

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
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: Southern Union Gas Services	Contact: Rose Slade
Address: 1507 W. 15 th Monahans, Texas 79756	Telephone No.: 432-943-1100 ext. 1116
Facility Name: Monahans Field Office	Facility Type: Natural Gas Gathering / Rhodes 16" pipeline

Surface Owner: D. K. Boyd	Mineral Owner	Lease No.
---------------------------	---------------	-----------

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
K	21	26	37					Lea

Latitude_N32°01.485 Longitude:103°10.294

NATURE OF RELEASE

Type of Release: Crude oil, Produced water, and Natural Gas	Volume of Release: 75 barrels	Volume Recovered: 20 barrels
Source of Release: Pipeline	Date and Hour of Occurrence: not known	Date and Hour of Discovery: 9/4/09 at 8:00 am
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? Geoffrey Leking at the NMOCD office Hobbs, NM	
By Whom? Rose Slade	Date and Hour: 9/4/09 at 9:15 am	
Was a Watercourse Reached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, Volume Impacting the Watercourse.	

If a Watercourse was Impacted, Describe Fully.*

WATER @ 120'

Describe Cause of Problem and Remedial Action Taken.*

The 16" natural gas gathering line operating at approximately 37 p.s.i. developed a leak. Repair crews arrived at the leak site with a vacuum truck and started recovering the fluid of mostly water and crude oil. The leak area was excavated and the 16" natural gas line was replaced with 120 feet of pipe. The landowner was immediately notified and an environmental consultant was hired to clean and remediate the contaminated site.

Describe Area Affected and Cleanup Action Taken.*

The final dimensions of the excavation were approximately 200' in length and ranged from 30 to 65 feet in width and ranging from approximately 6 to 10 feet in depth. Several soil samples were taken throughout the remediation process (please refer to the site closure plan). Basin transpored approximately 476 cy of impacted soil to the Southern Union Land farm. Approximately 168 cy of topsoil ws purchased from the landowner and transported to the site. The excavation was backfilled with native soil and contoured to fit the sourrounding topography. The site will be reseeded with vegetation acceptable by the landowner.

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	
		Approved by ^{ENV ENGINEER:} District Supervisor: <i>Geoffrey Leking</i>	
Printed Name: Rose L. Slade		Approval Date: 03/18/10	Expiration Date: -
Title: EHS Compliance Specialist		Conditions of Approval:	
E-mail Address: rose.slade@sug.com		Attached <input type="checkbox"/>	
Date: 1/7/10	Phone: 432-940-5147	IRP-09-10-2309	

* Attach Additional Sheets If Necessary

Basin Environmental Service Technology LLC

2800 Plains Highway
P. O. Box 301
Lovington, New Mexico 88260
Office: (575) 396-2378 Fax: (575) 396-1429



REMEDIATION SUMMARY AND SITE CLOSURE REQUEST

**Southern Union Gas Services
Rhodes 16-Inch
Lea County, New Mexico
UNIT K (NE/SW), Section 21, Township 26 South, Range 37 East
Latitude 32 ° 01.485' North, Longitude 103 ° 10.294' West
NMOCD Reference # 1RP-2309**

Prepared For:

Southern Union Gas Services
1507 West 15th Street
Monahans, Texas 79756

Prepared By:
Basin Environmental Service Technology, LLC

November 2009

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1.0 INTRODUCTION

Basin Environmental Service Technology, LLC (Basin), on behalf of Southern Union Gas Services (Southern Union), has prepared this Remediation Summary and Site Closure Request for the release site known as Rhodes-16 Inch. The site is located in Unit Letter K (NE ¼ SW ¼), Section 21, Township 26 South, Range 37 East, in Lea County, New Mexico. The property is owned by Mr. D. K. Boyd. The site latitude is 32° 01.485' North, and the longitude is 103° 10.294' West. The Site Location and Site and Sample Location Map are provided as Figure 1 and Figure 2, respectively. The Release Notification and Corrective Action (NMOCD Form C-141) indicated approximately seventy-five (75) barrels of crude oil, produced water and natural gas was released from the Southern Union pipeline and twenty (20) barrels were recovered during the initial response activities. The Release Notification and Corrective Action is provided as Appendix B.

A previous contractor excavated and stockpiled the impacted soil on-site pending final disposition. The excavated area measured approximately two hundred (200) feet in length and ranged from thirty (30) to sixty (60) feet in width. The depth of the excavation ranged from approximately six (6) to seven (7) feet below ground surface (bgs).

On September 10, 2009, five (5) soil samples (SP#1-6' Bottom, SP#2-6' Bottom, SP#3-6' Bottom, SP#4-6' Bottom and SP#5-Original Release) were collected from the floor of the excavation and submitted to the laboratory for analysis. The soil samples were analyzed for concentrations of benzene, toluene, ethylbenzene and xylene (BTEX) using method EPA 8021b, concentrations of total petroleum hydrocarbons (TPH) using method SW-8015 modified and chloride concentration using method 4500 Cl. A summary of the analytical results are included in Table 1, Concentrations of BTEX, TPH and Chlorides in Soil. Laboratory reports are provided as Appendix A and soil sample locations are depicted on Figure 2, Site and Sample Location Map.

The laboratory analytical results indicated benzene, BTEX and TPH concentrations were less than the laboratory method detection limit (MDL) in all of the submitted soil samples. Laboratory analytical results indicated chloride concentrations ranged from 16 mg/Kg in soil sample SP#3-6' Bottom to 4,320 mg/Kg in soil sample SP#5-Original Release.

On September 10, 2009, eight (8) sidewall soil samples (SP#6-Wall Surface, SP#7-Wall Surface, SP#8-Wall Surface, SP#9-Wall Surface, SP#10-N. Wall Surface, SP#11-W. Wall Surface, SP#12-Origin W. Wall and SP#13-Origin E. Wall) were collected from the excavation and submitted to the laboratory for analysis. The laboratory analytical results indicated benzene and BTEX concentrations were less than the laboratory MDL in all of the submitted soil samples. Laboratory analytical results indicated TPH concentrations ranged from less than the laboratory MDL in soil samples SP#6-Wall Surface, SP#8-Wall Surface, SP#9-Wall Surface, SP#10-N. Wall Surface, SP#11-W. Wall Surface, SP#12-Origin W. Wall and SP#13-Origin E. Wall to 37.6 mg/Kg in soil sample SP#7-Wall Surface. Analytical results indicate chloride concentrations ranged from less than the laboratory MDL for soil samples SP#6-Wall Surface, SP#8-Wall Surface, SP#9-Wall Surface and SP#10-N. Wall Surface to 2,600 mg/Kg for soil sample SP#12-Origin W. Wall.

On September 10, 2009, a “baseline” stockpile soil sample (Soil Piles) was collected from the on-site stockpile and submitted to the laboratory for analysis. The analytical results indicated the benzene concentration was 0.085 mg/Kg, the BTEX concentration was 0.761 mg/Kg, the TPH concentration was 270.4 mg/Kg and the chloride concentration was 1,120 mg/Kg.

On October 21, 2009, Southern Union requested Basin assume remediation activities at the site.

2.0 NMOCD SITE CLASSIFICATION

A search of the New Mexico Office of the State Engineer (NMOSE) database indicated depth to groundwater information was unavailable for Section 21, Township 26S, Range 37E. A depth to groundwater reference map utilized by the NMOCD indicates groundwater should be encountered at approximately one hundred twenty (120) feet bgs. The depth to groundwater in this area results in a score of zero (0) points being assigned to the site based on the NMOCD depth to groundwater criteria.

The water well database, maintained by the NMOSE, indicated there are no water wells less than 1,000 feet from the site, resulting in zero (0) points being assigned to the site as a result of this criteria.

There are no surface water bodies located within 1,000 feet of the site. Based on the NMOCD ranking system zero (0) points will be assigned to the site as a result of the criteria.

The NMOCD guidelines indicate the Rhodes 16-Inch release site has a ranking score of zero (0). Based on this score, the soil remediation levels for a site with a ranking score of zero (0) points are as follows:

- Benzene – 10 mg/Kg (ppm)
- BTEX – 50 mg/Kg (ppm)
- TPH – 5,000 mg/Kg (ppm)

The NMOCD chloride remediation goals are site specific.

3.0 SUMMARY OF FIELD ACTIVITIES

On October 27, 2009, additional excavation activities were conducted at the release site. The area represented by and including soil samples SP#11-W. Wall Surface, SP#5-Original Release, SP#12-Origin W. Wall and SP#13-Organ E. Wall was excavated. Approximately 476 cubic yards (cy) of impacted soil was stockpiled adjacent to the excavation, pending final disposition. The final dimensions of the excavation were approximately two hundred (200) feet in length and ranged from thirty (30) to sixty-five (65) feet in width and ranging from approximately six (6) to ten (10) feet in depth.

On October 27, 2009, two (2) sidewall soil samples (SP12 Side Wall West and SP13 Side Wall East) were collected from the excavation and submitted to the laboratory for analysis.

The laboratory analytical results indicated benzene and BTEX concentrations were less than the laboratory MDL in both soil samples. TPH concentrations ranged from less than the laboratory MDL in soil sample SP12 Side Wall West to 10.8 mg/Kg in soil sample SP13 Side Wall East. Chloride concentrations were 32 mg/Kg in both soil samples.

On October 27, 2009, an excavation floor sample (SP5 10' Bottom Hole) was collected at the release point and submitted to the laboratory for analysis. The analytical results indicated benzene and BTEX concentrations were less than the laboratory MDL. TPH and chloride concentrations were 10.8 mg/Kg and 112 mg/Kg, respectively.

On October 27, 2009, a stockpile soil sample was collected from the on-site stockpile and submitted to the laboratory for analysis. The analytical results indicated the benzene concentration was 0.056 mg/Kg, the BTEX concentration was 4.363 mg/Kg, the TPH concentration was 1,734 mg/Kg and the chloride concentration was 800 mg/Kg.

From October 30 through November 5, 2009, Basin transported approximately 476 cy of impacted soil to the Southern Union Landfarm. Approximately 168 cy of topsoil was purchased from the landowner and transported to the site. The excavation was backfilled with native soil and contoured to fit the surrounding topography. The site will be reseeded with vegetation acceptable to the landowner.

4.0 SITE CLOSURE REQUEST

Based on the analytical results of the confirmation soil samples, Basin recommends Southern Union provide the NMOCD Hobbs District Office a copy of this Remediation Summary and Site Closure Request and request the NMOCD grant site closure to the Rhodes-16 Inch release site.

5.0 LIMITATIONS

Basin Environmental Service Technology, LLC has prepared this Remediation Summary and Site Closure Request to the best of its ability. No other warranty, expressed or implied, is made or intended.

Basin Environmental Service Technology, LLC has examined and relied upon documents referenced in the report and has relied on oral statements made by certain individuals. Basin Environmental Service Technology, LLC has not conducted an independent examination of the facts contained in referenced materials and statements. We have presumed the genuineness of the documents and that the information provided in documents or statements is true and accurate. Basin Environmental Service Technology, LLC has prepared this report, in a professional manner, using the degree of skill and care exercised by similar environmental consultants. Basin Environmental Service Technology, LLC also notes that the facts and conditions referenced in this report may change over time and the conclusions and recommendations set forth herein are applicable only to the facts and conditions as described at the time of this report.

This report has been prepared for the benefit of Southern Union Gas Services. The information contained in this report, including all exhibits and attachments, may not be used by any other

party without the express consent of Basin Environmental Service Technology, LLC and/or Southern Union Gas Services.

6.0 DISTRIBUTION:

Copy 1: Geoffrey Leking
New Mexico Energy, Minerals and Natural Resources Department
Oil Conservation Division (District 1)
1625 French Drive
Hobbs, New Mexico 88240

Copy 2: Rose Slade
Southern Union Gas Services
1507 West 15th
Monahans, Texas 79756

Copy 3: Basin Environmental Service Technology, LLC
P.O. Box 301
Lovington, New Mexico 88260

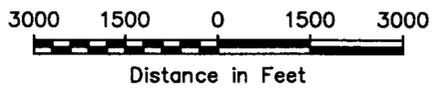
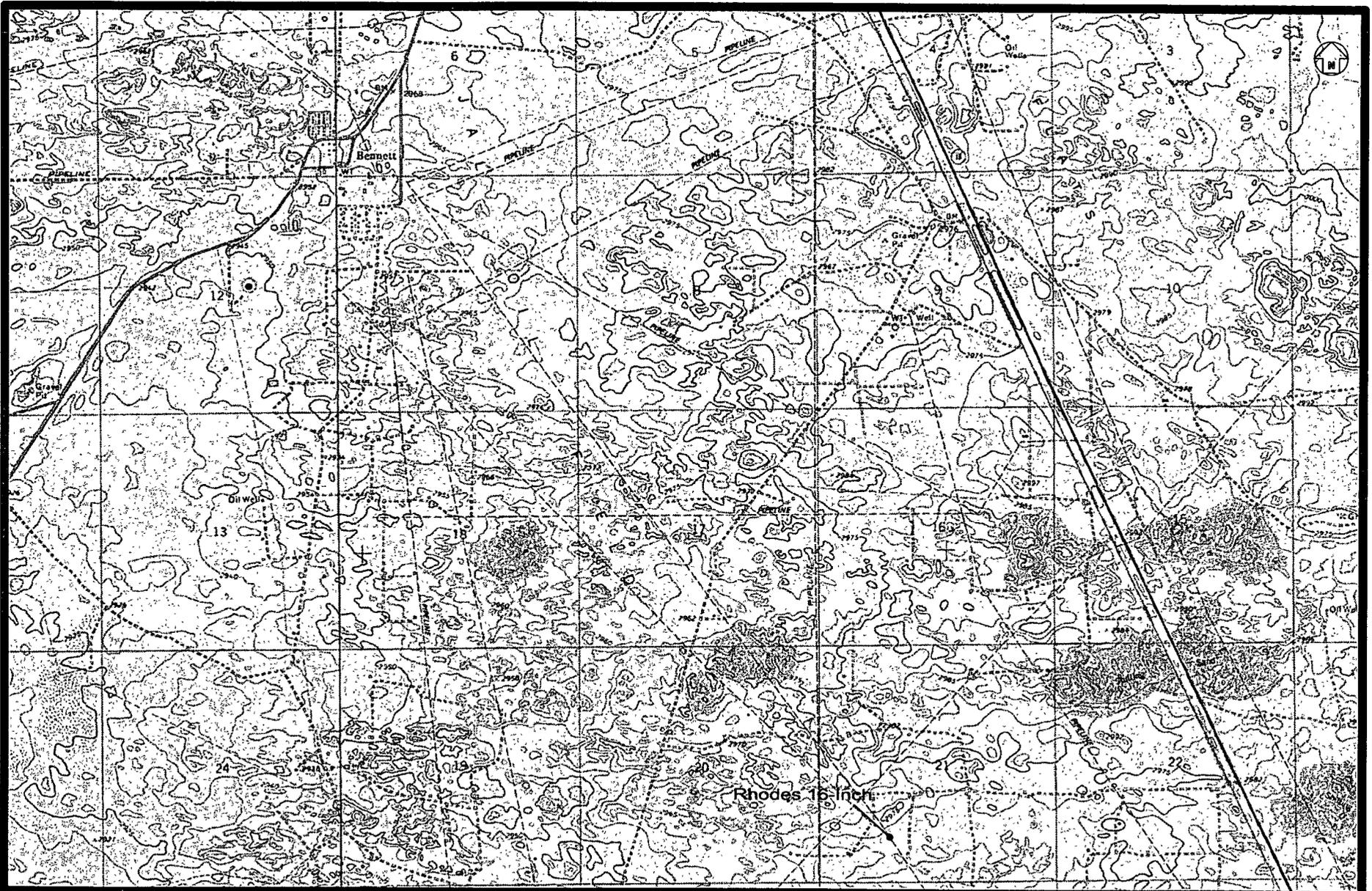
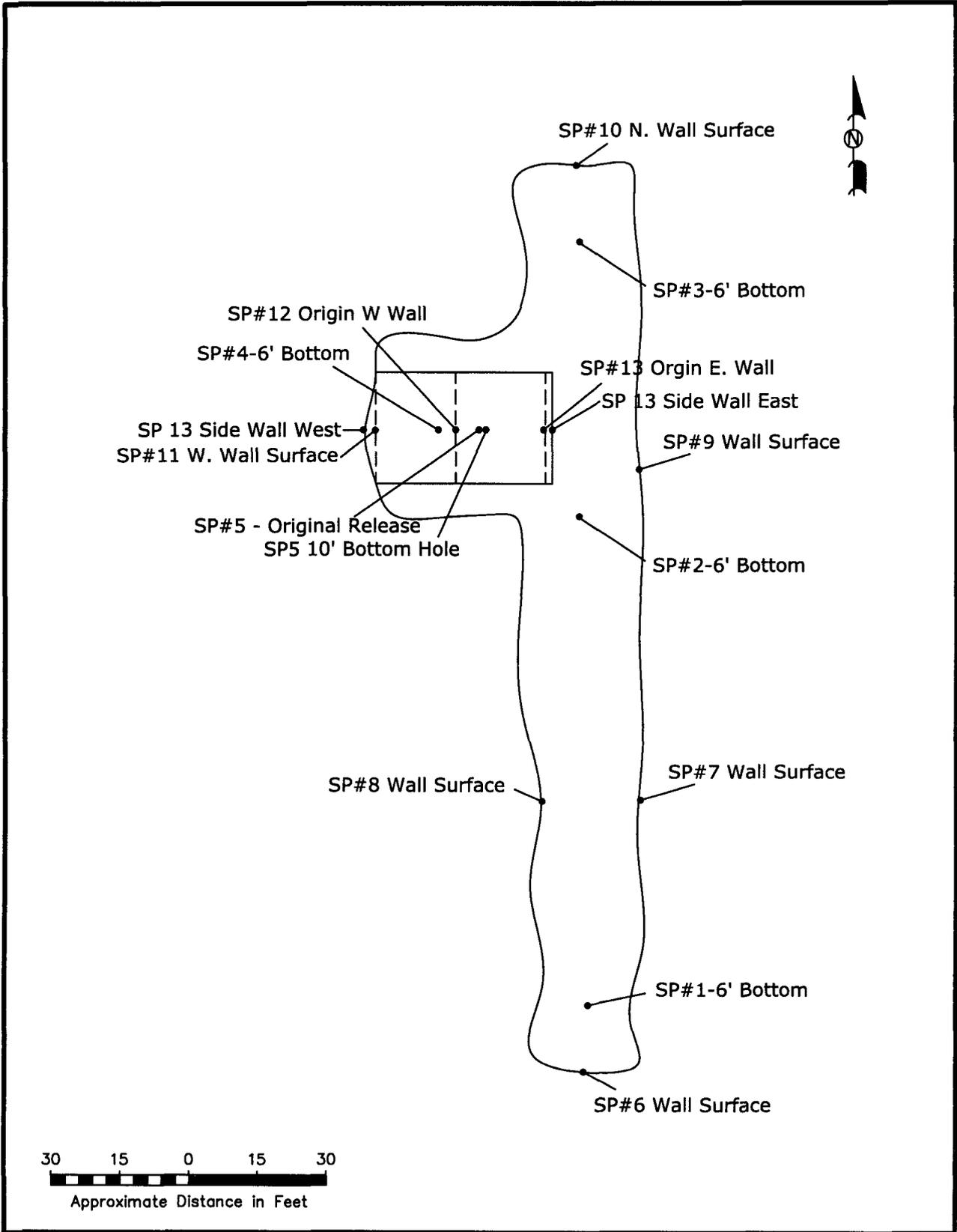


Figure 1
 Site Location Map
 Rhodes 16-Inch
 South Union Gas Services
 Lea County, New Mexico
 NMOCD # 1RP-2309

Basin Environmental Services

Prep By:	Checked By:
November 23, 2009	Scale 1"=3000'



LEGEND:	
—	Excavation Extent
•	Soil Sample Location

Figure 2
 Site and Sample Location Map
 Southern Union Gas Services
 Rhodes 16-Inch
 Lea County, NM
 1RP-2309

Basin Environmental Service Technologies		
Scale: 1"=30 Ft	Drawn By:	Prepared By:
November 23, 2009		

TABLE 1

CONCENTRATIONS OF BTEX, TPH AND CHLORIDES IN SOIL

SOUTHERN UNION GAS SERVICES
 RHODES 16 INCH
 LEA COUNTY, NEW MEXICO
 NMOCD REFERENCE # 1RP-2309

SAMPLE LOCATION	SAMPLE DATE	SOIL STATUS	METHOD: EPA SW 846-8021B, 5030					SW 848-8015M				4500 Cl
			BENZENE (mg/Kg)	TOLUENE (mg/Kg)	ETHYL-BENZENE (mg/Kg)	TOTAL XYLENES (mg/Kg)	TOTAL BTEX (mg/Kg)	GRO C ₆ -C ₁₀ (mg/Kg)	DRO C ₁₀ -C ₂₈ (mg/Kg)	DRO Ext. C ₂₈ -C ₃₅ (mg/Kg)	TOTAL TPH (mg/Kg)	CHLORIDE (mg/Kg)
SP#1-6' Bottom	09/10/09	In-Situ	<0.050	<0.050	<0.050	<0.300	<0.300	<10.0	<10.0	-	<10.0	80
SP#2-6' Bottom	09/10/09	In-Situ	<0.050	<0.050	<0.050	<0.300	<0.300	<10.0	<10.0	-	<10.0	176
SP#3-6' Bottom	09/10/09	In-Situ	<0.050	<0.050	<0.050	<0.300	<0.300	<10.0	<10.0	-	<10.0	16
SP#4-6' Bottom	09/10/09	In-Situ	<0.050	<0.050	<0.050	<0.300	<0.300	<10.0	<10.0	-	<10.0	112
SP#5-Original Release	09/10/09	Excavated	<0.050	<0.050	<0.050	<0.300	<0.300	<10.0	<10.0	-	<10.0	4,320
SP#6-Wall Surface	09/10/09	In-Situ	<0.050	<0.050	<0.050	<0.300	<0.300	<10.0	<10.0	-	<10.0	<16
SP#7-Wall Surface	09/10/09	In-Situ	<0.050	<0.050	<0.050	<0.300	<0.300	<10.0	38	-	37.6	96
SP#8-Wall Surface	09/10/09	In-Situ	<0.050	<0.050	<0.050	<0.300	<0.300	<10.0	<10.0	-	<10.0	<16
SP#9-Wall Surface	09/10/09	In-Situ	<0.050	<0.050	<0.050	<0.300	<0.300	<10.0	<10.0	-	<10.0	<16
SP#10-N. Wall Surface	09/10/09	In-Situ	<0.050	<0.050	<0.050	<0.300	<0.300	<10.0	<10.0	-	<10.0	<16
SP#11-W. Wall Surface	09/10/09	Excavated	<0.050	<0.050	<0.050	<0.300	<0.300	<10.0	<10.0	-	<10.0	512
SP#12-Origin W. Wall	09/10/09	Excavated	<0.050	<0.050	<0.050	<0.300	<0.300	<10.0	<10.0	-	<10.0	2,600
SP#13-Origin E. Wall	09/10/09	Excavated	<0.050	<0.050	<0.050	<0.300	<0.300	<10.0	<10.0	-	<10.0	1,660
Soil Piles	09/10/09	N/A	0.085	0.088	<0.050	0.588	0.761	24.4	246	-	270.4	1,120
SP5 10' Bottom Hole	10/27/09	In-Situ	<0.050	<0.050	<0.050	<0.300	<0.300	<10.0	10.8	<10.0	10.8	112
SP12 Side Wall West	10/27/09	In-Situ	<0.050	<0.050	<0.050	<0.300	<0.300	<10.0	<10.0	<10.0	<10.0	32
SP13 Side Wall East	10/27/09	In-Situ	<0.050	<0.050	<0.050	<0.300	<0.300	<10.0	10.8	<10.0	10.8	32
Stockpile	10/27/09	N/A	0.056	0.462	0.675	3.17	4.363	484	1,250	<10.0	1,734	800



ARDINAL LABORATORIES

PHONE (575) 383-2326 • 101 E. MARLAND • HOBBS, NM 88240

ANALYTICAL RESULTS FOR
SOUTHERN UNION GAS SERVICES
ATTN: ROSE SLADE
1507 W. 15TH STREET
MONAHANS, TX 79756

Receiving Date: 09/10/09
Reporting Date: 09/15/09
Project Number: 2009-047
Project Name: RHODES 16"
Project Location: SOUTH OF JAL

Sampling Date: 09/10/09
Sample Type: SOIL
Sample Condition: COOL & INTACT @ 5°C
Sample Received By: ML
Analyzed By: AB/ZL/HM

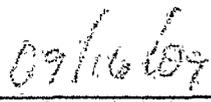
LAB NO.	SAMPLE ID	GRO (C ₆ -C ₁₀) (mg/kg)	DRO (C ₁₀ -C ₂₈) (mg/kg)	BENZENE (mg/kg)	TOLUENE (mg/kg)	ETHYL BENZENE (mg/kg)	TOTAL XYLENES (mg/kg)	Cl ⁻ (mg/kg)
ANALYSIS DATE:		09/11/09	09/11/09	09/11/09	09/11/09	09/11/09	09/11/09	09/14/09
H18219-1	SP#1-6' BOTTOM	<10.0	<10.0	<0.050	<0.050	<0.050	<0.300	80
H18219-2	SP#2-6' BOTTOM	<10.0	<10.0	<0.050	<0.050	<0.050	<0.300	176
H18219-3	SP#3-6' BOTTOM	<10.0	<10.0	<0.050	<0.050	<0.050	<0.300	16
H18219-4	SP#4-6' BOTTOM	<10.0	<10.0	<0.050	<0.050	<0.050	<0.300	112
H18219-5	SP#5-ORIGINAL RELEASE	<10.0	<10.0	<0.050	<0.050	<0.050	<0.300	4,320
H18219-6	SP#6-WALL SURFACE	<10.0	<10.0	<0.050	<0.050	<0.050	<0.300	<16
H18219-7	SP#7-WALL SURFACE	<10.0	37.6	<0.050	<0.050	<0.050	<0.300	95
H18219-8	SP#8-WALL SURFACE	<10.0	<10.0	<0.050	<0.050	<0.050	<0.300	<16
H18219-9	SP#9-WALL SURFACE	<10.0	<10.0	<0.050	<0.050	<0.050	<0.300	<16
H18219-10	SP#10-N. WALL SURFACE	<10.0	<10.0	<0.050	<0.050	<0.050	<0.300	<16
H18219-11	SP#11-W. WALL SURFACE	<10.0	<10.0	<0.050	<0.050	<0.050	<0.300	512
H18219-12	SP#12-ORIGIN W. WALL	<10.0	<10.0	<0.050	<0.050	<0.050	<0.300	2,600
H18219-13	SP#13-ORIGIN E. WALL	<10.0	<10.0	<0.050	<0.050	<0.050	<0.300	1,650
H18219-14	SOIL PILES	24.4	246	0.085	0.088	<0.050	0.588	1,120
Quality Control		542	489	0.054	0.056	0.049	0.148	500
True Value QC		500	500	0.050	0.050	0.050	0.150	500
% Recovery		108	97.8	108	112	98.0	98.7	100
Relative Percent Difference		1.5	1.8	6.9	6.6	4.9	6.8	<0.1

METHODS. TPH GRO & DRO - EPA SW-846 8015 M; BTEX - SW-846 8021B; Cl⁻ Std. Methods 4500-Cl-B
*Analyses performed on 1:4 w/v aqueous extracts. Reported on wet weight.

TEXAS NELAP ACCREDITATION T104704398-08-TX FOR BENZENE, TOLUENE, ETHYL BENZENE,
AND TOTAL XYLENES. Not accredited for GRO/DRO and Chloride.



Lab Director
H18219 TBCL SUGS



Date

PLEASE NOTE: Liability and Damages. Cardinal's liability and client's exclusive remedy for any claim arising, whether based in contract or tort, shall be limited to the amount paid by client for analyses. All claims, including those for negligence and any other cause whatsoever, shall be deemed waived unless made in writing and received by Cardinal within thirty (30) days after completion of the applicable service. In no event shall Cardinal be liable for incidental or consequential damages, including, without limitation, business interruptions, loss of use, or loss of profits incurred by client, its subsidiaries, affiliates or successors arising out of or related to the performance of services hereunder by Cardinal, regardless of whether such claim is based upon any of the above-stated reasons or otherwise. Results relate only to the samples identified above. This report shall not be reproduced except in full with written approval of Cardinal Laboratories.



CARDINAL LABORATORIES

101 East Mariand, Hobbs, NM 88240
(575) 393-2326 Fax (575) 393-2476

Company Name: <u>Southern Union Gas Services</u>			BILL TO			ANALYSIS REQUEST																				
Project Manager: <u>Rose Slade</u>			P.O. #: <u>Blanket</u>			<div style="font-size: 2em; font-weight: bold; margin-bottom: 10px;">8015 M.</div> <div style="font-size: 2em; font-weight: bold; margin-bottom: 10px;">BTEX-8021B</div> <div style="font-size: 2em; font-weight: bold;">Chlorides 4500-CLB</div>																				
Address: <u>1507 W. 15th</u>			Company: <u>Southern Union Gas</u>																							
City: <u>Monahans</u> State: <u>TX</u> Zip: <u>79756</u>			Attn: <u>Rose Slade</u>																							
Phone #: <u>(432) 940-5147</u> Fax #: <u>432-943-1101</u>			Address: <u>1507 W. 15th</u>																							
Project #: <u>209-047</u> Project Owner: <u>SUGS</u>			City: <u>Monahans</u>																							
Project Name: <u>Rhodes 16"</u>			State: <u>TX</u> Zip: <u>79756</u>																							
Project Location: <u>South of Jail</u>			Phone #: <u>432-940-5147</u>																							
Sampler Name: <u>Rose Slade</u>			Fax #: <u>432-943-1101</u>																							
FOR LAB USE ONLY																										
Lab I.D.	Sample I.D.	# CONTAINERS	GROUNDWATER	WASTEWATER	SOIL													OIL	SLUDGE	OTHER	ACID/BASE	ICE/COOL	OTHER	DATE	TIME	
H18219-1	SP#1-6' Bottom	G			/					/		9-10-09	10:50 AM	/	/	/										
-2	SP#2-6' Bottom	G			/					/		9-10-09	10:52 AM	/	/	/										
-3	SP#3-6' Bottom	G			/					/		9-10-09	10:53 AM	/	/	/										
-4	SP#4-6' Bottom	G			/					/		9-10-09	10:54 AM	/	/	/										
-5	SP#5 - Original Release	G			/					/		9-10-09	10:55 AM	/	/	/										
-6	SP#6 - Wall surface	G			/					/		9-10-09	10:57 AM	/	/	/										
-7	SP#7 - Wall surface	G			/					/		9-10-09	10:58 AM	/	/	/										
-8	SP#8 - Wall surface	G			/					/		9-10-09	10:58 AM	/	/	/										
-9	SP#9 - Wall surface	G			/					/		9-10-09	11:02 AM	/	/	/										
-10	SP#10 - N. wall surface	G			/					/		9-10-09	11:02 AM	/	/	/										

PLEASE NOTE: Liability and Damages. Cardinal's liability and client's exclusive remedy for any claim arising whether based in contract or tort, shall be limited to the amount paid by the client for the analyses. All claims, including those for negligence and any other cause whatsoever shall be deemed waived unless made in writing and received by Cardinal within 30 days after completion of the applicable service. In no event shall Cardinal be liable for incidental or consequential damages, including without limitation, business interruptions, loss of use, or loss of profits incurred by client, its subsidiaries, affiliates or successors arising out of or related to the performance of services hereunder by Cardinal, regardless of whether such claim is based upon any of the above stated reasons or otherwise.

Sampler Relinquished:	Date: <u>9/10/09</u>	Received By: <u>[Signature]</u>	Phone Result: <input type="checkbox"/> No <input checked="" type="checkbox"/> Add'l Phone #:
	Time: <u>14:28</u>		Fax Result: <input checked="" type="checkbox"/> No <input type="checkbox"/> Add'l Fax #: <u>432-306-0334</u>
Retrieved By: <u>[Signature]</u>	Date: <u>9-10-09</u>	Received By: <u>[Signature]</u>	ATTN: ON FAX Logan Anderson ELK Environmental
Delivered By: (Circle One) Sampler - UPS - Bus - Other:	Time: <u>3:00</u>	Temp. <u>50'</u>	
		Sample Condition Cool <input type="checkbox"/> Intact <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/>	CHECKED BY: <u>[Signature]</u>

† Cardinal cannot accept verbal changes. Please fax written changes to 575-393-2476.

#26



CARDINAL LABORATORIES

101 East Marland, Hobbs, NM 88240
(575) 393-2326 Fax (575) 393-2476

Company Name: <u>Southern Union Gas Services</u>				BILL TO				ANALYSIS REQUEST																				
Project Manager: <u>Rose Slade</u>				P.O. #: <u>Blanket</u>																								
Address: <u>1507 W. 15th</u>				Company: <u>SUGS</u>																								
City: <u>Monahans</u>		State: <u>TX</u>		Zip: <u>79754</u>		Attn: <u>Rose Slade</u>																						
Phone #: <u>432-943-1116</u>		Fax #: <u>432-943-1101</u>		Address: <u>1507 W. 15th</u>																								
Project #: <u>2009-047</u>		Project Owner: <u>SUGS</u>		City: <u>Monahans</u>																								
Project Name: <u>Rhodes 16'</u>				State: <u>TX</u>																Zip: <u>79754</u>								
Project Location: <u>South of Jol</u>				Phone #: <u>432-940-5147</u>																								
Sampler Name: <u>Rose Slade</u>				Fax #: <u>432-943-1101</u>																								
FOR LAB USE ONLY												<u>8015 M</u> <u>BTEX-8001 B</u> <u>Chlorides 4500-CLB</u> <u>Print filter test</u>																
Lab I.D.		Sample I.D.		(GRAB OR COMPOUND)	# CONTAINERS	MATRIX				PRESERV														SAMPLING				
						GROUNDWATER	WASTEWATER	SOIL	OIL	SLUDGE	OTHER													ACID/BASE	ICE / COOL	OTHER	DATE	TIME
<u>H18219-11</u>		<u>SP#11 - W. Well surface</u>		<u>8</u>	<u>1</u>			<u>✓</u>																			<u>9-10-09</u>	<u>11:04 AM</u>
<u>-12</u>		<u>SP#12 - Origin W. Well</u>		<u>8</u>	<u>1</u>			<u>✓</u>																			<u>9-10-09</u>	<u>11:06 AM</u>
<u>-13</u>		<u>SP#13 - Origin E. Well</u>		<u>8</u>	<u>1</u>			<u>✓</u>																			<u>9-10-09</u>	<u>11:10 AM</u>
<u>-14</u>		<u>Soil Piles</u>		<u>C</u>	<u>1</u>			<u>✓</u>																			<u>9-10-09</u>	<u>11:26 AM</u>

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Sampler Relinquished:		Date: <u>9-10-09</u>		Received By: <u>[Signature]</u>		Phone Result: <input type="checkbox"/> No		Add'l Phone #:	
		Time: <u>14:28</u>				Fax Result: <input type="checkbox"/> No		Add'l Fax #:	
Relinquished By: <u>[Signature]</u>		Date: <u>9-10-09</u>		Received By:		REMARKS:			
		Time: <u>5:00 PM</u>							
Delivered By: (Circle One)		Temp. <u>50°</u>		Sample Condition					
Sampler - UPS - Bus - Other:				Cool Intact <input type="checkbox"/> Yes <input type="checkbox"/> No					

† Cardinal cannot accept verbal changes. Please fax written changes to 575-393-2476.

#260



**ARDINAL
LABORATORIES**

PHONE (575) 393-2326 • 101 E. MARLAND • HOBBS, NM 88240

October 29, 2009

Rose Slade
Southern Union Gas Services
1507 West 15th Street
Monahans, TX 79756

Re: Rhodes 16"

Enclosed are the results of analyses for sample number H18588, received by the laboratory on 10/28/09 at 8:31 am.

Cardinal Laboratories is accredited through Texas NELAP for:

Method SW-846 8021	Benzene, Toluene, Ethyl Benzene, and Total Xylenes
Method SW-846 8260	Benzene, Toluene, Ethyl Benzene, and Total Xylenes
Method TX 1005	Total Petroleum Hydrocarbons

Certificate number T104704398-08-TX. Accreditation applies to solid and chemical materials and non-potable water matrices.

Cardinal Laboratories is accredited through the State of Colorado Department of Public Health and Environment for:

Method EPA 552.2	Haloacetic Acids (HAA-5)
Method EPA 524.2	Total Trihalomethanes (TTHM)
Method EPA 524.2	Regulated VOCs (V2, V3)

Accreditation applies to public drinking water matrices.

Total Number of Pages of Report: 4 (includes Chain of Custody)

Sincerely,

Celey D. Keene
Laboratory Director

This report conforms with NELAP requirements.



PHONE (575) 393-2326 • 101 E. MARLAND • HOBBS, NM 88240

ANALYTICAL RESULTS FOR
SOUTHERN UNION GAS SERVICES
ATTN: ROSE SLADE
1507 WEST 15TH STREET
MONAHANS, TX 79756

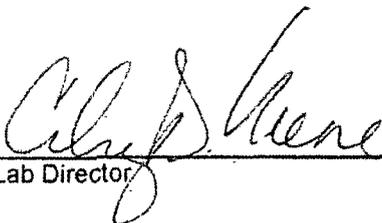
Receiving Date: 10/28/09
Reporting Date: 10/29/09
Project Number: 2009-047
Project Name: RHODES 16"
Project Location: LEA COUNTY, NM

Sampling Date: 10/27/09
Sample Type: SOIL
Sample Condition: COOL & INTACT @ 6.0°C
Sample Received By: ML
Analyzed By: ZL/HM

LAB NO.	SAMPLE ID	BENZENE (mg/kg)	TOLUENE (mg/kg)	ETHYL BENZENE (mg/kg)	TOTAL XYLENES (mg/kg)	Cl ⁻ (mg/kg)
ANALYSIS DATE:		10/28/09	10/28/09	10/28/09	10/28/09	10/28/09
H18588-1	SP5 10' BOTTOM HOLE	<0.050	<0.050	<0.050	<0.300	112
H18588-2	SP12 SIDE WALL WEST	<0.050	<0.050	<0.050	<0.300	32
H18588-3	SP13 SIDE WALL EAST	<0.050	<0.050	<0.050	<0.300	32
H18588-4	STOCK PILE	0.056	0.462	0.675	3.17	800
Quality Control		0.051	0.056	0.056	0.163	510
True Value QC		0.050	0.050	0.050	0.150	500
% Recovery		102	112	112	109	102
Relative Percent Difference		6.6	8.2	6.1	7.7	2.0

METHODS: BTEX - EPA SW-846-8021; Cl⁻ - Std. Methods 4500-Cl-B
*Analyses performed on 1:4 aqueous extracts. Not accredited for Chloride.

TEXAS NELAP ACCREDITATION T104704398-08-TX FOR BENZENE, TOLUENE, ETHYL BENZENE,
AND TOTAL XYLENES. Reported on wet weight.


Lab Director

10/29/09
Date

PLEASE NOTE: Liability and Damages. Cardinal's liability and client's exclusive remedy for any claim arising, whether based in contract or tort, shall be limited to the amount paid by client for analyses. All claims, in any event, shall be limited to the amount paid by client for analyses. No other cause whatsoever shall be deemed waived unless made in writing and received by Cardinal within thirty (30) days after completion of the applicable service. In no event shall Cardinal be liable for incidental or consequential damages, including, without limitation, business interruptions, loss of use, or loss of profits incurred by client, its subsidiaries, affiliates or successors arising out of or related to the performance of services hereunder by Cardinal, regardless of whether such claim is based upon any of the above-stated reasons or otherwise. Results relate only to the samples identified above. This report shall not be reproduced except in full with written approval of Cardinal Laboratories.



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ANALYTICAL RESULTS FOR
SOUTHERN UNION GAS SERVICES
ATTN: ROSE SLADE
1507 WEST 15TH STREET
MONAHANS, TX 79756

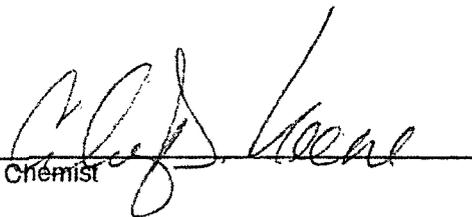
Receiving Date: 10/28/09
Reporting Date: 10/29/09
Project Number: 2009-047
Project Name: RHODES 16"
Project Location: LEA COUNTY, NM

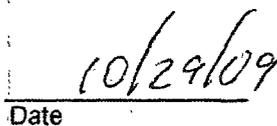
Sampling Date: 10/27/09
Sample Type: SOIL
Sample Condition: COOL & INTACT @ 6.0°C
Sample Received By: ML
Analyzed By: AB

LAB NUMBER	SAMPLE ID	GRO (C ₆ -C ₁₀) (mg/kg)	DRO (>C ₁₀ -C ₂₈) (mg/kg)	DRO ext. (>C ₂₈ -C ₃₅) (mg/kg)
------------	-----------	--	--	---

ANALYSIS DATE	10/28/09	10/28/09	10/28/09
H18588-1 SP5 10' BOTTOM HOLE	<10.0	10.8	<10.0
H18588-2* SP12 SIDE WALL WEST	<10.0	<10.0	<10.0
H18588-3 SP13 SIDE WALL EAST	<10.0	10.8	<10.0
H18588-4 STOCK PILE	484	1,250	<10.0
Quality Control	435	452	-
True Value QC	500	500	-
% Recovery	87.0	90.4	-
Relative Percent Difference	5.3	4.7	-

METHODS: TPH GRO & DRO: EPA SW-846 8015 M extended
Reported on wet weight. Not accredited for GRO/DRO/DRO Ext.
*Second surrogate outside historical limits due to matrix interference.


Chemist


Date

H18588 8015EXT SUGS

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CARDINAL LABORATORIES

CHAIN OF CUSTODY RECORD AND ANALYSIS REQUEST

101 East Marland
Hobbs, New Mexico 88240

Phone: 505-393-2326
Fax: 505-393-2476

Project Manager: ROSE SLADE PAGE 1 OF 1
 Company Name: SOUTHERN UNION GAS
 Company Address: SUG
 City/State/Zip: JAC NM 88252
 Telephone No: 432-943-1101 940-5147 Fax No: 432 943-1101
 Sampler Signature: [Signature] e-mail: estaylor@basinenv

Project Name: RHODES 16"
 Project #: 2009-047
 Project Loc: LEA COUNTY
 PO #: _____
 Report Format: Standard TRRP NPDES

(lab use only)
ORDER #: _____

Analyze For:	
TCLP:	TOTAL:
As	As
Ba	Ba
Cd	Cd
Cr	Cr
Pb	Pb
Hg	Hg
Se	Se
Volatiles	Volatiles
Semivolatiles	Semivolatiles
BTEX (00218) 030 or BTEX 8260	BTEX (00218) 030 or BTEX 8260
RCI	RCI
N.O.R.M.	N.O.R.M.
Chlorides EPA 9000 4500	Chlorides EPA 9000 4500
RUSH TAT (Pre-Schedule) 24, 48, 72 hrs	RUSH TAT (Pre-Schedule) 24, 48, 72 hrs
Standard TAT	Standard TAT

LAB # (lab use only)	FIELD CODE	Beginning Depth	Ending Depth	Date Sampled	Time Sampled	Field Screened	Total # of Containers	Preservation & / of Containers										Matrix	
								Ice	HNO ₃	HCl	H ₂ SO ₄	NaOH	Na ₂ S ₂ O ₈	None	Other (Specify)	DW = drinking water SL = sludge	GW = Groundwater S = Soil/Soil	NP = Non-Potable Specify DDT	TPH: 418.1 8015W 50
HMS-1	SPS 10' BOTTOM HOLE			10/27/09	10:00	1	X										S	X	
2	SP 12 SIDE WALL WEST				12:15	1													
3	SP 13 SIDE WALL EAST				12:30	1													
4	STOCK PILE				14:30	1													

Special Instructions: **EMAIL RESULTS: kdutton@basinenv.com &**

Relinquished by: <u>[Signature]</u>	Date: <u>10/28</u>	Time: <u>7:49</u>	Received by: <u>[Signature]</u>	Date: <u>10/28</u>	Time: <u>7:49</u>
Relinquished by: <u>[Signature]</u>	Date: <u>10/28/09</u>	Time: <u>8:32a</u>	Received by: <u>[Signature]</u>	Date:	Time:
Relinquished by:	Date:	Time:	Received by Cardinal:	Date:	Time:

Laboratory Comments:

Sample Containers Intact?	<input checked="" type="checkbox"/>	N
VOCs Free of Headspace?	<input checked="" type="checkbox"/>	N
Labels on container(s)	<input checked="" type="checkbox"/>	N
Custody seals on container(s)	<input checked="" type="checkbox"/>	N
Custody seals on cooler(s)	<input checked="" type="checkbox"/>	N
Sample Hand Delivered by Sampler/Client Rep.?	<input checked="" type="checkbox"/>	N
by Courier? UPS DHL FedEx Lone Star	<input checked="" type="checkbox"/>	N
Temperature Upon Receipt:	<u>6.0</u>	C

#26

RECEIVED

SEP 16 2009

HOBBSOCD

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-11
 Revised October 10, 2008
 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: Southern Union Gas Services	Contact: Rose Slade
Address: 1507 W. 15 th Monahans, Texas 79756	Telephone No.: 432-943-1100 ext. 1116
Facility Name: Monahans Field Office	Facility Type: Natural Gas Gathering

Surface Owner: D. K. Boyd	Mineral Owner	Lease No.
---------------------------	---------------	-----------

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
K	21	26	37					Lea

Latitude N32°01.485 Longitude 103°10.294

NATURE OF RELEASE

Type of Release: Crude oil, Produced water, and Natural Gas	Volume of Release: 75 barrels	Volume Recovered: 20 barrels
Source of Release: Pipeline	Date and Hour of Occurrence: not known	Date and Hour of Discovery: 9/4/09 at 8:00 am
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? Jeffery Lecking at the NMOCD office Hobbs, NM	
By Whom? Rose Slade	Date and Hour: 9/4/09 at 9:15 am	
Was a Watercourse Reached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, Volume Impacting the Watercourse.	

If a Watercourse was Impacted, Describe Fully.*

WATER @ 120'

Describe Cause of Problem and Remedial Action Taken.*
 The 16" natural gas gathering line operating at approximately 37 p.s.i. developed a leak. Repair crews arrived at the leak site with a vacuum truck and started recovering the fluid of mostly water and crude oil. The leak area was excavated and the 16" natural gas line was replaced with 120 feet of pipe. The landowner was immediately notified.

Describe Area Affected and Cleanup Action Taken.*
 Approximately 10,500 sq. ft. of pasture land was affected by the leak. Final remediation will follow the NMOCD recommended guidelines for leaks and spills and the landowners specifications to not remediate the contaminated soil on site and to haul the contaminated soil to the SUG landfarm according to the permit requirements.

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: <i>Rose L. Slade</i>	OIL CONSERVATION DIVISION	
Printed Name: Rose L. Slade	Approved by: <i>Jeffery Lecking</i> District Supervisor	
Title: EHS Compliance Specialist	Approval Date: 09/19/09	Expiration Date: 11/19/09
E-mail Address: rose.slade@sug.com	Conditions of Approval: DELINQUENT & CLEAN UP CLEAN SAMPLE # 1, SUBMIT FINAL CRI BY 11/19/09	Attached <input type="checkbox"/>
Date: 9/14/09	Phone: 432-940-5147	IRP-09-10-2309

* Attach Additional Sheets If Necessary

FGRH 09 29653 764