



PL  
1/20/06

7 July 2004

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 C-Line Header – Reference #130005  
UL B, NW¼ of the NE¼ of Section 32, Township 17 South, Range 33 East  
Latitude N 32° 47' 44.42636" and Longitude W 103° 40' 56.35762"

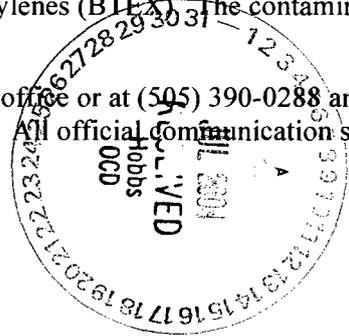
Dear Mr. Johnson,

Environmental Plus, Inc. (EPI), on behalf of Mr. Paul Mulkey, 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 Caviness Family Trust, approximately 6.25 miles southeast of Maljamar, New Mexico. The New Mexico Office of the State Engineer website database indicates there are three livestock wells within a one mile-radius of the release site. The New Mexico Office of the State Engineer's website does not list a depth to water for these wells; however, the average depth to water in this township is approximately 160 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, 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 call Mr. Ben Miller or myself at the office or at (505) 390-0288 and (505) 390-7306, respectively or Mr. Paul Mulkey at (505) 397-5716. All official communication should be addressed to:

Mr. Paul Mulkey  
Duke Energy Field Services  
11525 West Carlsbad Highway  
Hobbs, New Mexico 88240



Sincerely,

ENVIRONMENTAL PLUS, INC.

*Iain Olness*

Iain Olness, P.G.  
Hydrogeologist

Duke = 229153  
facility = FPAC0602035923  
incident = NPAC060203607  
application = PPAC0603149739

cc: Paul Mulkey, Duke Energy Field Services, w/enclosure  
Lynn Ward, Duke Energy Field Services, w/enclosure  
Steve Weathers, Duke Energy Field Services, w/enclosure  
Ben Miller, EPI Vice President and General Manager  
Sherry Miller, EPI President

ENVIRONMENTAL PLUS, INC.

Duke Energy Field Services Site Information and Metrics		<b>Incident Date:</b> June 28, 2004 @ 1000	<b>NMOCD Notified:</b> June 28, 2004 @ 1355
<b>Site:</b> C-Line Header		<b>Assigned Site Reference #:</b> 130005	
<b>Company:</b> Duke Energy Field Services			
<b>Street Address:</b>			
<b>Mailing Address:</b> 11525 West Carlsbad Highway			
<b>City, State, Zip:</b> Hobbs, New Mexico 88240			
<b>Representative:</b> Paul Mulkey			
<b>Representative Telephone:</b> (505) 397-5716			
<b>Telephone:</b>			
<b>Fluid volume released (bbls):</b> ≈ 60 barrels		<b>Recovered (bbls):</b> 50 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)			
<b>Leak, Spill, or Pit (LSP) Name:</b> C-Line Header			
<b>Source of contamination:</b> 8" Steel Pipeline			
<b>Land Owner, i.e., BLM, ST, Fee, Other:</b> Caviness Family Trust			
<b>LSP Dimensions:</b> 590 feet by 15.5 feet			
<b>LSP Area:</b> ≈9,205 ft <sup>2</sup>			
<b>Location of Reference Point (RP):</b>			
<b>Location distance and direction from RP:</b>			
<b>Latitude:</b> N 32° 47' 44.42636"			
<b>Longitude:</b> W 103° 40' 56.35762"			
<b>Elevation above mean sea level:</b> 4,055			
<b>Feet from South Section Line:</b>			
<b>Feet from West Section Line:</b>			
<b>Location- Unit or ¼¼:</b> NW¼ of the NE¼		<b>Unit Letter:</b> B	
<b>Location- Section:</b> 32			
<b>Location- Township:</b> T17S			
<b>Location- Range:</b> R33E			
<b>Surface water body within 1000' radius of site:</b> none			
<b>Domestic water wells within 1000' radius of site:</b> none			
<b>Agricultural water wells within 1000' radius of site:</b> none			
<b>Public water supply wells within 1000' radius of site:</b> none			
<b>Depth from land surface to ground water (DG):</b> ≈ 160' below ground surface			
<b>Depth of contamination (DC):</b> Unknown			
<b>Depth to ground water (DG – DC = DtGW):</b> > 100'			
<b>1. Ground Water</b>		<b>2. Wellhead Protection Area</b>	
If Depth to GW <50 feet: <i>20 points</i>		If <1000' from water source, or; <200' from private domestic water source: <i>20 points</i>	
If Depth to GW 50 to 99 feet: <i>10 points</i>		If >1000' from water source, or; >200' from private domestic water source: <i>0 points</i>	
If Depth to GW >100 feet: <i>0 points</i>			
<i>Ground water Score = 0</i>		<i>Wellhead Protection Area Score = 0</i>	
<i>Site Rank (1+2+3) = 0</i>			
<b>Total Site Ranking Score and Acceptable Concentrations</b>			
Parameter	>19	10-19	0-9
Benzene <sup>1</sup>	10 ppm	10 ppm	10 ppm
BTEX <sup>1</sup>	50 ppm	50 ppm	50 ppm
TPH	100 ppm	1000 ppm	5000 ppm
<sup>1</sup> 100 ppm field VOC headspace measurement may be substituted for lab analysis			

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

<b>Name of Company</b> Duke Energy Field Services	<b>Contact</b> Paul Mulkey
<b>Address</b> 11525 West Carlsbad Highway Hobbs, New Mexico 88240	<b>Telephone No.</b> (505) 397-5716
<b>Facility Name</b> C-Line Header	<b>Facility Type</b> 8" Steel Pipeline

<b>Surface Owner</b> Caviness Family Trust	<b>Mineral Owner</b>	<b>Lease No.</b>
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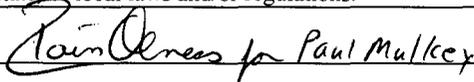
**LOCATION OF RELEASE**

<b>Unit Letter</b> B	<b>Section</b> 32	<b>Township</b> T17S	<b>Range</b> R33E	<b>Feet from the North/South Line</b>	<b>Feet from the East/West Line</b>	<b>County:</b> Lea <b>Lat.</b> N 32° 47' 44.426" <b>Lon.</b> W 103° 40' 56.357"
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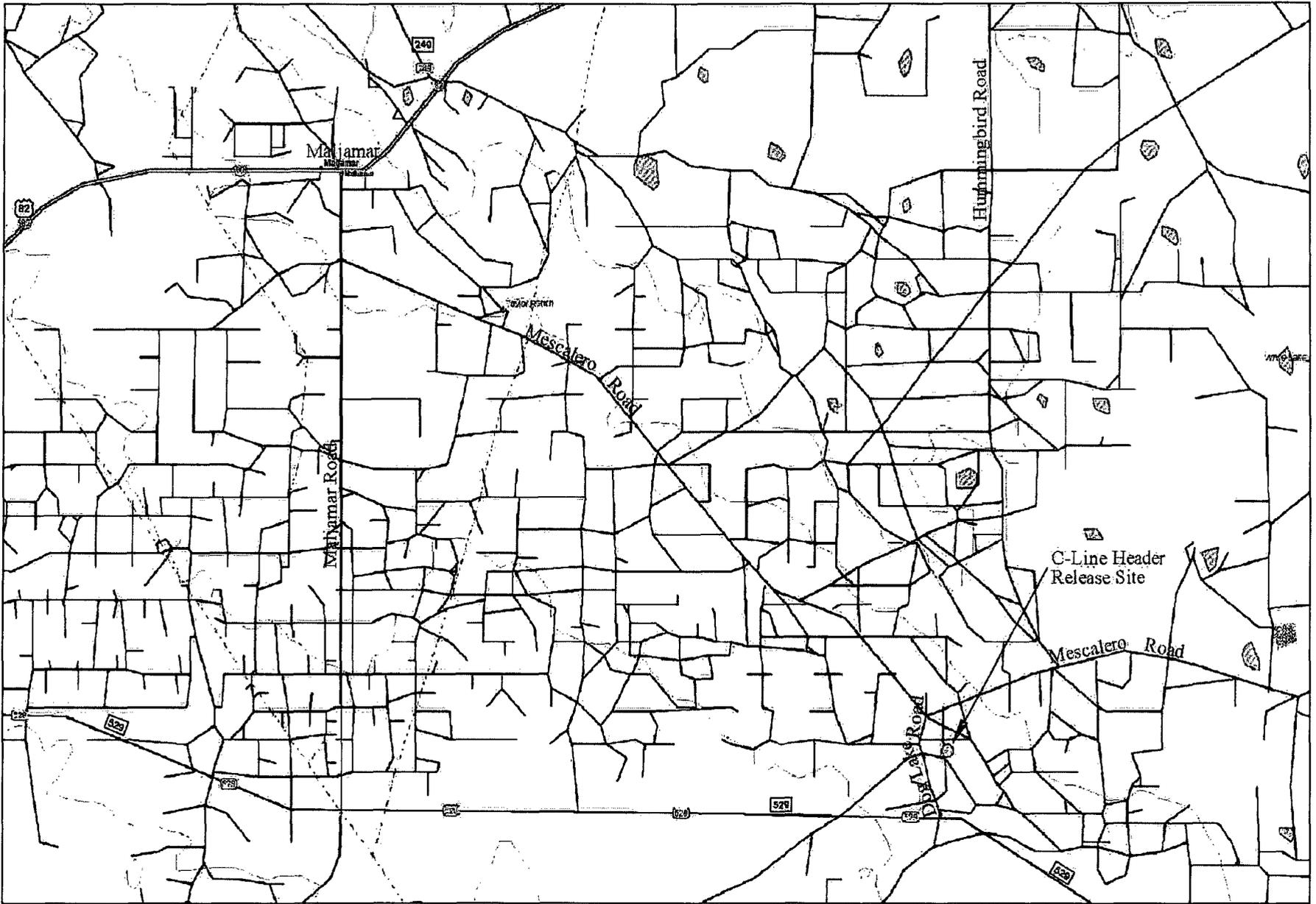
**NATURE OF RELEASE**

<b>Type of Release</b> Natural Gas Pipeline Fluids	<b>Volume of Release</b> 60 barrels	<b>Volume Recovered</b> 50 barrels
<b>Source of Release</b> 8" steel pipeline operating at 20 lbs with a normal daily flow rate of 2.5 million gallons per day	<b>Date and Hour of Occurrence</b> June 28, 2004 @ 1000	<b>Date and Hour of Discovery</b> June 28, 2004 @ 1330
<b>Was Immediate Notice Given?</b> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	<b>If YES, To Whom?</b> Larry Johnson	
<b>By Whom?</b> Lynn Ward of DEFS	<b>Date and Hour</b> June 28, 2004 @ 1355	
<b>Was a Watercourse Reached?</b> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<b>If YES, Volume Impacting the Watercourse.</b> NA	
<b>If a Watercourse was Impacted, Describe Fully.*</b> NA		
<b>Describe Cause of Problem and Remedial Action Taken.*</b> Polyethylene line began leaking. Clamp Installed.		
<b>Describe Area Affected and Cleanup Action Taken.*</b> Soil contaminated above the NMOCD Remedial Guidelines will be disposed of at an approved facility or remediated on site. Remedial Goals: TPH = 5,000 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.

<b>Signature:</b> 	<b>OIL CONSERVATION DIVISION</b>	
<b>Printed Name:</b> Paul Mulkey	<b>Approved by District Supervisor:</b>	
<b>E-mail Address:</b> pdmulkey@duke-energy.com	<b>Approval Date:</b>	<b>Expiration Date:</b>
<b>Title:</b> Maintenance Construction Supervisor	<b>Conditions of Approval:</b>	
<b>Date:</b> <b>Phone:</b> (505) 397-5716		<b>Attached</b> <input type="checkbox"/>

\* Attach Additional Sheets If Necessary



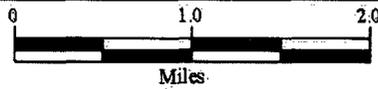
3

**Figure 1**  
**Area Map**  
**Duke Energy Field Services**  
**C-Line Header**

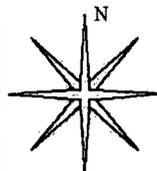
**Lea County, New Mexico**  
 NW 1/4 of the NE 1/4, Sec. 32, T17S, R33E  
 N 32° 47' 44.4" W 103° 40' 56.3"  
 Elevation: 4,055 feet amsl

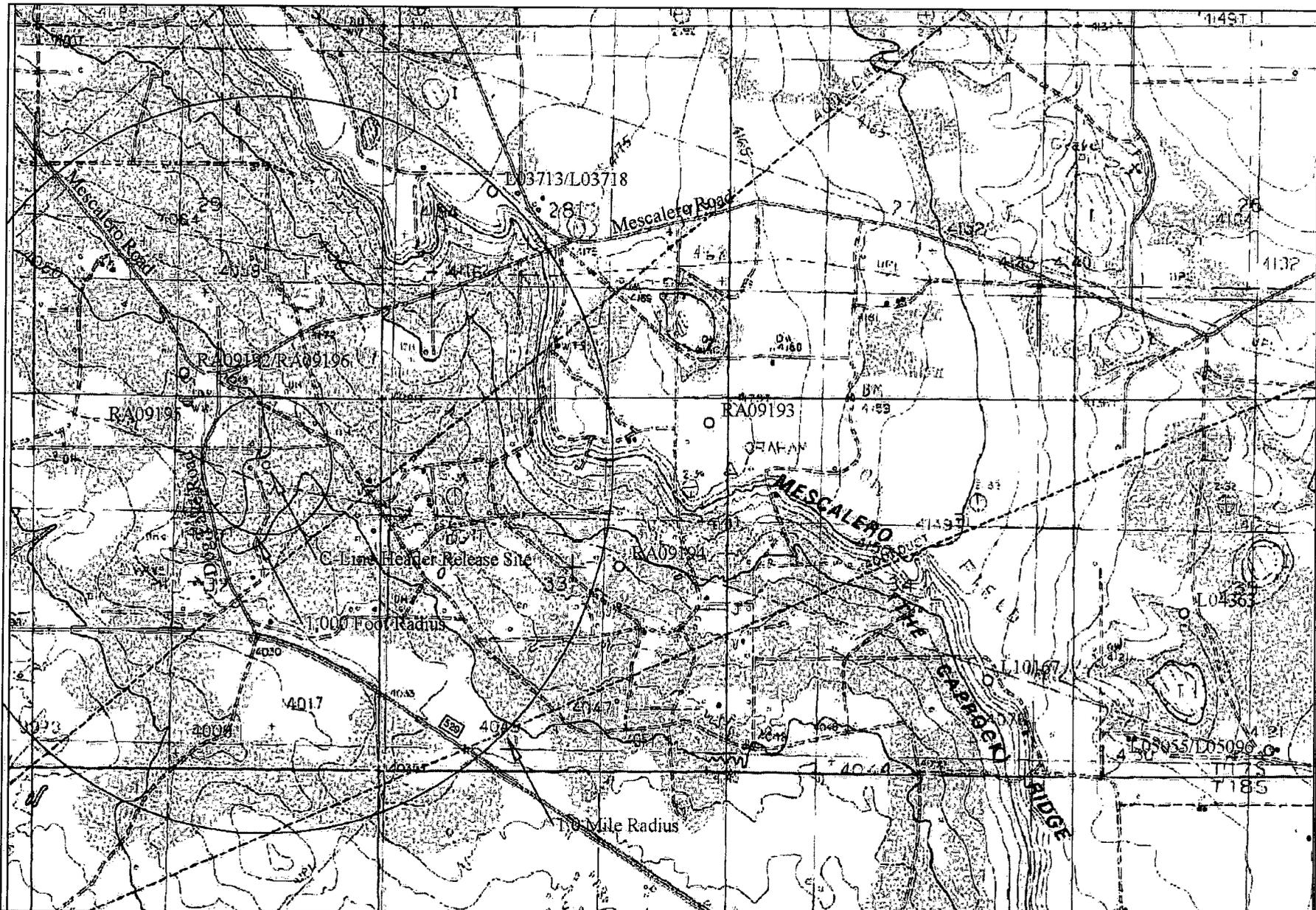
DWG By: Iain Olness  
 June 2004

REVISED:



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 1 of 1





**Figure 2**  
**Site Location Map**  
**Duke Energy Field Services**  
**C-Line Header**

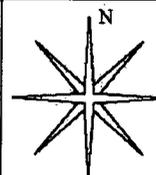
**Lea County, New Mexico**  
 NW 1/4 of the NE 1/4, Sec. 32, T17S, R33E  
 N 32° 47' 44.4" W 103° 40' 56.3"  
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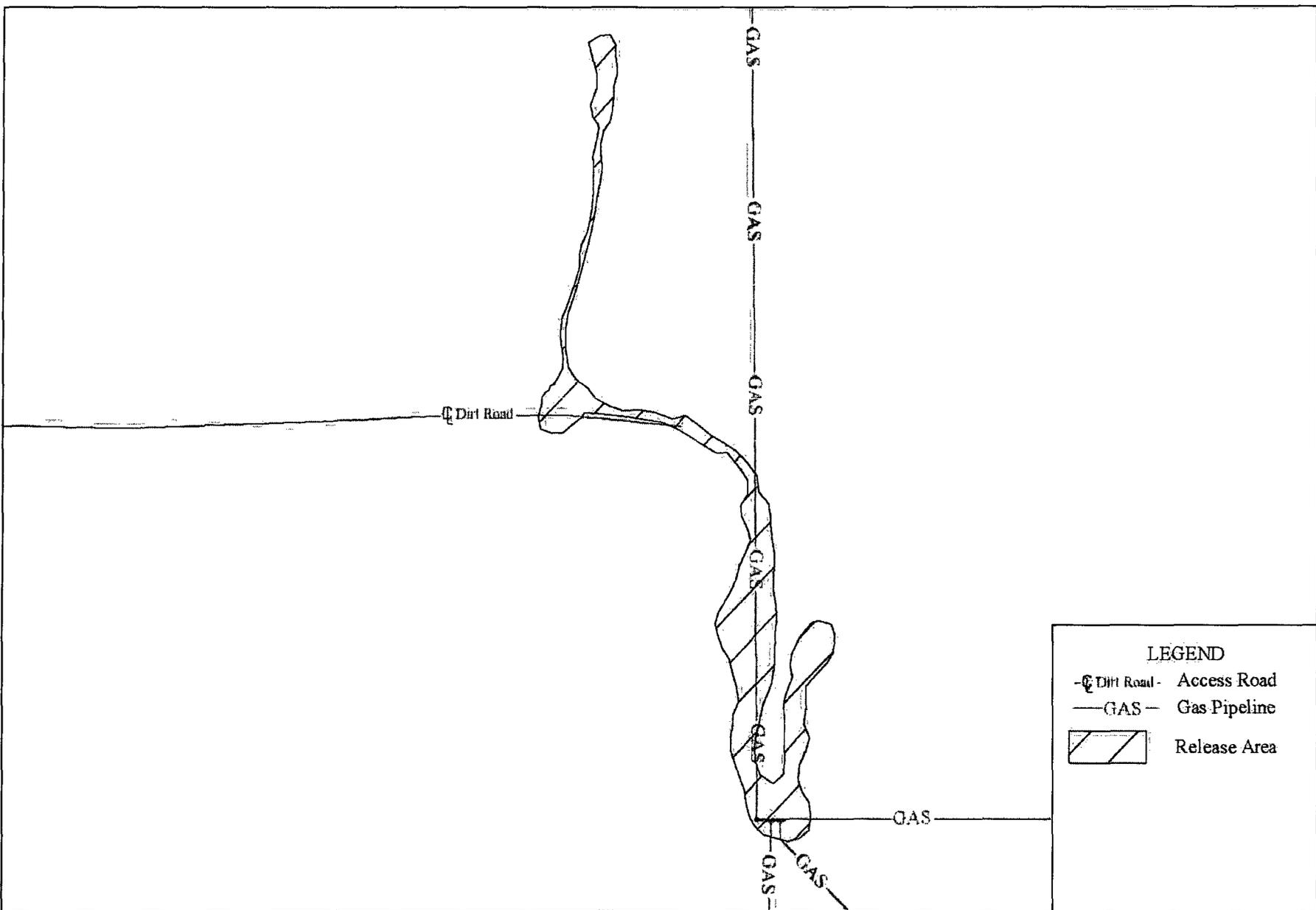
DWG By: Iain Olness  
 June 2004

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 1 of 1





**LEGEND**

- Dirt Road- Access Road
- GAS- Gas Pipeline
-  Release Area

**Figure 3**  
**Site Map**  
 Duke Energy Field Services  
 C-Line Header

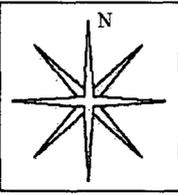
Lea County, New Mexico  
 NW 1/4 of the NE 1/4, Sec. 32, T17S, R33E  
 N 32° 47' 44.4" W 103° 40' 56.3"  
 Elevation: 4,055 feet amsl

DWG By: Iain Olness  
 June 2004



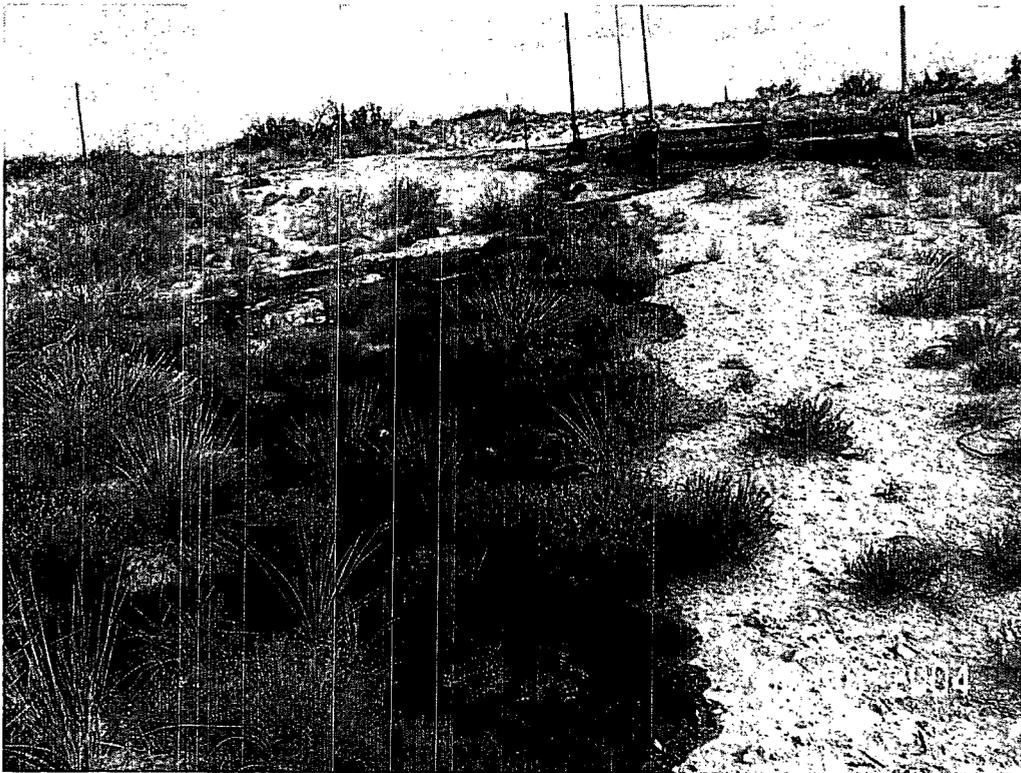
0 90 180  
 Feet

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 1 of 1



C-Line Header  
 130005





Photograph #1: Release area, looking south towards the point of release along the east flow path.



Photograph #2: Release area, looking southeasterly towards the point of release along the west flow path.