1R-381

APPROVALS

YEAR(S):

2006



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.
Director
Oil Conservation Division

June 8, 2006

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

RE: Plains Pipeline Soil Over Excavation and Backfill Work Plan

8-Inch Moore to Jal #2 Release Site

NW/4 SE/4 of Section 16, Township 17 South, Range 37 East

Lea County, New Mexico

NMOCD File Number: 1R-0381

Dear Ms. Reynolds:

The New Mexico Oil Conservation Division (NMOCD) has received and reviewed the above work plan prepared on behalf of Plains Pipeline (Plains) by Talon/LPE and dated May 2006. This work plan is hereby approved with the following understandings and conditions:

- 1. Plains will vertically extend monitor well MW-1 to a level which will place it above the resulting backfill. The monitor well will be re-surveyed after extension.
- 2. Plains will excavate the area of impact designated NW-2 another two feet. Plains will sample this resulting additional excavation and analyze for total petroleum hydrocarbons.
- 3. Plains will fill the bottom of the excavation with an even, six-inch layer of sand.
- 4. Plains will install a 20-mil liner on top of the sand covering the bottom of the excavation.
- 5. Plains will place an additional 6-inch layer of sand on top of the liner.
- 6. Plains will then backfill the excavation as described in the "Restoration Activities Work Plan" section shown on page 8 of the work plan.
- 7. Plains will continue groundwater monitoring and product recovery activities at the site.
- 8. Detail of all of the above activities, and any other necessary activities, at the site in the 2006 Annual Groundwater Monitoring Report to be submitted to the NMOCD Santa Fe office no later than April 1, 2007.

Plains 8-Inch Moore to Jal #2 Site 1R-0381 June 8, 2006 Page 2 of 2

NMOCD approval does not relieve Plains of responsibility should its operations at this site prove to have been harmful to public health or the environment. Nor does it relieve Plains of its responsibility to comply with the rules and regulations of any other governmental agency.

If you have any questions, contact Wayne Price at (505) 476-3490 or wayne.price@state.nm.us

NEW MEXICO OIL CONSERVATION DIVISION

Ed Martin

Environmental Bureau

Copy: Jason M. Graham, Talon/LPE

NMOCD, Hobbs

Martin, Ed, EMNRD

<u>To...</u>

Isanchez@llano-permian.com

<u>C</u>c...

cjreynolds@paapl.com

Bcc...

Subject:

8" Moore to Jal #2 (2002-10273)

Attachments:

I have received your letter dated May 18, 2005 concerning the above site. Your description of the plan to address the PSH recovery is acceptable. Please keep me informed in future monitoring reports as to the progress. Thank you.

Ed Martin NMOCD 1220 S. St. Francis Santa Fe, NM 87505 PH: (505) 476-3492

FA: (505) 476-3462 email: ed.martin@state.nm.us

Cell: (505) 690-0894



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Environmental:

<u>Biologists</u>

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

Phase Separated Hydrocarbon (PSH) Recovery
Plains All American Pipeline, L.P.
8" Moore to Jal #2 (Rcf #2002-10273) / R-38"
UL-J, Section 16, T17S, R37E
Lea County, New Mexico
NMOCD Ref. 1R-0381

Mr. Martin:

In your letter dated April 6, 2005 to Ms. Camille Reynolds of Plains All American Pipeline, L.P., you requested for the consideration of an accelerated means of PSH recovery at the 8" Moore to Jal #2 site. 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 the 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, as 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 EXICO ENERGY, METERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor Joanna Prukop Cabinet Secretary Mark E. Fesmire, P.E.

Director

Oil Conservation Division

April 6, 2005

Ms. Camille Reynolds
Plains All American Pipeline, L.P.
P.O. Box 3119
Midland, TX 79702-3119

Re:

Annual Monitoring Report

Plains All American Pipeline, L.P. 8" Moore to Jal #2 (Ref #2002-10273) UL-J, Section 16, T17S, R37E Lea County, New Mexico NMOCD Ref. 1R-0381

Dear Ms. Reynolds:

The New Mexico Oil Conservation Division (NMOCD) has received and reviewed the report shown above. The recommendations contained in Section VIII of the report are hereby approved.

Due to the thickness of phase-separated hydrocarbon on the groundwater at this site, Plains should consider a more aggressive method of recovery. Please submit by May 15, 2005 a plan to accelerate the recovery of PSH.

It is understood that a groundwater abatement plan will be prepared after soil closure, however the NMOCD feels that the recovery of PSH on the groundwater should be addressed now.

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:

NMOCD, Hobbs

A Marton