

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-2068

OPERATOR

Initial Report **Final Report**

| | | | |
|-----------------|--|---------------|---------------------------------|
| Name of Company | Plains Pipeline, LP | Contact | Jason Henry |
| Address | 2530 State Highway 214, Denver City, Texas 79323 | Telephone No. | (575) 441-1099 |
| Facility Name | Southland Royalty 2-Inch Valve | Facility Type | Out-of-service Lact Unit Tie-In |

| | | | | | |
|---------------|-------------|---------------|--|-----------|--|
| Surface Owner | Deck Estate | Mineral Owner | | Lease No. | |
|---------------|-------------|---------------|--|-----------|--|

LOCATION OF RELEASE

| | | | | | | | | |
|--------------------|--------------|-----------------|--------------|---------------|------------------|---------------|----------------|---------------|
| Unit Letter "B" | Section 9 | Township 21S | Range 37E | Feet from the | North/South Line | Feet from the | East/West Line | County Lea |
|--------------------|--------------|-----------------|--------------|---------------|------------------|---------------|----------------|---------------|

Latitude 32° 49705" North

Longitude 103° 16452 West

NATURE OF RELEASE

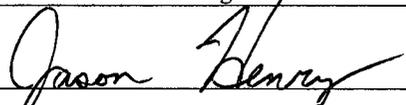
| | | | | | |
|-----------------------------|---|-----------------------------|--|----------------------------|------------------|
| Type of Release | Crude Oil | Volume of Release | 5 bbls | Volume Recovered | 1 bbl |
| Source of Release | 2" Valve | Date and Hour of Occurrence | 1/17/2009 | Date and Hour of Discovery | 1/17/2009 @ 1145 |
| Was Immediate Notice Given? | X Yes No Not Required | | If YES, To Whom? Larry Johnson | | |
| By Whom? | Jason Henry | | Date and Hour 1/19/2009 @ 1425 (voice message) | | |
| 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. A cow rubbed against a 2" valve handle causing the valve to open at a facility where the LACT unit had been removed causing a release of crude oil. The impacted caliche and soil was excavated and stockpiled to await transportation to an approved disposal facility.

Describe Area Affected and Cleanup Action Taken. Site was excavated, confirmation soil samples were collected from the excavation, impacted soil was transported to Lea Station Landfarm, non-impacted soil was purchased from landowner and the excavation was backfilled. **Please see attached Basin Environmental Site Closure Request, dated March 2009, for remediation details.**

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: Jason Henry | Approved by District Supervisor:  | ENR 16 ENGR |
| Title: Remediation Coordinator | Approval Date: 4.29.09 | Expiration Date: |
| E-mail Address: jhenry@paaalp.com | Conditions of Approval: | |
| Date: 4/29/2009 | Phone: (575) 441-1099 | 1RP-2068 |

RECEIVED
MAY 07 2009
HOBBSOCD

Basin Environmental Consulting, LLC

2800 Plains Highway
P. O. Box 381
Lovington, New Mexico 88260
cjbryant@basin-consulting.com
Office: (575) 396-2378 Fax: (575) 396-1429



SITE CLOSURE REQUEST

PLAINS MARKETING, L.P. (231735)
Southland Royalty 2-Inch Valve
Lea County, New Mexico
Plains SRS # 2008-186
UNIT B (NW/NE), Section 9, Township 21 South, Range 37 East
Latitude 32° 29' 49.8" North, Longitude 103° 09' 51.9" West
NMOCD Reference # 1RP-2068

Prepared For:

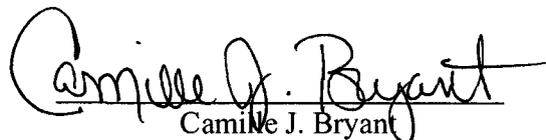
Plains Marketing, L.P.
333 Clay Street
Suite 1600
Houston, Texas 77002

RECEIVED
MAY 07 2009
HOBBSOCD

Prepared By:

Basin Environmental Consulting, LLC
P.O. Box 381
Lovington, New Mexico 88260

March 2009


Camille J. Bryant

Project Manager

TABLE OF CONTENTS

INTRODUCTION AND BACKGROUND INFORMATION.....1
NMOCD SITE CLASSIFICATION.....1
SUMMARY OF FIELD ACTIVITIES2
SITE CLOSURE REQUEST.....3
LIMITATIONS.....3
DISTRIBUTION.....4

FIGURES

- Figure 1 – Site Location Map
- Figure 2 – Site and Sample Location Map

TABLES

- Table 1 – Concentrations of BTEX and TPH and Chlorides in Soil

APPENDICES

- Appendix A - Laboratory Reports
- Appendix B – Photographs
- Appendix C - Release Notification and Corrective Action (Form C-141)

INTRODUCTION AND BACKGROUND INFORMATION

Basin Environmental Consulting, LLC (Basin), on behalf of Plains Marketing, L.P. (Plains), has prepared this Site Closure Request for the release site known as the Southland Royalty 2-Inch Valve (SRS# 2009-023). The site is located in Unit Letter B (NW ¼ NE ¼), Section 9, Township 21 South, Range 37 East, in Lea County, New Mexico. The property is owned by the Millard Deck Estate. The site latitude is 32° 29' 49.8" North, and the longitude is 103° 09' 51.9" West. The Site Location Map and Site and Sample Location Map are provided as Figure 1 and Figure 2, respectively. The Release Notification and Corrective Action (NMOCD Form C-141) indicated approximately five (5) barrels of crude oil was released from the Plains pipeline and one (1) barrel was recovered during the initial response activities. The Release Notification and Corrective Action is provided as Appendix C.

On January 23, 2009, Basin, on behalf of Plains responded to a pipeline release located on the lateral from the Hawk 4-Inch pipeline. Plains operations personnel mitigated the crude oil release by installing a bull plug in the 2-inch valve on the out of service LACT unit. The impacted soil excavated during initial response activities was stockpiled on a 6-mil poly liner adjacent to the excavation. The initial visually stained area covered an area measuring approximately 100 feet in length by 8 feet in width to the south of the valve and approximately 200 feet in length by 8 feet in width to the east of the valve.

NMOCD SITE CLASSIFICATION

A search of the New Mexico Office of the State Engineer (NMOSE) water well database did not identify the average depth to groundwater information for Section 9, Township 21 South, Range 37 East. The NMOSE database indicated depth to groundwater was approximately 75 feet below ground surface (bgs) in Section 4 of the same township and range. Utilizing a depth to groundwater of 75 feet bgs, a score of ten (10) points is assigned to the Southland Royalty 2-Inch Valve release, based on the NMOCD depth to groundwater criteria.

The water well database, maintained by the NMOSE indicated there are no water wells less than 1,000 feet from the release, resulting in zero (0) points being assigned to this site as a result of this criteria.

There are no surface water bodies within 1,000 feet of the release site. Based on the NMOCD ranking system zero (0) points will be assigned to the site as a result of the criteria.

Based on this data, the site has an NMOCD Ranking Score of ten (10) points. The *NMOCD Guidelines for the Remediation of Leaks, Spills and Releases* (NMOCD, 1993) sets the remediation levels at:

| | |
|----------|-------------------|
| Benzene: | 10 mg/Kg (ppm) |
| BTEX: | 50 mg/Kg (ppm) |
| TPH: | 1,000 mg/Kg (ppm) |

SUMMARY OF FIELD ACTIVITIES

During January and February 2009, hydrocarbon impacted soil was excavated at the release site. Approximately 200 cubic yards (cy) of impacted soil was stockpiled adjacent to the excavation pending transportation to the Plains Lea Station Landfarm. The final dimensions of the excavation were approximately 108 feet in length and 12 feet in width and approximately 2 feet in depth to the south of the valve and approximately 230 feet in length and 12 feet in width and approximately 2.5 feet in depth to east of the valve.

On February 5, 2009, five (5) soil samples (Sample #1, Sample #2, Sample #3, Sample #4 and Sample #5) were collected from the floor of the excavation and ranged from approximately two (2) to two and one half (2.5) feet in depth. The soil samples were submitted to the laboratory and analyzed for concentrations of benzene, toluene, ethylbenzene and xylene (BTEX) using method EPA 8021b and total petroleum hydrocarbons (TPH) using method SW-8015 modified. A summary of the analytical results are included in Table 1, Concentrations of BTEX, TPH and Chlorides in Soil. Laboratory analytical reports are included in Appendix A and soil sample locations are depicted on Figure 2, Site and Sample Location Map. Photographs of the site are included in Appendix B.

The laboratory analytical result indicated benzene concentrations were not detected above the laboratory method detection limit (MDL) for all the submitted soil samples. The analytical results indicated BTEX concentrations were either below the NMOCD regulatory standard or not detected above the MDL for all the submitted soil samples.

The analytical results indicated TPH concentrations were below the NMOCD regulatory standard for all submitted soil samples, with the exception of soil sample Sample #2. The TPH concentration exhibited in Sample #2 was just above the NMOCD standard at 1,005 mg/Kg.

Soil sample Sample #3 was analyzed for concentrations of chloride using method EPA 300. The analytical result indicated the chloride concentration was 169 mg/Kg.

On February 25, 2009, the NMOCD Hobbs District Office verbally approved the Southland Royalty 2-Inch Valve *Remediation Summary and Site Closure Proposal*.

Approximately 204 cubic yards (cy) of impacted soil was stockpiled adjacent to the excavation pending transportation to the Plains Lea Station Landfarm. The final dimensions of the excavation were approximately 108 feet in length and 12 feet in width and approximately 2 feet in depth to the south of the valve and approximately 230 feet in length and 12 feet in width and approximately 2.5 feet in depth to east of the valve.

Basin transported approximately 204 cy of impacted soil to Plains Lea Station Landfarm (NMOCD GW-351). The excavation was backfilled with the locally purchased soil and contoured to fit the surrounding topography. The site is located on a caliche pad and no seeding activities are anticipated.

SITE CLOSURE REQUEST

Based on the analytical results of confirmation soil samples collected from the excavation, Basin recommends Plains provide the NMOCD Hobbs District Office a copy of this Site Closure Request and request the NMOCD grant site closure to the Southland Royalty 2-Inch Valve release site.

LIMITATIONS

Basin Environmental Consulting, LLC has prepared this Site Closure Request to the best of its ability. No other warranty, expressed or implied, is made or intended.

Basin Environmental Consulting, LLC has examined and relied upon documents referenced in the report and has relied on oral statements made by certain individuals. Basin Environmental Consulting, 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 Consulting, LLC has prepared this report, in a professional manner, using the degree of skill and care exercised by similar environmental consultants. Basin Environmental Consulting, 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 Consulting, LLC and/or Plains Marketing, L.P.

DISTRIBUTION:

- Copy 1: Larry Johnson
New Mexico Energy, Minerals and Natural Resources Department
Oil Conservation Division (District 1)
1625 French Drive
Hobbs, New Mexico 88240
larry.johnson@state.nm.us
- Copy 2: Millard Deck Estate
Tim Wolters
Bank of America
Midland, Texas 79702
- Copy 3: Jeff Dann
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jpdann@paalp.com
- Copy 4: Jason Henry
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Lovington, New Mexico 88260
cjbryant@basin-consulting.com



Figures

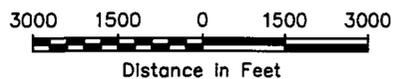
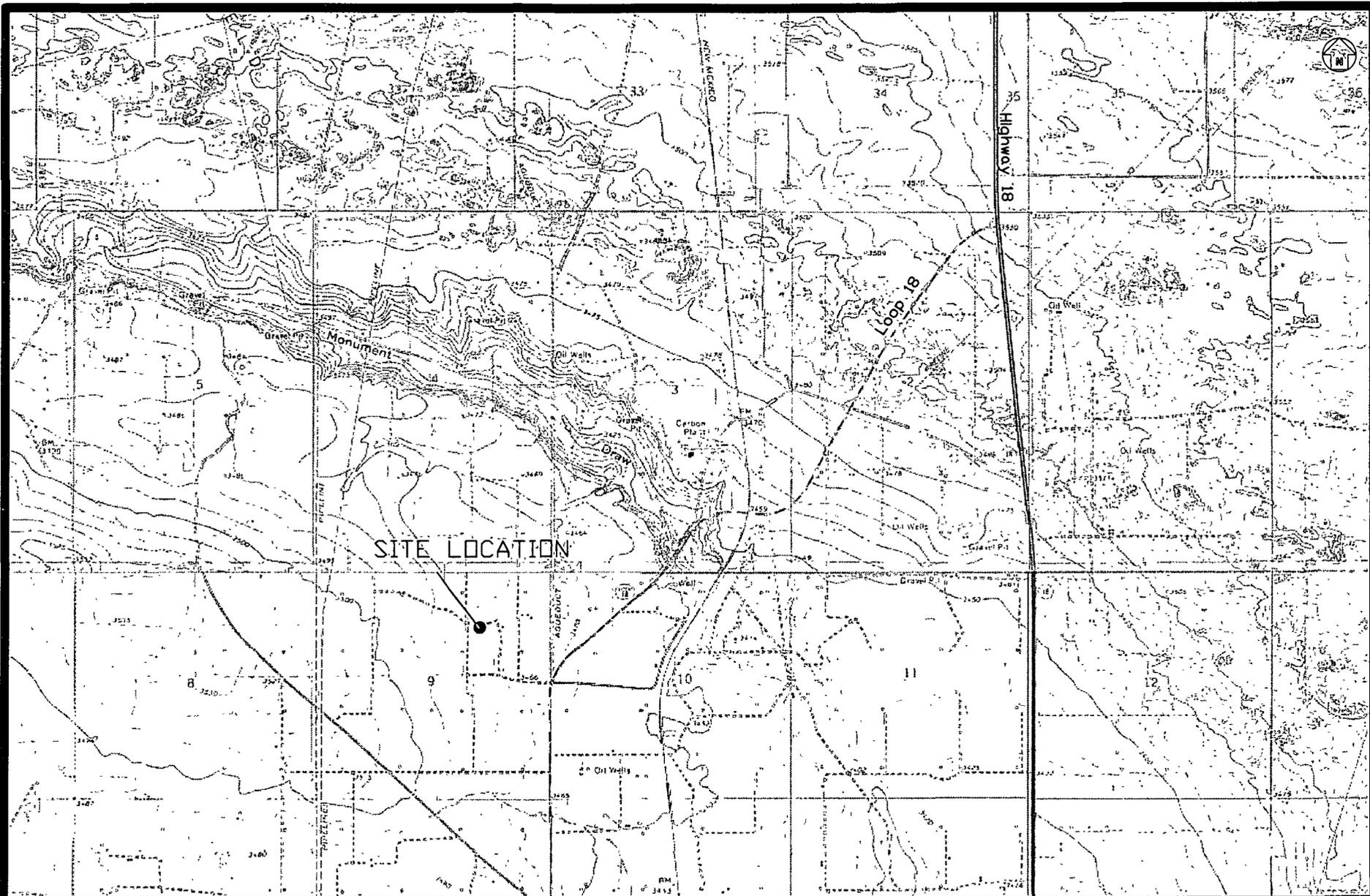
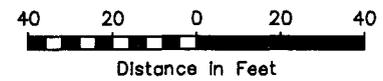
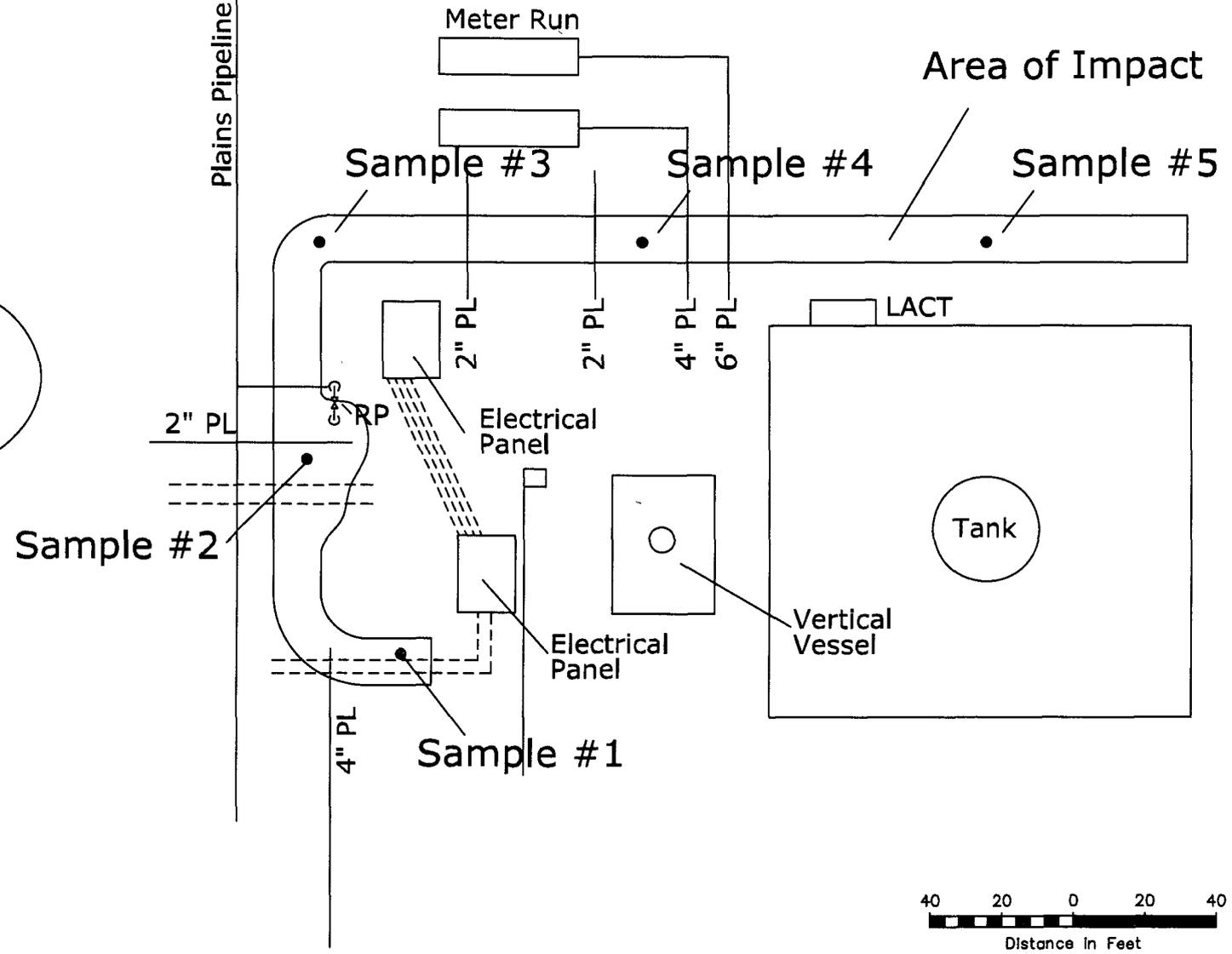
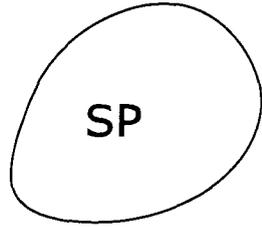


Figure 1
Site Location Map
Plains Marketing, L.P.
Southland Royalty 2-Inch Valve
Lea County, New Mexico
SRS # 2009-023

Basin Environmental Services

| | |
|-------------------|-----------------|
| Prep By: CDS | Checked By: CDS |
| February 27, 2009 | Scale 1"=3000' |



- Legend:**
- Excavation Extents
 - Pipeline
 - - - Electrical Conduit
 - Sample Location

Figure 2
 Site and Sample Location Map
 Plains Marketing, L.P.
 Southland Royalty 2" Valve
 Lea County, New Mexico
 SRS # 2009-023

Basin Environmental Services

| | |
|-------------------|-----------------|
| Prep By: CDS | Checked By: CJB |
| February 25, 2009 | Scale 1"=40' |



Tables

TABLE 1

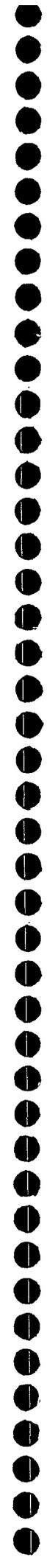
CONCENTRATIONS OF TPH, BTEX AND CHLORIDES IN SOIL

PLAINS MARKETING, L.P.
 SOUTHLAND ROYALTY 2-VALVE
 LEA COUNTY, NEW MEXICO
 SRS# 2009-023
 NMOCD REF. # 1RP-2068

| SAMPLE LOCATION | SAMPLE DEPTH (Below normal surface grade) | SAMPLE DATE | SOIL STATUS | METHOD: EPA SW 846-8021B, 5030 | | | | | | SW 848-8015M | | | | 300.1 CHLORIDE (mg/Kg) |
|----------------------------------|---|-------------|-------------|--------------------------------|-----------------|-----------------------|--------------------|------------------|--------------------|---|--|--|---|---------------------------|
| | | | | BENZENE (mg/Kg) | TOLUENE (mg/Kg) | ETHYL-BENZENE (mg/Kg) | M,P-XYLENE (mg/Kg) | O-XYLENE (mg/Kg) | TOTAL BTEX (mg/Kg) | GRO C ₆ -C ₁₂ (mg/Kg) | DRO C ₁₂ -C ₂₈ (mg/Kg) | ORO C ₂₈ -C ₃₅ (mg/Kg) | TOTAL TPH C ₆ -C ₃₅ (mg/Kg) | |
| Sample #1 | 2.5 Feet | 02/05/09 | In-Situ | <0.0011 | <0.0021 | <0.0011 | <0.0021 | <0.0011 | <0.0021 | <16.0 | 104 | <16.0 | 104 | |
| Sample #2 | 2.5 Feet | 02/05/09 | In-Situ | <0.0010 | 0.0021 | <0.0010 | <0.0021 | <0.0010 | 0.0021 | <15.6 | 862 | 143 | 1,005 | |
| Sample #3 | 2 Feet | 02/05/09 | In-Situ | <0.0010 | <0.0021 | <0.0010 | <0.0021 | <0.0010 | <0.0021 | <15.4 | <15.4 | <15.4 | <15.4 | 169 |
| Sample #4 | 2 Feet | 02/05/09 | In-Situ | <0.0010 | <0.0020 | <0.0010 | <0.0020 | <0.0010 | <0.0020 | <15.3 | 20.3 | <15.3 | 20.3 | |
| Sample #5 | 2.5 Feet | 02/05/09 | In-Situ | <0.0010 | <0.0021 | <0.0010 | <0.0021 | <0.0010 | <0.0021 | <15.6 | 21.9 | <15.6 | 21.9 | |
| NMOCD REGULATORY STANDARD | | | | 10 | | | | | 50 | | | | 1,000 | 250 |



Appendices



Appendix A
Laboratory Reports

Analytical Report 324344

for

PLAINS ALL AMERICAN EH&S

Project Manager: Jason Henry

Southland Royalty

2009-023

10-FEB-09



12600 West I-20 East Odessa, Texas 79765

Texas certification numbers:

Houston, TX T104704215-08B-TX - Odessa/Midland, TX T104704400-08-TX

Florida certification numbers:

Houston, TX E871002 - Miami, FL E86678 - Tampa, FL E86675

Norcross(Atlanta), GA E87429

South Carolina certification numbers:

Norcross(Atlanta), GA 98015

North Carolina certification numbers:

Norcross(Atlanta), GA 483

Houston - Dallas - San Antonio - Tampa - Miami - Latin America

Midland - Corpus Christi - Atlanta



10-FEB-09

Project Manager: **Jason Henry**
PLAINS ALL AMERICAN EH&S
1301 S. COUNTY ROAD 1150
Midland, TX 79706

Reference: XENCO Report No: **324344**
Southland Royalty
Project Address: Lea County, NM

Jason Henry:

We are reporting to you the results of the analyses performed on the samples received under the project name referenced above and identified with the XENCO Report Number 324344. All results being reported under this Report Number apply to the samples analyzed and properly identified with a Laboratory ID number. Subcontracted analyses are identified in this report with either the NELAC certification number of the subcontract lab in the analyst ID field, or the complete subcontracted report attached to this report.

Unless otherwise noted in a Case Narrative, all data reported in this Analytical Report are in compliance with NELAC standards. Estimation of data uncertainty for this report is found in the quality control section of this report unless otherwise noted. Should insufficient sample be provided to the laboratory to meet the method and NELAC Matrix Duplicate and Matrix Spike requirements, then the data will be analyzed, evaluated and reported using all other available quality control measures.

The validity and integrity of this report will remain intact as long as it is accompanied by this letter and reproduced in full, unless written approval is granted by XENCO Laboratories. This report will be filed for at least 5 years in our archives after which time it will be destroyed without further notice, unless otherwise arranged with you. The samples received, and described as recorded in Report No. 324344 will be filed for 60 days, and after that time they will be properly disposed without further notice, unless otherwise arranged with you. We reserve the right to return to you any unused samples, extracts or solutions related to them if we consider so necessary (e.g., samples identified as hazardous waste, sample sizes exceeding analytical standard practices, controlled substances under regulated protocols, etc).

We thank you for selecting XENCO Laboratories to serve your analytical needs. If you have any questions concerning this report, please feel free to contact us at any time.

Respectfully,

Brent Barron, II

Odessa Laboratory Manager

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Houston - Dallas - San Antonio - Austin - Tampa - Miami - Atlanta - Corpus Christi - Latin America*



Sample Cross Reference 324344



PLAINS ALL AMERICAN EH&S, Midland, TX
Southland Royalty

| Sample Id | Matrix | Date Collected | Sample Depth | Lab Sample Id |
|------------------|---------------|-----------------------|---------------------|----------------------|
| Sample # 1 | S | Feb-05-09 13:30 | | 324344-001 |
| Sample # 2 | S | Feb-05-09 13:45 | | 324344-002 |
| Sample # 3 | S | Feb-05-09 13:55 | | 324344-003 |
| Sample # 4 | S | Feb-05-09 14:05 | | 324344-004 |
| Sample # 5 | S | Feb-05-09 14:15 | | 324344-005 |



Certificate of Analysis Summary 324344

PLAINS ALL AMERICAN EH&S, Midland, TX



Project Id: 2009-023

Contact: Jason Henry

Project Location: Lea County, NM

Project Name: Southland Royalty

Date Received in Lab: Fri Feb-06-09 12:20 pm

Report Date: 10-FEB-09

Project Manager: Brent Barron, II

| Analysis Requested | Lab Id: | 324344-001 | 324344-002 | 324344-003 | 324344-004 | 324344-005 | |
|------------------------------------|------------|-----------------|-----------------|-----------------|-----------------|-----------------|--|
| | Field Id: | Sample # 1 | Sample # 2 | Sample # 3 | Sample # 4 | Sample # 5 | |
| | Depth: | | | | | | |
| | Matrix: | SOIL | SOIL | SOIL | SOIL | SOIL | |
| | Sampled: | Feb-05-09 13 30 | Feb-05-09 13 45 | Feb-05-09 13 55 | Feb-05-09 14 05 | Feb-05-09 14 15 | |
| BTEX by EPA 8021B | Extracted: | Feb-06-09 14 45 | |
| | Analyzed: | Feb-07-09 02 42 | Feb-07-09 03 03 | Feb-07-09 03 24 | Feb-07-09 03 45 | Feb-07-09 04 07 | |
| | Units/RL: | mg/kg RL | |
| Benzene | | ND 0 0011 | ND 0 0010 | ND 0 0010 | ND 0 0010 | ND 0 0010 | |
| Toluene | | ND 0 0021 | 0 0021 0 0021 | ND 0 0021 | ND 0 0020 | ND 0 0021 | |
| Ethylbenzene | | ND 0 0011 | ND 0 0010 | ND 0 0010 | ND 0 0010 | ND 0 0010 | |
| m,p-Xylenes | | ND 0 0021 | ND 0 0021 | ND 0 0021 | ND 0 0020 | ND 0 0021 | |
| o-Xylene | | ND 0 0011 | ND 0 0010 | ND 0 0010 | ND 0 0010 | ND 0 0010 | |
| Total Xylenes | | ND 0 0020 | |
| Total BTEX | | ND 0 0010 | 0 0021 0 0010 | ND 0 0010 | ND 0 0010 | ND 0 0010 | |
| Percent Moisture | Extracted: | | | | | | |
| | Analyzed: | Feb-06-09 17 45 | |
| | Units/RL: | % RL | |
| Percent Moisture | | 6 19 | 3 64 | 2 72 | 2 14 | 3 99 | |
| TPH By SW8015 Mod | Extracted: | Feb-08-09 11 24 | |
| | Analyzed: | Feb-08-09 14 50 | Feb-08-09 15 12 | Feb-08-09 15 34 | Feb-08-09 15 56 | Feb-08-09 16 18 | |
| | Units/RL: | mg/kg RL | |
| C6-C12 Gasoline Range Hydrocarbons | | ND 16 0 | ND 15 6 | ND 15 4 | ND 15 3 | ND 15 6 | |
| C12-C28 Diesel Range Hydrocarbons | | 104 16 0 | 862 15 6 | ND 15 4 | 20 3 15 3 | 21 9 15 6 | |
| C28-C35 Oil Range Hydrocarbons | | ND 16 0 | 143 15 6 | ND 15 4 | ND 15 3 | ND 15 6 | |
| Total TPH | | 104 15 0 | 1005 15 0 | ND 15 0 | 20 3 15 0 | 21 9 15 0 | |

This analytical report, and the entire data package it represents, has been made for your exclusive and confidential use. The interpretations and results expressed throughout this analytical report represent the best judgment of XENCO Laboratories. XENCO Laboratories assumes no responsibility and makes no warranty to the end use of the data hereby presented. Our liability is limited to the amount invoiced for this work order unless otherwise agreed to in writing.

Since 1990 Houston - Dallas - San Antonio - Austin - Tampa - Miami - Latin America - Atlanta - Corpus Christi


Brent Barron
Odessa Laboratory Director



Flagging Criteria



- X In our quality control review of the data a QC deficiency was observed and flagged as noted. MS/MSD recoveries were found to be outside of the laboratory control limits due to possible matrix /chemical interference, or a concentration of target analyte high enough to effect the recovery of the spike concentration. This condition could also effect the relative percent difference in the MS/MSD.
- B A target analyte or common laboratory contaminant was identified in the method blank. Its presence indicates possible field or laboratory contamination.
- D The sample(s) were diluted due to targets detected over the highest point of the calibration curve, or due to matrix interference. Dilution factors are included in the final results. The result is from a diluted sample.
- E The data exceeds the upper calibration limit; therefore, the concentration is reported as estimated.
- F RPD exceeded lab control limits.
- J The target analyte was positively identified below the MQL and above the SQL.
- U Analyte was not detected.
- L The LCS data for this analytical batch was reported below the laboratory control limits for this analyte. The department supervisor and QA Director reviewed data. The samples were either reanalyzed or flagged as estimated concentrations.
- H The LCS data for this analytical batch was reported above the laboratory control limits. Supporting QC Data were reviewed by the Department Supervisor and QA Director. Data were determined to be valid for reporting.
- K Sample analyzed outside of recommended hold time.
- JN A combination of the "N" and the "J" qualifier. The analysis indicates that the analyte is "tentatively identified" and the associated numerical value may not be consistent with the amount actually present in the environmental sample.

* Outside XENCO's scope of NELAC Accreditation.

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 9701 Harry Hines Blvd , Dallas, TX 75220
 5332 Blackberry Drive, San Antonio TX 78238
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 5757 NW 158th St, Miami Lakes, FL 33014
 12600 West I-20 East, Odessa, TX 79765
 842 Cantwell Lane, Corpus Christi, TX 78408

| Phone | Fax |
|----------------|----------------|
| (281) 240-4200 | (281) 240-4280 |
| (214) 902 0300 | (214) 351-9139 |
| (210) 509-3334 | (210) 509-3335 |
| (813) 620-2000 | (813) 620-2033 |
| (305) 823-8500 | (305) 823-8555 |
| (432) 563-1800 | (432) 563-1713 |
| (361) 884-0371 | (361) 884-9116 |



Form 2 - Surrogate Recoveries

Project Name: Southland Royalty

Work Orders : 324344,

Project ID: 2009-023

Lab Batch #: 748897

Sample: 324344-001 / SMP

Batch: 1 Matrix: Soil

Units: mg/kg

SURROGATE RECOVERY STUDY

| BTEX by EPA 8021B Analytes | Amount Found [A] | True Amount [B] | Recovery %R [D] | Control Limits %R | Flags |
|-------------------------------|------------------|-----------------|-----------------|-------------------|-------|
| 1,4-Difluorobenzene | 0.0317 | 0.0300 | 106 | 80-120 | |
| 4-Bromofluorobenzene | 0.0331 | 0.0300 | 110 | 80-120 | |

Lab Batch #: 748897

Sample: 324344-002 / SMP

Batch: 1 Matrix: Soil

Units: mg/kg

SURROGATE RECOVERY STUDY

| BTEX by EPA 8021B Analytes | Amount Found [A] | True Amount [B] | Recovery %R [D] | Control Limits %R | Flags |
|-------------------------------|------------------|-----------------|-----------------|-------------------|-------|
| 1,4-Difluorobenzene | 0.0342 | 0.0300 | 114 | 80-120 | |
| 4-Bromofluorobenzene | 0.0320 | 0.0300 | 107 | 80-120 | |

Lab Batch #: 748897

Sample: 324344-003 / SMP

Batch: 1 Matrix: Soil

Units: mg/kg

SURROGATE RECOVERY STUDY

| BTEX by EPA 8021B Analytes | Amount Found [A] | True Amount [B] | Recovery %R [D] | Control Limits %R | Flags |
|-------------------------------|------------------|-----------------|-----------------|-------------------|-------|
| 1,4-Difluorobenzene | 0.0313 | 0.0300 | 104 | 80-120 | |
| 4-Bromofluorobenzene | 0.0338 | 0.0300 | 113 | 80-120 | |

Lab Batch #: 748897

Sample: 324344-003 S / MS

Batch: 1 Matrix: Soil

Units: mg/kg

SURROGATE RECOVERY STUDY

| BTEX by EPA 8021B Analytes | Amount Found [A] | True Amount [B] | Recovery %R [D] | Control Limits %R | Flags |
|-------------------------------|------------------|-----------------|-----------------|-------------------|-------|
| 1,4-Difluorobenzene | 0.0290 | 0.0300 | 97 | 80-120 | |
| 4-Bromofluorobenzene | 0.0306 | 0.0300 | 102 | 80-120 | |

Lab Batch #: 748897

Sample: 324344-003 SD / MSD

Batch: 1 Matrix: Soil

Units: mg/kg

SURROGATE RECOVERY STUDY

| BTEX by EPA 8021B Analytes | Amount Found [A] | True Amount [B] | Recovery %R [D] | Control Limits %R | Flags |
|-------------------------------|------------------|-----------------|-----------------|-------------------|-------|
| 1,4-Difluorobenzene | 0.0280 | 0.0300 | 93 | 80-120 | |
| 4-Bromofluorobenzene | 0.0308 | 0.0300 | 103 | 80-120 | |

** Surrogates outside limits; data and surrogates confirmed by reanalysis

*** Poor recoveries due to dilution

Surrogate Recovery [D] = 100 * A / B

All results are based on MDL and validated for QC purposes.



Form 2 - Surrogate Recoveries

Project Name: Southland Royalty

Work Orders : 324344,

Project ID: 2009-023

Lab Batch #: 748897

Sample: 324344-004 / SMP

Batch: 1 Matrix: Soil

Units: mg/kg

SURROGATE RECOVERY STUDY

| BTEX by EPA 8021B Analytes | Amount Found [A] | True Amount [B] | Recovery %R [D] | Control Limits %R | Flags |
|-------------------------------|------------------|-----------------|-----------------|-------------------|-------|
| 1,4-Difluorobenzene | 0.0313 | 0.0300 | 104 | 80-120 | |
| 4-Bromofluorobenzene | 0.0332 | 0.0300 | 111 | 80-120 | |

Lab Batch #: 748897

Sample: 324344-005 / SMP

Batch: 1 Matrix: Soil

Units: mg/kg

SURROGATE RECOVERY STUDY

| BTEX by EPA 8021B Analytes | Amount Found [A] | True Amount [B] | Recovery %R [D] | Control Limits %R | Flags |
|-------------------------------|------------------|-----------------|-----------------|-------------------|-------|
| 1,4-Difluorobenzene | 0.0312 | 0.0300 | 104 | 80-120 | |
| 4-Bromofluorobenzene | 0.0327 | 0.0300 | 109 | 80-120 | |

Lab Batch #: 748897

Sample: 524357-1-BKS / BKS

Batch: 1 Matrix: Solid

Units: mg/kg

SURROGATE RECOVERY STUDY

| BTEX by EPA 8021B Analytes | Amount Found [A] | True Amount [B] | Recovery %R [D] | Control Limits %R | Flags |
|-------------------------------|------------------|-----------------|-----------------|-------------------|-------|
| 1,4-Difluorobenzene | 0.0296 | 0.0300 | 99 | 80-120 | |
| 4-Bromofluorobenzene | 0.0281 | 0.0300 | 94 | 80-120 | |

Lab Batch #: 748897

Sample: 524357-1-BLK / BLK

Batch: 1 Matrix: Solid

Units: mg/kg

SURROGATE RECOVERY STUDY

| BTEX by EPA 8021B Analytes | Amount Found [A] | True Amount [B] | Recovery %R [D] | Control Limits %R | Flags |
|-------------------------------|------------------|-----------------|-----------------|-------------------|-------|
| 1,4-Difluorobenzene | 0.0316 | 0.0300 | 105 | 80-120 | |
| 4-Bromofluorobenzene | 0.0324 | 0.0300 | 108 | 80-120 | |

Lab Batch #: 748897

Sample: 524357-1-BSD / BSD

Batch: 1 Matrix: Solid

Units: mg/kg

SURROGATE RECOVERY STUDY

| BTEX by EPA 8021B Analytes | Amount Found [A] | True Amount [B] | Recovery %R [D] | Control Limits %R | Flags |
|-------------------------------|------------------|-----------------|-----------------|-------------------|-------|
| 1,4-Difluorobenzene | 0.0291 | 0.0300 | 97 | 80-120 | |
| 4-Bromofluorobenzene | 0.0285 | 0.0300 | 95 | 80-120 | |

** Surrogates outside limits; data and surrogates confirmed by reanalysis

*** Poor recoveries due to dilution

Surrogate Recovery [D] = 100 * A / B

All results are based on MDL and validated for QC purposes.



Form 2 - Surrogate Recoveries

Project Name: Southland Royalty

Work Orders : 324344,

Project ID: 2009-023

Lab Batch #: 748792

Sample: 324344-001 / SMP

Batch: 1 Matrix: Soil

Units: mg/kg

SURROGATE RECOVERY STUDY

| TPH By SW8015 Mod Analytes | Amount Found [A] | True Amount [B] | Recovery %R [D] | Control Limits %R | Flags |
|-------------------------------|------------------|-----------------|-----------------|-------------------|-------|
| 1-Chlorooctane | 103 | 100 | 103 | 70-135 | |
| o-Terphenyl | 51.5 | 50.0 | 103 | 70-135 | |

Lab Batch #: 748792

Sample: 324344-002 / SMP

Batch: 1 Matrix: Soil

Units: mg/kg

SURROGATE RECOVERY STUDY

| TPH By SW8015 Mod Analytes | Amount Found [A] | True Amount [B] | Recovery %R [D] | Control Limits %R | Flags |
|-------------------------------|------------------|-----------------|-----------------|-------------------|-------|
| 1-Chlorooctane | 99.7 | 100 | 100 | 70-135 | |
| o-Terphenyl | 56.1 | 50.0 | 112 | 70-135 | |

Lab Batch #: 748792

Sample: 324344-003 / SMP

Batch: 1 Matrix: Soil

Units: mg/kg

SURROGATE RECOVERY STUDY

| TPH By SW8015 Mod Analytes | Amount Found [A] | True Amount [B] | Recovery %R [D] | Control Limits %R | Flags |
|-------------------------------|------------------|-----------------|-----------------|-------------------|-------|
| 1-Chlorooctane | 96.0 | 100 | 96 | 70-135 | |
| o-Terphenyl | 48.2 | 50.0 | 96 | 70-135 | |

Lab Batch #: 748792

Sample: 324344-003 S / MSD

Batch: 1 Matrix: Soil

Units: mg/kg

SURROGATE RECOVERY STUDY

| TPH By SW8015 Mod Analytes | Amount Found [A] | True Amount [B] | Recovery %R [D] | Control Limits %R | Flags |
|-------------------------------|------------------|-----------------|-----------------|-------------------|-------|
| 1-Chlorooctane | 115 | 100 | 115 | 70-135 | |
| o-Terphenyl | 56.6 | 50.0 | 113 | 70-135 | |

Lab Batch #: 748792

Sample: 324344-003 SD / MSD

Batch: 1 Matrix: Soil

Units: mg/kg

SURROGATE RECOVERY STUDY

| TPH By SW8015 Mod Analytes | Amount Found [A] | True Amount [B] | Recovery %R [D] | Control Limits %R | Flags |
|-------------------------------|------------------|-----------------|-----------------|-------------------|-------|
| 1-Chlorooctane | 115 | 100 | 115 | 70-135 | |
| o-Terphenyl | 54.7 | 50.0 | 109 | 70-135 | |

** Surrogates outside limits; data and surrogates confirmed by reanalysis

*** Poor recoveries due to dilution

Surrogate Recovery [D] = 100 * A / B

All results are based on MDL and validated for QC purposes.



Form 2 - Surrogate Recoveries

Project Name: Southland Royalty

Work Orders : 324344,

Project ID: 2009-023

Lab Batch #: 748792

Sample: 324344-004 / SMP

Batch: 1 Matrix: Soil

Units: mg/kg

SURROGATE RECOVERY STUDY

| TPH By SW8015 Mod Analytes | Amount Found [A] | True Amount [B] | Recovery %R [D] | Control Limits %R | Flags |
|-------------------------------|------------------|-----------------|-----------------|-------------------|-------|
| 1-Chlorooctane | 92.2 | 100 | 92 | 70-135 | |
| o-Terphenyl | 45.3 | 50.0 | 91 | 70-135 | |

Lab Batch #: 748792

Sample: 324344-005 / SMP

Batch: 1 Matrix: Soil

Units: mg/kg

SURROGATE RECOVERY STUDY

| TPH By SW8015 Mod Analytes | Amount Found [A] | True Amount [B] | Recovery %R [D] | Control Limits %R | Flags |
|-------------------------------|------------------|-----------------|-----------------|-------------------|-------|
| 1-Chlorooctane | 95.5 | 100 | 96 | 70-135 | |
| o-Terphenyl | 46.9 | 50.0 | 94 | 70-135 | |

Lab Batch #: 748792

Sample: 524290-1-BKS / BKS

Batch: 1 Matrix: Solid

Units: mg/kg

SURROGATE RECOVERY STUDY

| TPH By SW8015 Mod Analytes | Amount Found [A] | True Amount [B] | Recovery %R [D] | Control Limits %R | Flags |
|-------------------------------|------------------|-----------------|-----------------|-------------------|-------|
| 1-Chlorooctane | 109 | 100 | 109 | 70-135 | |
| o-Terphenyl | 51.0 | 50.0 | 102 | 70-135 | |

Lab Batch #: 748792

Sample: 524290-1-BLK / BLK

Batch: 1 Matrix: Solid

Units: mg/kg

SURROGATE RECOVERY STUDY

| TPH By SW8015 Mod Analytes | Amount Found [A] | True Amount [B] | Recovery %R [D] | Control Limits %R | Flags |
|-------------------------------|------------------|-----------------|-----------------|-------------------|-------|
| 1-Chlorooctane | 97.2 | 100 | 97 | 70-135 | |
| o-Terphenyl | 48.0 | 50.0 | 96 | 70-135 | |

Lab Batch #: 748792

Sample: 524290-1-BSD / BSD

Batch: 1 Matrix: Solid

Units: mg/kg

SURROGATE RECOVERY STUDY

| TPH By SW8015 Mod Analytes | Amount Found [A] | True Amount [B] | Recovery %R [D] | Control Limits %R | Flags |
|-------------------------------|------------------|-----------------|-----------------|-------------------|-------|
| 1-Chlorooctane | 110 | 100 | 110 | 70-135 | |
| o-Terphenyl | 51.6 | 50.0 | 103 | 70-135 | |

** Surrogates outside limits; data and surrogates confirmed by reanalysis

*** Poor recoveries due to dilution

Surrogate Recovery [D] = 100 * A / B

All results are based on MDL and validated for QC purposes.



BS / BSD Recoveries



Project Name: Southland Royalty

Work Order #: 324344

Analyst: ASA

Date Prepared: 02/06/2009

Project ID: 2009-023

Date Analyzed: 02/07/2009

Lab Batch ID: 748897

Sample: 524357-1-BKS

Batch #: 1

Matrix: Solid

Units: mg/kg

BLANK/BLANK SPIKE / BLANK SPIKE DUPLICATE RECOVERY STUDY

| BTEX by EPA 8021B | Blank Sample Result [A] | Spike Added [B] | Blank Spike Result [C] | Blank Spike %R [D] | Spike Added [E] | Blank Spike Duplicate Result [F] | Blk. Spk Dup. %R [G] | RPD % | Control Limits %R | Control Limits %RPD | Flag |
|--------------------------|--------------------------------|------------------------|-------------------------------|---------------------------|------------------------|---|-----------------------------|--------------|--------------------------|----------------------------|-------------|
| Analytes | | | | | | | | | | | |
| Benzene | ND | 0.1000 | 0.0966 | 97 | 0.1 | 0.0981 | 98 | 2 | 70-130 | 35 | |
| Toluene | ND | 0.1000 | 0.0970 | 97 | 0.1 | 0.0984 | 98 | 1 | 70-130 | 35 | |
| Ethylbenzene | ND | 0.1000 | 0.0986 | 99 | 0.1 | 0.1006 | 101 | 2 | 71-129 | 35 | |
| m,p-Xylenes | ND | 0.2000 | 0.2053 | 103 | 0.2 | 0.2103 | 105 | 2 | 70-135 | 35 | |
| o-Xylene | ND | 0.1000 | 0.1030 | 103 | 0.1 | 0.1057 | 106 | 3 | 71-133 | 35 | |

Analyst: BHW

Date Prepared: 02/08/2009

Date Analyzed: 02/08/2009

Lab Batch ID: 748792

Sample: 524290-1-BKS

Batch #: 1

Matrix: Solid

Units: mg/kg

BLANK/BLANK SPIKE / BLANK SPIKE DUPLICATE RECOVERY STUDY

| TPH By SW8015 Mod | Blank Sample Result [A] | Spike Added [B] | Blank Spike Result [C] | Blank Spike %R [D] | Spike Added [E] | Blank Spike Duplicate Result [F] | Blk. Spk Dup. %R [G] | RPD % | Control Limits %R | Control Limits %RPD | Flag |
|------------------------------------|--------------------------------|------------------------|-------------------------------|---------------------------|------------------------|---|-----------------------------|--------------|--------------------------|----------------------------|-------------|
| Analytes | | | | | | | | | | | |
| C6-C12 Gasoline Range Hydrocarbons | 6.50 | 1000 | 953 | 95 | 1000 | 958 | 96 | 1 | 70-135 | 35 | |
| C12-C28 Diesel Range Hydrocarbons | 12.3 | 1000 | 991 | 99 | 1000 | 995 | 100 | 0 | 70-135 | 35 | |

Relative Percent Difference RPD = 200*(C-F)/(C+F)

Blank Spike Recovery [D] = 100*(C)/[B]

Blank Spike Duplicate Recovery [G] = 100*(F)/[E]

All results are based on MDL and Validated for QC Purposes



Form 3 - MS / MSD Recoveries



Project Name: Southland Royalty

Work Order #: 324344

Project ID: 2009-023

Lab Batch ID: 748897

QC- Sample ID: 324344-003 S

Batch #: 1 Matrix: Soil

Date Analyzed: 02/07/2009

Date Prepared: 02/06/2009

Analyst: ASA

Reporting Units: mg/kg

MATRIX SPIKE / MATRIX SPIKE DUPLICATE RECOVERY STUDY

| BTEX by EPA 8021B Analytes | Parent Sample Result [A] | Spike Added [B] | Spiked Sample Result [C] | Spiked Sample %R [D] | Spike Added [E] | Duplicate Spiked Sample Result [F] | Spiked Dup. %R [G] | RPD % | Control Limits %R | Control Limits %RPD | Flag |
|-------------------------------|--------------------------|-----------------|--------------------------|----------------------|-----------------|------------------------------------|--------------------|-------|-------------------|---------------------|------|
| | Benzene | ND | 0.1028 | 0.0758 | 74 | 0.1028 | 0.0791 | 77 | 4 | 70-130 | 35 |
| Toluene | ND | 0.1028 | 0.0744 | 72 | 0.1028 | 0.0771 | 75 | 4 | 70-130 | 35 | |
| Ethylbenzene | ND | 0.1028 | 0.0707 | 69 | 0.1028 | 0.0739 | 72 | 4 | 71-129 | 35 | X |
| m,p-Xylenes | ND | 0.2056 | 0.1470 | 71 | 0.2056 | 0.1540 | 75 | 5 | 70-135 | 35 | |
| o-Xylene | ND | 0.1028 | 0.0707 | 69 | 0.1028 | 0.0742 | 72 | 5 | 71-133 | 35 | X |

Lab Batch ID: 748792

QC- Sample ID: 324344-003 S

Batch #: 1 Matrix: Soil

Date Analyzed: 02/08/2009

Date Prepared: 02/08/2009

Analyst: BHW

Reporting Units: mg/kg

MATRIX SPIKE / MATRIX SPIKE DUPLICATE RECOVERY STUDY

| TPH By SW8015 Mod Analytes | Parent Sample Result [A] | Spike Added [B] | Spiked Sample Result [C] | Spiked Sample %R [D] | Spike Added [E] | Duplicate Spiked Sample Result [F] | Spiked Dup. %R [G] | RPD % | Control Limits %R | Control Limits %RPD | Flag |
|-----------------------------------|------------------------------------|-----------------|--------------------------|----------------------|-----------------|------------------------------------|--------------------|-------|-------------------|---------------------|------|
| | C6-C12 Gasoline Range Hydrocarbons | ND | 1030 | 986 | 96 | 1030 | 985 | 96 | 0 | 70-135 | 35 |
| C12-C28 Diesel Range Hydrocarbons | ND | 1030 | 1060 | 103 | 1030 | 1060 | 103 | 0 | 70-135 | 35 | |

Matrix Spike Percent Recovery [D] = 100*(C-A)/B
Relative Percent Difference RPD = 200*(C-F)/(C+F)

Matrix Spike Duplicate Percent Recovery [G] = 100*(F-A)/E

ND = Not Detected, J = Present Below Reporting Limit, B = Present in Blank, NR = Not Requested, I = Interference, NA = Not Applicable
N = See Narrative, EQL = Estimated Quantitation Limit



Sample Duplicate Recovery



Project Name: Southland Royalty

Work Order #: 324344

Lab Batch #: 748916

Project ID: 2009-023

Date Analyzed: 02/06/2009

Date Prepared: 02/06/2009

Analyst: BEV

QC- Sample ID: 324327-018 D

Batch #: 1

Matrix: Soil

Reporting Units: %

| SAMPLE / SAMPLE DUPLICATE RECOVERY | | | | | |
|------------------------------------|--------------------------|-----------------------------|-----|---------------------|------|
| Percent Moisture | Parent Sample Result [A] | Sample Duplicate Result [B] | RPD | Control Limits %RPD | Flag |
| Analyte | | | | | |
| Percent Moisture | 25.4 | 23.9 | 6 | 20 | |

Spike Relative Difference RPD $200 * |(B-A)/(B+A)|$
All Results are based on MDL and validated for QC purposes.

Environmental Lab of Texas
 Variance/ Corrective Action Report- Sample Log-In

Client Basin Low / Platts
 Date/ Time 2-6-07 12:20
 Lab ID # 324344
 Initials CL

Sample Receipt Checklist

| | Yes | No | Client Initials |
|--|-----|----|--------------------------|
| #1 Temperature of container/ cooler? | Yes | No | 05 °C |
| #2 Shipping container in good condition? | Yes | No | |
| #3 Custody Seals intact on shipping container/ cooler? | Yes | No | Not Present |
| #4 Custody Seals intact on sample bottles/ container? | Yes | No | Not Present |
| #5 Chain of Custody present? | Yes | No | |
| #6 Sample instructions complete of Chain of Custody? | Yes | No | |
| #7 Chain of Custody signed when relinquished/ received? | Yes | No | |
| #8 Chain of Custody agrees with sample label(s)? | Yes | No | ID written on Cont / Lid |
| #9 Container label(s) legible and intact? | Yes | No | Not Applicable |
| #10 Sample matrix/ properties agree with Chain of Custody? | Yes | No | |
| #11 Containers supplied by ELOT? | Yes | No | |
| #12 Samples in proper container/ bottle? | Yes | No | See Below |
| #13 Samples properly preserved? | Yes | No | See Below |
| #14 Sample bottles intact? | Yes | No | |
| #15 Preservations documented on Chain of Custody? | Yes | No | |
| #16 Containers documented on Chain of Custody? | Yes | No | |
| #17 Sufficient sample amount for indicated test(s)? | Yes | No | See Below |
| #18 All samples received within sufficient hold time? | Yes | No | See Below |
| #19 Subcontract of sample(s)? | Yes | No | Not Applicable |
| #20 VOC samples have zero headspace? | Yes | No | Not Applicable |

Variance Documentation

Contact _____ Contacted by: _____ Date/ Time _____

Regarding _____

Corrective Action Taken _____

- Check all that Apply.
- See attached e-mail/ fax
 - Client understands and would like to proceed with analysis
 - Cooling process had begun shortly after sampling event

Analytical Report 325009

for

PLAINS ALL AMERICAN EH&S

Project Manager: Jason Henry

Southland Royalty

2009-023

17-FEB-09



12600 West I-20 East Odessa, Texas 79765

Texas certification numbers:

Houston, TX T104704215-08B-TX - Odessa/Midland, TX T104704400-08-TX

Florida certification numbers:

Houston, TX E871002 - Miami, FL E86678 - Tampa, FL E86675

Norcross(Atlanta), GA E87429

South Carolina certification numbers:

Norcross(Atlanta), GA 98015

North Carolina certification numbers:

Norcross(Atlanta), GA 483

Houston - Dallas - San Antonio - Tampa - Miami - Latin America

Midland - Corpus Christi - Atlanta



17-FEB-09

Project Manager: **Jason Henry**
PLAINS ALL AMERICAN EH&S
1301 S. COUNTY ROAD 1150
Midland, TX 79706

Reference: XENCO Report No: **325009**
Southland Royalty
Project Address: Lea County, NM

Jason Henry:

We are reporting to you the results of the analyses performed on the samples received under the project name referenced above and identified with the XENCO Report Number 325009. All results being reported under this Report Number apply to the samples analyzed and properly identified with a Laboratory ID number. Subcontracted analyses are identified in this report with either the NELAC certification number of the subcontract lab in the analyst ID field, or the complete subcontracted report attached to this report.

Unless otherwise noted in a Case Narrative, all data reported in this Analytical Report are in compliance with NELAC standards. Estimation of data uncertainty for this report is found in the quality control section of this report unless otherwise noted. Should insufficient sample be provided to the laboratory to meet the method and NELAC Matrix Duplicate and Matrix Spike requirements, then the data will be analyzed, evaluated and reported using all other available quality control measures.

The validity and integrity of this report will remain intact as long as it is accompanied by this letter and reproduced in full, unless written approval is granted by XENCO Laboratories. This report will be filed for at least 5 years in our archives after which time it will be destroyed without further notice, unless otherwise arranged with you. The samples received, and described as recorded in Report No. 325009 will be filed for 60 days, and after that time they will be properly disposed without further notice, unless otherwise arranged with you. We reserve the right to return to you any unused samples, extracts or solutions related to them if we consider so necessary (e.g., samples identified as hazardous waste, sample sizes exceeding analytical standard practices, controlled substances under regulated protocols, etc).

We thank you for selecting XENCO Laboratories to serve your analytical needs. If you have any questions concerning this report, please feel free to contact us at any time.

Respectfully,

Brent Barron, II

Odessa Laboratory Manager

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Sample Cross Reference 325009



PLAINS ALL AMERICAN EH&S, Midland, TX

Southland Royalty

| Sample Id | Matrix | Date Collected | Sample Depth | Lab Sample Id |
|------------------|---------------|-----------------------|---------------------|----------------------|
| Sample # 3 | S | Feb-05-09 13:55 | | 325009-001 |



Certificate of Analysis Summary 325009

PLAINS ALL AMERICAN EH&S, Midland, TX



Project Id: 2009-023

Contact: Jason Henry

Project Location: Lea County, NM

Project Name: Southland Royalty

Date Received in Lab: Fri Feb-06-09 12.20 pm

Report Date: 17-FEB-09

Project Manager: Brent Barron, II

| | | | | | | | |
|---------------------------|-------------------|-----------------|--|--|--|--|--|
| Analysis Requested | <i>Lab Id:</i> | 325009-001 | | | | | |
| | <i>Field Id:</i> | Sample # 3 | | | | | |
| | <i>Depth:</i> | | | | | | |
| | <i>Matrix:</i> | SOIL | | | | | |
| | <i>Sampled:</i> | Feb-05-09 13 55 | | | | | |
| Anions by EPA 300 | <i>Extracted:</i> | | | | | | |
| | <i>Analyzed:</i> | Feb-16-09 11 03 | | | | | |
| | <i>Units/RL:</i> | mg/kg RL | | | | | |
| Chloride | | 169 10 3 | | | | | |
| Percent Moisture | <i>Extracted:</i> | | | | | | |
| | <i>Analyzed:</i> | Feb-06-09 17 45 | | | | | |
| | <i>Units/RL:</i> | % RL | | | | | |
| Percent Moisture | | 2 72 1 00 | | | | | |

This analytical report, and the entire data package it represents, has been made for your exclusive and confidential use. The interpretations and results expressed throughout this analytical report represent the best judgment of XENCO Laboratories. XENCO Laboratories assumes no responsibility and makes no warranty to the end use of the data hereby presented. Our liability is limited to the amount invoiced for this work order unless otherwise agreed to in writing.

Since 1990 Houston - Dallas - San Antonio - Austin - Tampa - Miami - Latin America - Atlanta - Corpus Christi


 Brent Barron
 Odessa Laboratory Director



Flagging Criteria



- X In our quality control review of the data a QC deficiency was observed and flagged as noted. MS/MSD recoveries were found to be outside of the laboratory control limits due to possible matrix /chemical interference, or a concentration of target analyte high enough to effect the recovery of the spike concentration. This condition could also effect the relative percent difference in the MS/MSD.
- B A target analyte or common laboratory contaminant was identified in the method blank. Its presence indicates possible field or laboratory contamination.
- D The sample(s) were diluted due to targets detected over the highest point of the calibration curve, or due to matrix interference. Dilution factors are included in the final results. The result is from a diluted sample.
- E The data exceeds the upper calibration limit; therefore, the concentration is reported as estimated.
- F RPD exceeded lab control limits.
- J The target analyte was positively identified below the MQL and above the SQL.
- U Analyte was not detected.
- L The LCS data for this analytical batch was reported below the laboratory control limits for this analyte. The department supervisor and QA Director reviewed data. The samples were either reanalyzed or flagged as estimated concentrations.
- H The LCS data for this analytical batch was reported above the laboratory control limits. Supporting QC Data were reviewed by the Department Supervisor and QA Director. Data were determined to be valid for reporting.
- K Sample analyzed outside of recommended hold time.
- JN A combination of the "N" and the "J" qualifier. The analysis indicates that the analyte is "tentatively identified" and the associated numerical value may not be consistent with the amount actually present in the environmental sample.

* Outside XENCO's scope of NELAC Accreditation.

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| | | |
|---|----------------|----------------|
| 4143 Greenbriar Dr, Stafford, Tx 77477 | Phone | Fax |
| 9701 Harry Hines Blvd , Dallas, TX 75220 | (281) 240-4200 | (281) 240-4280 |
| 5332 Blackberry Drive, San Antonio TX 78238 | (214) 902 0300 | (214) 351-9139 |
| 2505 North Falkenburg Rd, Tampa, FL 33619 | (210) 509-3334 | (210) 509-3335 |
| 5757 NW 158th St, Miami Lakes, FL 33014 | (813) 620-2000 | (813) 620-2033 |
| 12600 West I-20 East, Odessa, TX 79765 | (305) 823-8500 | (305) 823-8555 |
| 842 Cantwell Lane, Corpus Christi, TX 78408 | (432) 563-1800 | (432) 563-1713 |
| | (361) 884-0371 | (361) 884-9116 |



Blank Spike Recovery



Project Name: Southland Royalty

Work Order #: 325009

Project ID:

2009-023

Lab Batch #: 749735

Sample: 749735-1-BKS

Matrix: Solid

Date Analyzed: 02/16/2009

Date Prepared: 02/16/2009

Analyst: LATCOR

Reporting Units: mg/kg

Batch #: 1

BLANK /BLANK SPIKE RECOVERY STUDY

| Anions by EPA 300 Analytes | Blank Result [A] | Spike Added [B] | Blank Spike Result [C] | Blank Spike %R [D] | Control Limits %R | Flags |
|-------------------------------|---------------------|--------------------|---------------------------|-----------------------|-------------------|-------|
| Chloride | ND | 10.0 | 11.4 | 114 | 90-110 | H |

Blank Spike Recovery [D] = 100*[C]/[B]

All results are based on MDL and validated for QC purposes.



Form 3 - MS Recoveries



Project Name: Southland Royalty

Work Order #: 325009

Lab Batch #: 749735

Project ID: 2009-023

Date Analyzed: 02/16/2009

Date Prepared: 02/16/2009

Analyst: LATCOR

QC- Sample ID: 325035-001 S

Batch #: 1

Matrix: Soil

Reporting Units: mg/kg

MATRIX / MATRIX SPIKE RECOVERY STUDY

| Inorganic Anions by EPA 300 | Parent Sample Result [A] | Spike Added [B] | Spiked Sample Result [C] | %R [D] | Control Limits %R | Flag |
|-----------------------------|--------------------------|-----------------|--------------------------|--------|-------------------|------|
| Analytes | | | | | | |
| Chloride | 5150 | 2350 | 7710 | 109 | 80-120 | |

Matrix Spike Percent Recovery [D] = 100*(C-A)/B

Relative Percent Difference [E] = 200*(C-A)/(C+B)

All Results are based on MDL and Validated for QC Purposes



Sample Duplicate Recovery



Project Name: Southland Royalty

Work Order #: 325009

Lab Batch #: 749735

Project ID: 2009-023

Date Analyzed: 02/16/2009

Date Prepared: 02/16/2009

Analyst: LATCOR

QC- Sample ID: 325035-001 D

Batch #: 1

Matrix: Soil

Reporting Units: mg/kg

SAMPLE / SAMPLE DUPLICATE RECOVERY

| Anions by EPA 300 | Parent Sample Result [A] | Sample Duplicate Result [B] | RPD | Control Limits %RPD | Flag |
|-------------------|--------------------------|-----------------------------|-----|---------------------|------|
| Analyte | | | | | |
| Chloride | 5150 | 5050 | 2 | 20 | |

Lab Batch #: 748916

Date Analyzed: 02/06/2009

Date Prepared: 02/06/2009

Analyst: BEV

QC- Sample ID: 324327-018 D

Batch #: 1

Matrix: Soil

Reporting Units: %

SAMPLE / SAMPLE DUPLICATE RECOVERY

| Percent Moisture | Parent Sample Result [A] | Sample Duplicate Result [B] | RPD | Control Limits %RPD | Flag |
|------------------|--------------------------|-----------------------------|-----|---------------------|------|
| Analyte | | | | | |
| Percent Moisture | 25.4 | 23.9 | 6 | 20 | |

Spike Relative Difference RPD $200 * |(B-A)/(B+A)|$
All Results are based on MDL and validated for QC purposes.

Environmental Lab of Texas

Variance/ Corrective Action Report- Sample Log-In

Client Brown Env. Planners
 Date/ Time 7/6/09 12:20
 Lab ID # 5256091
 Initials CIL

Sample Receipt Checklist

| | Yes | No | Client Initials |
|--|-----|----|--------------------------|
| #1 Temperature of container/ cooler? | Yes | No | 15 °C |
| #2 Shipping container in good condition? | Yes | No | |
| #3 Custody Seals intact on shipping container/ cooler? | Yes | No | Not Present |
| #4 Custody Seals intact on sample bottles/ container? | Yes | No | Not Present |
| #5 Chain of Custody present? | Yes | No | |
| #6 Sample instructions complete of Chain of Custody? | Yes | No | |
| #7 Chain of Custody signed when relinquished/ received? | Yes | No | |
| #8 Chain of Custody agrees with sample label(s)? | Yes | No | ID written on Cont / Lid |
| #9 Container label(s) legible and intact? | Yes | No | Not Applicable |
| #10 Sample matrix/ properties agree with Chain of Custody? | Yes | No | |
| #11 Containers supplied by ELOT? | Yes | No | |
| #12 Samples in proper container/ bottle? | Yes | No | See Below |
| #13 Samples properly preserved? | Yes | No | See Below |
| #14 Sample bottles intact? | Yes | No | |
| #15 Preservations documented on Chain of Custody? | Yes | No | |
| #16 Containers documented on Chain of Custody? | Yes | No | |
| #17 Sufficient sample amount for indicated test(s)? | Yes | No | See Below |
| #18 All samples received within sufficient hold time? | Yes | No | See Below |
| #19 Subcontract of sample(s)? | Yes | No | Not Applicable |
| #20 VOC samples have zero headspace? | Yes | No | Not Applicable |

Variance Documentation

Contact _____ Contacted by: _____ Date/ Time: _____

Regarding _____

Corrective Action Taken _____

- Check all that Apply
- See attached e-mail/ fax
 - Client understands and would like to proceed with analysis
 - Cooling process had begun shortly after sampling event



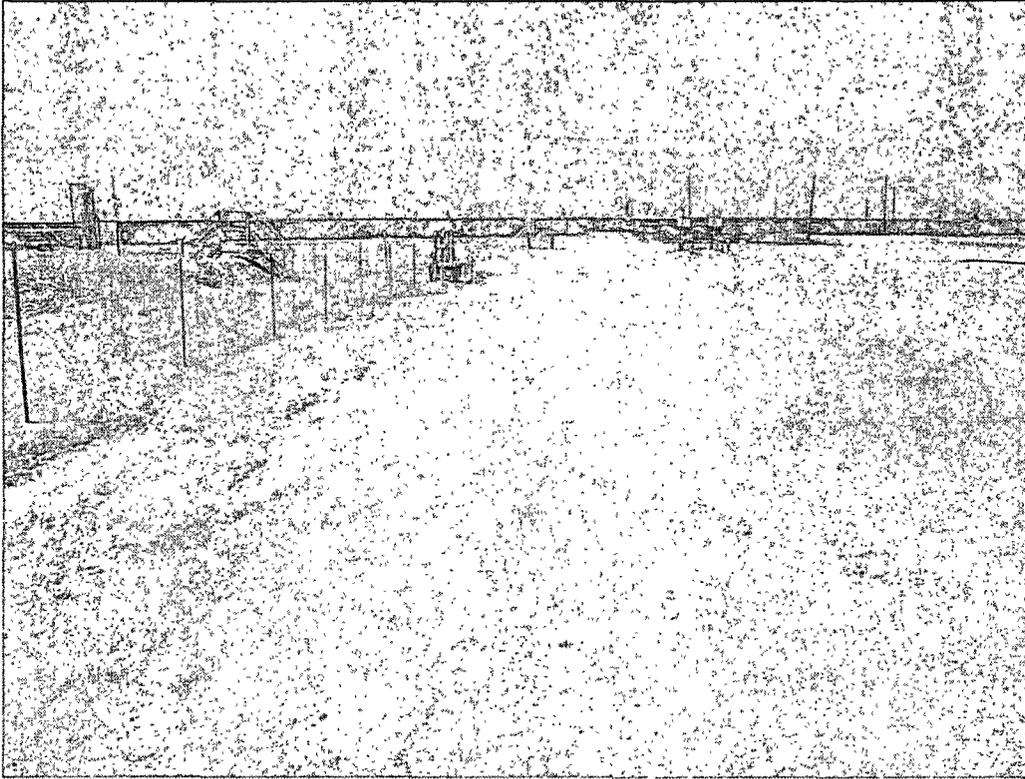
Appendix B
Photographs



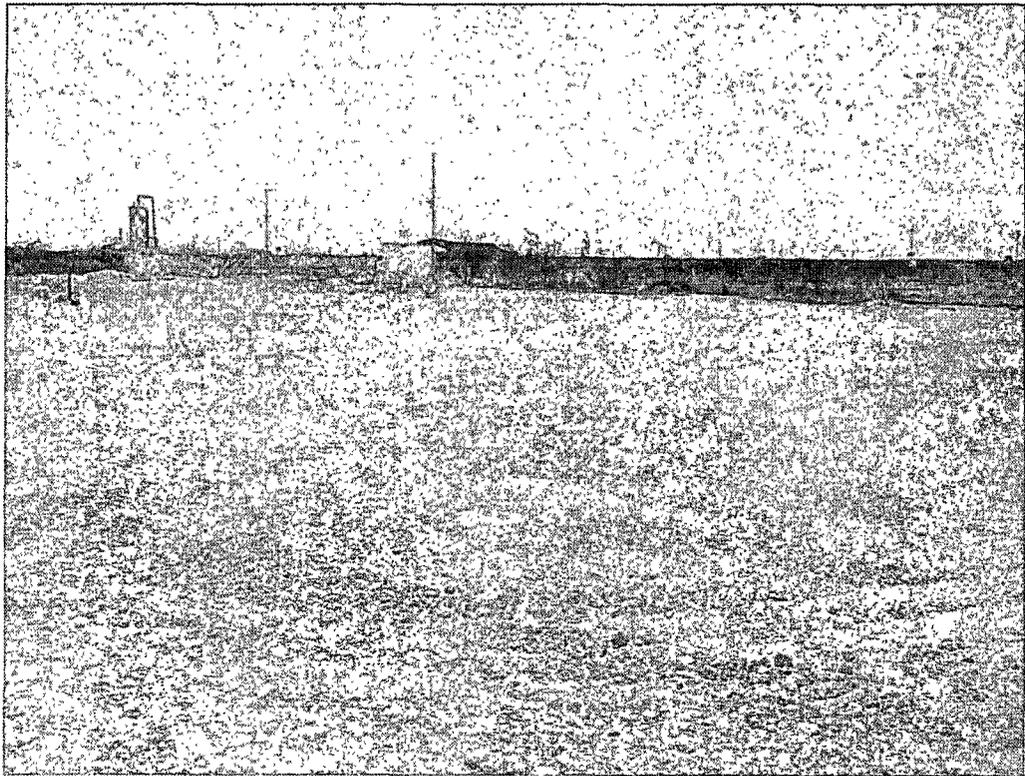
Southland Royalty 2-Inch Valve Release Site facing south



Southland Royalty 2-Inch Valve Release Site facing west



Southland Royalty 2-Inch Valve facing west



Southland Royalty 2-Inch Valve facing south

Appendix C
Release Notification and Corrective
Action (Form C-141)

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, LP | Contact | Jason Henry |
| Address | 2530 Hwy 214 – Denver City, Tx 79323 | Telephone No. | (575) 441-1099 |
| Facility Name | Southland Royalty 2-Inch Valve | Facility Type | Out-of-service LACT Unit Tie-in |

| | | | | | |
|---------------|-------------|---------------|--|-----------|--|
| Surface Owner | Deck Estate | Mineral Owner | | Lease No. | |
|---------------|-------------|---------------|--|-----------|--|

LOCATION OF RELEASE

NEARBY WELL 30.025.35766.00.00

| Unit Letter | Section | Township | Range | Feet from the | North/South Line | Feet from the | East/West Line | County |
|-------------|---------|----------|-------|---------------|------------------|---------------|----------------|--------|
| B | 9 | 21S | 37E | | | | | Lea |

Latitude N 32.49705° Longitude W 103.16452°

NATURE OF RELEASE

| | | | | | |
|-----------------------------|---|---|------------------------------------|----------------------------|------------------|
| Type of Release | Crude Oil | Volume of Release | 5 bbls | Volume Recovered | 1 bbls |
| Source of Release | 2" valve | Date and Hour of Occurrence | 01/17/2009 | Date and Hour of Discovery | 01/17/2009 11:45 |
| Was Immediate Notice Given? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required | If YES, To Whom? | Larry Johnson | | |
| By Whom? | Jason Henry | Date and Hour | 01/19/2009 @ 14:25 (voice message) | | |
| 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.*

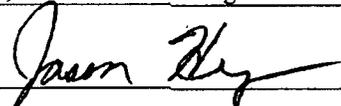
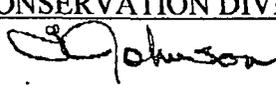
Describe Cause of Problem and Remedial Action Taken.*

A cow rubbed against a 2" valve handle causing the valve to open at a facility where the LACT unit had been removed causing a release of crude oil. The impacted caliche and soil was excavated and stockpiled to await transportation to an approved disposal facility.

Describe Area Affected and Cleanup Action Taken.*

Released crude oil stayed on the caliche location and pooled to the south and east of the 2" valve. Impacted area will be remediated per applicable 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.

| | | | |
|-----------------|---|---|-----------------------------------|
| Signature: |  | OIL CONSERVATION DIVISION | |
| Printed Name: | Jason Henry |  Approved by District Supervisor ENVIRONMENTAL ENGINEER | |
| Title: | Remediation Coordinator | Approval Date: | 1.29.09 |
| E-mail Address: | jhenry@paalp.com | Expiration Date: | 3.29.09 |
| Date: | 01-29-2009 | Phone: | (575) 441-1099 |
| | | Conditions of Approval: | Attached <input type="checkbox"/> |
| | | | 1187# 09.01.2068 |

* Attach Additional Sheets If Necessary

fGRL0905638412