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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

April 6, 2006

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

RE: 2005 Annual Monitoring Report
Plains Pipeline, L.P.
Junction 34 to Lea Site
Plains Reference: 2002-10286
NMOCD File Number 1R-0386
NW/4 SW/4 of Section 21, Township 20 South, Range 37 East
Lea County, New Mexico

Dear Ms. Reynolds:

The New Mexico Oil Conservation Division (NMOCD) has received and reviewed the above report, submitted by Environmental Plus, Inc. on behalf of Plains Pipeline, L.P. (Plains). This report is hereby accepted and approved with the following understandings and conditions:

1. Plains will, by September 30, 2006, submit a plan that includes the following:
 - a. Treating the stockpiled soil that is on site. Treatment of it is highly encouraged in the period of time between the date of this letter and September 30, 2006.
 - b. Sampling the stockpile to verify that contaminants of concern have been remediated.
 - c. Backfilling of the excavation.
2. Plains will continue to monitor for the presence of PSH monthly. Groundwater level data will also be collected monthly and the operation of the water sparging system will be monitored semi-monthly.
3. Plains will continue quarterly sampling activities and submit the samples for analysis of BTEX. Such samples will be analyzed for PAH annually.
4. Plains will construct three additional groundwater-monitoring wells as stated in Section VII of the report and as shown on Figure 19 of the report.
5. Plains will submit a 2006 Annual Monitoring Report, describing the activities at the site, by April 1, 2007.

NMOCD approval of this report does not relieve Plains of liability 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 question, contact me at (505) 476-3492 or ed.martin@state.nm.us

NEW MEXICO OIL CONSERVATION DIVISION

A handwritten signature in black ink, appearing to read "Ed Martin".

Edwin E. Martin
Environmental Bureau

Copy: NMOCD, Hobbs
Jason Stegemoller, EPI