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July 21, 1999

HAND DELIVERED

Lori Wrotenbery, Director
Oil Conservation Division
2040 South Pacheco Street
Santa Fe, New Mexico 87505

99 JUN 21 PM 4:13
OIL CONSERVATION DIV.

Re: Case No. 12033 Application of Public Service Company of New Mexico for review of Oil Conservation Division directive dated March 13, 1998, directing additional remediation for hydrocarbon contamination, San Juan County, New Mexico.

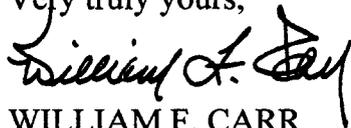
Burlington Resources Oil & Gas Company's Motion for Correction of Errata and Substitution of Testimony.

Dear Ms. Wrotenbery:

Enclosed is Burlington Resources Oil & Gas Company's Motion for Correction of Errata and Substitution of Testimony in the above referenced case and an order granting this Motion. Burlington has discussed this matter with counsel for the Public Service Company of New Mexico who does not oppose the relief requested herein.

Your attention to this mater is appreciated.

Very truly yours,



WILLIAM F. CARR
WFC/ama
enc.

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cc: Richard L. Alvidrez, Esq.
Rand Carroll, Esq.
Marilyn S. Herbert, Esq.

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STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 12033

59 JUN 21 PM 4: 14
OIL CONSERVATION DIV

APPLICATION OF PUBLIC SERVICE COMPANY
OF NEW MEXICO FOR REVIEW OF OIL CONSERVATION
DIVISION DIRECTIVE DATED MARCH 13, 1998,
DIRECTING APPLICANT TO PERFORM ADDITIONAL
REMEDATION FOR HYDROCARBON CONTAMINATION,
SAN JUAN COUNTY, NEW MEXICO.

BURLINGTON RESOURCES OIL AND GAS COMPANY'S MOTION FOR
CORRECTION OF ERRATA AND SUBSTITUTION OF PRE-FILED
TESTIMONY

Burlington Resources Oil and Gas Company's ("Burlington"), by and through counsel, hereby moves the Commission for an Order permitting Burlington to correct errata in the pre-filed direct testimony of Louis Edward Hasely, which testimony was filed on July 9, 1999, and to substitute the corrected testimony for that filed at the Commission and served on the parties. In support of this Motion, Burlington states:

1. On July 9, 1999, pursuant to the Scheduling Order in this case, Burlington filed the pre-filed direct testimony of Louis Edward Hasely. Since that time, and upon

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2. Attached to this Motion as Exhibit "A" is the corrected direct testimony of Louis Edward Hasely. By this Motion, Burlington requests that the attached Exhibit A be substituted for the direct testimony of Louis Edward Hasely which was filed on July 9, 1999. The attached Exhibit A is provided in the same format as was submitted by Burlington on July 9, 1999.

3. Attached to this Motion as Exhibit "B" are the pages upon which the errata appear, with the errata noted. The text which should be deleted from Mr. Hasely's testimony appears as strikeout text, and the substituted text appears as shaded text.

4. The errata and corrections noted on Exhibit B hereto do not affect the substance of Mr. Hasely's testimony.

5. The exhibits to Mr. Hasely's pre-filed direct testimony, and the order thereof, are not affected by the errata and corrections submitted herewith.

6. Burlington has discussed this matter with counsel for Public Service Company of New Mexico ("PNM"), who does not oppose the relief requested herein.

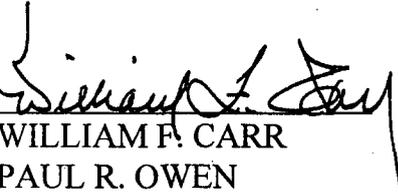
7. An Order granting the relief requested herein is submitted concurrently herewith, and counsel for PNM does not oppose the form of that Order.

Therefore, Burlington respectfully requests that the Commission Order that the direct testimony of Louis Edward Hasely, filed in this matter by Burlington on July 9, 1999, may be corrected for errata, and that the corrected testimony of Mr. Hasely which testimony is submitted as Exhibit A to this Motion be substituted for the testimony which was filed by

which testimony is submitted as Exhibit A to this Motion be substituted for the testimony which was filed by Burlington on July 9, 1999.

Respectfully submitted,

CAMPBELL, CARR, BERGE
& SHERIDAN, P.A.

By: 
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ATTORNEYS FOR BURLINGTON
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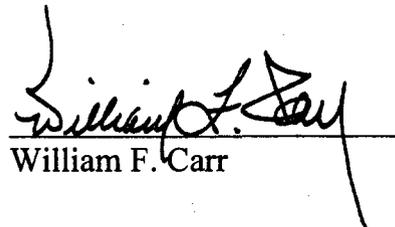
CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing Motion for Correction of Errata was served via hand delivery to the following counsel of record this ^{21st} day of July, 1999.

Richard L. Alvidrez
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William F. Carr

EXHIBIT "A"

006000

EXHIBIT "B"

000240

PREPARED DIRECT TESTIMONY OF LOUIS EDWARD HASELY

1 **I. INTRODUCTION AND QUALIFICATIONS.**

2 **Q. STATE YOUR FULL NAME FOR THE RECORD.**

3 A. Louis Edward Hasely.

4 **Q. WHERE DO YOU RESIDE?**

5 A. Farmington, New Mexico.

6 **Q. BY WHOM ARE YOU EMPLOYED, AND IN WHAT CAPACITY?**

7 A. I am employed by Burlington Resources Oil & Gas Company as a Senior Staff
8 Environmental Representative.

9 **Q. WHAT ARE YOUR RESPONSIBILITIES AS SENIOR STAFF ENVIRONMENTAL**
10 **REPRESENTATIVE?**

11 As Senior Staff Environmental Representative, I am responsible for all environmental issues
12 related to Burlington's operations in the San Juan Basin including air permitting, spill
13 cleanup pit closures and ground water issues. There are two people in our Farmington office
14 with these environmental responsibilities. ~~Our jobs are divided geographically.~~ My
15 ~~geographic~~ area of responsibility includes the Burlington Hampton 4M Well Site.

16 **Q. REVIEW YOUR EDUCATIONAL BACKGROUND AND WORK EXPERIENCE.**

17 A. I graduated from Pennsylvania State University in 1982 with a degree in Petroleum and
18 Natural Gas Engineering. Following graduation, I went to work for Phillips Petroleum
19 Company in Casper, Wyoming, as a petroleum engineer with some responsibilities for
20 environmental matters since Phillips did not have in-house environmental staff. I moved to
21 Bartelsville Oklahoma in 1987 where my responsibilities included environmental and

PREPARED DIRECT TESTIMONY OF LOUIS EDWARD HASELY

1 A. At all times since the well was completed, production from the Hampton 4M Well has been
2 sold pursuant to a contract entitled "Gas Purchase Agreement between Southland Royalty
3 and Gas Company of New Mexico." Burlington Resources Oil and Gas Company is a
4 successor to Southland Royalty. Pursuant to this agreement, PNM purchased the natural gas
5 produced from the Hampton 4M Well. Burlington Exhibit No. 1 is a copy of this Gas
6 Purchase Agreement.

7 **Q. PLEASE DESCRIBE THE HAMPTON 4M WELL SITE.**

8 A. Burlington Exhibit No. 2 is a general diagram of the Hampton 4M Well site as it existed in
9 May 1998. The location of the Hampton 4M wellhead and Burlington's related production
10 equipment are identified on this diagram. Burlington's equipment is all situated to the south
11 of the wellhead. PNM Gas Services owned and operated two dehydrators with associated
12 equipment on the northern end of the location. ~~which are also~~ Only one dehy is shown on this
13 diagram ~~since the well was commingled in late 1997~~. Also indicated are the locations of the
14 former unlined surface pit operated by PNM and the former tank battery utilized by
15 Burlington and its predecessors. The areas excavated by Burlington and PNM prior to the
16 Division's March 13, 1998 letter which is the subject of this application are shown. The
17 locations of monitor wells ("MW") and temporary wells ("TPW") are also shown.

18
19 Burlington Exhibit No. 3 is a photograph of the well and associated equipment. It was taken
20 looking to the northwest and shows the site as it appeared in May 1998. The wellhead is in
21 the center of the pad. Burlington's equipment is to the south, or the left in this photograph.

PREPARED DIRECT TESTIMONY OF LOUIS EDWARD HASELY

1 A. I have reviewed Burlington's records of the activities at the Hampton 4M Well site, and am
2 familiar with the courses of action taken by Burlington and PNM at the site. Burlington's
3 records reflect that in April 1996, PNM discovered contaminated groundwater at the
4 Hampton 4M gas production location under PNM's former dehydration pit, which is shown
5 on Burlington Exhibit No. 2. ~~After discovering this contamination,~~ PNM excavated the site
6 of the dehydration pit to a depth of approximately 12 feet ~~and then a soil boring revealed~~
7 ~~groundwater contamination.~~ Burlington Exhibit Nos. 7 and 14 are reports to the Division
8 by Burlington and PNM which review PNM's efforts to remediate this contamination.

9
10 Burlington Exhibit 7 reflects that, following additional investigation at the Hampton well site
11 in December 1996 and January 1997, representatives of PNM, Burlington and the Oil
12 Conservation Division met at the well on February 4, 1997 and again on April 16, 1997, to
13 discuss ground water contamination at the site.

14
15 Burlington Exhibit No. 4 demonstrates that Burlington was advised by the Oil Conservation
16 Division on April 8, 1997 that PNM had identified groundwater impacts on the southeast
17 corner of the Hampton 4M location related to Burlington's activities and directed Burlington
18 to address the cause and extent of the groundwater impact related to its activities at the
19 Hampton 4M location.

20 **Q. WAS ANY ADDITIONAL CONTAMINATION DISCOVERED AT THIS SITE IN**
21 **APRIL 1997?**

PREPARED DIRECT TESTIMONY OF LOUIS EDWARD HASELY

1 A. Yes. Burlington's records indicate that during a site visit on April 14, 1997, Burlington
2 discovered a surface seep of hydrocarbons to the north of the well pad and immediately
3 northwest of the former PNM surface disposal pit at its combination production unit. Free
4 phase hydrocarbons were seeping from the ground into a small drainage area.

5 **Q. HOW DID BURLINGTON RESPOND TO THE DISCOVERY OF THIS SEEP?**

6 A. Burlington notified the Oil Conservation Division and PNM of this contamination and on
7 April 16, 1997 hosted an on-site meeting with representatives of the Oil Conservation
8 Division and PNM.

9
10 At this meeting the Oil Conservation Division requested immediate action to contain this
11 contamination and Burlington agreed to construct a collection trench to slow or stop this
12 hydrocarbon seep.

13
14 An archeological clearance was obtained by Burlington and we constructed the trench on
15 April 17, 1997.

16
17 Burlington Exhibit No. 5 is a photograph looking east southeast which shows the well pad
18 for the Hampton 4M Well. Fenced off in orange is the area of the hydrocarbon seep
19 discovered on April 14, 1997. PNM's former dehydration equipment can be seen on the
20 well pad above the site of the seep.

21

PREPARED DIRECT TESTIMONY OF LOUIS EDWARD HASELY

1 to be a plume of impacted soils from the area underlying PNM's former unlined dehydration
2 pit south toward the pit which Burlington had excavated in December, 1997. The impacted
3 soils ended near monitor well MW-4. There was no connection of impacted soils from
4 Burlington's old excavation in the south to the impacted soil that was being excavated in the
5 north. I also directed Philip Services to strip out a section of the Hampton 4M Well Site
6 between the wellhead and the former excavation, in the area immediately north of where the
7 plume from PNM's former unlined pit ended. We found no contamination in this stripped out
8 section. Based on my observations, ~~there is no possibility that~~ the contamination was not
9 caused by any sources from the well bore.

10
11 During the 1998-99 excavation at the Hampton 4M Well site, Burlington removed
12 approximately 6,440 cubic yards of soil. Contaminated soils are being land farmed at this
13 time and Burlington has rebuilt the location and installed a monitoring well (MW-13) in the
14 vicinity of the old monitor well MW-4.

15 **Q. DOES THAT CONCLUDE YOUR TESTIMONY?**

16 **A. Yes.**

PREPARED DIRECT TESTIMONY OF LOUIS EDWARD HASELY

1 **Q. WHAT WAS BURLINGTON'S RESPONSE TO THE OIL CONSERVATION**
2 **DIVISION'S APRIL 8, 1997 LETTER?**

3 On April 15, 1997, Burlington submitted to the Oil Conservation Division its Plan Of Action
4 for the Hampton 4M Production location. Burlington Exhibit No. 6 is a copy of this Plan of
5 Action. Burlington attempted to excavate the area of the former tank discharge pit on April
6 30, 1997 but encountered hard layers of sandstone one foot below the bottom of the former
7 production pit which could not be penetrated by the excavator. A Photo Ionization Detector
8 ("PID") survey revealed no signs that hydrocarbon contamination existed. Nine ~~off~~ ten test
9 holes were excavated, but no hydrocarbon contamination was found. Burlington Exhibit 7
10 is a letter dated July 30, 1997 reporting the results of this investigation to the Division.
11 Following extensive soil and ground water sampling, and meetings with Oil Conservation
12 Division representatives, and in compliance with Oil Conservation Division directive, on
13 September 19, 1997 Burlington filed a work plan with the Division which, among other
14 matters, proposed to remove sandstone in the southeast portion of the well site and continue
15 removal and screening of the layers of rock until a source area was located using a Photo
16 Ionization Detector. Burlington Exhibits 8, 9, and 10 are copies of this Work Plan and
17 related correspondence from the Division.

18
19 Between December 3 and December 6, 1997, Burlington undertook the removal of
20 contaminated soils from the area around Burlington's former tank batter. Burlington hired
21 Philip Services Corporation ("Philip Services") to perform the work during this period. I

PREPARED DIRECT TESTIMONY OF LOUIS EDWARD HASELY

1 supervised the remediation performed by Philip Services. Denver Bearden of PNM and Mr.
2 Denny G. Foust of the Oil Conservation Division were also present at different times during
3 the remediation.

4
5 During the remediation which I supervised between December 3 and December 6, 1997,
6 Philip Services excavated approximately 1000 cubic yards of soil. ~~When Contaminated soils~~
7 ~~were first encountered, several feet below the surface, and at my request, PID readings were~~
8 ~~taken from all four walls and the floor of the excavation. Those Initial PID readings were~~
9 ~~all in excess of 100 ppm. When the excavation reached an area of 60 feet long by 30 feet~~
10 ~~wide by 15 feet deep, Around noon on 12/4/97, Mr. Foust asked that additional PID~~
11 ~~readings be taken. Those readings indicated PID levels of 51 ppm on the west wall, 273 ppm~~
12 ~~on the north wall, 388 ppm on the east wall, and 195 ppm on the bottom of the excavation.~~
13 ~~The excavation was stopped work resumed at that time. When the excavation reached an~~
14 ~~area of approximately 60 feet long by 30 feet wide by 15 feet deep, additional PID readings~~
15 ~~were collected from the wells and bottom. All readings were below 100 ppm and the~~
16 ~~excavation was stopped at that time.~~

17
18 On July 30, 1998, Burlington reported to the Division the results of the December 3-6, 1997
19 remediation. Burlington Exhibit No. 11 is a copy of Philip Services' January 28, 1998
20 Report for Work Performed at the Hampton 4M site.

21 **Q. DID BURLINGTON PARTICIPATE IN THE MONITORING OF THE**

PREPARED DIRECT TESTIMONY OF LOUIS EDWARD HASELY

1 Q. DESCRIBE WHAT BURLINGTON DID TO REMEDIATE THE CONTAMINATION
2 AT THE HAMPTON 4M WELL SITE.

3 A. From November 10, 1998 through February 2, 1999, I supervised the remediation of
4 contaminated soils at the Hampton 4M Well site. As with the December 3-6, 1997
5 remediation, Burlington employed Philip Services Corporation to excavate and remediate
6 hydrocarbon impacted soils.

7
8 Under my supervision, excavation began in the in the northern portion of the production unit
9 in the area of PNM's former dehydration pit. Ron Dedrick, Maureen Gannon and Mark
10 Sikelianos from PNM were present during part of the excavation, as were Denny Foust and
11 Bruce Martin from the Division, and Robert Foley from Williams Field Services.

12
13 Prior work at the site revealed that a dozer was necessary to back break up the rock. The
14 overburden was removed and stockpiled, and is depicted in Burlington Exhibit No. 26, which
15 is a photograph which shows the removal of the overburden at the Hampton 4M Well site on
16 November 10, 1998.

17
18 During the excavation, as Philip Services excavated the area where PNM's former unlined
19 dehydration pit was located, and where PNM had previously excavated to twelve feet, we only
20 encountered traces of hydrocarbon-impacted soil from approximately six feet below ground
21 surface to approximately twelve feet below the ground surface. As the excavation proceeded