

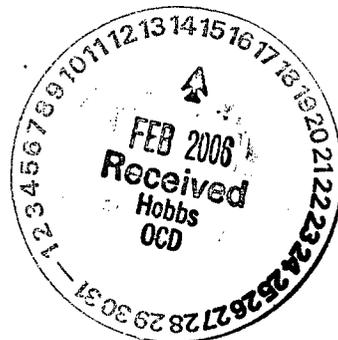
Basin Environmental Service Technologies, LLC

P. O. Box 301
Lovington, New Mexico 88260
kdutton@basinenv.com
Office: (505) 396-2378 Fax: (505) 396-1429



06 January 2006

Mr. Larry Johnson
New Mexico Oil Conservation Division
Hobbs District 1
1625 N. French Drive
Hobbs, New Mexico 88240



Re: Closure Request, Saunders 8" # 5
Plains Marketing, L. P. (C-141, dated 01 October 2004)
Plains Marketing, L. P. (Remediation Work plan, dated 15 November 2004)
NMOCD Approval Letter, dated 29 November 2004
Unit H (SE ¼, NE ¼) Section 14, Township 14 South, Range 33 East
Lea County, New Mexico

Dear Mr. Johnson:

Basin Environmental Services (Basin), on behalf of Plains Marketing, L. P. (Plains), is submitting this request for closure of the Saunders 8" # 5 remediation site at the above referenced location. Remediation activities were successfully accomplished as proposed in the New Mexico Oil Conservation Division (NMOCD) approved Preliminary Site Investigation Report and Remediation Plan, dated 15 November 2004. The only remaining task to be completed as prescribed in the New Mexico State Land Office (NMSLO) approved Restoration Plan is reseeding with an approved NMSLO grass seed and monitoring the growth of the grass to ensure vegetation has been established. Reseeding of the Saunders 8" #5 release site is projected to be in the spring of 2006. Hydrating, monitoring the growth process and reporting results to NMSLO will be adhered to until vegetation has been restored and NMSLO releases Plains.

Basin responded and clamped the pipeline release on 01 October 2004, located on the Saunders 8" # 5 Pipeline. The impacted soils were excavated and stockpiled on a 6-mil poly-liner adjacent to the site. As reported on the C-141, dated 01 October 2004, approximately 15 barrels of crude oil were released and 0 barrels recovered. NMOCD ranking criteria for the Saunders 8" #5 release site is 10-19, which sets the remediation levels for benzene, toluene, ethylbenzene, and xylenes (BTEX), and total petroleum

incident # NPAC0604027470
application - pPAC0604027719

hydrocarbons – gasoline range organics/diesel range organics (TPH-GRO/DRO) at 50 mg/kg for total BTEX and 1000 mg/kg for TPH-GRO/DRO.

The following NMOCD approved remedial activities were accomplished at the Saunders 8" # 5 pipeline release site:

- In October and November 2004, five soil borings were installed to evaluate the horizontal and vertical impact of the crude oil pipeline release utilizing an air rotary drill rig operated by Straub Corporation, Stanton, Texas. Subsurface soil samples were collected at 5 feet intervals, screened with a Photo Ionization Detector (PID), and selected soil samples analyzed for constituent concentrations of BTEX and TPH-GRO/DRO. Laboratory results are in Table 1, Soil Chemistry, Soil Borings.
- In November 2004, a proposed Preliminary Site Investigation Report and Remediation Plan was submitted to NMOCD and approved. The approved plan proposed to excavate the release point and flow path area, mechanically screen the excavated soil, construct bio mounds on-site, apply nutrients and aeration to the bio mounds, install a 40-mil poly-liner at the release point, backfill the site with the mechanically screened caliche rock and screened soil. As requested by the NMSLO, a Site Restoration Plan was submitted and approved.
- In December 2004, excavation of the Saunders 8" # 5 release point and flow path area was initiated. Mechanical screening of the excavated soil was simultaneously accomplished as the excavated soils were extracted. Bio mounds, consisting of approximately 250 cubic yards, were constructed surrounding the excavation. Aeration of the bio mounds was initiated as the bio mounds were constructed to enhance the degradation process. Approximately 6000 cubic yards of caliche rock and soil was excavated from the pipeline release point and flow path area.
- In March 2005, confirmation soil samples were collected from the walls and floor of the excavation and analyzed for constituent concentrations of BTEX and TPH-GRO/DRO. Analytical results indicated the excavation was below NMOCD regulatory standards for constituent concentrations of BTEX and TPH-GRO/DRO. Laboratory results are in Table 2, Soil Chemistry, Pooling Area.
- In April 2005, installation of the 40-mil poly-liner at the release point was completed with a 6-inch soft sand layer above and beneath the poly-liner. Backfilling the excavation with the mechanically screened caliche rock was initiated once the poly-liner was installed.
- In May 2005, confirmation soil sampling of the bio mounds was accomplished. The soil samples were field screened with a PID and analyzed for concentrations

of BTEX and TPH-GRO/DRO. Laboratory analytical results indicated that all the bio mounds were below NMOCD regulatory standards for concentrations of BTEX and TPH-GRO/DRO. Laboratory results are in Table 3, Soil Chemistry, Bio-Mounds.

- In June 2005, backfilling of the Saunders 8" # 5 excavation site with the separated rock and treated bio mound soil was initiated. Backfilling of the site was completed in August 2005 with the site being contoured to the surrounding pastureland. Reseeding of the site is projected to be in the spring of 2006 to coincide with the beginning of the growing season and spring precipitation to enhance the establishment and root growth of the grass seed. Hydrating, monitoring the growth process and reporting results to NMSLO will be adhered to until the vegetation is established and NMSLO releases Plains.

The remediation activities were completed in accordance with the NMOCD approved (NMOCD letter, 29 November 2004) Plains Marketing, L. P., Remediation Work Plan, dated 15 November 2004. Based on the results of the NMOCD approved remediation activities conducted at the Saunders 8" # 5 release site, Basin, on behalf of Plains, requests that the NMOCD consider this site as eligible for closure under the *New Mexico Oil Conservation Division Guidelines for Remediation of Leaks, Spills and Releases (1993)*.

Should you have any questions or comments, please contact me at (505) 441-2124.

Sincerely,

Ken Dutton
Basin Environmental Services

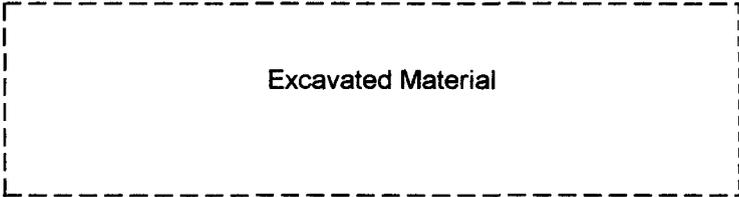
Attachments: Site Map
Table 1, Soil Chemistry Table, Soil Borings
Table 2, Soil Chemistry Table, Pooling Area
Table 3, Soil Chemistry Table, Bio-Mounds
NMOCD C-141 (Initial)
NMOCD C-141 (Final)

cc: Mr. Cody Morrow (NMSLO, Santa Fe, NM)

Plains Pipeline



●
SB-5



● Release Point
SB-1

Release Point
40 feet long by 35
feet wide by 8 feet
bgs

**Plains Marketing, L. P.
Saunders 8" #5
Unit H, S14, T142, R33E
Lea County, New Mexico
EMS: 2004-00206**

144 feet long

Pooling area
SB-2

●
Pooling Area
45 feet long by 82
feet wide by 15 feet
bgs

●
SB-4

●
SB-3

<p>TITLE Excavation Site Map Saunders 8" # 5</p>	<p>DRAWN BY Basin Environmental Services KAD</p>	<p>Date 22 December 2005</p>
--	--	----------------------------------

TABLE 1

SOIL CHEMISTRY, SOIL BORINGS

PLAINS MARKETING L.P.

SAUNDERS 8" # 5

LEA COUNTY, NEW MEXICO

EMS: 2004-00206

SAMPLE LOCATION	SAMPLE DEPTH	SAMPLE DATE	METHOD: EPA SW 846-8021B, 5030							METHOD: 8015M			TOTAL TPH (mg/kg)
			BENZENE (mg/kg)	TOLUENE (mg/kg)	ETHYL-BENZENE (mg/kg)	M,P-XYLENES (mg/kg)	O-XYLENE (mg/kg)	GRO (mg/kg)	DRO (mg/kg)				
SB-1	15' bgs	10/29/04	1.69	11.0	5.40	22.6	7.55	404	618	1020			
SB-1	20' bgs	10/29/04	4.53	29.1	10.2	36.5	12.8	1710	2180	3890			
SB-1	30' bgs	10/29/04	0.257	3.89	2.11	10.7	3.58	241	635	876			
SB-1	40' bgs	10/29/04	<0.025	0.026	0.026	0.121	0.031	16	95.9	112			
SB-1	45' bgs	10/29/04	<0.025	<0.025	<0.025	<0.025	<0.025	<10	123	123			
SB-1	60' bgs	10/29/04	<0.025	<0.025	<0.025	<0.025	<0.025	<10	69.9	69.9			
SB-2	15' bgs	11/01/04	0.135	2.82	1.86	8.64	2.90	343	675	1020			
SB-2	20' bgs	11/01/04	<0.025	<0.025	<0.025	<0.025	<0.025	<10	44.1	44.1			
SB-2	30' bgs	11/01/04	<0.025	<0.025	<0.025	<0.025	<0.025	<10	20.1	20.1			
SB-3	10' bgs	11/01/04	<0.025	<0.025	<0.025	<0.025	<0.025	<10	<10	<10			
SB-3	20' bgs	11/01/04	<0.025	<0.025	<0.025	<0.025	<0.025	<10	<10	<10			
SB-4	10' bgs	11/01/04	<0.025	<0.025	<0.025	<0.025	<0.025	<10	<10	<10			
SB-4	20' bgs	11/01/04	<0.025	<0.025	<0.025	<0.025	<0.025	<10	<10	<10			
SB-5	10' bgs	11/01/04	<0.025	<0.025	<0.025	<0.025	<0.025	<10	<10	<10			
SB-5	20' bgs	11/01/04	<0.025	<0.025	<0.025	<0.025	<0.025	<10	<10	<10			

TABLE 3

SOIL CHEMISTRY, BIO-MOUNDS

PLAINS MARKETING L.P.

SAUNDERS 8" # 5

LEA COUNTY, NEW MEXICO

EMS: 2004-00206

SAMPLE LOCATION	SAMPLE DEPTH	SAMPLE DATE	METHOD: EPA SW 846-8021B, 5030					METHOD: 8015M			TOTAL TPH (mg/kg)
			BENZENE (mg/kg)	TOLUENE (mg/kg)	ETHYL-BENZENE (mg/kg)	M,P-XYLENES (mg/kg)	O-XYLENE (mg/kg)	GRO (mg/kg)	DRO (mg/kg)		
Bio-Mound # 22	42"	05/16/05	<0.025	0.050	0.144	0.726	0.193	112	257	369	
Bio-Mound # 24	42"	05/16/05	<0.025	<0.025	0.036	0.207	0.041	59.1	265	324	
Bio-Mound # 23	42"	05/16/05	0.081	0.257	0.152	1.02	0.220	121	268	389	
Bio-Mound # 17	42"	05/16/05	<0.025	<0.025	0.037	0.200	0.050	76.7	197	274	
Bio-Mound # 20	42"	05/16/05	<0.025	<0.025	<0.025	0.095	<0.025	59.3	297	356	
Bio-Mound # 18	42"	05/16/05	<0.025	<0.025	0.039	0.188	0.060	27.4	124	151	
Bio-Mound # 21	42"	05/16/05	<0.025	0.120	0.106	0.654	0.167	<10	352	352	
Bio-Mound # 19	42"	05/16/05	<0.025	0.054	0.062	0.306	0.057	52.4	198	250	
Bio-Mound # 2	42"	05/16/05	<0.025	<0.025	<0.025	0.062	<0.025	50.5	234	285	
Bio-Mound # 4	42"	05/16/05	<0.025	<0.025	<0.025	0.081	<0.025	<10	92.8	92.8	
Bio-Mound # 1	42"	05/16/05	<0.025	<0.025	0.036	0.155	0.597	91.7	275	367	
Bio-Mound # 3	42"	05/16/05	<0.025	<0.025	0.041	0.195	0.056	76.9	260	337	
Bio-Mound # 6	42"	05/16/05	<0.025	0.029	0.042	0.133	0.049	10.1	50.5	60.6	
Bio-Mound # 8	42"	05/16/05	<0.025	<0.025	<0.025	<0.025	<0.025	<10	47.4	47.4	
Bio-Mound # 5	42"	05/16/05	<0.025	<0.025	<0.025	0.068	<0.025	21.2	76.7	97.9	
Bio-Mound # 7	42"	05/16/05	<0.025	<0.025	<0.025	0.032	<0.025	31.8	140	172	
Bio-Mound # 10	42"	05/16/05	<0.025	<0.025	0.043	0.218	0.053	42.8	186	229	
Bio-Mound # 12	42"	05/16/05	<0.025	<0.025	0.049	0.209	0.069	45.3	181	226	
Bio-Mound # 9	42"	05/16/05	<0.025	0.077	0.071	0.161	0.110	128	279	407	
Bio-Mound # 11	42"	05/16/05	0.035	0.316	0.154	0.927	0.231	77.1	293	370	
Bio-Mound # 14	42"	05/16/05	<0.025	<0.025	0.028	0.217	0.536	243	579	822	
Bio-Mound # 16	42"	05/16/05	<0.025	<0.025	<0.025	0.118	<0.025	34.6	141	176	
Bio-Mound # 13	42"	05/16/05	<0.025	<0.025	0.036	0.216	0.062	50.6	168	219	

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

Form C-141
Revised October 10, 2003

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Submit 2 Copies to appropriate
District Office in accordance
with Rule 116 on back
side of form

Release Notification and Corrective Action

OPERATOR

x Initial Report Final Report

Name of Company Plains Marketing, LP	Contact Camille Reynolds
Address 5805 East Hwy. 80, Midland, TX 79706	Telephone No. 505-441-0965
Facility Name Saunders 8" #5	Facility Type 8" Steel Pipeline
Surface Owner State Of New Mexico	Mineral Owner
Lease No.	

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
H	14	14S	33E					Lea

Latitude 33°06'21.8" Longitude 103°34'47.6"

NATURE OF RELEASE

Type of Release Crude Oil	Volume of Release 15 barrels	Volume Recovered 0 barrels
Source of Release 8" Steel Pipeline	Date and Hour of Occurrence 10-1-04 @ 15:00	Date and Hour of Discovery 10-1-04 @ 17:50
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? Gary Wink	
By Whom? Ken Dutton	Date and Hour 10-2-04 @ 10:15	
Was a Watercourse Reached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, Volume Impacting the Watercourse.	

If a Watercourse was Impacted, Describe Fully.*

Describe Cause of Problem and Remedial Action Taken.* Internal corrosion of the 8" steel pipeline. A line clamp was installed to mitigate the release. The line is an 8 inch steel transmission pipeline that produces approximately 1,400 barrels of crude per day. The pressure on the line varies from 25 to 30 psi and the gravity of the sweet crude oil is 38-42. The sweet crude has an H₂S content of less than 10 ppm

Describe Area Affected and Cleanup Action Taken.* The impacted soil was excavated and stockpiled on plastic. Aerial extent of surface impact was 2,220 ft².

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.

Signature: <i>Camille Reynolds</i>	OIL CONSERVATION DIVISION	
Printed Name: Camille Reynolds	Approved by District Supervisor:	
Title: Remediation Coordinator	Approval Date:	Expiration Date:
E-mail Address: cjreynolds@paalp.com	Conditions of Approval:	Attached <input type="checkbox"/>
Date: 10/4/04	Phone: 505-441-0965	

* Attach Additional Sheets If Necessary

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 October 10, 2003

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

Name of Company	Plains Marketing, L. P.	Contact	Camille Reynolds
Address	3112 W. US Hwy 82, Lovington, NM 88260	Telephone No.	(505) 441-0965
Facility Name	Saunders 8" #5	Facility Type	8" Steel Pipeline

Surface Owner	State of New Mexico	Mineral Owner		Lease No.	
---------------	---------------------	---------------	--	-----------	--

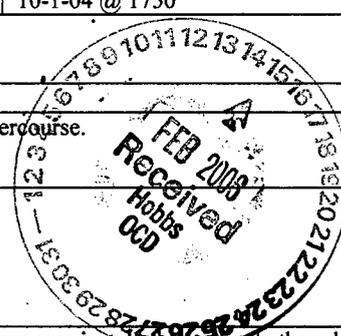
LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
H	14	14S	33E					

Latitude 33° 06' 21.8" North Longitude 103° 34' 47.6"

NATURE OF RELEASE

Type of Release	Crude Oil	Volume of Release	15 barrels	Volume Recovered	0 barrels
Source of Release	8" Steel Pipeline	Date and Hour of Occurrence	10-1-04 @ 1500	Date and Hour of Discovery	10-1-04 @ 1750
Was Immediate Notice Given?	XX Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required				
By Whom?	Ken Dutton	If YES, To Whom?	Gary Wink		
Was a Watercourse Reached?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
If a Watercourse was Impacted, Describe Fully.*					



Describe Cause of Problem and Remedial Action Taken.* Internal corrosion of the 8" steel pipeline. A line clamp was installed to mitigate the release. The line is an 8 inch steel transmission pipeline that produces approximately 1400 barrels of crude per day. The pressure on the line varies from 25 to 30 psi and the gravity of the sweet crude oil is 38-42. The sweet crude has an H₂S content of less than 10 ppm.

Describe Area Affected and Cleanup Action Taken.* Per the approved NMOCD Plains Marketing, L. P., Remediation Work Plan, dated 29 November 2004, the crude oil release site was excavated, the impacted soil mechanically screened, aerated, treated with nutrients, confirmation soil samples collected. Once the confirmation soil samples were below NMOCD regulatory standards, a 40-ml poly-liner was installed; the site was backfilled with the bio-mound material and contoured to the original rangeland topography.

SEE ATTACHED BASIN ENVIRONMENTAL SERVICE TECHNOLOGIES LETTER, DATED 06 JANUARY 2006, CLOSURE REQUEST, WITH ATTACHMENTS FOR DETAILS OF REMEDIAL ACTIVITIES CONDUCTED.

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.

Signature: <i>Camille Reynolds</i>	OIL CONSERVATION DIVISION		
Printed Name: Camille Reynolds	Approved by District Supervisor:		
Title: Remediation Coordinator	Approval Date:	Expiration Date:	
E-mail Address: cjreynolds@paalp.com	Conditions of Approval:		Attached <input type="checkbox"/>
Date: 16 February 2006	Phone: (505) 441-0965		

* Attach Additional Sheets If Necessary