

Basin Environmental Service Technologies, LLC

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P. O. Box 301
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PRELIMINARY SITE INVESTIGATION REPORT and REMEDIATION/CLOSURE REQUEST

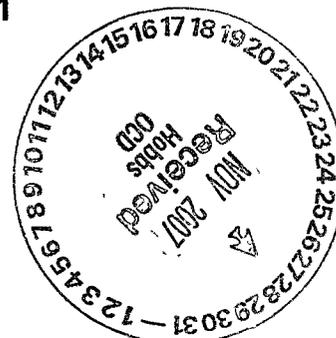
**PLAINS MARKETING, L.P. (231735)
Eunice Booster Receiver
Lea County, New Mexico
Plains SRS # 2007-110**

**UNIT L (NW/SW), Section 04, Township 21 South, Range 36 East
Latitude 32°, 30', 53.3" North, Longitude 103°, 16', 36.9" West
NMOCD File Number: 1RP-1271**

Prepared For:



Plains Marketing, L.P.
333 Clay Street
Suite 1600
Houston, Texas 77002



Prepared By:

Basin Environmental Service Technologies, LLC

21 November 2007

Ken Dutton

Basin Environmental Service Technologies, LLC

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INTRODUCTION

Basin Environmental Service Technologies, LLC (Basin), responded to a crude oil release for Plains Marketing, L.P. (Plains), located at the Eunice Booster Receiver Pipeline on 23 March 2007. The Eunice Booster Receiver Pipeline crude oil release was contained by Plains operations personnel by repairing a bleeder valve. Basin initiated excavation of the impacted soil which was stockpiled adjacent to the excavation on a 6-mil poly-liner. The Eunice Booster Receiver Pipeline is located on land owned by the State of New Mexico and administered by the New Mexico State Land Office (SLO).

This site is located in Unit L (NW¼/SW¼) Section 04, Township 21 South, Range 36 East, in Lea County, New Mexico (topographic Site Location Map is attached as Figure 1). The site latitude is 32°, 30', 53.3" North and site longitude is 103°, 16', 36.9" West. The site is characterized by a pipeline right-of-way with a receiver scrapper trap in an undulating dunal pasture utilized for cattle grazing with numerous crude oil and natural gas producing facilities in the vicinity. The visible surface stained area includes the release point and flow path area covering an area approximately 50 feet long by 10 feet wide, north to south and approximately 33 feet long by 30 feet wide, north to northwest. Approximately 10 barrels of crude oil were released from the crude oil release and 7.5 barrels were recovered.

An Emergency One-Call was initiated 23 March 2007 and all responding companies either cleared or marked their respective lines. Subsequent renewals of the one-call have been accomplished as required.

Ms. Pat Richards, New Mexico Oil Conservation Division (NMOCD), Hobbs, New Mexico District 1, was verbally notified of the release on 23 March 2007. A C-141 form, dated 28 March 2007 was completed by Plains and submitted to the NMOCD, Hobbs, New Mexico, District I Office (see Appendix C, NMOCD C-141). Ms. Myra Meyers, New Mexico State Land Office, Hobbs, New Mexico office, was verbally notified of the release 28 March 2007. A request for a Right-of-Entry permit was submitted and subsequently approved by the SLO, Santa Fe Office, to perform remediation and restoration activities on-site (see Appendix C, SLO ROE-1545, 30 August 2007).

SUMMARY OF FIELD ACTIVITIES

On 23 March 2007, Basin mobilized to the Eunice Booster Receiver responding to a crude oil release for Plains. Plains operations personnel repaired a bleeder valve located on the scrapper receiver to contain the crude oil release. Upon arrival at the release site, Basin initiated mechanical and manual excavation of the release point and flow path area with the impacted soil stockpiled on a 6-mil poly liner adjacent to the excavation for future remedial action. The excavated area was approximately

50 feet long by 10 feet wide, north to south, 33 feet long by 30 feet wide, north to northwest and ranged in depth from approximately 1.5 to 4 feet below ground surface (bgs) (See Figure 2, Excavation Site Map). Approximately 392 cubic yards of impacted soil was stockpiled on-site commensurate with emergency response and remediation activities.

On 28 March 2007, four (4) confirmation soil samples were collected from the floor and walls of the excavation ranging in depth from approximately 1.5 feet to 4 feet bgs.

In July 2007, Basin transported the crude oil impacted soils to the Plains Lea Station Land Farm (LSLF) and clean soil from LSLF was transported back to the site and utilized as backfill.

NEW MEXICO OIL CONSERVATION DIVISION (NMOCD) SOIL CLASSIFICATION

A search of the New Mexico State Engineers database revealed no data available for that section, township and range. A search of the NMOCD Lea and Eddy County depth to water map revealed an average depth to groundwater to be approximately 100 feet bgs for that section, township and range. There are no surface water bodies or water wells within 1000 feet of the release site. Based on this data, the site has an NMOCD Ranking Score of 10-19, which sets the remediation levels at:

Benzene:	10 ppm
TOTAL BTEX:	50 ppm
TPH:	1000 ppm

DISTRIBUTION OF HYDROCARBONS IN THE UNSATURATED ZONE

The final dimensions of the excavation, including the release point and flow path areas, were approximately 50 feet long by 10 feet wide, north to south, 33 feet long by 30 feet wide, north to northwest and ranged in depth from approximately 1.5 to 4 feet bgs. Approximately 392 cubic yards of impacted soil was initially stockpiled on-site commensurate with emergency response and remediation activities conducted.

On 28 March 2007, four (4) confirmation soil samples were collected from the floor and walls of the excavation ranging in depth from approximately 1.5 feet to 4 feet bgs. Soil samples were analyzed for constituent concentrations of BTEX and TPH-GRO/DRO. Laboratory results reported the four (4) soil samples did not contain constituent concentrations of BTEX and TPH-GRO/DRO above laboratory method detection limits. Based on the laboratory results, NMOCD remedial thresholds had been met and continued excavation was not warranted.

CLOSURE REQUEST

Approximately 392 cubic yards of impacted soil was excavated and stockpiled on-site resulting from the emergency response and remediation activities. Based on the results of the laboratory analytical report and remedial activities conducted, Plains obtained an approved permit (NMOCD Form C-138) to transport the approximately 392 cubic yards of impacted soil to the LSLF. Clean soil was transported back from LSLF and utilized as backfill material. Backfilling of the excavation was initiated in July and August 2007, and upon completion of backfilling activities, the backfilled excavation was contoured to match the original surrounding rangeland grade.

A right-of-entry permit was requested by Plains and approval of the permit by the SLO was received by Plains. The right-of-entry permit authorized Plains to remediate and restore the crude oil release site and prescribed reseeding requirements and monitoring objectives. Upon completion of the monitoring period and germination of the grass seed, Plains will be released from further activities on-site by the SLO.

Based on the results of the laboratory analytical report and remedial activities conducted at the Eunice Booster Receiver site, Basin recommends that Plains request the NMOCD consider this site eligible for closure under the *New Mexico Oil Conservation Division Guidelines for Remediation of Leaks, Spills and Releases (1993)*, and issue Plains a "no further action" letter.

QA/QC PROCEDURES

Soil Sampling

Soil samples were delivered to Cardinal Laboratory in Hobbs, New Mexico for BTEX, TPH-GRO/DRO analyses using the methods described below. Soil samples were analyzed for BTEX, TPH-GRO/DRO within fourteen days following the collection date.

The soil samples were analyzed as follows:

- BTEX concentrations in accordance with EPA Method 8021B, 5030
- TPH concentrations in accordance with modified EPA Method 8015M GRO/DRO

Decontamination Of Equipment

Cleaning of the sampling equipment will be the responsibility of the environmental technician. Prior to use, and between each sample, the sampling equipment will be cleaned with Liqui-Nox[®] detergent and rinsed with distilled water.

Laboratory Protocol

The laboratory will be responsible for proper QA/QC procedures after signing the chain-of-custody form. These procedures will be either transmitted with the laboratory reports or are on file at the laboratory.

LIMITATIONS

Basin Environmental Service Technologies, LLC, has prepared this Preliminary Investigation Report and Remediation/Closure Plan to the best of its ability. No other warranty, expressed or implied, is made or intended.

Basin Environmental Service Technologies, LLC, has examined and relied upon documents referenced in the report and has relied on oral statements made by certain individuals. Basin Environmental Service Technologies, LLC, has not conducted an independent examination of the facts contained in referenced materials and statements. We have presumed the genuineness of the documents and that the information provided in documents or statements is true and accurate. Basin Environmental Service Technologies, LLC, has prepared this report in a professional manner, using the degree of skill and care exercised by similar environmental consultants. Basin Environmental Service Technologies, LLC, also notes that the facts and conditions referenced in this report may change over time and the conclusions and recommendations set forth herein are applicable only to the facts and conditions as described at the time of this report.

This report has been prepared for the benefit of Plains Marketing, L.P. The information contained in this report including all exhibits and attachments, may not be used by any other party without the express consent of Basin Environmental Service Technologies, LLC, and Plains Marketing, L.P.

DISTRIBUTION

- Copy 1: Jeff Dann
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ipdann@paalp.com
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Lovington, New Mexico 88260
cireynolds@paalp.com
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New Mexico Oil Conservation Division
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Hobbs, New Mexico 88240
Larry.Johnson@state.nm.us
- Copy 4: Mr. Thaddeus Kostrubala
New Mexico State Land Office
310 Old Santa Fe Trail
P. O. Box 1148
Santa Fe, New Mexico 87504-1148
Thaddeus.kostrubala@slo.state.nm.us
- Copy 5: Basin Environmental Service Technologies LLC
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Lovington, New Mexico 88260
kdutton@basinenv.com

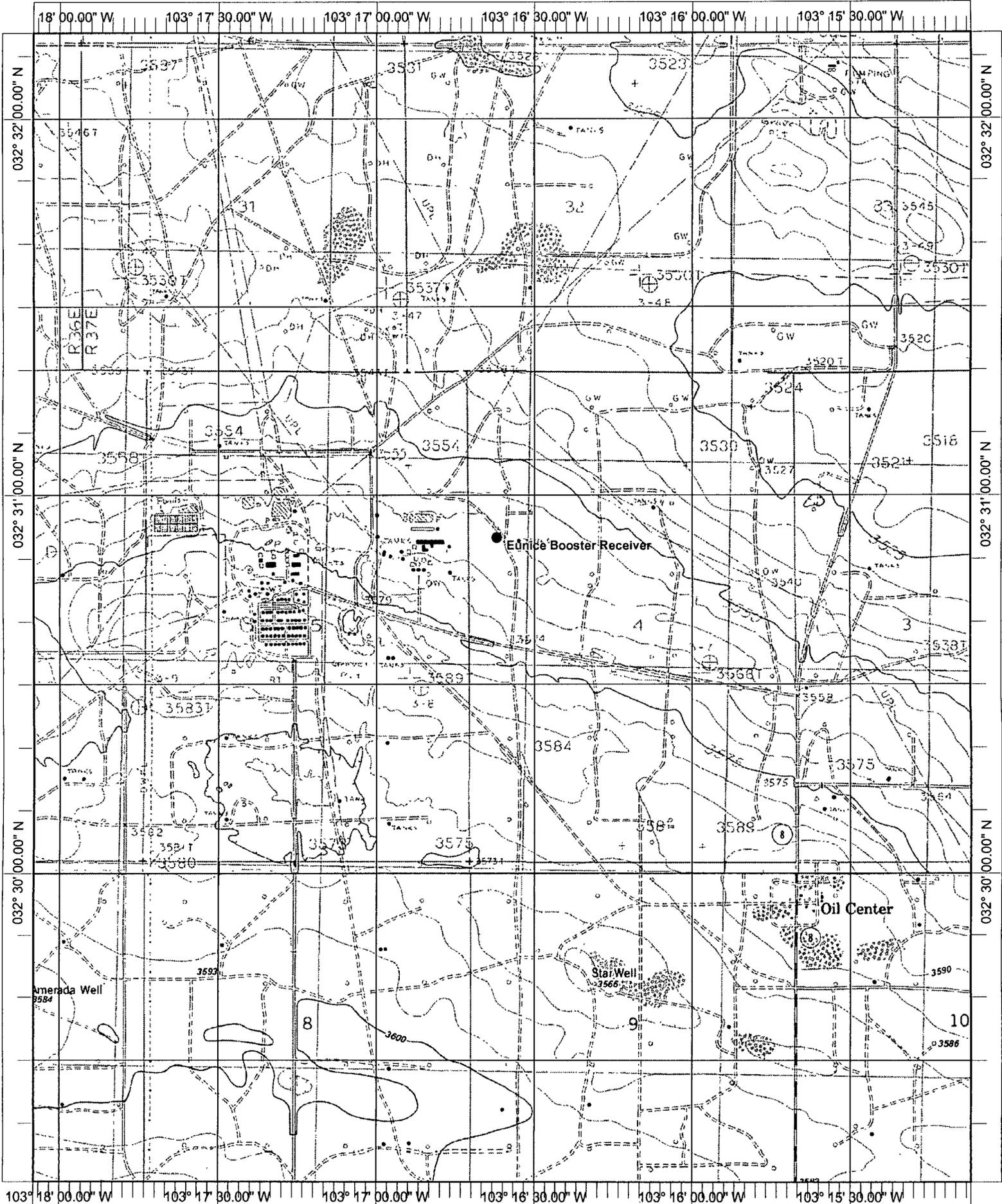
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TABLE 1

SOIL CHEMISTRY RESULTS

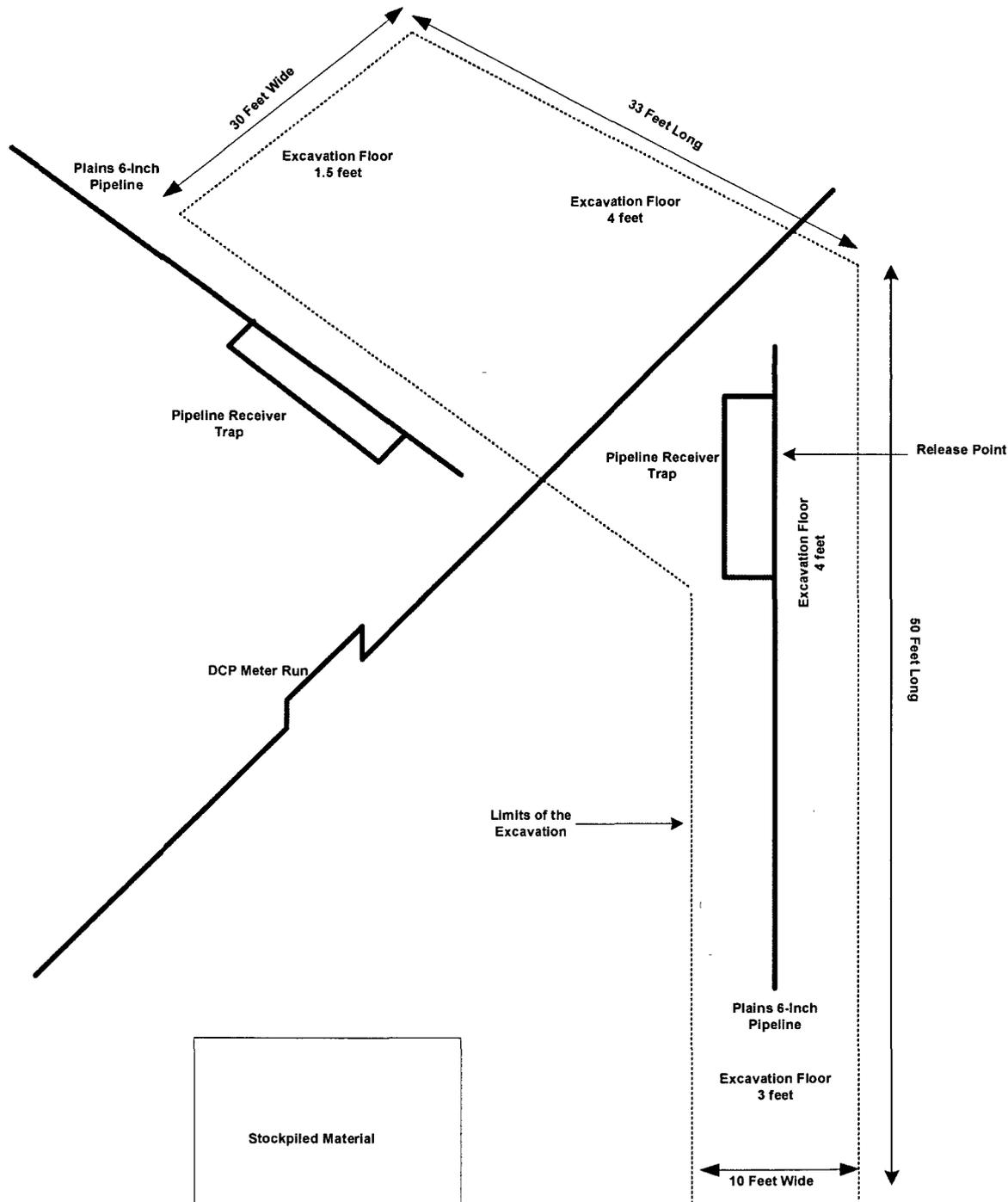
PLAINS MARKETING, L.P.
 EUNICE BOOSTER RECEIVER
 LEA COUNTY, NEW MEXICO
 SRS: 2007-110

SAMPLE LOCATION	SAMPLE DEPTH (Below normal surface grade)	SAMPLE DATE	SOIL STATUS	METHOD: EPA SW 846-8021B, 5030				METHOD: 8015M		TOTAL TPH	CHLORIDES
				BENZENE	TOLUENE	ETHYL-BENZENE	TOTAL XYLENES	GRO	DRO		
				(mg/kg)	(mg/kg)	(mg/kg)	(mg/kg)	(mg/kg)	(mg/kg)	(mg/kg)	(mg/kg)
South Floor 36"	3' bgs	03/28/07	In-Situ	<0.005	<0.005	<0.005	<0.015	<10.0	<10.0	<10.0	
Release Point 48"	4' bgs	03/28/07	In-Situ	<0.005	<0.005	<0.005	<0.015	<10.0	<10.0	<10.0	
North Wall 48"	4' bgs	03/28/07	In-Situ	<0.005	<0.005	<0.005	<0.015	<10.0	<10.0	<10.0	
West Floor 18"	1.5' bgs	03/28/07	In-Situ	<0.005	<0.005	<0.005	<0.015	<10.0	<10.0	<10.0	
Stockpile	N/A	05/16/07	Stockpile	<0.010	<0.010	0.024	0.509	67	1190	1257	16
Stockpile	N/A	07/11/07	Stockpile	<0.010	<0.010	0.054	0.653	26	1170	1196	
NMOC D Criteria				10	TOTAL BTEX 50					1000	

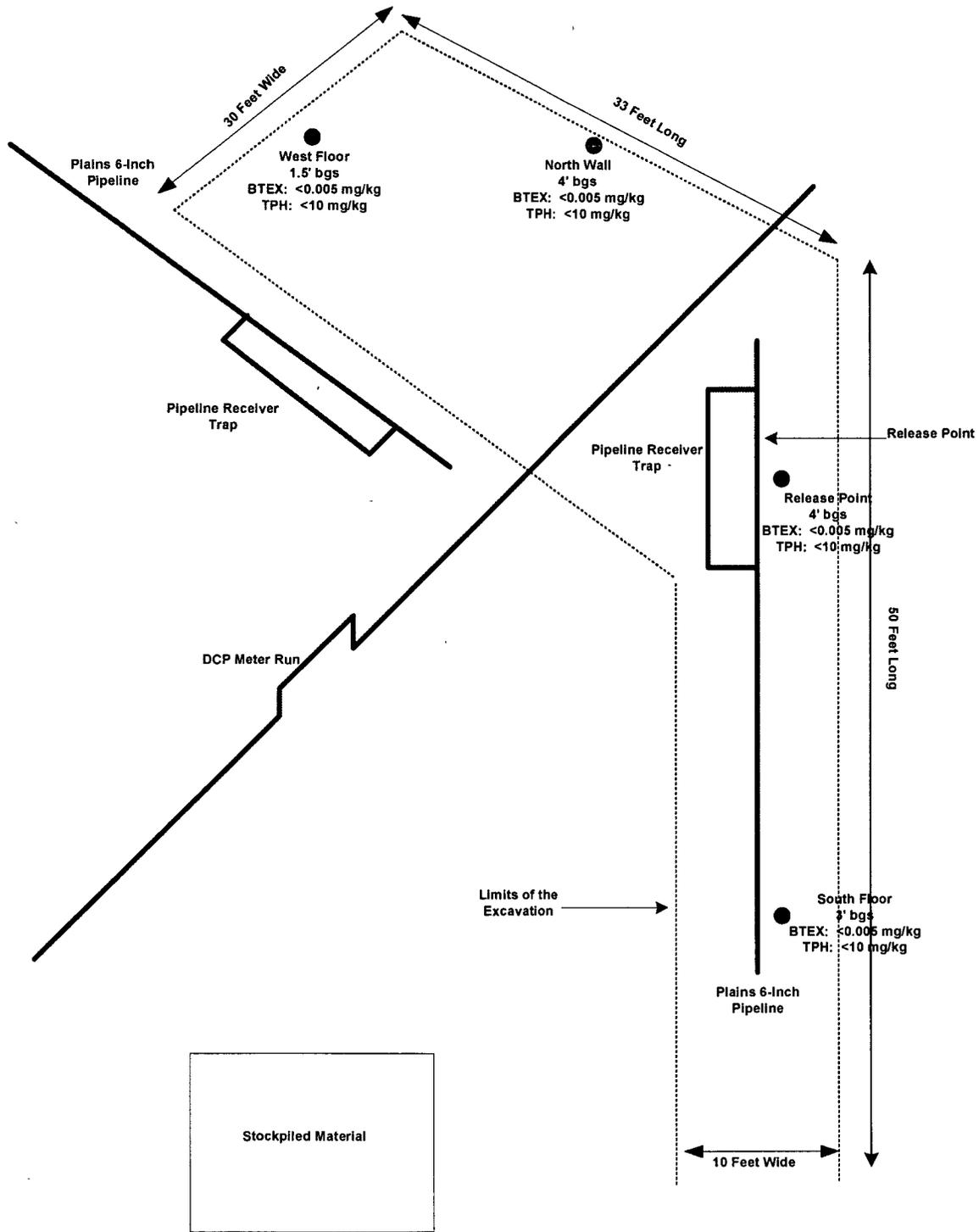


Name: MONUMENT SOUTH
 Date: 11/21/2007
 Scale: 1 inch equals 2000 feet

Location: 032° 30' 42.29" N 103° 16' 36.10" W NAD 27
 Caption: Figure 1, Site Location Map
 Plains Marketing, L. P.
 Eunice Booster Receiver



TITLE	Figure 2 Excavation Site Map
DRAWN BY	Basin Environmental Services kad

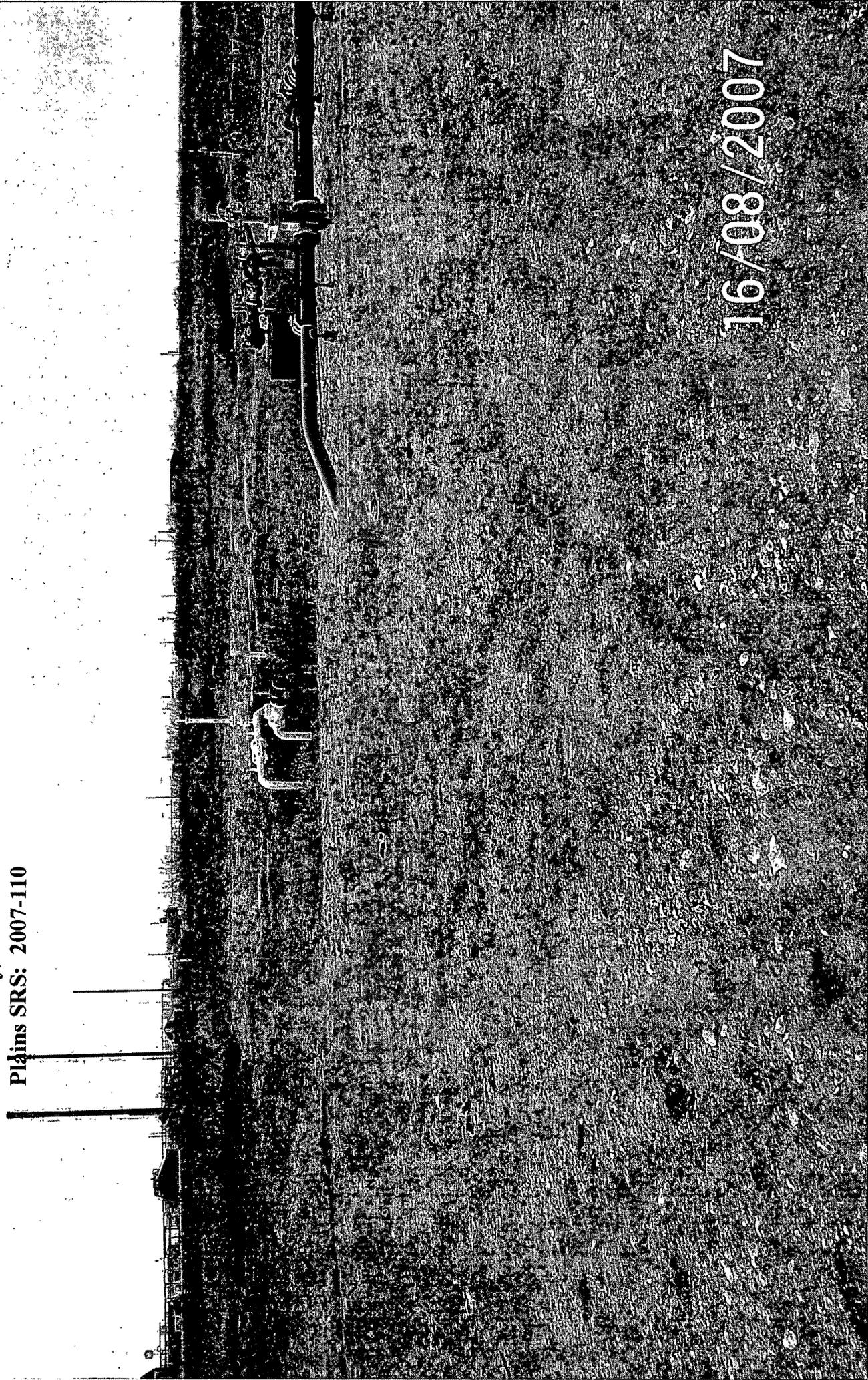


Legend

- Sampling Locations

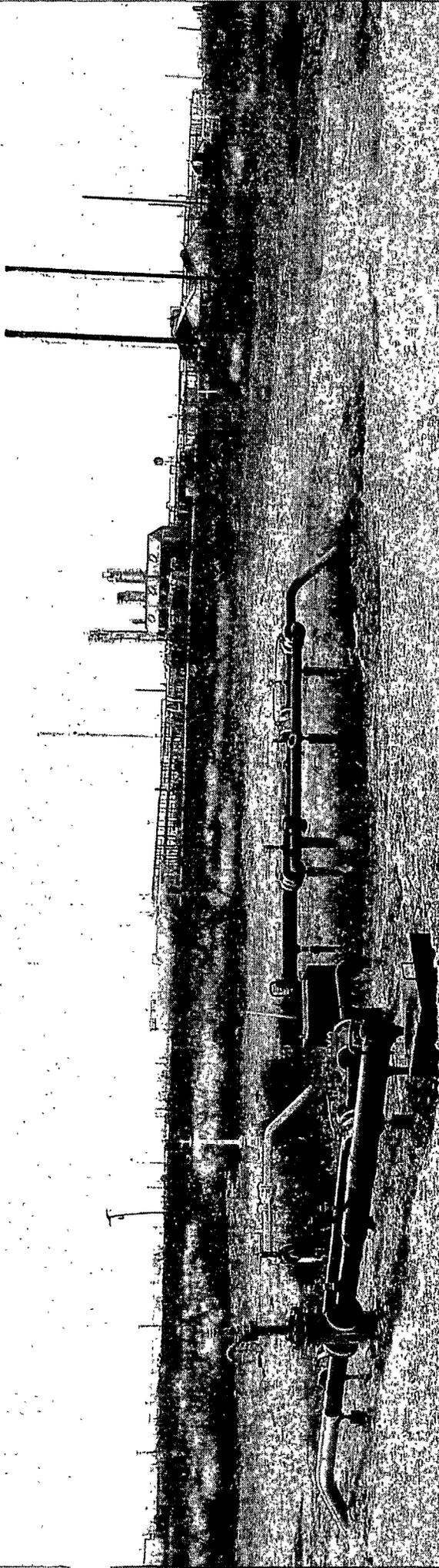
TITLE	Figure 3 Excavation Site Map – Soil Sampling Locations
DRAWN BY	Basin Environmental Services kad

**Plains Marketing, L. P.
Eunice Booster Receiver
NW/SW S04, T21S, R36E
Lea County, NM
Plains SRS: 2007-110**



16/08/2007

**Plains Marketing, L. P.
Eunice Booster Receiver
NW/SW S04, T21S, R36E
Lea County, NM
Plains SRS: 2007-110**



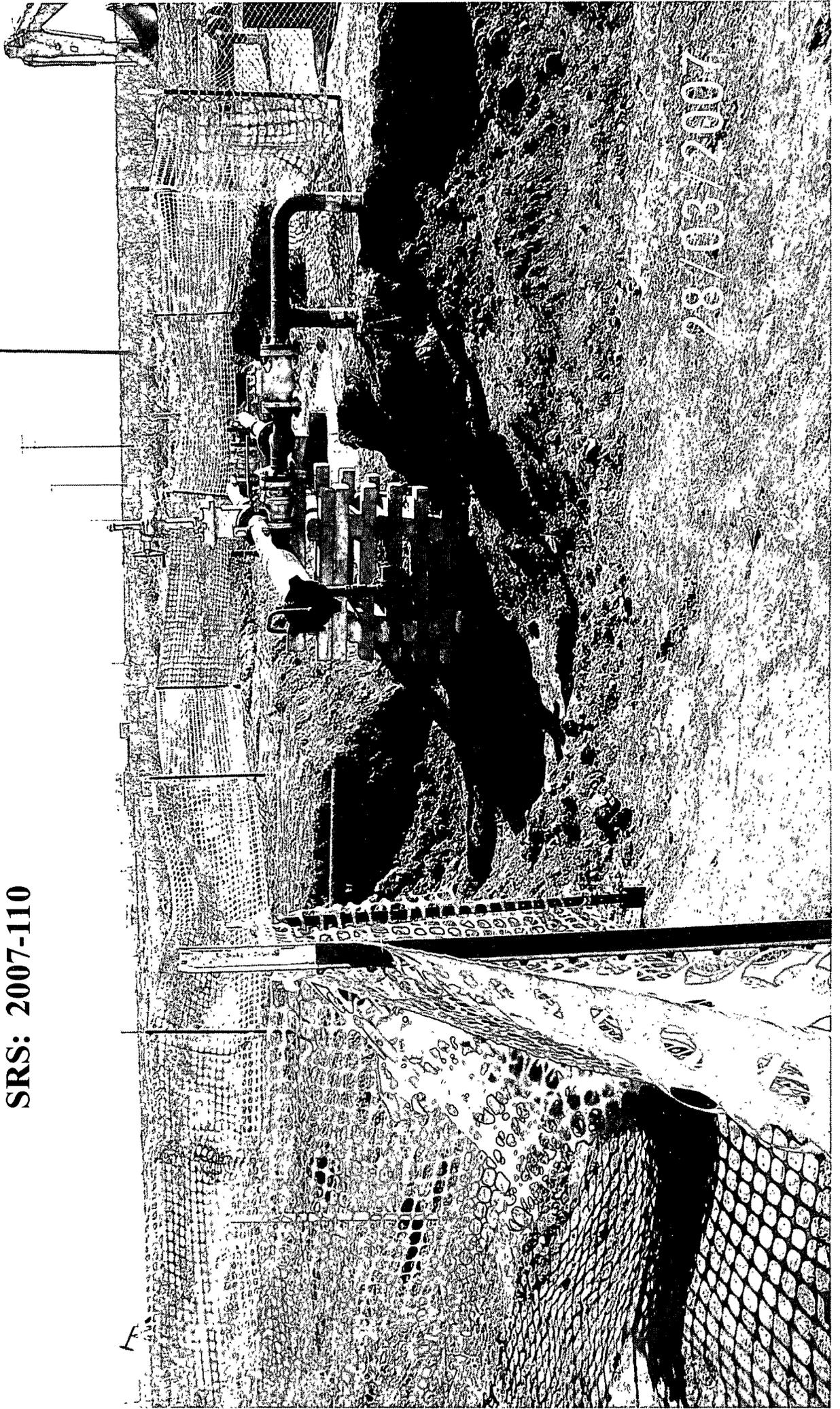
16/08/2007

**Plains Marketing, L. P.
Eunice Booster Receiver
NW/SW S04, T21S, R36E
Lea County, NM
Plains SRS: 2007-110**

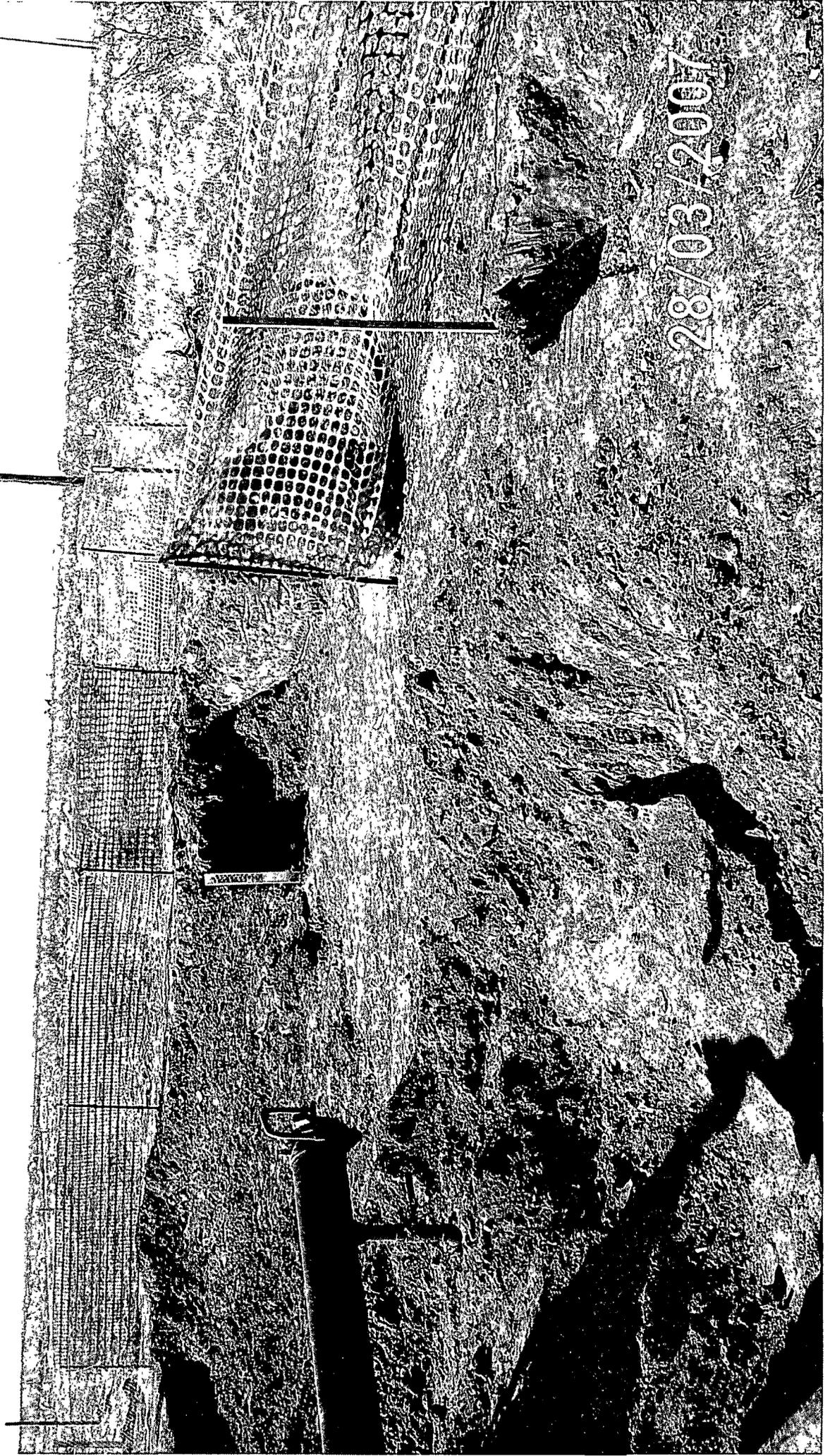
16/08/2007



**Plains Marketing, L. P.
Eunice Booster Receiver
NW/SW S4, T21S, R36E
Lea County, NM
SRS: 2007-110**

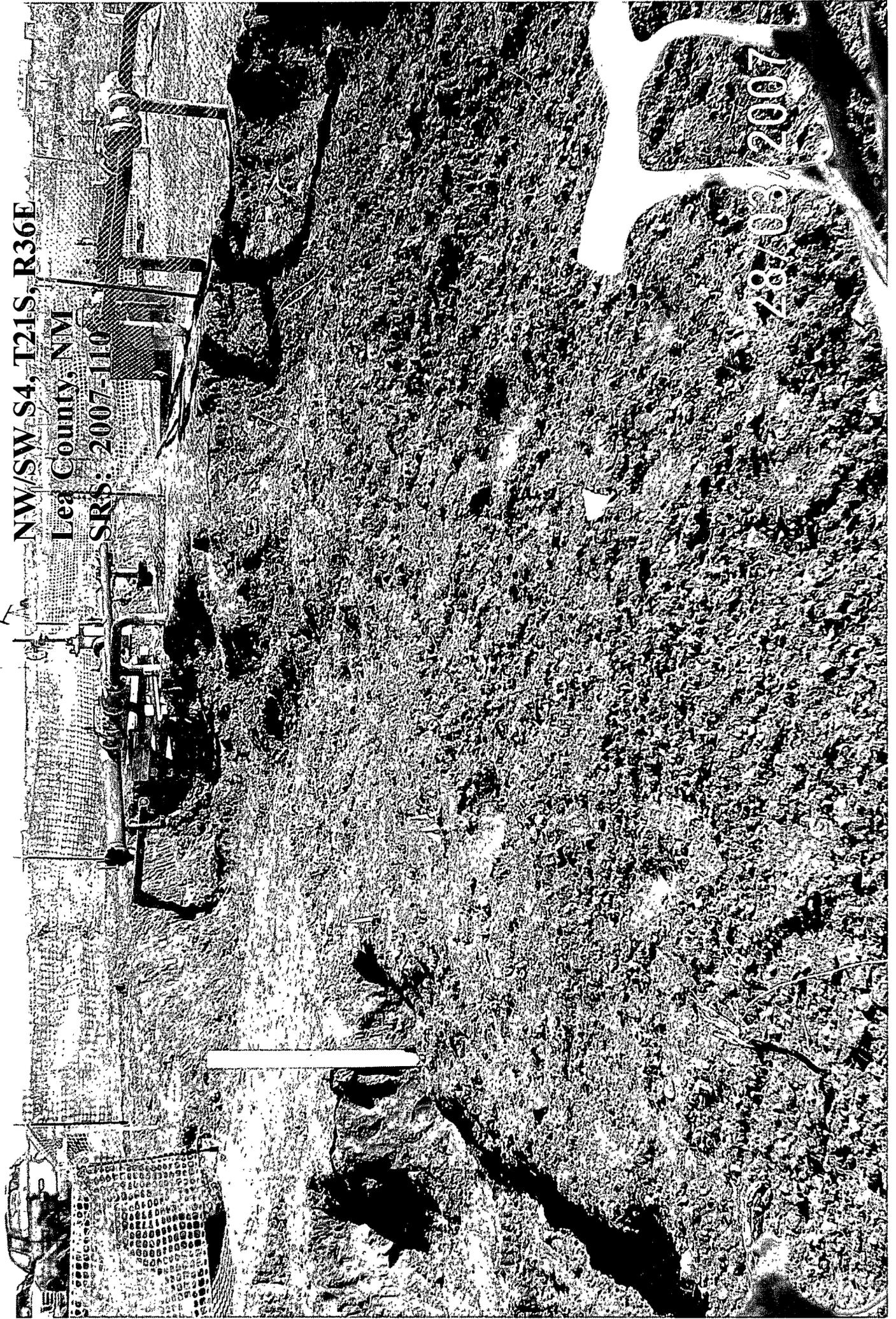


**Plains Marketing, L. P.
Eunice Booster Receiver
NW/SW S4, T21S, R36E
Lea County, NM
SRS: 2007-110**

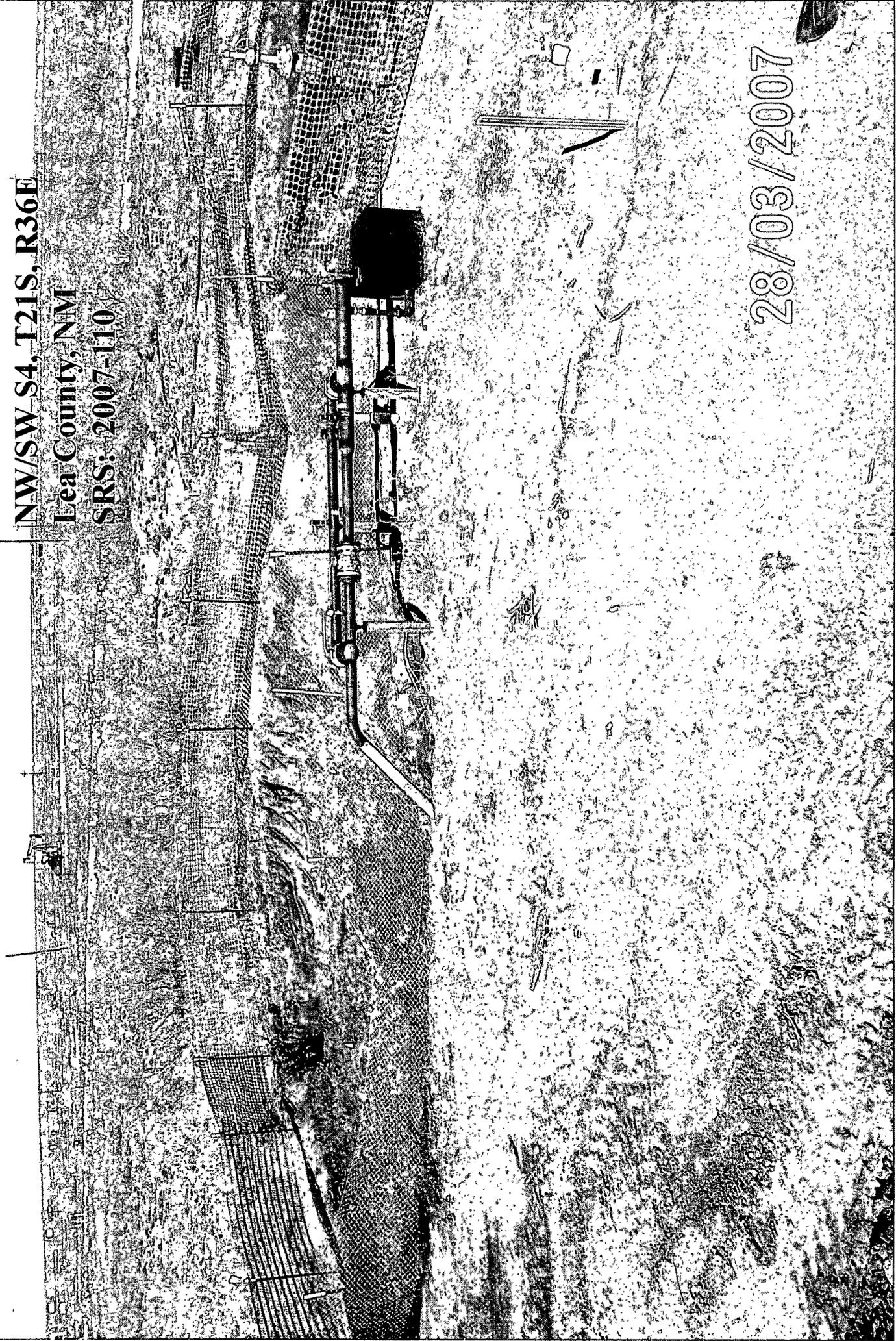


**Plains Marketing, L. P.
Eunice Booster Receiver**

**NW/SW S4, T21S, R36E
Lea County, NM
SR# 2007-110**

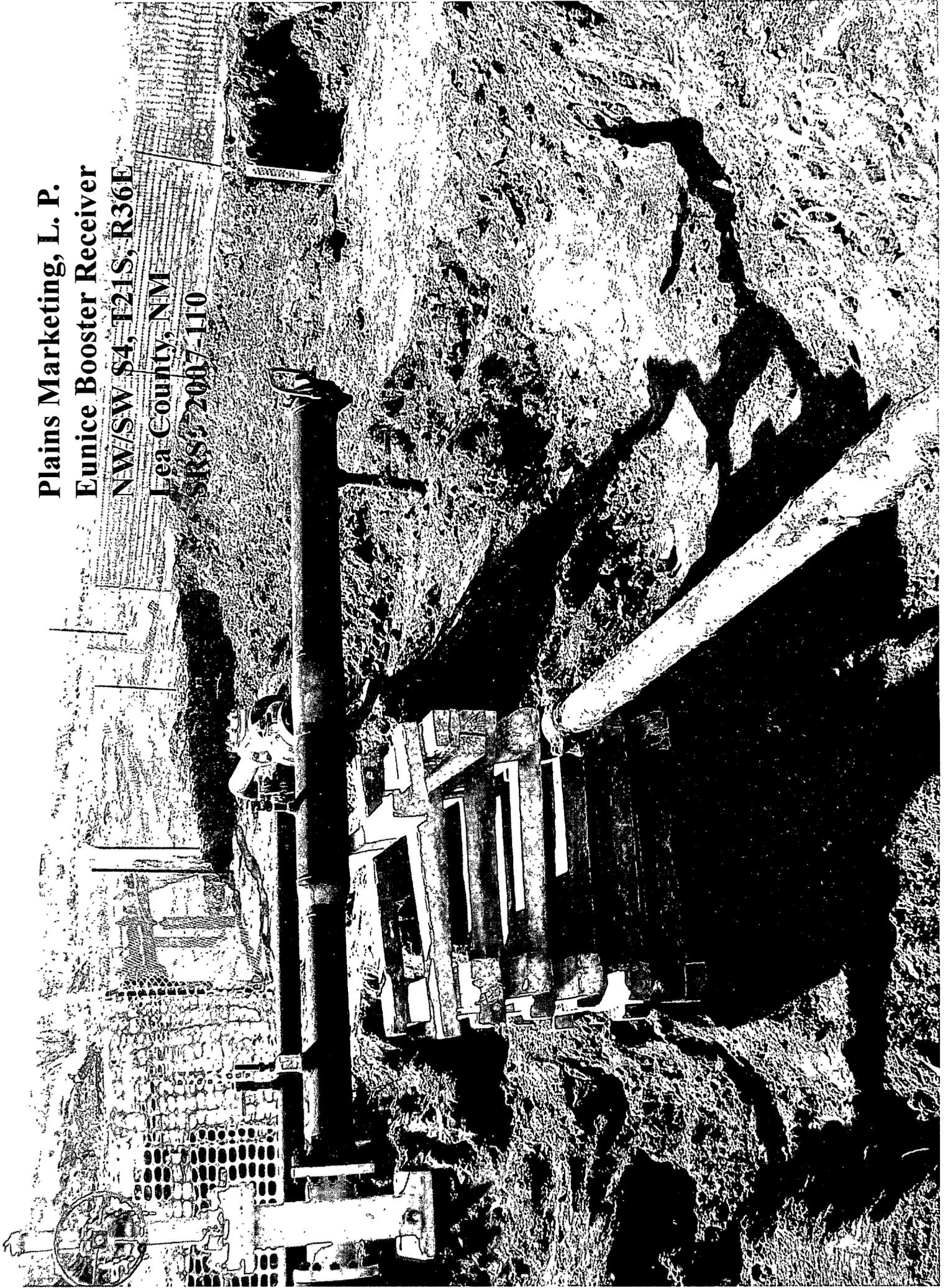


**Plains Marketing, L. P.
Eunice Booster Receiver
NW/SW S4, T21S, R36E
Lea County, NM
SRS: 2007-110**

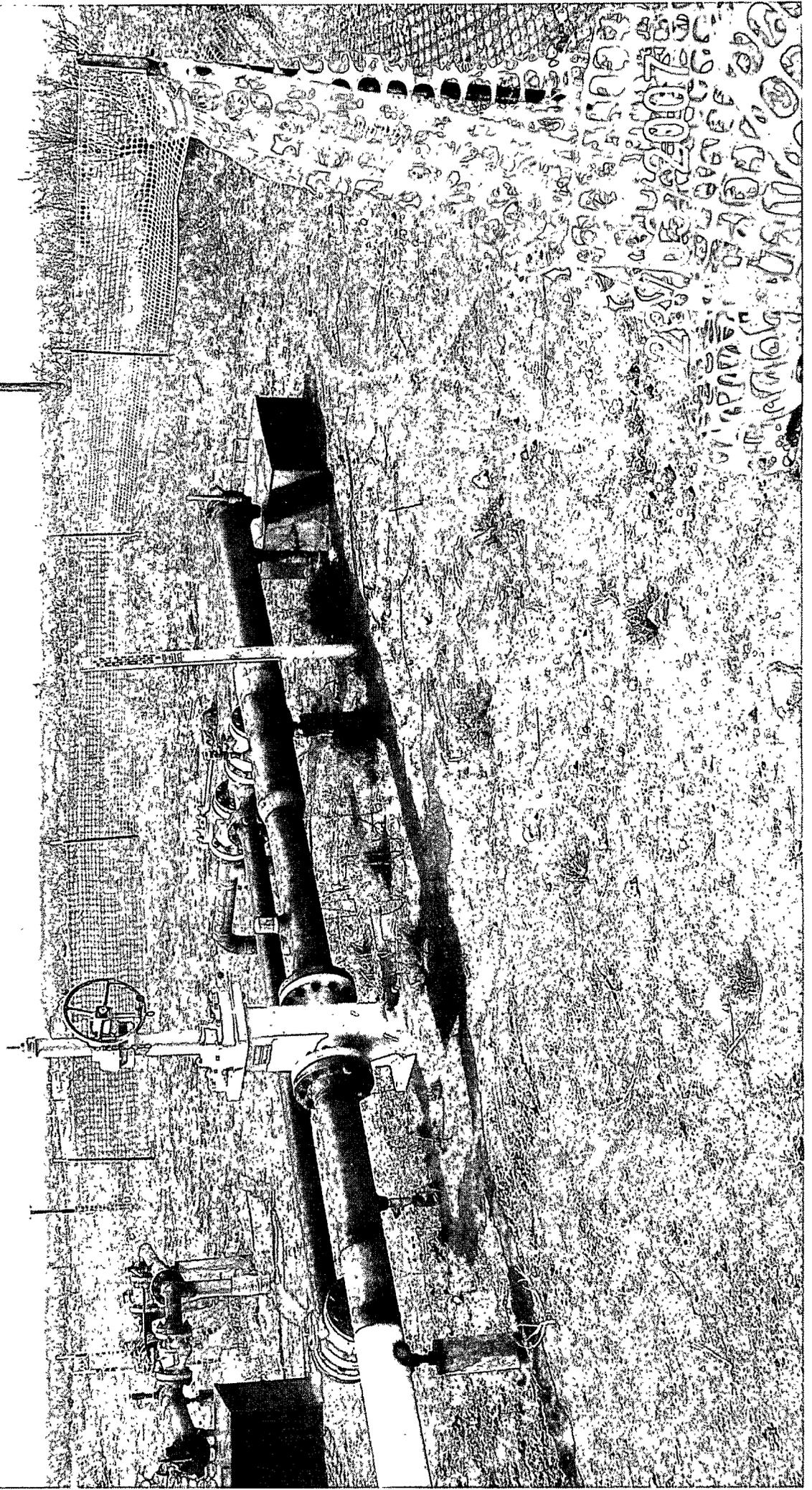


28/03/2007

Plains Marketing, L. P.
Eunice Booster Receiver
NW/4 SW 4, T21S, R36E
Lea County, NM
SR5 2007-110



**Plains Marketing, L. P.
Eunice Booster Receiver
NW/SW S4, T21S, R36E
Lea County, NM
SRS: 2007-110**



**Plains Marketing, L. P.
Eunice Booster Receiver
NW/SW S4, T21S, R36E
Lea County, NM
SRS: 2007-110**



23/03/2007

**New Mexico Office of the State Engineer
POD Reports and Downloads**

Township: Range: Sections:

NAD27 X: Y: Zone: Search Radius:

County: Basin: Number: Suffix:

Owner Name: (First) (Last) Non-Domestic Domestic
 All

[POD / Surface Data Report](#) [Avg Depth to Water Report](#) [Water Column Report](#)

AVERAGE DEPTH OF WATER REPORT 07/12/2007

Bsn	Tws	Rng	Sec	Zone	X	Y	Wells	(Depth Water in Feet)		
								Min	Max	Avg

No Records found, try again



PHONE (325) 673-7001 • 2111 BEECHWOOD • ABILENE, TX 79603

PHONE (505) 393-2326 • 101 E. MARLAND • HOBBS, NM 88240

ANALYTICAL RESULTS FOR
 BASIN ENVIRONMENTAL SERVICE TECHNOLOGIES, LLC
 ATTN: KEN DUTTON
 P.O. BOX 301
 LOVINGTON, NM 88260
 FAX TO (505) 396-1429

Receiving Date: 03/29/07
 Reporting Date: 04/02/07
 Project Number: 2007-110
 Project Name: EUNICE BOOSTER RECEIVER
 Project Location: LEA COUNTY, NM

Sampling Date: 03/28/07
 Sample Type: SOIL
 Sample Condition: COOL & INTACT
 Sample Received By: BC
 Analyzed By: BC

LAB NO.	SAMPLE ID	GRO (C ₅ -C ₁₀) (mg/Kg)	DRO (>C ₁₀ -C ₂₈) (mg/Kg)	BENZENE (mg/Kg)	TOLUENE (mg/Kg)	ETHYL BENZENE (mg/Kg)	TOTAL XYLENES (mg/Kg)
ANALYSIS DATE:		03/30/07	03/30/07	3/30/07	3/30/07	3/30/07	3/30/07
H12406-1	SOUTH FLOOR 38"	<10.0	<10.0	<0.005	<0.005	<0.005	<0.015
H12406-2	RELEASE POINT 48"	<10.0	<10.0	<0.005	<0.005	<0.005	<0.015
H12406-3	NORTH WALL 48"	<10.0	<10.0	<0.005	<0.005	<0.005	<0.015
H12406-4	WEST FLR 18"	<10.0	<10.0	<0.005	<0.005	<0.005	<0.015
Quality Control		777	789	0.099	0.102	0.096	0.275
True Value QC		800	800	0.100	0.100	0.100	0.300
% Recovery		97.1	98.6	99.4	102	95.7	91.7
Relative Percent Difference		3.3	1.1	1.8	4.5	1.9	2.8

METHODS: TPH GRO & DRO - EPA SW-846 8015 M, BTEX - SW-846 8260.

Burgess A. Cooke
 Burgess A. Cooke, Ph. D.

4/2/07
 Date

H12406

PLEASE NOTE: Liability and Damages. Cardinal's liability and client's exclusive remedy for any claim arising, whether based in contract or tort, shall be limited to the amount paid by client for analyses. All claims, including those for negligence and any other cause whatsoever shall be deemed waived unless made in writing and received by Cardinal within thirty (30) days after completion of the applicable service. In no event shall Cardinal be liable for incidental or consequential damages, including, without limitation, business interruptions, loss of use, or loss of profits incurred by client, its subsidiaries, affiliates or successors arising out of or related to the performance of services hereunder by Cardinal, regardless of whether such claim is based upon any of the above-stated reasons or otherwise.



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PHONE (505) 393-2326 • 101 E. MARLAND • HOBBS, NM 88240

ANALYTICAL RESULTS FOR
 BASIN ENVIRONMENTAL SERVICE TECHNOLOGIES, LLC
 ATTN: KEN DUTTON
 P.O. BOX 301
 LOVINGTON, NM 88260
 FAX TO: (505) 396-1429

Receiving Date: 05/16/07
 Reporting Date: 05/17/07
 Project Number: 2007-110
 Project Name: EUNICE BOOSTER RECEIVER
 Project Location: LEA COUNTY, NM

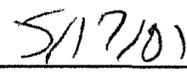
Sampling Date: 05/16/07
 Sample Type: SOIL
 Sample Condition: COOL & INTACT
 Sample Received By: AB
 Analyzed By: BC/HM

LAB NUMBER	SAMPLE ID	GRO (C ₆ -C ₁₀) (mg/Kg)	DRO (>C ₁₀ -C ₂₈) (mg/Kg)	Cl* (mg/Kg)
ANALYSIS DATE		05/16/07	05/16/07	05/17/07
H12609-1	STOCKPILE	67.2	1190	16
Quality Control		753	790	490
True Value QC		800	800	500
% Recovery		94.1	98.8	98.0
Relative Percent Difference		1.5	3.2	0.0

METHODS: TPH GRO & DRO: EPA SW-846 8015 M; Cl: Std. Methods 4500-ClB

*Analysis performed on a 1:4 w:v aqueous extract.


 Chemist


 Date

H12609A BES

PLEASE NOTE **Liability and Damages.** Cardinal's liability and client's exclusive remedy for any claim arising, whether based in contract or tort, shall be limited to the amount paid by client for analyses. All claims, including those for negligence and any other cause whatsoever shall be deemed waived unless made in writing and received by Cardinal within thirty (30) days after completion of the applicable service. In no event shall Cardinal be liable for incidental or consequential damages, including, without limitation, business interruptions, loss of use, or loss of profits incurred by client, its subsidiaries, affiliates or successors arising out of or related to the performance of services hereunder by Cardinal, regardless of whether such claim is based upon any of the above-stated reasons or otherwise.



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 BASIN ENVIRONMENTAL SERVICE TECHNOLOGIES, LLC
 ATTN: KEN DUTTON
 P.O. BOX 301
 LOVINGTON, NM 88260
 FAX TO: (505) 396-1429

Receiving Date: 05/16/07
 Reporting Date: 05/17/07
 Project Number: 2007-110
 Project Name: EUNICE BOOSTER RECEIVER
 Project Location: LEA COUNTY, NM

Sampling Date: 05/16/07
 Sample Type: SOIL
 Sample Condition: COOL & INTACT
 Sample Received By: AB
 Analyzed By: AB

LAB NUMBER	SAMPLE ID	BENZENE (mg/Kg)	TOLUENE (mg/Kg)	ETHYL BENZENE (mg/Kg)	TOTAL XYLENES (mg/Kg)
ANALYSIS DATE		05/17/07	05/17/07	05/17/07	05/17/07
H12609-1	STOCKPILE	<0.010	<0.010	0.024	0.509
Quality Control		0.114	0.111	0.109	0.333
True Value QC		0.100	0.100	0.100	0.300
% Recovery		114	111	109	111
Relative Percent Difference		4.7	9.3	11.1	12.4

METHOD: EPA SW-846 8260

Bonnie J. Cook
 Chemist

5/17/07
 Date

PLEASE NOTE: Liability and Damages. Cardinal's liability and client's exclusive remedy for any claim arising, whether based in contract or tort, shall be limited to the amount paid by client for analyses. All claims, including those for negligence and any other cause whatsoever shall be deemed waived unless made in writing and received by Cardinal within thirty (30) days after completion of the applicable service. In no event shall Cardinal be liable for incidental or consequential damages, including, without limitation, business interruptions, loss of use, or loss of profits incurred by client, its subsidiaries, affiliates or successors arising out of or related to the performance of services hereunder by Cardinal, regardless of whether such claim is based upon any of the above-stated reasons or otherwise.

NEW MEXICO STATE LAND OFFICE
Patrick H. Lyons, Commissioner of Public Lands
New Mexico State Land Office Building
P.O. Box 1148, Santa Fe, NM 87504-1148

RIGHT OF ENTRY PERMIT
CONTRACT NO. 1545

~~2007-122~~ 2007-114
~~Skippy Horn~~ EBR

1. RIGHT OF ENTRY PERMIT

This permit is issued under the authority of NMSA 1978, Section 19-1-2. In consideration of and subject to the terms, covenants, conditions, agreements, obligations and reservations contained in the permit and all other existing rights and regulations, the Commissioner of Public Lands, New Mexico State Land Office, State of New Mexico, hereinafter called "COMMISSIONER," grants to **Plains Pipeline, L.P.** State of incorporation (if applicable) Plains Pipeline, whose address is **P.O. Box 4648, Houston, TX 77210-4648**, hereinafter called "PERMITTEE," permission to enter upon the specific tract(s) of State Trust Land described in this permit only for the term, and only for the permitted use, described in this permit.

2. TERM AND LAND DESCRIPTION

Right of entry is granted for a term of **180 days**, commencing **June 6, 2007** and ending **December 6, 2007** to the following State Trust Lands.

Unit L Section 4, Township 21 South, Range 36 East

3. APPLICATION AND PROCESSING FEE.

\$530.00 (Five Hundred and Thirty Dollars)

4. PERMITTED USE, PERSONNEL, EQUIPMENT AND MATERIALS

Permitted use is for the purpose of: **Excavate soil for remediation purposes. TO MINIMIZE DISTURBANCE, SHREDDING, BLENDING, AND/OR AERATING IS ALLOWED ON EXISTING DISTURBED AREA. NO LANDFARMING OR LANDSPREAD IS ALLOWED.**

Personnel, equipment and materials to be present on State Trust Lands:

RECEIVED
2007 JUN 19 10:00 AM
STATE LAND OFFICE
SANTA FE, NM

The granting of this permit does not allow access across private lands.

5. IMPROVEMENTS

No improvements shall be placed on the premises without the prior written consent of the Commissioner.

6. RESERVATIONS

Commissioner reserves the right to execute leases, rights of way, easements, permits, exchange agreements, sale agreements, permits and other lawful rights on or across the land covered by this permit, including but not limited to any such rights for mining purposes and for the extraction of oil, gas, salt, geothermal resources, and other mineral deposits therefrom and the right to go upon, explore for, mine, remove and sell same.

7. COMPLIANCE WITH LAWS

Permittee shall at its own expense comply fully with and be subject to all applicable regulations, rules, ordinances, and requirements of law or of the Commissioner, including but not limited to the regulations of the State Land Office; Chapter 19 NMSA governing State Trust Lands; federal and state environmental laws and regulations; and the New Mexico Cultural Properties Act, NMSA 1978 Sections 18-6-1 through 18-6-23. It is illegal for any person or his agent to appropriate, excavate, injure, or destroy any historic, or prehistoric ruin or monument, or any object of historical, archaeological, architectural, or scientific value situated on lands owned or controlled by the State Land Office without a valid permit issued by the Cultural Properties Review Committee and approved by the Commissioner of Public Lands.

8. HOLD HARMLESS AND INDEMNIFICATION

Permittee shall save, hold harmless, indemnify and defend Commissioner, the State Land Office, the State of New Mexico, and any of their officers, employees or agents, in their official and individual capacities, of and from any and all liability, claims, losses, damages, costs, and fees arising out of or alleged to arise out of, or directly or indirectly connected with, the operations of Permittee under this permit on or off State Trust Lands or arising out of the presence on State Trust Lands of any equipment, material, agent, invitee, contractor or subcontractor of Permittee. This Hold Harmless and Indemnification clause covers any claim, including any brought in any court or before any administrative agency, of any loss or alleged loss, and any damages or alleged damages asserted with respect to any violation or alleged violation of any state, federal or local law or regulation, including but not limited to any environmental law or regulation, any cultural properties law (including the New Mexico Cultural Properties Act, cited above) or regulation, and any alleged damage to the property, rights or interests of any State Land Office lessee, right-of-way holder, or other permittee.

9. AMENDMENT

This permit shall not be altered, changed or amended except by an instrument in writing

executed by Commissioner and Permittee.

10. WITHDRAWAL

Commissioner reserves the right to withdraw any or all of the land authorized for use under this permit. If applicable, Permittee shall vacate the acreage specified within 30 days after receipt of written notification of withdrawal from the Commissioner.

11. CANCELLATION

The violation by Permittee of any of the terms, conditions or covenants of this permit or the nonpayment by Permittee of the fees due under this permit shall at the option of the Commissioner be considered a default and shall cause the cancellation of this permit 30 days after Permittee has been sent written notice of such.

12. PRESERVE AND PROTECT

The Permittee agrees to preserve and protect the natural environmental conditions of the land encompassed in this permit, and to take those reclamation or corrective actions that are accepted soil and water conservation practices and that are deemed necessary by the Commissioner to protect the land from pollution, erosion, or other environmental degradation. The Permittee further agrees not to injure the property of, or interfere with the operations or rights of, any State Land Office lessee, right-of-way holder, easement holder or other permittee who has rights to use the State Trust Land subject to this permit.

13. RECLAMATION, REMOVAL OF EQUIPMENT, MATERIALS, AND WASTE

The Permittee agrees to reclaim those areas that may be damaged by activities conducted thereon.

The Permittee agrees to remove from the State Trust Lands, no later than the end of the term of this permit, all equipment and materials it has placed or brought upon the land and clean up and remove from the land any trash, waste, effluent, or other products set or brought upon the land in connection with this permit.

14. SPECIAL INSTRUCTIONS AND/OR RESTRICTIONS

1. No off road traffic allowed.
2. No wood collection or tree cutting allowed.
3. Disturbing, dislodging, damaging, defacing, destroying or removing historical archaeological, paleontological or cultural sites or artifacts is prohibited.

RECEIVED
JUN 19 PM 9 57
STATE LAND OFFICE
SANTA FE, N.M.

4. Disturbing, dislodging, damaging, defacing, destroying any improvement, fixture, item, object or thing placed or located in, under or upon the land is prohibited.

5. This permit does not grant a right to enter State Trust Lands to which there is no public access.

6. Any uses or activities not within the scope of this permit are not allowed unless prior written approval from the Commissioner of Public Lands is granted.

7. OTHER:

WITNESS the hands and seals of PERMITTEE and COMMISSIONER on the day(s) and year entered below.

Rebecca Espinoza for Plains Telephone: 713-646-4625
PERMITTEE

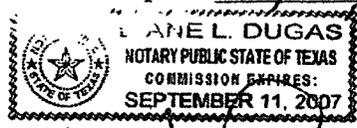
ACKNOWLEDGMENT

Texas
STATE OF NEW MEXICO)
COUNTY OF Harris)

The foregoing instrument was acknowledged before me this 20 day of June, 2007.

My Commission Expires: Sept. 11 2007

Alison L. Hayes
NOTARY PUBLIC



STATE LAND OFFICE
SANTA FE, N.M.
2007 JUN 19 AM 9 57
RECEIVED

Patrick H. Genoff
COMMISSIONER OF PUBLIC LANDS

DATE: 20 June 07

PATRICK H. LYONS
COMMISSIONER

State of New Mexico
Commissioner of Public Lands

310 OLD SANTA FE TRAIL
P.O. BOX 1148
SANTA FE, NEW MEXICO 87504-1148

COMMISSIONER'S OFFICE
Phone (505) 827-5760
Fax (505) 827-5766
www.nm.statelands.org

August 30, 2007

Camille Reynolds
Plains Pipeline
P.O. Box 4648
Houston, TX 77210-4648

Re: **ROE-1545, RIGHT-OF-ENTRY**
Plains Pipeline
UL L, Sec 4, TWP 21S, RNG 36E
Lea County, NM

Dear Ms. Camille Reynolds:

The New Mexico State Land Office (Land Office) has approved ROE-1545 for the above referenced site. It is the understanding of the Land Office that the right-of-entry easement will be utilized for the purposes of conducting a site investigation and performing remediation/reclamation. Unless operations require use of the site, final revegetation shall occur following the completion of remediation activities. Please utilize the following reclamation/reseeding requirements for the site:

1. All surface disturbances shall be reclaimed to NMSLO reclamation requirements. These requirements satisfy New Mexico Administrative Code (NMAC) rule requirements where State Land Office Land Use Specialist (SLO LUS) recommendations are required. These requirements include:
 - a. Removal of all trash, debris, and obsolete equipment: includes piping located below ground and stubbed out of the ground and meters existing on the site.
 - b. Removal of all rock in excess of 2" in diameter at the ground surface.
 - c. Removal of the caliche pad (if applicable).
 - d. Preparation of a suitable seedbed that contains a minimum of six (6) inches of clean topsoil. The NMSLO recommends top soil is obtained from an area or vendor in a manner that does not cause further disturbance to surface resources on or off of trust lands. The addition of fertilizer or mulch is not required but recommended.
 - e. Verification sampling for chlorides, BTEX and TPH to assure levels do not inhibit plant growth. Verification sampling shall occur at a minimum following seedbed preparation.
 - f. Initial reseeded of the area. Seed drilling is recommended over broadcast seeding. If broadcast seeding occurs, double the proposed seeding rate. Seed should be planted one half to one inch in depth. Seed mixture recommendations are attached in the document titled PECOS_SeedMix_Sand_CP-2_SD-3.pdf.

-State Land Office Beneficiaries -

Carle Tingley Hospital ? Charitable Penal & Reform ? Common Schools ? Eastern NM University ? Rio Grande Improvement ? Miners' Hospital of NM ? NM Boys School ? NM Highlands University ? NM Institute of Mining & Technology ? New Mexico Military Institute ? NM School for the Deaf ? NM School for the Visually Handicapped ? NM State Hospital ? New Mexico State University ? Northern NM Community College ? Penitentiary of New Mexico ? Public Buildings at Capital ? State Park Commission ? University of New Mexico ? UNM Saline Lands ? Water Reservoirs ? Western New Mexico University

Seeding shall be witnessed by a NMSLO representative and the original seed bag tags provided during witnessing.

- g. Seeding shall occur between late July and late September, with the intention of reseeding immediately prior to summer monsoons.
 - h. Photo documentation submission of the site before, during and after each and all activities performed at the site (topsoil, revegetation, etc.).
2. A copy of the Closure Report detailing the remediation activities that were performed at the site and the sampling reports confirming closure.
 3. A copy of the closure approval letter from the NMOCD shall be provided to the NMSLO.

Five working days prior to initiating the reseeding you are required to notify the NMSLO District Resource Manager (DRM), Leon Anderson, at (505)392-8736, of your scheduled dates for reseeding.

Contingent upon meeting the closure requirements listed above, the right-of-entry easement will be eligible for termination two years or three growing seasons following initial reseeding efforts. A field inspection by the NMSLO will occur following the second growing season. In the event that the inspection determines that reseeding efforts have failed, you will be required to reseed prior to the two year termination date and possibly make modifications to the seedbed.

Contact me at (505) 827-5723 with any questions your company may have regarding closure requirements. For all other questions regarding the right-of-entry easement, please contact Anna Villa in the Rights-of-Way Division at (505) 827-5724.

The State Land Office appreciates the opportunity to work with Plains Pipeline in performing successful remediation on trust lands.

Sincerely,



Thaddeus Kostrubala, PE
Environmental Engineer
Field Operations Division

Cc: Erica Padilla, NMSLO
Leon Anderson, NMSLO

PECOS DISTRICT, BLM
SEED MIX FOR

The following Soils or Soil Associations may represent these ecological sites:
Anthony Sandy loam, 0 to 1% slope, eroded, Berino complex, 0 to 3% slopes, eroded,
Berino – Dune land complex, 0 to 3% slopes, eroded, Bluepoint, Douro, Faskin, loamy
fine sands, 0-2% slope, Ima, Jalmar fine sands, 0-2% slope, Kermit fine sand, Likes
loamy fine sand, 1 to 5% slopes, Malmstrom loamy fine sand, 0-2% slope, Pajarito-Dune
land complexes, 0 to 3% slopes, Pima slit loam, 0 to 1% slopes, Pintura, Pyote, Roswell
fine sand, 2-25% slope, Wink fine sandy loam, 0 to 3% slopes

Sandy Plains CP-2 Ecological Site, Sand Hills CP-2 Ecological Site, Deep Sand SD-3
Ecological Site
April 4, 2006

Common Name, Scientific Name, and Pounds of Pure Live Seed Per Acre

Sand bluestem, (*Andropogon hallii*) 0.5

Little bluestem (*Schizachyrium scoparium*) 0.5

Sideoats grama, (*Bouteloua curtipendula*) 1.5

Sand dropseed (*Sporobolus cryptandrus*) 0.5

Spike dropseed (*S. contractus*) 0.5

Mesa dropseed (*S. flexuosus*) 0.5

Plains bristlegrass (*Setaria macrostachya*) 2.0

Desert or Scarlet (*Sphaeralcea ambigua*) 0.5

Globemallow or (*S. coccinea*)

Buckwheat (*Eriogonum* spp.) 1.5

TOTAL POUNDS PURE LIVE SEED (pls) PER ACRE 8.00
Certified Weed Free Seed

IF ONE SPECIES IS NOT AVAILABLE
INCREASE ALL OTHER PROPORTIONATELY
NO LESS THAN SIX (6) SPECIES WITH A MINIMUM OF ONE (1) FORB.
NO LESS THAN 8.0 POUNDS PLS PER ACRE SHALL BE APPLIED

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 Pipeline	Contact Camille Reynolds
Address 3112 W. US Hwy 82, Lovington, NM 88260	Telephone No. 505-441-0965
Facility Name Eunice Booster Receiver	Facility Type Receiver on 6 Inch P/L

Surface Owner SLO	Mineral Owner	Lease No.
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LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
L	4	21S	36E					Lea

Latitude 32° 30' 53.3" Longitude 103° 16' 36.9"

NATURE OF RELEASE

Type of Release Crude Oil	Volume of Release 10 barrels	Volume Recovered 7.5 barrels
Source of Release Bleeder valve on receiver	Date and Hour of Occurrence 03/23/2007 @ 09:00	Date and Hour of Discovery 03/23/2007 @ 09:15
Was Immediate Notice Given? X Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? Pat Caperton	
By Whom? Daniel Bryant	Date and Hour 03/23/2007 @ 14:33	
Was a Watercourse Reached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, Volume Impacting the Watercourse.	

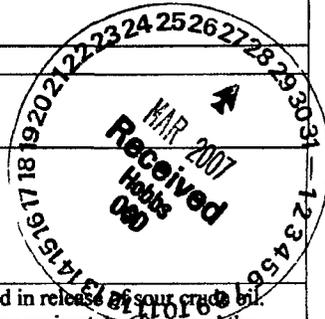
If a Watercourse was Impacted, Describe Fully.*

Describe Cause of Problem and Remedial Action Taken Bleeder valve on receiver was not securely tightened which resulted in release of sour crude oil. The line is a 6-inch steel gathering line that produces approximately 593 barrels of oil per day. The pressure on the line is approximately 60 psi and the gravity of the sour crude oil is 34.3. The sour crude has an H₂S content of <10 ppm.

Describe Area Affected and Cleanup Action Taken.* The impacted soil was excavated and stockpiled on plastic. Aerial extent of surface impact was 1,400 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: <i>Camille Reynolds</i>	OIL CONSERVATION DIVISION	
Printed Name: Camille Reynolds	Approved by District Supervisor: <i>[Signature]</i>	
Title: Remediation Coordinator	Approval Date: 4.4.07	Expiration Date: 6.4.07
E-mail Address: cjreynolds@paalp.com	Conditions of Approval:	Attached <input type="checkbox"/>
Date: 03/28/2007	Phone: 505-441-0965	<i>Closure Report w/ info</i>



* Attach Additional Sheets If Necessary
 facility - pPAC-0710030250
 incident - nPAC0710030524
 application - pPAC0710030915

RPT# 1271

NMOCD

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 1RP-1271

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 EUNICE BOOSTER RECEIVER SRS: 2007-110	Facility Type Receiver on 6 Inch Pipeline

Surface Owner State of New Mexico	Mineral Owner	Lease No.
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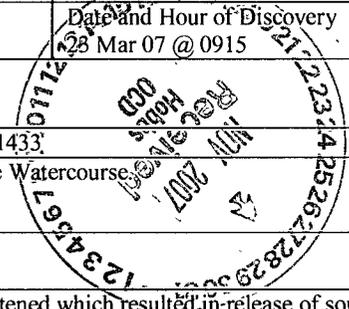
LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
L	04	21S	36E					Lea

Latitude 32° 30' 53.3" North Longitude 103° 16' 36.9"

NATURE OF RELEASE

Type of Release Crude Oil	Volume of Release 10 barrels	Volume Recovered 7.5 barrels
Source of Release Bleeder valve on receiver	Date and Hour of Occurrence 23 Mar 07 @ 0900	Date and Hour of Discovery 23 Mar 07 @ 0915
Was Immediate Notice Given? XX Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? Pat Caperton	
By Whom? Camille Reynolds	Date and Hour 23 Mar 07 @ 1433	
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.* Bleeder valve on receiver was not securely tightened which resulted in release of sour crude oil. The line is a 6-inch steel gathering line that produces approximately 593 barrels of crude per day. The pressure on the line is approximately 60 psi and the gravity of the sour crude oil is 34.3. The sour crude has an H₂S content of less than 10 ppm.

Describe Area Affected and Cleanup Action Taken.* Per the NMOCD verbally approved remediation proposal by Basin & Plains, the crude oil release site was excavated, the impacted soil was transported to LSLF and clean backfill soil transported back to the site. Once the confirmation soil samples were below NMOCD regulatory standards for the walls & floor of the excavation; the site was backfilled with the transported material and contoured to the original rangeland topography.

SEE ATTACHED BASIN ENVIRONMENTAL SERVICE TECHNOLOGIES PRELIMINARY SITE INVESTIGATION REPORT & REMEDIATION/CLOSURE REQUEST, DATED 21 NOVEMBER 2007, 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:	OIL CONSERVATION DIVISION	
Printed Name: Camille Reynolds	 Approved by District Supervisor ENVIRONMENTAL ENGINEER	
Title: Remediation Coordinator	Approval Date: <u>11-28-07</u>	Expiration Date: <u> </u>
E-mail Address: cjreynolds@paalp.com	Conditions of Approval: 1RP-1271	
Date: 21 November 2007	Phone: (505) 441-0965	

* Attach Additional Sheets If Necessary