

1R - 380

APPROVALS

YEAR(S):

2004



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

October 14, 2004

Mr. Jeffrey P. Dann
Plains All American L.P.
P.O. Box 4648
Houston, TX 77210-4648

1R-380

Dear Mr. Dann:

The New Mexico Oil Conservation Division (NMOCD) has received your letter, dated September 20, 2004, identifying the need for additional groundwater monitor and/or recovery wells at various sites. This request is hereby approved.

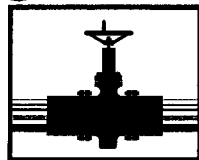
This approval does not relieve Plains Marketing, L.P. of any future liability at these sites should it prove that Plains' operations have caused harm to public health or the environment. Nor does it relieve Plains of its obligation to comply with the rules and regulations of any other governmental agency.

If you have any questions, contact me at (505) 476-3492 or emartin@state.nm.us

NEW MEXICO OIL CONSERVATION DIVISION

Edwin E. Martin
Environmental Bureau

Cc: Larry Johnson, NMOCD, Hobbs
Camille Reynolds, Plains, Midland



PLAINS

MARKETING, L.P.

September 20, 2004

Mr. Ed Martin
New Mexico Oil Conservation Division
Environmental Bureau
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Re: Plains Marketing, L.P. (formerly Link Energy) Remediation Sites
Various Locations in Lea County

Dear Mr. Martin:

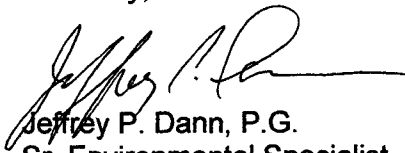
Based on the results of our ongoing groundwater monitoring and sampling program at several of our remediation and groundwater monitoring sites in Lea County, we have identified the need for additional groundwater monitor and/or recovery wells at the flowing sites.

Site Name	Plains EMS No.	Site Location	Number of Wells
Jct 34 to Lea	2002-10286	Section 21, T20S, R37E	3
Livingston Line-Bob McCasland	2001-11043	Section 3, T21S, R37E	2
Hugh Gathering	2002-10235	Section 11, T21S, R37E	1
C. S. Cayler	2002-10250	Section 6, T17S, R37E	5
Lovington Deep 6-Inch	2002-1-312	Section 6, T21S, R36E	6
Kimbrough Sweet	2000-10757	Section 3, T18S, R37E	2
8" Moore to Jal #1	2002-10270	Section 16, T17S, R37E	3
8" Moore to Jal #2	2002-10273	Section 16, T17S, R37E	3
Darr Angell #1	Darr Angell #1	Section 11, T15S, R37E	1
Darr Angell #4	2001-10876	Section 2/11, T15S, R37E	2
Red Byrd #1	Red Byrd #1	Section 1, T19S, R36E	5
HDO 90-23	HDO 90-23	Section 6, T20S, R37E	2
Monument 6" Pipeline	2001-11056	Section 5, T20S, R37E	3
Texaco Skelly F	2002-11229	Section 21, T20S, R37E	1
SPS-11	SPS-11	Section 18, T18S, R36E	2
Monument #11	TNM Mon #11	Section 30, T19S, R37E	2
Monument #2	TNM Mon #2	Section 6, T20S, R37E	1
Monument #17	TNM Mon #17	Section 29, T19S, R37E	1
Monument #18	TNM Mon #18	Section 7, T20S, R37E	2
98-05A	TNM 98-05A	Section 26, T21S, R37E	1
LF-59	LF-59	Section 32, T19S, R37E	2

The proposed well locations are illustrated on the attached site maps. Plains requests your approval of the proposed monitor well locations at the above-referenced sites. We anticipate commencement of drilling activities the week of October 4, 2004.

Should you have any questions or comments concerning this information, please contact me at (713) 646-4657.

Sincerely,

A handwritten signature in black ink, appearing to read "Jeffrey P. Dann", is written over the typed name.

Jeffrey P. Dann, P.G.
Sr. Environmental Specialist
Plains All American

CC: Larry Johnson, NMOCD, Hobbs, NM
Camille Reynolds, Plains
Todd Choban, Nova
Pat McCasland, EPI

File: c:\jeff-files\OCD-DrillingSchOct2004

Martin, Ed, EMNRD

From: Martin, Ed, EMNRD
To: lsanchez@llano-permian.com

Sent: Wed 6/15/2005 11:21 AM

Cc:
Subject: PSH Recovery at Plains 8" Moore to Jal Site (1R-0380)
Attachments:

I have received your response, dated May 18, 2005, to my letter dated April 14, 2005. Your description of the plan at this site is acceptable. Please keep me posted in future monitoring reports as to the progress at the site.

Thank you.

**AMARILLO, TX**

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Amarillo, TX 79107
806-467-0607
FAX: 806-467-0622

AUSTIN, TX

13009 Dessau Road
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MIDLAND, TX

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Midland, TX 79701
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FAX: 432-522-2180

NEW BRAUNFELS, TX

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TULSA, OK

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Tulsa, OK 74105
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FAX: 918-742-0876

HOBBS, NM

318 East Taylor Street
Hobbs, NM 88240
505-393-4261
FAX: 505-393-4658

Environmental:**Biologists****Chemists****Corrective Action
Project Managers****Engineers****Geologists****Scientists**

Toll Free: 866-742-0742

www.llano-permian.com

May 18, 2005

Mr. Edwin E. Martin
New Mexico Oil Conservation Division
Environmental Bureau
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Re: Phase Separated Hydrocarbon (PSH) Recovery
Plains All American Pipeline, L.P.
8" Moore to Jal #1 (Ref #2002-10270)
SE/4 NW/4 of Section 16, Township 17 South, Range 37 East
Lea County, New Mexico
NMOCD Ref. 1R-0380

Mr. Martin:

In your letter dated April 14, 2005 to Ms. Camille Reynolds of Plains All American Pipeline, L.P., you requested an addendum explaining how accelerated PSH recovery at the 8" Moore to Jal #1 site will be achieved. As part of the 2004 Annual Monitoring Report the recommendation was made to continue to monitor the system on a weekly basis to record water and PSH levels and recover PSH from all groundwater monitoring well impacted with PSH. Llano-Permian Environmental (LPE) will increase the water and PSH gauging as well as the PSH recovery at the site to a bi-weekly schedule to accelerate the PSH recovery.

Upon the completion of the additional monitoring wells, described in the 2004 Annual Monitoring Report, to better delineate the lateral extent of the groundwater impact, a more aggressive PSH recovery plan will be derived. Depending on the findings of the additional monitoring wells, a PSH recovery system may be installed as required on the monitoring well grid to capture PSH on a continuous basis. The captured PSH will be pumped to an on-site poly tank equipped with a shut-off switch to prevent overflow.

If you have any questions feel free to contact me at (505) 441-4835 or by E-mail at lsanchez@llano-permian.com.

LLANO-PERMIAN ENVIRONMENTAL

Louis B. Sanchez
Project Manager

Cc: Camille Reynolds, Plains All American Pipeline, L.P.
Jeff Dann, Plains All American Pipeline, L.P.



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

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Director

Oil Conservation Division

April 14, 2005

Ms. Camille Reynolds
Plains All American
3112 West Highway 82
Lovington, NM 88260

Re: Plains All American Pipeline, LP
Annual Monitoring Report
8" Moore to Jal #1 Remediation Site (Plains ref. #2002-10270)
SE/4 NW/4 of Section 16, Township 17 South, Range 37 East
Lea County, New Mexico
NMOCD Ref: 1R-0380

Dear Ms. Reynolds:

The New Mexico Oil Conservation Division (NMOCD) has received and reviewed the report shown above. Section VII of the report contains certain recommendations for the site activities and the conditions and understandings shown below, under which this report is approved, refer to this section:

1. Recommendation #1 approved. However, Plains must propose a more aggressive recovery method. Plains must submit an addendum to this report explaining how the phase-separated hydrocarbon recovery will be accelerated.
2. Recommendation #2 approved with the understanding that the proposed additional monitor/recovery wells will be placed as shown in figure 6 of the report.
3. Recommendation #3 approved with the condition that a proposal to turn/till the soil in the treatment cells on a regular basis is included in the soil remediation plan.
4. Recommendation #4 approved with the understanding that "soil remedial activities" means the investigation phase of the soil contamination at the site and not a time when the soils are completely remediated.
5. Recommendation #5 approved with the condition that plugging of this well be accomplished with slurry containing 3%-5% bentonite, instead of the bentonite pellets described in the procedure.

If you have any questions, contact me at (505) 476-3492 or emartin@state.nm.us

NEW MEXICO OIL CONSERVATION DIVISION

A handwritten signature in cursive script, reading "Ed Martin".

Edwin E. Martin
Environmental Bureau

Cc: NMOCD, Hobbs