

* = 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

DOM = Domestic One Household

SRO = Secondary recovery of oil

EXP = Exploration

IND = Industrial

R = The site had been pumped recently

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

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



Photograph #1: Release area, looking northwesterly.



Photograph #2: Replacing the line, looking northwesterly.