

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**  Initial Report  Final Report

|                 |                                   |               |                |
|-----------------|-----------------------------------|---------------|----------------|
| Name of Company | Plains Marketing, L. P.           | Contact       | Daniel Bryant  |
| Address         | P. O. Box 3119- Midland, TX 79702 | Telephone No. | (432) 557-5865 |
| Facility Name   | Cotton Draw Gathering 6"          | Facility Type | Pipeline       |

|               |                      |               |  |           |  |
|---------------|----------------------|---------------|--|-----------|--|
| Surface Owner | NM State Land Office | 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 | Hobbs |
|-------------|---------|----------|-------|---------------|------------------|---------------|----------------|--------|-------|
| K           | 16      | 25S      | 32E   |               |                  |               |                | Lea    | OCD   |

300' **Latitude** 32° 07.648" North **Longitude** 103° 40.909"

**NATURE OF RELEASE**

|                             |  |   |                        |                            |                        |
|-----------------------------|--|---|------------------------|----------------------------|------------------------|
| Type of Release             | Sweet Crude Oil  | Volume of Release                         | 8 barrels              | Volume Recovered           | 0 barrels              |
| Source of Release           | 6-inch steel transmission line   | Date and Hour of Occurrence               | 04 October 2005 @ 0730 | Date and Hour of Discovery | 04 October 2005 @ 0800 |
| Was Immediate Notice Given? | XX Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required | If YES, To Whom?                          | Larry Johnson          |                            |                        |
| By Whom?                    | Daniel Bryant  | Date and Hour                             | 06 October 2005 @ 1045 |                            |                        |
| Was a Watercourse Reached?  | <input type="checkbox"/> Yes XX <input 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 caused a release of 8 barrels sweet crude oil on a 6" gathering line. Line was clamped to mitigate the release until a pipeline replacement could be made. The pressure of the line is 45 lbs and throughput on the pipeline is approximately 1,250 bbls per month. The gravity of the crude oil is 37.4. H2S content is <10 ppm. Line depth is approximately 1.5' at the release point.

Describe Area Affected and Cleanup Action Taken.\* Per the approved NMOCD Plains Marketing, L. P., Remediation Plan, dated 13 January 2006, the crude oil release site was excavated; the impacted soil placed on a poly-liner adjacent to the excavation, confirmation soil samples were collected from the floor & walls of the excavation. Once the excavation confirmation soil samples were below NMOCD regulatory standards; the stockpiled soils were blended, confirmation soil samples collected, and the site was backfilled with the blended material and contoured to the original rangeland topography.

**SEE ATTACHED BASIN ENVIRONMENTAL SERVICE TECHNOLOGIES LETTER DATED 22 September 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>Daniel Bryant</i>     | <b>OIL CONSERVATION DIVISION</b> |                  |                                   |
| Printed Name: Daniel Bryant         | Approved by District Supervisor: |                  |                                   |
| Title: Environmental R/C Specialist | Approval Date:                   | Expiration Date: |                                   |
| E-mail Address: dmbryant@paalp.com  | Conditions of Approval:          |                  | Attached <input type="checkbox"/> |
| Date: 26 September 2006             | Phone: (432) 557-5865            |                  |                                   |

\* Attach Additional Sheets If Necessary

*Facility - PAC 0628632679*  
*incident - PAC 0628632832*  
*application - PAC 0628633470*  
*RP# 1077*

# *Basin Environmental Service Technologies, LLC*

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



22 September 2006

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

Re: Closure Request, Cotton Draw Gathering 6" (231735)  
Plains Marketing, L. P. Preliminary Site Investigation Report and Remediation  
Plan, dated 13 January 2006  
Unit K (NE ¼, SW ¼) Section 16, Township 25 South, Range 32 East  
Lea County, New Mexico  
SRS Number: 2005-228

Dear Mr. Johnson:

Basin Environmental Services (Basin), on behalf of Plains Marketing, L. P. (Plains), is submitting this request for closure of the Cotton Draw Gathering 6" remediation site at the above referenced location. Soil remediation activities were successfully accomplished as proposed in the New Mexico Oil Conservation Division (NMOCD) approved Preliminary Site Investigation Report and Remediation Plan, dated 13 January 2006. A Right-of-Entry permit (ROE # 1178) was obtained from the New Mexico State Land Office (SLO) to conduct remedial activities at the site on 03 November 2005.

Basin Environmental Service Technologies, LLC (Basin) responded and clamped the pipeline release on 04 October 2005, located on the Cotton Draw Gathering 6" 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 10 October 2005, approximately 8 barrels of crude oil were released and 0 barrels recovered. The NMOCD ranking criteria for the Cotton Draw Gathering 6" release site was 0-9 which sets the soil remediation levels for benzene, toluene, ethylbenzene, and xylenes (BTEX), and total petroleum hydrocarbons – gasoline range organics/diesel range organics (TPH-GRO/DRO) at 50 mg/kg for total BTEX and 5000 mg/kg for TPH-GRO/DRO.

The following NMOCD approved remedial activities were accomplished at the Cotton Draw Gathering 6" pipeline release site:

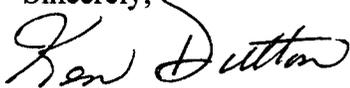
- In October 2005, Basin conducted excavation activities at the release point and flow path. The excavation was approximately 85 feet long by 50 feet wide and approximately 10 feet below ground surface (bgs). The impacted soils were placed on a 6-mil poly-liner adjacent to the excavation for future remedial activities. Approximately 1200 cubic yards of segregated clean overburden and impacted soil were excavated and stockpiled on-site.
- On 14 November 2005, Basin installed five (5) soil borings to evaluate the horizontal and vertical nature and extent of crude oil impacted soil at the pipeline release utilizing an air rotary drill rig operated by Straub Corporation, Stanton, Texas. (see Site Map, Figure 2). Soil boring SB-1 was installed adjacent to the release point, SB-2 and SB-4 at cross gradient positions, SB-3 at an up gradient position and SB-5 at a down gradient position from the release point. The soil borings ranged in depth from 20 feet bgs to 30 feet bgs. Soil samples were collected at 5 foot intervals and selected soil samples were analyzed for constituent concentrations of BTEX and TPH-GRO/DRO. Laboratory results from the seventeen (17) soil samples collected from the installation of the soil borings indicated that constituent concentrations of BTEX and TPH-GRO/DRO were either below NMOCD regulatory standards or not detected above laboratory method detection limits. Laboratory results are attached as Table 1, Soil Chemistry Table.
- On 20 December 2005, five (5) confirmation soil samples were collected from the excavation floor and walls ranging in depth from 5 to 10 feet bgs and analyzed for constituent concentrations of BTEX and TPH-GRO/DRO. Laboratory results indicated that the five (5) confirmation soil samples were either below NMOCD regulatory standards or not detected above laboratory detection methods.
- A Preliminary Site Investigation Report and Remediation/Closure Plan, dated 13 January 2006, was submitted to NMOCD and SLO and subsequently approved by both. The approved plan proposed blending of the impacted soil on-site and backfilling of the excavation. The blended soil was to be divided into equal grid cells of approximately 350 cubic yards and confirmation soil samples were to be collected from each grid cell to ensure TPH-GRO/DRO concentrations were below 5000 mg/kg. Once backfilling activities were completed and the site contoured to the original rangeland, reseeding with an approved SLO seed mixture would be completed.
- In April 2006, the blending of the impacted soil was conducted. Cells were divided into approximately 350 cubic yards and confirmation soil samples were collected 15 May 2006 and analyzed for constituent concentrations of BTEX and TPH-GRO/DRO. Laboratory results indicated that the three (3) confirmation soil samples exhibited detectable concentrations of BTEX and TPH-GRO/DRO, however, the three (3) soil samples were below NMOCD regulatory standards. Laboratory results are attached as Table 1, Soil Chemistry.

- In April 2006, backfilling of the Maljamar to Lynch Abandoned 10" excavation site was completed and the site was contoured to the surrounding undulating dunal pastureland. As proposed and approved by NMOCD and SLO, reseeding of the release site was conducted in September 2006.

The remediation activities were completed in accordance with the NMOCD approved Plains Marketing, L. P., Preliminary Site Investigation Report and Remediation/Closure Plan, dated 13 January 2006. Based on the results of the NMOCD approved remediation activities conducted at the Cotton Draw Gathering 6" 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

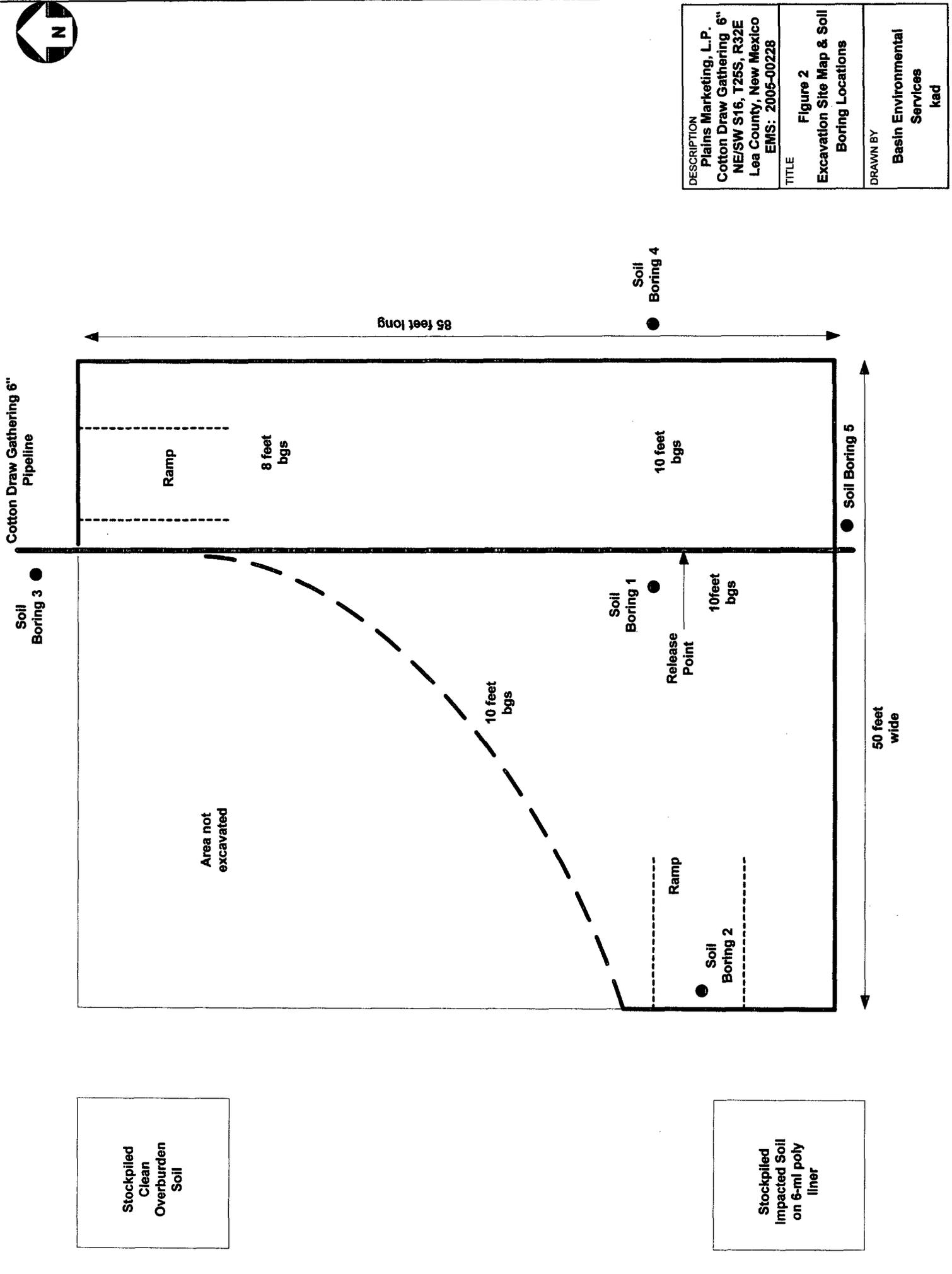
Basin Environmental Services

Attachments: Excavation Site Map  
Table 1, Soil Chemistry  
Digital Photos  
NMOCD C-141 (Initial)  
NMOCD C-141 (Final)

Cc: Mr. Thaddeus Kostrubala (NMSLO, Santa Fe, NM)



|             |  |
|-------------|--|
| DESCRIPTION | Plains Marketing, L.P.<br>Cotton Draw Gathering 6"<br>NE/SW S16, T25S, R32E<br>Lea County, New Mexico<br>EMS: 2005-00228 |
| TITLE       | Figure 2<br>Excavation Site Map & Soil<br>Boring Locations   |
| DRAWN BY    | Basin Environmental<br>Services<br>kad   |



Stockpiled  
Clean  
Overburden  
Soil

Stockpiled  
Impacted Soil  
on 6-mil poly  
liner

TABLE 1

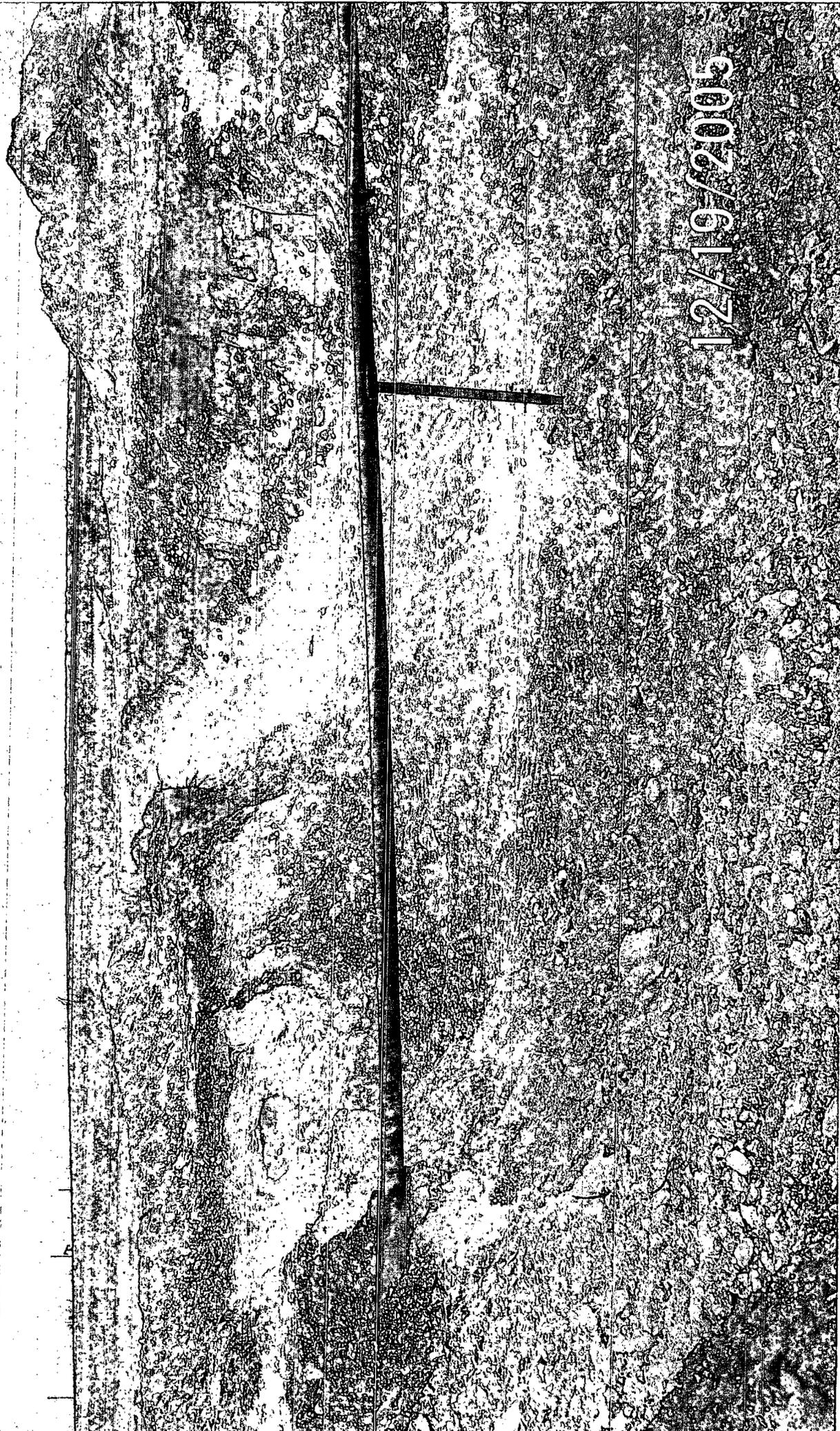
SOIL CHEMISTRY

PLAINS MARKETING, L.P.  
 COTTON DRAW GATHERING 6"  
 LEA COUNTY, NEW MEXICO  
 EMS: 2005-00228

| SAMPLE LOCATION | SAMPLE DEPTH (Below normal surface grade) | SAMPLE DATE | METHOD: EPA SW 846-8021B, 5030 |                 |                       |                     |                  | METHOD: 8015M |             |       | TOTAL TPH | CHLORIDES (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 5'         | 15' bgs                                   | 11/14/05    | 0.045                          | 0.437           | 0.645                 | 2.10                | 1.07             | 508           | 2410        | 2920  |           |                   |
| SB-1 10'        | 20' bgs                                   | 11/14/05    | <0.025                         | <0.025          | <0.025                | <0.025              | <0.025           | 78.0          | 919         | 997   |           |                   |
| SB-1 15'        | 25' bgs                                   | 11/14/05    | <0.025                         | <0.025          | <0.025                | <0.025              | <0.025           | <10.0         | <10.0       | <10.0 |           |                   |
| SB-1 20'        | 30' bgs                                   | 11/14/05    | <0.025                         | <0.025          | <0.025                | <0.025              | <0.025           | <10.0         | <10.0       | <10.0 | 80.3      |                   |
| SB-1 30'        | 40' bgs                                   | 11/14/05    | <0.025                         | <0.025          | <0.025                | <0.025              | <0.025           | <10.0         | <10.0       | <10.0 |           |                   |
| SB-2 5'         | 5' bgs                                    | 11/14/05    | <0.025                         | <0.025          | <0.025                | <0.025              | <0.025           | <10.0         | <10.0       | <10.0 |           |                   |
| SB-2 10'        | 10' bgs                                   | 11/14/05    | <0.025                         | <0.025          | <0.025                | <0.025              | <0.025           | <10.0         | <10.0       | <10.0 |           |                   |
| SB-2 20'        | 20' bgs                                   | 11/14/05    | <0.025                         | <0.025          | <0.025                | <0.025              | <0.025           | <10.0         | <10.0       | <10.0 |           |                   |
| SB-3 5'         | 5' bgs                                    | 11/14/05    | <0.025                         | <0.025          | <0.025                | <0.025              | <0.025           | <10.0         | <10.0       | <10.0 |           |                   |
| SB-3 10'        | 10' bgs                                   | 11/14/05    | <0.025                         | <0.025          | <0.025                | <0.025              | <0.025           | <10.0         | <10.0       | <10.0 |           |                   |
| SB-3 20'        | 20' bgs                                   | 11/14/05    | <0.025                         | <0.025          | <0.025                | <0.025              | <0.025           | <10.0         | <10.0       | <10.0 |           |                   |
| SB-4 5'         | 5' bgs                                    | 11/14/05    | <0.025                         | <0.025          | <0.025                | <0.025              | <0.025           | <10.0         | <10.0       | <10.0 |           |                   |
| SB-4 10'        | 10' bgs                                   | 11/14/05    | <0.025                         | <0.025          | <0.025                | <0.025              | <0.025           | <10.0         | <10.0       | <10.0 |           |                   |
| SB-4 20'        | 20' bgs                                   | 11/14/05    | <0.025                         | <0.025          | <0.025                | <0.025              | <0.025           | <10.0         | <10.0       | <10.0 |           |                   |
| SB-5 5'         | 5' bgs                                    | 11/14/05    | <0.025                         | <0.025          | <0.025                | <0.025              | <0.025           | <10.0         | <10.0       | <10.0 |           |                   |
| SB-5 10'        | 10' bgs                                   | 11/14/05    | <0.025                         | <0.025          | <0.025                | <0.025              | <0.025           | <10.0         | <10.0       | <10.0 |           |                   |

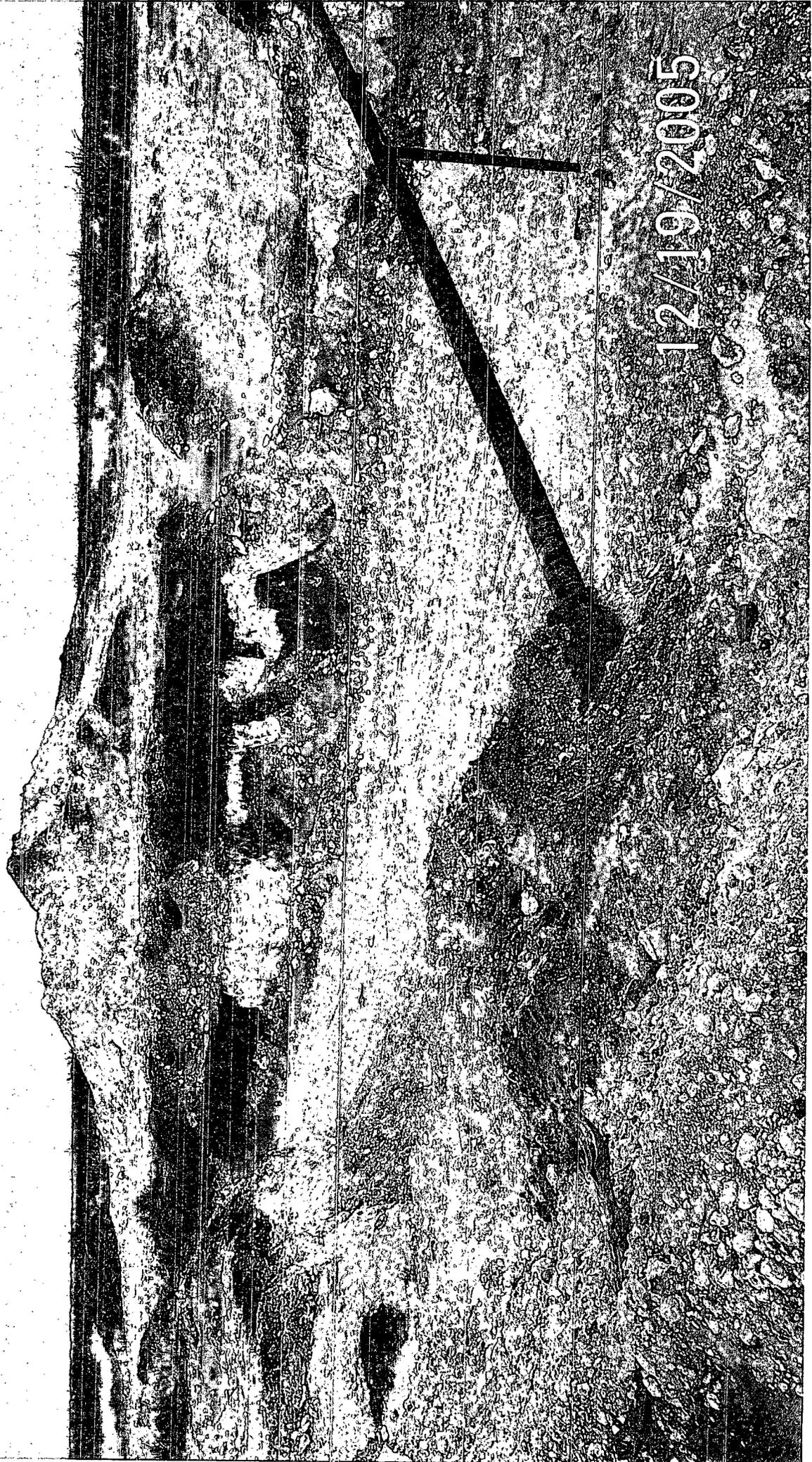


Plains Marketing, L. P.  
Cotton Draw Gathering 6-Inch  
NE/SW S16, T25S, R32E  
Lea County, NM  
Plains EMS: 2005-00228



12/19/2005

Plains Marketing, L. P.  
Cotton Draw Gathering 6-Inch  
NE/SW S16, T25S, R32E  
Lea County, NM  
Plains EMS: 2005-00228



12/19/2005

Plains Marketing, L. P.  
Cotton Draw Gathering 6-Inch  
NE/SW S16, T25S, R32E  
Lea County, NM  
Plains EMS: 2005-00228



12/19/2005

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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 Pipeline, LP               | Contact       | Daniel Bryant  |
| Address         | P.O. Box 3119 - Midland, Tx 79702 | Telephone No. | (432) 557-5865 |
| Facility Name   | Cotton Draw Gathering 6"          | Facility Type | Pipeline       |

|               |                      |               |  |           |  |
|---------------|----------------------|---------------|--|-----------|--|
| Surface Owner | NM State Land Office | 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 |
| K           | 16      | 25S      | 32E   |               |                  |               |                | Lea    |

Latitude N 32° 07.648" Longitude W 103° 40.909"

**NATURE OF RELEASE**

|                             |   |   |                  |                            |                  |
|-----------------------------|---|---|------------------|----------------------------|------------------|
| Type of Release             | Sweet Crude Oil   | Volume of Release                         | 8 bbls           | Volume Recovered           | 0 bbls           |
| Source of Release           | 6" steel transmission line  | Date and Hour of Occurrence               | 10/04/2005 07:30 | Date and Hour of Discovery | 10/04/2005 08:00 |
| Was Immediate Notice Given? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Required | If YES, To Whom?                          | Larry Johnson    |                            |                  |
| By Whom?                    | Daniel Bryant   | Date and Hour                             | 10/06/2005 10:45 |                            |                  |
| 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 caused a release of 8 bbls sweet crude oil on a 6" gathering line. Line was clamped to mitigate the release until a pipeline replacement could be made. The pressure of the line is 45 lbs and throughput on the pipeline is approximately 1,250 bbls per month. The gravity of the crude oil is 37.4. H<sub>2</sub>S content is <10 ppm. Line depth is approximately 1.5' at the release source.

Describe Area Affected and Cleanup Action Taken.\*

Visible staining from the pipeline release measured 50' X 10' yielding 500 ft<sup>2</sup>. Impacted soil will be remediated per NMOCD guidelines.

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.

**OIL CONSERVATION DIVISION**

|  |                                  |                  |                                   |
|--|----------------------------------|------------------|-----------------------------------|
| Signature:  | Approved by District Supervisor: |                  |                                   |
| Printed Name: Daniel Bryant  | Approval Date:                   | Expiration Date: |                                   |
| Title: Environmental R/C Specialist  | Conditions of Approval:          |                  |                                   |
| E-mail Address: dmbryant@paalp.com   |                                  |                  | Attached <input type="checkbox"/> |
| Date: 10/10/05   | Phone: (432) 557-5865            |                  |                                   |

\* Attach Additional Sheets If Necessary