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APPROVALS

YEAR(S):

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

April 6, 2006

Ms. Camille Reynolds
Plains All American Pipeline, L.P.
3112 West Highway 82
Lovington, NM 88260

RE: 2005 Annual Monitoring Report, Dated February 2006
Hobbs Junction Mainline Site
Reference 2003-00017
NMOCD File Number AP-0054
UL-M, Section 26, Range 37 East, Township 18 South
Lea County, New Mexico

Dear Ms. Reynolds:

The New Mexico Oil Conservation Division (NMOCD) has received and reviewed the report shown above, which is hereby accepted and approved with the following understandings and conditions:

1. The recovery system at the site will continue to be monitored semi-weekly to record water and PSH levels.
2. Plains will install the two additional monitor wells (MW-18 and MW-19) previously approved by the NMOCD.
3. The installation of one additional monitor well (MW-20) approximately 75 feet southeast of monitor well MW-11 is hereby approved.
4. Quarterly sampling and analysis of the groundwater monitoring wells without PSH impact and without eight consecutive quarters of results below the WQCC groundwater standards will continue throughout 2006.
5. Annual sampling and analysis frequency for monitor wells MW-7, MW-8, MW-9, and MW-13 is hereby approved.
6. Analysis of all wells will include BTEX quarterly and PAH's annually.
7. Plains will continue to monitor the Klein irrigation well annually. If impact is detected during quarterly monitoring of MW-13, the Klein irrigation well will be sampled and analyzed for BTEX and PAH immediately. The impact in MW-13 must be reported to the NMOCD immediately upon discovery.
8. Plains will develop an interim soil remediation plan for the site and submit it to the NMOCD by June 30, 2006.

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9. Plains will submit a 2006 Annual Monitoring Report describing the above activities, and any other activities at the site, by April 1, 2007.

NMOCD approval does not relieve Plains of liability should its operations at this site 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
Pat McCasland, EPI