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APPROVALS

YEAR(S):

5/2/2006



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

May 2, 2006

Ms. Camille Reynolds
Plains Marketing, L.P.
3112 West Highway 82
Lovington, NM 88260

RE: 2005 Annual Monitoring Reports
Various Plains Marketing, L.P. Sites

Dear Ms. Reynolds:

The New Mexico Oil Conservation Division (NMOCD) has received and reviewed the Annual Monitoring Reports shown below. All are accepted and approved with the understandings and conditions, if any, shown:

1. **TNM 97-17**; NE/4 SW/4 Section 21, Township 20 South, Range 37 East; EMS number TNM 97-17, NMOCD file AP-017; quarterly gauging and sampling will continue throughout 2006, the results of which will be reported in the 2006 Annual Monitoring Report due by April 1, 2007. The NMOCD expects a "Site Restoration Work Plan and Soil Closure Strategy Report" by June 30, 2006.
2. **Bob Durham**; NW/4 NW/4 Section 32, Township 19 South, Range 37 East; EMS number TNM LF2000-07; NMOCD file AP-016; quarterly monitoring and sampling will continue in 2006, the results of which will be reported in the 2006 Annual Monitoring Report due by April 1, 2007.
3. **Monument 17**; SE/4 NW/4 Section 29, Township 19 South, Range 37 East; EMS number TNM Monument-17-Known; NMOCD file 1R-0123; monitor well gauging and sampling, and product recovery will continue throughout 2006, the results of which will be reported in the 2006 Annual Monitoring Report due by April 1, 2007. The NMOCD expects a "Soil Investigation Work Plan" by June 30, 2006.
4. **Monument 10**; SE/4 NE/4 Section 30, Township 19 South, Range 37 East; EMS number TNM monument-10; NMOCD file 1R-0119; monitor well gauging and sampling, and product recovery will continue throughout 2006, the results of which will be reported in the 2006 Annual Monitoring Report due by April 1, 2007. The NMOCD expects a "Soil Investigation Work Plan" by June 30, 2006.
5. **Lea Station to Monument 6 Inch**; NE/4 SE/4 Section 5, Township 20 South, Range 37 East; EMS number 2001-11056; NMOCD file 1R-0404; monitor well gauging and sampling will continue throughout 2006, the results of which will be reported in the 2006 Annual Monitoring

Report due by April 1, 2007. The NMOCD expects a separate report on additional soil investigation/remediation by September 30, 2006.

6. **Monument Barber 10-Inch Sour**; SW/4 SW/4 Section 32, Township 19 South, Range 37 East; EMS number 2000-10655; NMOCD file 1R-0388; monitor well gauging and sampling will continue throughout 2006, the results of which will be reported in the 2006 Annual Monitoring Report due by April 1, 2007. The NMOCD expects a work plan, by June 30, 2006, to address further excavation of the sidewalls of the existing excavation for possible soil closure at the site.
7. **Monument 18**; NW/4 NW/4 Section 7, Township 20 South, Range 37 East; EMS number TNM Monument 18-Known; NMOCD file 1R-0124; monitor well gauging and sampling, and product recovery will continue throughout 2006, the results of which will be reported in the 2006 Annual Monitoring Report due by April 1, 2007. The NMOCD expects a "Soil Investigation Work Plan" by September 30, 2006.
8. **Monument 2**; SW/4 SW/4 Section 6, Township 20 South, Range 37 East and the NW/4 NW/4 Section 7, Township 20 South, Range 37 East; EMS number TNM Monument 2-Known; NMOCD file 1R-0110; monitor well gauging and sampling, and product recovery will continue throughout 2006, the results of which will be reported in the 2006 Annual Monitoring Report due by April 1, 2007. The NMOCD expects a "Soil Investigation Work Plan" by September 30, 2006.
9. **LF-59**; NW/4 SW/4 Section 32, Township 19 South, Range 37 East; EMS number TNM-LF-59; NMOCD file 1R-0103; monitor well gauging and sampling will continue throughout 2006, the results of which will be reported in the 2006 Annual Monitoring Report due by April 1, 2007.

NMOCD approval of these reports does not relieve Plains of liability should its operations at any of these sites prove to have been harmful to public health or the environment. Nor does it relieve Plains of its responsibility to comply with the rules and regulations of any other governmental agency.

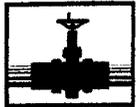
If you have any questions, contact me at (505) 476-3492 or ed.martin@state.nm.us

NEW MEXICO OIL CONSERVATION DIVISION



Edwin E. Martin
Environmental Bureau

Copy: NMOCD, Hobbs
Curt Stanley, NOVA



**PLAINS
Marketing, L.P.**

March 24, 2006

Mr. Ed Martin
New Mexico Oil Conservation Division
Environmental Bureau
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Re: Plains – Annual Monitoring Reports
16 Sites in Lea County, New Mexico

Dear Mr. Martin:

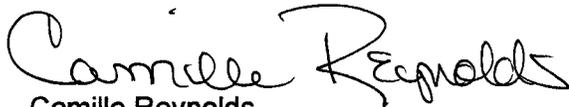
Plains All American is an operator of crude oil pipelines and terminal facilities in the state of New Mexico. Plains All American actively monitors certain historical release sites exhibiting groundwater impacts, consistent with assessments and work plans developed in consultation with the New Mexico Oil Conservation Division (NMOCD). In accordance with the rules and regulations of the NMOCD, Plains All American hereby submits our Annual Monitoring reports for the following sites:

TNM 97-17	Section 21, Township 20 South, Range 37 East, Lea County
TNM 97-18	Section 28, Township 20 South, Range 37 East, Lea County
TNM 98-05A	Section 26, Township 21 South, Range 37 East, Lea County
TNM 98-05B	Section 26, Township 21 South, Range 37 East, Lea County
TNM 97-04	Section 11, Township 16 South, Range 35 East, Lea County
Texaco Skelly "F"	Section 21, Township 20 South, Range 37 East, Lea County
Darr Angell #2	Sections 11 and 14, Township 15 South, Range 37 East, Lea County
LF-59	Section 32, Township 19 South, Range 37 East, Lea County
SPS-11	Section 18, Township 18 South, Range 36 East, Lea County
Monument #2	Sections 6 and 7, Township 20 South, Range 37 East, Lea County
Monument #10	Section 32, Township 19 South, Range 37 East, Lea County
Monument #17	Section 29, Township 19 South, Range 37 East, Lea County
Monument #18	Section 7, Township 20 South, Range 37 East, Lea County
Bob Durham	Sections 31 and 32, Township 19 South, Range 37 East, Lea County
Monument Barber 10" Sour	Section 32, Township 19 South, Range 37 East, Lea County
Lea Station to Monument 6"	Section 5, Township 20 South, Range 37 East, Lea County

Nova prepared these documents and has vouched for their accuracy and completeness, and on behalf of Plains All American, I have personally reviewed the documents and interviewed Nova in order to verify the accuracy and completeness of these documents. It is based upon these inquiries and reviews that Plains All American submits the enclosed Annual Monitoring Reports for the above facilities.

If you have any questions or require further information, please contact me at (505) 441-0965.

Sincerely,

A handwritten signature in cursive script that reads "Camille Reynolds". The signature is written in black ink and is positioned above the printed name and title.

Camille Reynolds
Remediation Coordinator
Plains All American Pipeline

CC: Larry Johnson, NMOCD, Hobbs, New Mexico

Enclosure