Basin Environmental Service Technologies, LLC

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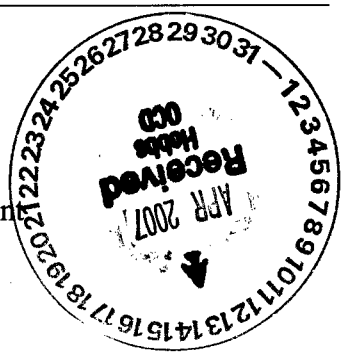
Office: (505) 396-2378 Fax: (505) 396-1429

Effective Solutions



20 March 2007

Mr. Larry Johnson
New Mexico Energy, Minerals and Natural Resources Department
New Mexico Oil Conservation Division, District 1
1625 N. French Drive
Hobbs, New Mexico 88240

Re: Closure Request, Young Deep to Lynch 8" Site (231735)
Plains Marketing, L. P. Preliminary Site Investigation Report and
Remediation/Closure Plan, dated 28 June 2006
Unit O (SW ¼, SE ¼) Section 4, Township 19 South, Range 32 East
Lea County, New Mexico
Plains SRS Number: 2005-00157
NMOCD File Number: TRP-938

Dear Mr. Johnson:

Basin Environmental Service Technologies, LLC (Basin), on behalf of Plains Marketing, L. P. (Plains), is submitting this request for closure of the Young Deep to Lynch 8" 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/Closure Plan, dated 28 June 2006.

Basin responded and clamped the pipeline release on 30 June 2006, located on the Young Deep to Lynch 8" Pipeline under the direction of Plains operations personnel. The impacted soils were excavated and stockpiled on a 6-mil poly-liner adjacent to the site. As reported on the C-141, dated 07 July 2005, approximately 20 barrels of crude oil were released and 5 barrels recovered. The NMOCD ranking criteria for the Young Deep to Lynch 8" 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 Young Deep to Lynch 8" pipeline release site:

- In June, July and August 2005, Basin conducted excavation activities at the release point and flow path areas. The excavation was approximately 120 feet long by 20 feet wide at the release point, 8 feet wide at the flow path and ranged from approximately 4 to 12 feet below ground surface (bgs). Field screening with a Photoionization Detector (PID) indicated elevated concentrations of Volatile Organic Compounds (VOCs) were present at the release point area at approximately 12 feet bgs. The impacted soils were placed on a 6-ml poly-liner adjacent to the excavation for future remedial activities. Approximately 350 cubic yards of impacted soil were excavated and stockpiled on-site. See attached Figure 2, Excavation Site Map.

- On 15 September 2005, fifteen (15) confirmation soil samples were collected from the release point, walls and floor of the excavation ranging in depths from approximately 2 to 12 feet bgs and analyzed for constituent concentrations of BTEX and TPH-GRO/DRO. Laboratory results for the fifteen (15) soil samples indicated that constituent concentrations of BTEX and TPH-GRO/DRO were either below NMOCD regulatory standards or not detected above laboratory method detection limits with the exception of the release point excavation floor soil sample which exceeded NMOCD regulatory standards for TPH-GRO/DRO concentrations at 8880 mg/kg. Based on the laboratory results, continued excavation of the release point excavation floor was warranted.

- During November 2005, excavation of the release point area was conducted to a depth of approximately fourteen (14) feet bgs resulting in a final excavation area of approximately 120 feet long and 20 feet wide at the release point, 8 feet wide at the flow path area and ranged in depth from approximately 4 to 14 feet bgs. On 30 November 2005, a confirmation soil sample was collected and analyzed for constituent concentrations of BTEX and TPH-GRO/DRO. Laboratory results indicated that constituent concentrations of BTEX and TPH-GRO/DRO exceeded NMOCD regulatory standards for the excavation floor soil sample at 7120 mg/kg.

- On 20 February 2006, Basin initiated vertical and horizontal delineation of the crude oil impacted site utilizing an air rotary drill rig operated by Straub Corporation, Stanton, Texas. Three (3) soil borings were installed at up gradient, down gradient and cross gradient positions of the release point to evaluate the extent of crude oil impact. The three (3) soil borings were installed to a depth of approximately 35 feet bgs and soil samples were collected at 5 feet intervals. The selected soil samples were analyzed for constituent concentrations of BTEX and TPH-GRO/DRO. Laboratory results indicated that detectable BTEX and TPH-GRO/DRO constituent concentrations were either not detected above laboratory method detection limits or below NMOCD regulatory standards.

- A Preliminary Site Investigation Report and Remediation/Closure Plan, dated 28 June 2006, was submitted to NMOCD Hobbs District I and U. S. Department of the Interior, Bureau of Land Management (BLM) and subsequently approved. The approved plan included installation of a 40-mil poly liner at the floor of the excavation to extend three (3) feet beyond the edges of the limited impacted area that were above NMOCD regulatory thresholds, collect confirmation soil samples from the release area walls, blending of the on-site stockpiled materials and collecting soil samples at 250 cubic yard intervals to ensure TPH-GRO/DRO concentrations were less than 5000 mg/kg, backfilling and reseeding the excavation with approved BLM grass seed.

- In September and October 2006, as approved by NMOCD, the blending of the stockpiled material was initiated. On 30 November 2006, four (4) confirmation soil samples were collected from the release area excavation walls and analyzed for constituent concentrations of BTEX and TPH-GRO/DRO. Laboratory results indicated the four (4) soil samples were either not detected above laboratory method detection limits or significantly below NMOCD regulatory standards. See Figure 4, Excavation Site Map & Release Area Soil Sampling Locations.

- In December 2006, six (6) confirmation soil samples were collected from the blended materials at approximately 250 cubic yard intervals and analyzed for constituent concentrations of BTEX and TPH-GRO/DRO. Laboratory results indicated the six (6) soil samples were either not detected above laboratory method detection limits or were below the NMOCD approved 5000-mg/kg TPH-GRO/DRO threshold. The 40-mil liner was installed at approximately 14 feet bgs with a six (6) inch sand cushion above and beneath the poly liner. Backfilling of the Young Deep to Lynch 8" excavation site was initiated with the blended material and continued to the surface where the backfill was contoured to the surrounding dunal topography. Basin contacted BLM and obtained the desired grass see mixture for that region of Lea County and has scheduled reseeding of the site for the spring of 2007.

The remediation activities were completed in accordance with the NMOCD approved Plains Marketing, L. P., Preliminary Site Investigation Report and Remediation/Closure Plan, dated 28 June 2006. Based on the results of the NMOCD approved remediation activities conducted at the Young Deep to Lynch 8" release site, Basin, on behalf of Plains, requests that the NMOCD consider the soil issue at this site 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: Table 1, Soil Chemistry Results
Figure 2, Excavation Site Map & Soil Boring Locations
Figure 3, Excavation Site Map & Soil Sampling Locations
Figure 4, Excavation Site Map & Final Sampling Locations
Digital Photos
NMOCD C-141 (Initial)
NMOCD C-141 (Final)

TABLE 1

SOIL CHEMISTRY RESULTS

PLAINS MARKETING, L.P.
YOUNG DEEP TO LYNCH 8"
LEA COUNTY, NEW MEXICO
SRS: 2005-00157

SAMPLE LOCATION	SAMPLE DEPTH (Below normal surface grade)	SAMPLE DATE	METHOD: EPA SW 846-8021B, 5030					METHOD: 8015M		TOTAL TPH	CHLORIDES
			BENZENE	TOLUENE	ETHYL-BENZENE	M,P-XYLENES	O-XYLENE	GRO	DRO		
			(mg/kg)	(mg/kg)	(mg/kg)	(mg/kg)	(mg/kg)	(mg/kg)	(mg/kg)	(mg/kg)	(mg/kg)
Excavation West Wall	8' bgs	09/15/05	<0.025	<0.025	<0.025	<0.025	<0.025	<10.0	<10.0	<10.0	
Excavation North Wall	5' bgs	09/15/05	<0.025	<0.025	<0.025	<0.025	<0.025	<10.0	<10.0	<10.0	
Excavation East Wall	5' bgs	09/15/05	0.070	1.18	1.93	3.26	1.48	919	3020	3940	
Excavation South Wall	5' bgs	09/15/05	<0.025	<0.025	<0.025	<0.025	<0.025	15.2	211	226	
Excavation South Floor	12' bgs	09/15/05	<0.025	<0.025	<0.025	<0.025	<0.025	13.2	153	166	
Excavation RP Floor	12' bgs	09/15/05	5.38	33.4	19.4	27.5	11.0	3120	5760	8880	134
Right of Way Floor 30' from RP	6' bgs	09/15/05	<0.025	<0.025	<0.025	<0.025	<0.025	13.2	85.6	98.8	
Right of Way North Wall 30' from RP	3' bgs	09/15/05	<0.025	<0.025	<0.025	<0.025	<0.025	<10.0	<10.0	<10.0	
Right of Way South Wall 30' from RP	3' bgs	09/15/05	<0.025	<0.025	<0.025	<0.025	<0.025	<10.0	<10.0	<10.0	
Stock Pile Composite	N/A	09/15/05	0.752	4.24	3.02	4.92	1.73	114	473	587	
Right of Way South Wall 50' from RP	3' bgs	09/15/05	<0.025	<0.025	<0.025	<0.025	<0.025	<10.0	<10.0	<10.0	
Right of Way North Wall 50' from RP	3' bgs	09/15/05	<0.025	<0.025	<0.025	<0.025	<0.025	<10.0	18.2	18.2	
Right of Way Floor 50' from RP	6' bgs	09/15/05	<0.025	<0.025	<0.025	<0.025	<0.025	<10.0	<10.0	<10.0	

TABLE 1 (cont)

SOIL CHEMISTRY RESULTS

PLAINS MARKETING, L.P.
YOUNG DEEP TO LYNCH 8"
LEA COUNTY, NEW MEXICO
SRS: 2005-00157

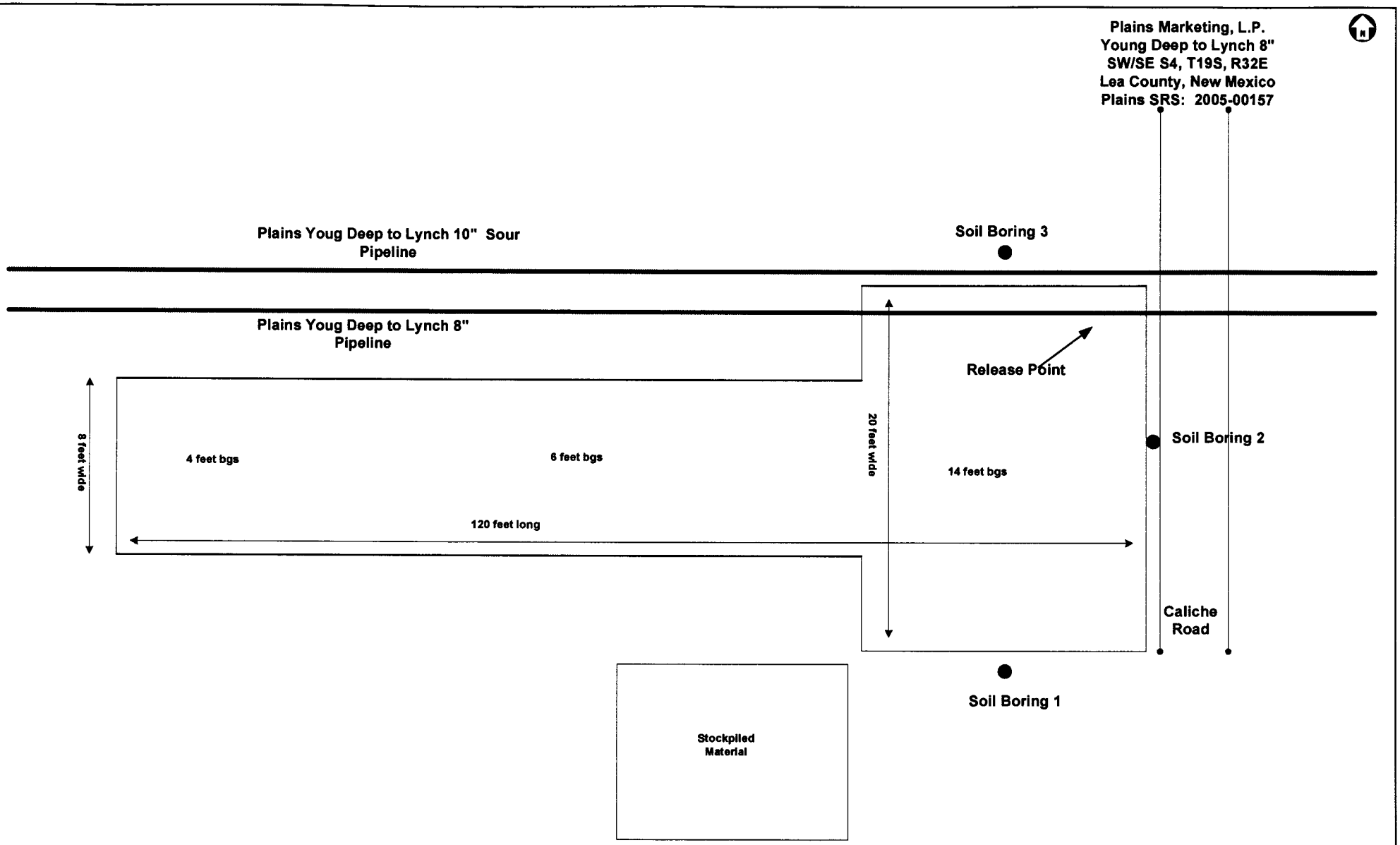
SAMPLE LOCATION	SAMPLE DEPTH (Below normal surface grade)	SAMPLE DATE	METHOD: EPA SW 846-8021B, 5030					METHOD: 8015M		TOTAL TPH	CHLORIDES
			BENZENE (mg/kg)	TOLUENE (mg/kg)	ETHYL-BENZENE (mg/kg)	M,P-XYLENES (mg/kg)	O-XYLENE (mg/kg)	GRO (mg/kg)	DRO (mg/kg)	(mg/kg)	(mg/kg)
Right of Way South Wall 80' from RP	3' bgs	09/15/05	<0.025	0.160	0.124	0.199	0.064	<10.0	<10.0	<10.0	
Right of Way North Wall 80' from RP	3' bgs	09/15/05	<0.025	<0.025	<0.025	<0.025	<0.025	<10.0	14.8	14.8	
Right of Way Floor 80' from RP	6' bgs	09/15/05	<0.025	0.179	0.165	0.331	0.125	<10.0	<10.0	<10.0	
FLR R/P 14' bgs	14' bgs	11/30/05	13.3	100	66.3	96.4	37.5	2740	4380	7120	
SB-1 5'	5' bgs	02/20/06	<0.025	<0.025	<0.025	<0.025	<0.025	<10.0	10.4	10.4	
SB-1 15'	15' bgs	02/20/06	<0.025	<0.025	<0.025	<0.025	<0.025	<10.0	<10.0	<10.0	
SB-1 35'	35' bgs	02/20/06	<0.025	<0.025	<0.025	<0.025	<0.025	<10.0	<10.0	<10.0	
SB-2 5'	5' bgs	02/20/06	<0.025	<0.025	<0.025	<0.025	<0.025	<10.0	<10.0	<10.0	
SB-2 15'	15' bgs	02/20/06	<0.025	<0.025	<0.025	<0.025	<0.025	<10.0	<10.0	<10.0	
SB-2 35'	35' bgs	02/20/06	<0.025	<0.025	<0.025	<0.025	<0.025	<10.0	<10.0	<10.0	
SB-3 5'	5' bgs	02/20/06	<0.025	<0.025	<0.025	<0.025	<0.025	<10.0	<10.0	<10.0	
SB-3 15'	15' bgs	02/20/06	<0.025	<0.025	<0.025	<0.025	<0.025	<10.0	<10.0	<10.0	
SB-3 35'	35' bgs	02/20/06	<0.025	<0.025	<0.025	<0.025	<0.025	<10.0	<10.0	<10.0	

TABLE 1 (cont)

SOIL CHEMISTRY RESULTS

PLAINS MARKETING, L.P.
YOUNG DEEP TO LYNCH 8"
LEA COUNTY, NEW MEXICO
SRS: 2005-00157

SAMPLE LOCATION	SAMPLE DEPTH (Below normal surface grade)	SAMPLE DATE	METHOD: EPA SW 846-8021B, 5030					METHOD: 8015M		TOTAL TPH	CHLORIDES
			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)	(mg/kg)	(mg/kg)
N W/F	12' bgs	11/30/06	<0.025	<0.025	0.026	0.070	0.040	218	<10.0	218	
E W/F	12' bgs	11/30/06	<0.025	<0.025	<0.025	<0.025	<0.025	<10.0	<10.0	<10.0	
S W/F	12' bgs	11/30/06	<0.025	<0.025	<0.025	<0.025	<0.025	<10.0	17.3	17.3	
W W/F	12' bgs	11/30/06	<0.025	<0.025	<0.025	<0.025	<0.025	<10.0	<10.0	<10.0	
South # 1	N/A	12/08/06	<0.025	0.045	0.245	0.549	0.316	225	1015.9	1240	
South # 2	N/A	12/08/06	<0.025	0.201	0.620	1.55	0.749	209	828.3	1040	
South # 3	N/A	12/08/06	<0.025	<0.025	0.097	0.225	0.128	184	1055.2	1240	
South # 4	N/A	12/08/06	<0.025	0.037	0.205	0.501	0.305	197	1051.5	1250	
South # 5	N/A	12/08/06	<0.025	<0.025	0.165	0.373	0.245	184	989	1170	
South # 6	N/A	12/08/06	<0.025	<0.025	0.093	0.244	0.147	130	577.8	708	
NMOCD CRITERIA			**10**	**TOTAL BTEX 50**						**5000**	

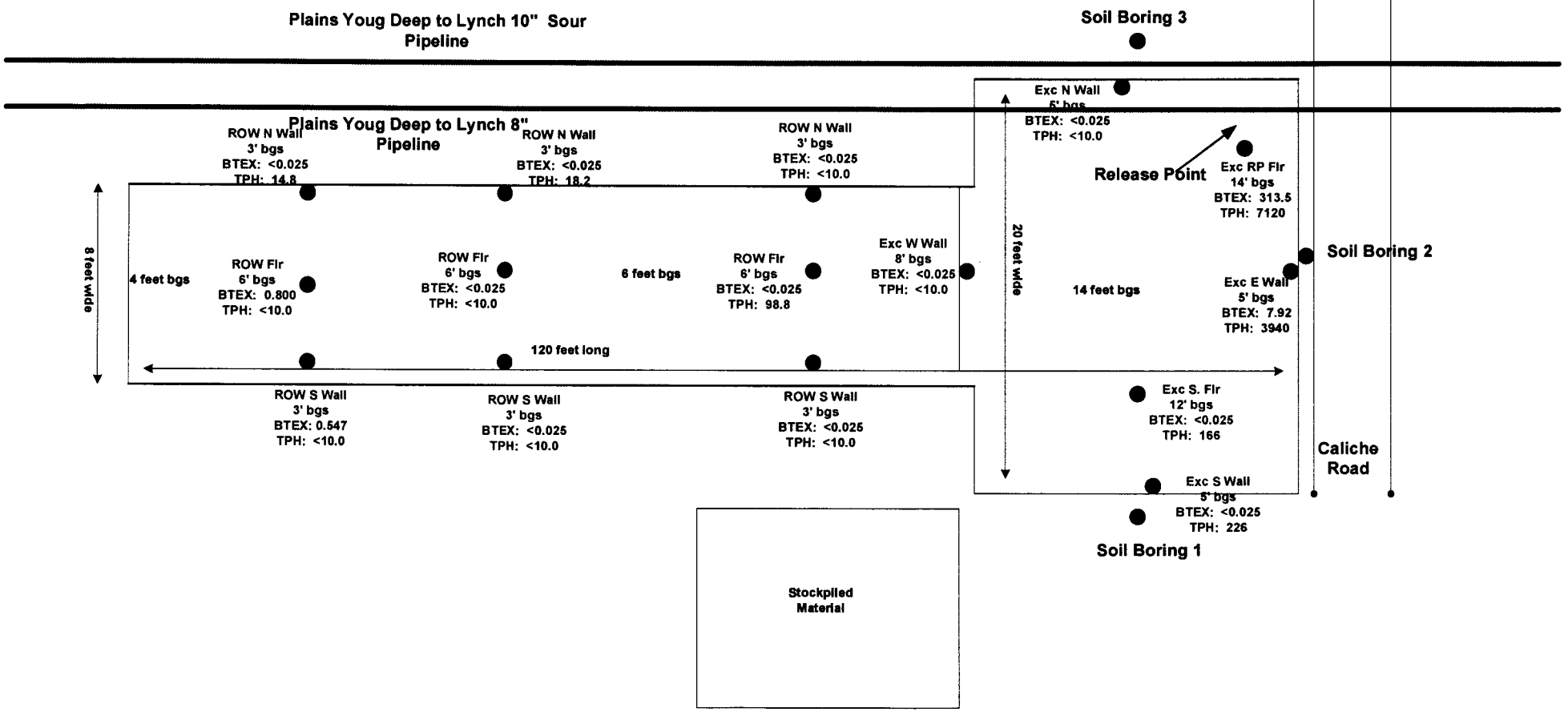


LEGEND

● Soil Boring Locations

TITLE	DESCRIPTION	DRAWN BY
Figure 2 Young Deep to Lynch 8"	Excavation Site Map & Soil Boring Locations	Basin Environmental Service Technologies kad

Plains Marketing, L.P.
Young Deep to Lynch 8"
SW/SE S4, T19S, R32E
Lea County, New Mexico
Plains SRS: 2005-00157

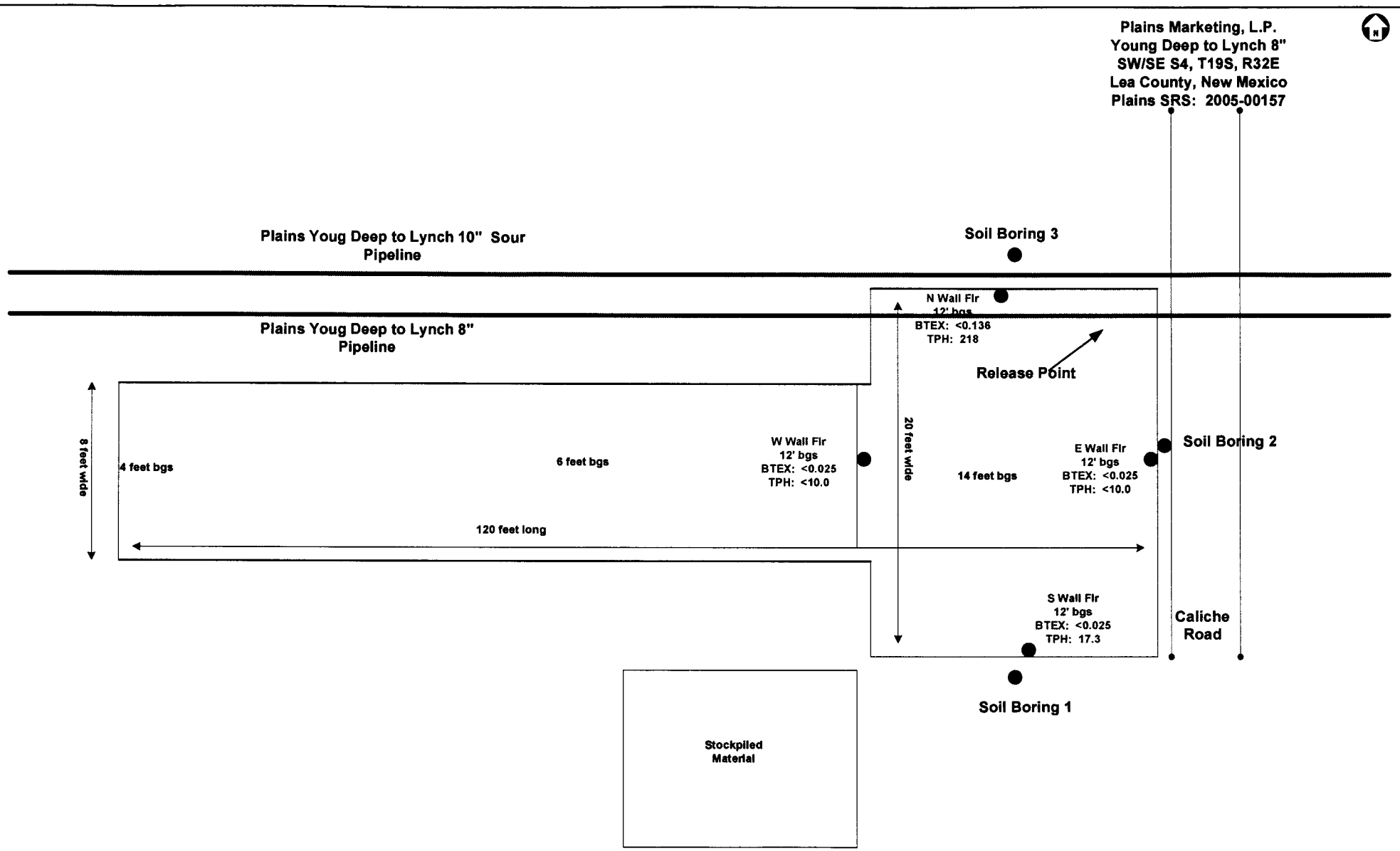


LEGEND

- Soil Boring Locations
- Soil Sampling Locations

BTEX & TPH = milligrams per kilogram

TITLE	DESCRIPTION	DRAWN BY
Figure 3 Young Deep to Lynch 8"	Excavation Site Map & Soil Sampling Locations	Basin Environmental Service Technologies kad



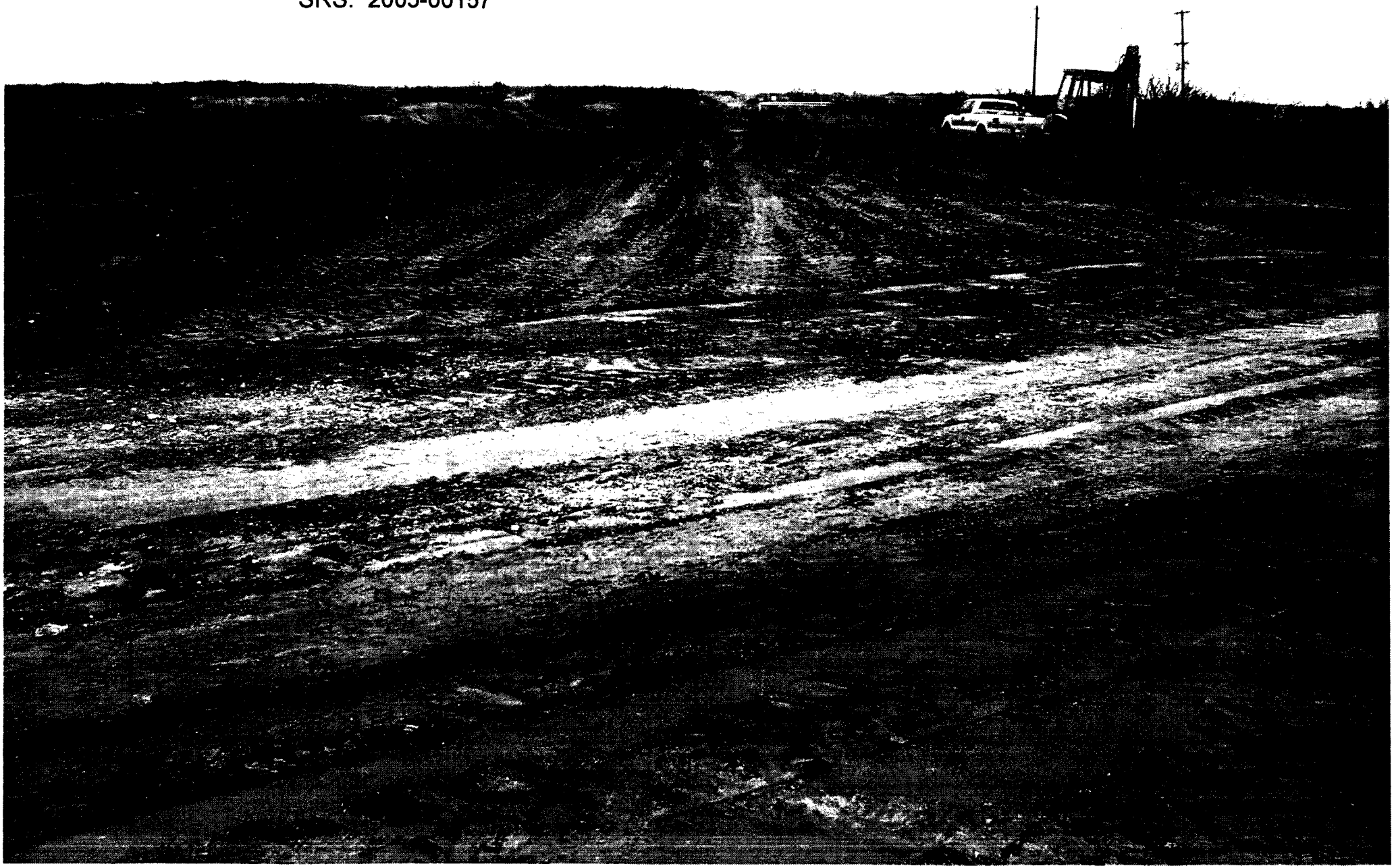
LEGEND

- Soil Boring Locations
- Soil Sampling Locations

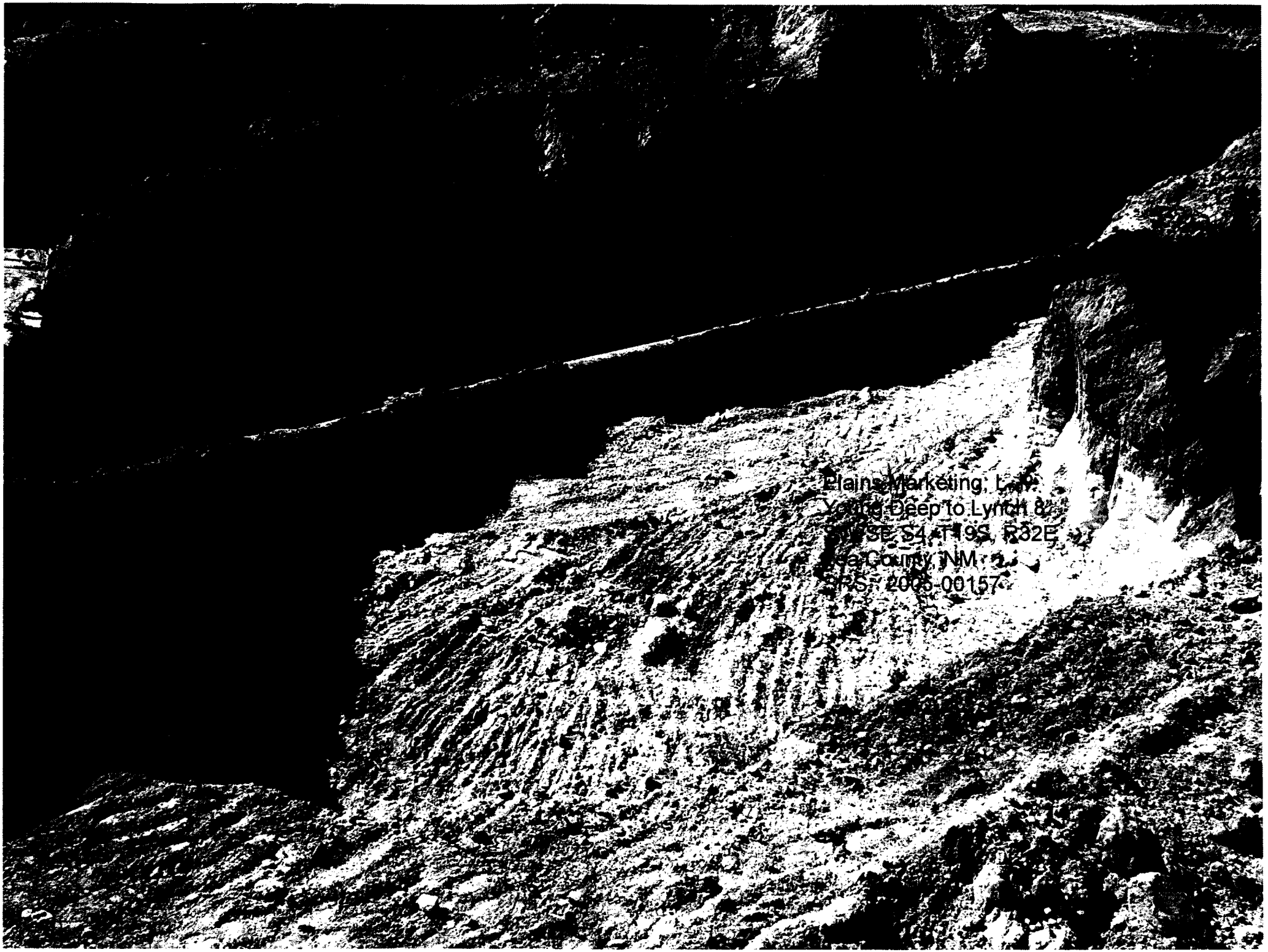
BTEX & TPH = milligrams per kilogram

TITLE	DESCRIPTION	DRAWN BY
Figure 4 Young Deep to Lynch 8"	Excavation Site Map & Release Area Soil Sampling Locations	Basin Environmental Service Technologies kad

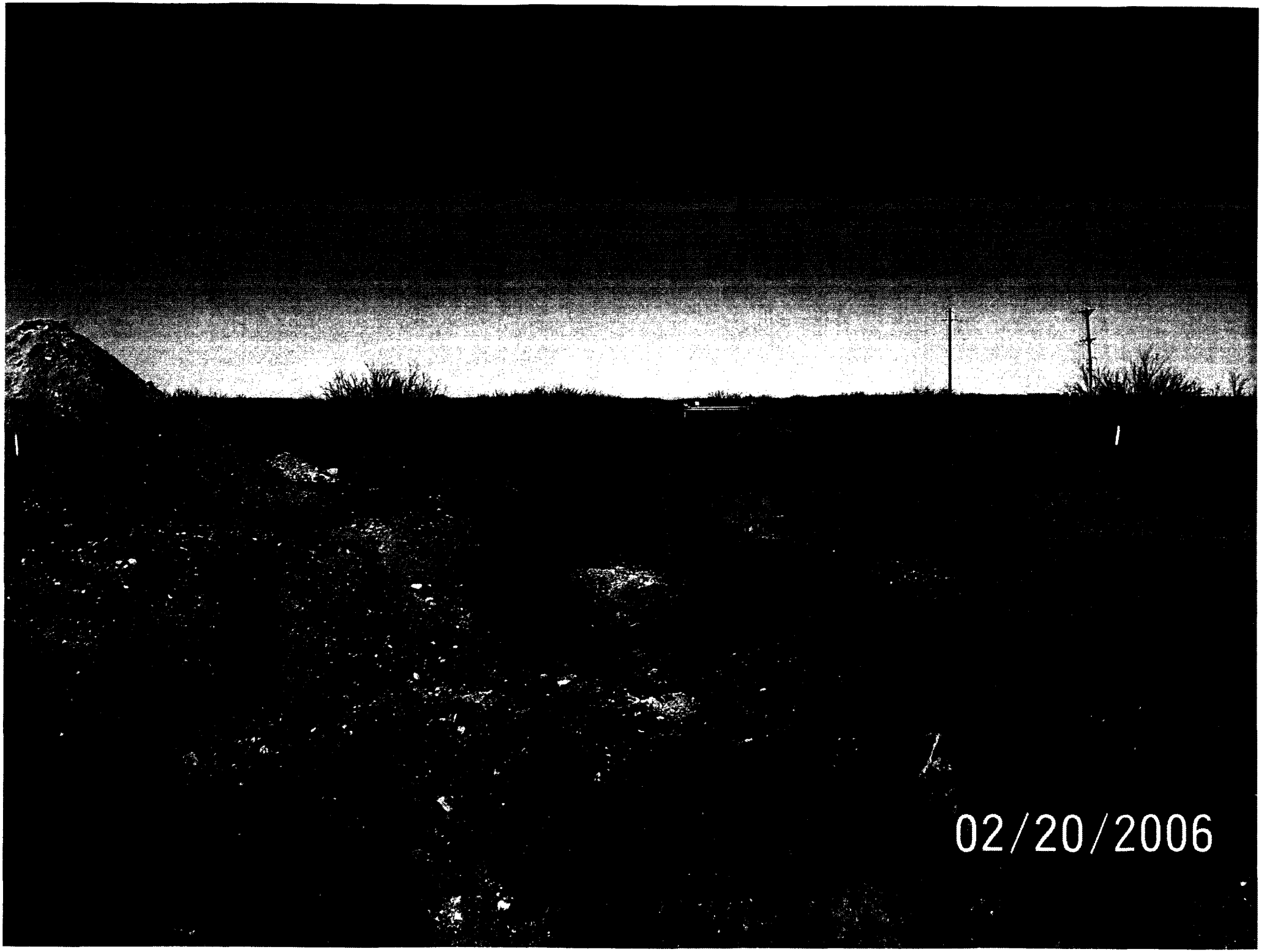
Plains Marketing, L. P.
Young Deep to Lynch 8"
SW/SE S4, T19S, R32E
Lea County, NM
SRS: 2005-00157



Plains Marketing, L. P.
Young Deep to Lynch 8"
SW/SE S4, T19S, R32E
Lea County, NM
SRS: 2005-00157


Plains Marketing, L.P.
Young Deep to Lynch 8"
SE, S4, T19S, R32E
Lea County, NM
SRS: 2005-00157


Plains Marketing, L.P.
Young Deep to Lynch 6"
SW/SE S4-T19S-R32E
Lea County, NM


02/20/2006

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

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 Young Deep to Lynch 8"	Facility Type 8"Steel Pipeline

Surface Owner BLM	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
O	4	19S	32E					Lea

Latitude 32° 40' 59.8" Longitude 103° 46' 03.6"

NATURE OF RELEASE

Type of Release Crude Oil	Volume of Release 20 barrels	Volume Recovered 5 barrels
Source of Release 8" Steel Pipeline	Date and Hour of Occurrence 6/30/05 @ 15:00	Date and Hour of Discovery 6/30/05 @ 15:15
Was Immediate Notice Given? x Yes ☐ No ☐ Not Required	If YES, To Whom? Larry Johnson	
By Whom? Camille Reynolds	Date and Hour 7/1/05@ 07:20	
Was a Watercourse Reached? ☐ Yes ☒ 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 inch steel pipeline caused release of sweet crude oil. A clamp was installed on the pipeline to mitigate the release. The line is a 8 inch steel transmission pipeline that produces approximately 1,150 barrels per day. The pressure on the line is approximately 85 psi and the gravity of the sweet crude oil is 36.1. The H_2S content of the sweet crude is less than 10 parts per million.

Describe Area Affected and Cleanup Action Taken.* The crude oil was vacuumed up and the impacted soil was excavated and stockpiled on plastic. The aerial extent of surface impact was approximately 3,264 square feet.

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: Camille Reynolds	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 ☐
Date: 7/6/05 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 XX 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 Young Deep to Lynch 8" SRS: 2005-00157	Facility Type 8" Steel Pipeline

Surface Owner BLM	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
O	4	19S	32E					Lea

Latitude 32°, 40', 59.8" North **Longitude** 103°, 46', 03.6" West.

RP-938

NATURE OF RELEASE

Type of Release Crude Oil	Volume of Release 20 barrels	Volume Recovered 5 barrels
Source of Release 8-inch Steel Pipeline	Date and Hour of Occurrence 30 June 2005 @ 1500	Date and Hour of Discovery 30 June 2005 @ 1500
Was Immediate Notice Given? XX Yes ☐ No ☐ Not Required	If YES, To Whom? Larry Johnson	
By Whom? Camille Reynolds	Date and Hour 01 July 2005 @ 0730	
Was a Watercourse Reached? ☐ Yes XX☐ 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 a 8 inch steel pipeline resulted in a release of sweet crude oil. A clamp was installed on the pipeline to mitigate the release. The line is an 8-inch steel transmission pipeline that produces approximately 1,150 barrels of crude per day. The pressure on the line is approximately 85 psi and the gravity of the sweet crude oil is 36.1. The sweet crude has an H2S content of <10 ppm. The line was approximately 2 feet bgs at the release point.

Describe Area Affected and Cleanup Action Taken.* Per the approved NMOCD Plains Marketing, L. P., Preliminary Site Investigation Report & Remediation /Closure Plan, dated 28 June 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 20 MARCH 2007, 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: Camille Reynolds	OIL CONSERVATION DIVISION
Printed Name: Camille Reynolds	Approved by District ~~Supervisor~~ ENVIRONMENTAL ENGINEER: Johnson
Title: Remediation Coordinator	Approval Date: 4-13-07 Expiration Date: —
E-mail Address: cjreynolds@paalp.com	Conditions of Approval: Attached ☐
Date: 20 March 2007 Phone: (505) 441-0965	