

CORRESPONDENCE

MISC.

Group Environmental Management Company

11234

March 26, 2003

RECEIVED

MAR 28 2003

ENVIRONMENTAL BUREAU
OIL CONSERVATION DIVISION

Mr. James R. Byrd,
Mr. Raymond L. Byrd
Mr. Robert C. Byrd
c/o Byrd Ranch
P.O. Box 32
Monument, New Mexico 88265

Subject: **Environmental Access, Settlement and Release Agreement**
Byrd Pump Release Site - Monument, New Mexico

Dear Messrs. Byrd:

Enclosed please find an *Environmental Access, Settlement and Release Agreement* (hereafter referred to as the "Agreement") for the above-referenced site, which is located on your property in Lea County, New Mexico. The purpose of this Agreement is to provide settlement for all past claims, to allow for additional property access so that BP Pipelines (North America) Inc. (BP Pipelines) can continue to perform work as required by the New Mexico Oil Conservation Division (NMOCD), and as compensation for and a release of all further claims which you have asserted against BP Pipelines. This letter also stands to verify that BP Pipelines has abided by the framework outlined in the ARCO Pipeline Company (APL) letter to you dated April 3, 2000, as follows:

1. ***"APL will be responsible for excavating and removing all contaminated soil from the Byrd pump site."***

Approximately 71,000 cubic yards ("cu. yds.") of soil, an estimated 32,000 cu. yds. of which required remediation due to residual hydrocarbon impacts, were excavated from the site.

2. ***"APL will remediate soil on property previously leased from the Byrd Ranch, this property is located adjacent and to south of the Byrd pump site."***

The estimated 32,000 cu. yds. of soil requiring remediation was stockpiled and landfarmed on acreage leased from you in accordance with a Lease Agreement dated May 13, 1999.

3. ***"APL or its contractor will remediate the soil until a 100-ppm TPH is achieved."***

The estimated 32,000 cu. yds. of soil have been remediated. Final soil sampling from the landfarmed/remediated soil will be conducted to confirm that total petroleum hydrocarbon (TPH) concentrations are below 100 parts per million (ppm). Soils meeting this standard have been approved by the NMOCD for replacement as backfill in the excavation.



4. ***“APL will pay the Byrd Ranch for backfill soil. A portion of the backfill soil will originate from the property leased by APL. The remainder will originate from designated Byrd Ranch property for the agreed on price of \$5.00/cu. yd.”***

The NMOCD has determined that all of the landfarmed/remediated soil can be returned to the excavation as backfill with the stipulation that TPH concentrations do not exceed 100 ppm. Therefore, BP Pipelines will not need to acquire or purchase additional backfill material from elsewhere on the Byrd Ranch property. However, in the event that additional soil is required to complete backfilling the excavation to grade, BP Pipelines is willing to offer payment of \$5.00/cu.yd. for appropriate soil acquired from elsewhere on the Byrd Ranch property consistent with the original agreement.

5. ***“APL will pay the Byrd Ranch \$5.00/cu. yd. for on-site remediation of oily soil.”***

Our records indicate that BP Pipelines and/or its predecessor, APL, has already compensated the Byrd Ranch a total of \$160,000 for the 32,000 cu. yds. of oily soil excavated, landfarmed, and remediated in association with remedial activities conducted at the site.

6. ***“APL will leave the remediated soil on the remediation site after the 100-ppm TPH is achieved.”***

As mentioned above, instead of leaving the remediated soil on the remediation site, the NMOCD has approved use of this remediated soil as backfill and has authorized BP Pipelines to return the remediated soils to the excavation.

7. ***“The Byrd Ranch will make other property available if needed for on-site remediation [and] a lease will be negotiated at this time.”***

A Lease Agreement between the Byrd Ranch and APL, BP Pipelines' predecessor affiliate, was signed on May 13, 1999, for the purposes of utilizing a portion of the Byrd Ranch for landfarming/remediating the 32,000 cu. yds. of oily soil excavated from the site. Compensation of \$3,600 per year for this landfarming was to be paid to the Byrd Ranch. According to BP Pipelines' records, all required payments for the landfarming activity have been made under this Lease Agreement through May 15, 2003, for a total of \$14,400 to date.

8. ***“APL and the Byrd Ranch will negotiate a settlement for damages and reseedling of the Byrd pump site and remediation site upon completion.”***

Upon completion of remediation, final site restoration activities will include backfilling the excavation (as discussed above), re-grading the surface of the former excavation area to match the surrounding undisturbed area, and plugging and abandonment of the groundwater monitoring wells. The enclosed *Environmental Access, Settlement and Release Agreement* includes compensation for settlement of damages for the area affected by the release, and for

the Byrd Ranch to perform and manage reseeding/revegetation of the area disturbed by response action activities.

In accordance with the framework of the April 3, 2000 letter, summarized above, and to facilitate the orderly completion of necessary response actions at this site pursuant to directives from the NMOCD, the enclosed Agreement addresses a settlement designed to document our cooperative understandings and to provide you with fair compensation for the required access to your Property. The Agreement also proposes to resolve and document the settlement of all remaining disputes concerning any payments due under your prior agreement with APL. The table shown below summarizes the monetary payments to be made pursuant to the enclosed Agreement.

Table 1
Summary of Proposed Additional Compensation
Environmental Access, Settle and Release Agreement
Byrd Pump Site
Monument, New Mexico

<i>Item</i>	<i>Amount of Proposed Settlement</i>
Excess acreage used for landfarming activities	\$33,600
Installation and maintenance of four monitor wells	\$2,400
Backfilling excavation with remediated soil	\$25,000
Final site restoration	\$10,000
Total Settlement Offer	\$71,000

- **Additional compensation for the landfarm:** APL and the Byrd Ranch entered into a Lease Agreement on May 13, 1999. The terms of the agreement indicated that three (3) acres of land would be leased for the purposes of landfarming/remediating the oily soil removed from the excavation. APL agreed to pay a fee of \$3,600 per year (or \$100 per acre per month) for this leased property. Payment has been made to the Byrd Ranch through May 13, 2003, for a total of \$14,400 paid to date. However, you have indicated that the area disturbed and occupied by the landfarming activity exceeded the three acres contemplated in the Lease, and actually encompassed approximately eight to ten acres. Therefore, the enclosed Agreement proposes to compensate the Byrd Ranch for an additional seven acres reportedly used for landfarming of contaminated soils since April 2000. Commensurate with the rate agreed upon in the aforementioned lease, a payment of \$33,600 (\$100 per acre per month for seven additional acres over the past four years) is offered to settle this claim.
- **Compensation to drill and maintain four (4) monitoring wells at the site:** BP Pipelines is willing to compensate Byrd Ranch for the installation and maintenance of the four (4) monitoring wells required by NMOCD. The enclosed Agreement includes a lump sum compensation payment amount of \$2,400 for the installation and maintenance of monitoring wells associated with the site at the Byrd Ranch. The compensation amount is based on a payment schedule of \$300 per well per annum for up to two years. We anticipate that these

wells will be present no longer than two years from the date of installation; however, the NMOCD has ultimate authority regarding the completion of all required monitoring work and the time period during which BP Pipelines may be required to maintain the wells to satisfy its groundwater monitoring obligation. In the event that NMOCD requires BP Pipelines to maintain the wells beyond the two-year period projected herein, BP Pipelines will tender payment of additional compensation for each such additional annual period in accordance with the compensation rate set forth above.

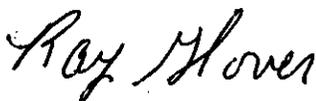
- **Compensation for backfilling the excavation:** Although BP Pipelines is now able to utilize all soils excavated for remediation as backfill material, rather than acquiring "clean" material from elsewhere on your property as initially proposed in the above-referenced APL letter, BP Pipelines is offering a lump sum payment of \$25,000 for settlement of this issue and your consent to proceed with the backfilling operations.

Lastly, to address Item No. 8 from the aforementioned APL letter, the enclosed Agreement includes a compensation amount of \$10,000 for settlement of any property damages and to compensate the Byrd Ranch for costs it may incur to perform and manage reseeding/re-vegetation of the area affected by the release.

BP Pipelines is eager to settle these issues with the Byrd Ranch so that response actions can be completed at the site. If a written response to this offer accepting the proposed settlement is not received from you within 30 days of your receipt of this letter, we will be compelled to advise the NMOCD that you are unwilling to reasonably cooperate in granting us access to your property to complete the remaining required response action. This proposed settlement offer is made in the interests of reaching a prompt and reasonable settlement of all disputed claims and avoiding unproductive and costly legal proceedings. Nothing contained in this letter or the enclosed Agreement is intended or shall be construed as an admission of liability or responsibility for any claims or damages by BP Pipelines, all of which are hereby expressly disclaimed. BP Pipelines expressly reserves all of its rights and defenses and nothing herein or in the attached Agreement is intended or shall be construed as a waiver of any rights, claims or defenses by BP Pipelines.

We believe it is in the best interests of BP and the Byrd Ranch to proceed with this work as soon as practical. If you have any questions about the proposed work, please do not hesitate to contact me at 630.434.6570.

Sincerely,



Ray Glover
Environmental Business Manager

cc: James Lucari – BP Group Legal
Mark Smith – Delta Environmental Consultants, Inc.
Shannon Hoover – URS Corporation

~~Mr. Bill Olser~~
New Mexico Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, NM 87505

ENVIRONMENTAL ACCESS, SETTLEMENT AND RELEASE AGREEMENT

THIS ENVIRONMENTAL ACCESS, SETTLEMENT AND RELEASE AGREEMENT (hereinafter referred to as the "Agreement") is made and entered into as of this ___ day of April, 2003 by and between the Byrd Ranch and James R. Byrd, Raymond L. Byrd, and Robert C. Byrd (hereinafter referred to collectively as "Grantors") and BP Pipelines (North America) Inc. (hereinafter "Grantee").

RECITALS

A. Grantors own certain real property and improvements commonly referred to as the Byrd Ranch, Monument, Lea County, New Mexico, and legally described as W/2, W/2 E/2 of Section 12, Township 20 South, Range 36 East (hereinafter referred to as the "Property");

B. Grantee, through its predecessors and/or affiliates, is the former owner of certain pipeline assets, and related right of way interests, easements and/or lease rights on or in the vicinity of the Property;

C. Soils and groundwater impacted by crude oil have been confirmed in the immediate vicinity of a booster pump owned and operated by Grantee's predecessor (the "Release"), which is located within the boundaries of Property;

D. Grantee has responded to the Release with the performance of field investigations and remedial actions (including excavation and landfarm treatment of impacted materials) in response to the soil and groundwater contamination on and beneath the Property. In furtherance of this response, Grantors and Grantee desire to fully resolve all questions of liability and compensation with respect to any damages to the Property which may have occurred as a result of the Release through and including the completion of all investigation and remedial activities authorized herein;

E. Grantee has requested from Grantors authorization to enter the Property for the purpose of completing investigation and monitoring of potential residual groundwater impacts related to the Release, and completing remedial actions (backfilling of the excavation with remediated soils currently landfarmed at the Property) as deemed appropriate by BP Pipelines in its sole discretion or as directed by the New Mexico Oil Conservation Division; and

F. Grantors have agreed to authorize Grantee to conduct such investigations and remedial actions on the Property, subject to the terms and conditions hereinafter set forth.

NOW THEREFORE, in consideration of the above premises and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Grantors and Grantee hereby agree as follows:

AGREEMENT

1. Incorporation of Recitals. The foregoing recitals are hereby incorporated into this Agreement by reference as if fully set forth herein.

2. Grant of License. As herein acknowledged below, Grantors grant to Grantee, including its employees, consultants, contractors and agents, a temporary non-exclusive license to enter onto, over and across the Property for a term of twenty four (24) months from the Effective Date (as defined below) or until such time as no further action is required by the New Mexico Oil Conservation Division, whichever occurs later, for the purposes of: a) performing a groundwater assessment to determine the extent of any residual hydrocarbon impacts resulting from the Release, b) completing remedial actions (including management of landfarmed soils) that may be necessary to address such Release, and (c) such other activities necessarily incident thereto (hereinafter the "Work," as further described below). Grantee shall have such rights of ingress and egress onto, over and at the Property as may be reasonably necessary to perform the Work, which access rights shall include drill rigs, equipment and other support vehicles as may be required to perform or observe the Work. Grantor further acknowledges that representatives of the New Mexico Oil Conservation Division and/or other local governmental authorities may wish to enter the Property for purposes of observing the Work and hereby further authorizes such governmental representatives to enter the Property for such purposes.

3. Scope of Work. During the term of this temporary license, Grantee shall have the right to perform groundwater monitoring, sampling and remediation activities as necessary to comply with applicable regulations. The Work may include the installation, sampling and maintenance of monitoring wells, sampling of landfarmed soils, backfilling of excavations, and such remedial or corrective actions as are deemed appropriate to the conditions encountered. All waste materials generated during these activities, including any excavated materials that continue to exceed regulatory action levels after all appropriate landfarm treatment, will be segregated and temporarily stored in an appropriate manner until removal from the Property for offsite disposal can be arranged. Grantee shall be responsible for management and handling of such waste at its sole cost.

4. Lessee's Use and Enjoyment of Property/Restoration. Grantee shall use reasonable care to minimize any disruption to Grantor's use and enjoyment of the Property and any impacts to the surface of the Property during performance of the Work. Upon completion of the Work, receipt of a regulatory closure determination from the New Mexico Oil Conservation Division, and on or before termination of the temporary license term, Grantee shall re-grade the former excavation to match the surrounding undisturbed area, remove promptly its equipment from the Property, and properly plug and abandon the groundwater monitoring wells in accordance with all applicable regulations. In consideration for a payment of \$10,000, which comprises a part of the lump sum compensation payment described in paragraph 7, below, Grantors agree to assume full and complete responsibility for performance of any reseedling/re-vegetation activities that Grantors may elect to undertake at their sole discretion in areas of the

Property that have been disturbed, including any areas impacted by the Release, all corrective or response actions (including any excavation areas or borrow pits) the area of any landfarming activity and/or any other areas disturbed during the Work. .

5. Schedule for Work. Grantee shall provide Grantors with at least three days notice of the date Grantee anticipates that it will initiate Work on the Property and shall coordinate its on-going access to the Property with Grantors through Grantors' designated representative, Mr. James R. Byrd. Grantee shall further notify Grantors when it has completed all sampling activities and abandoned its monitoring wells.

6. Investigation Report. Grantee shall provide Grantors with a copy of its investigation, monitoring, and remedial action reports at the time such reports are submitted to the New Mexico Oil Conservation Division.

7. Compensation. In consideration for the rights of access granted hereunder and in full, fair and complete settlement of all claims, demands, causes of action (whether arising in tort, contract or otherwise), damages (whether denominated as crop loss, property damage, interference with or impairment of the use or quiet enjoyment of the Property, diminution in property value, impairment of mineral or water rights, damage to natural resources or otherwise), costs, expenses and liabilities, arising from or relating to any alleged or actual impacts (whether known or unknown) to the surface and subsurface estate of the Property resulting from the Release or the Work and occurring at any time before the expiration of the term of this Agreement, and in further settlement of any and all disputes arising under that certain Lease Agreement between ARCO Pipe Line Company for the Byrd Ranch dated May 13, 1999 and that certain ARCO Pipeline Company Letter to Mr. James R. Byrd dated April 3, 2000, Grantee agrees to tender to Grantors a lump sum payment of \$71,000 within fifteen (15) days of the date Grantors execute and return this Agreement. This lump sum payment shall be made by check payable to the Grantors. Grantors shall be collectively responsible for determining an appropriate allocation and distribution of Grantee's monetary payment hereunder among themselves and the Estate of William C. Byrd, including all heirs claiming any right to all or any portion of such payment by or through the Estate, if any. The Grantors individually and jointly hereby further agree to indemnify, defend and save harmless BP Pipelines, including its officers, directors, employees, agents, shareholders, parents, affiliates, predecessors, successors and assigns, from and against any claims, demands or legal actions instituted by or on behalf of the Estate of William C. Byrd, its heirs, beneficiaries, distributees and assignees, or any other person or entity claiming by or through them, for all amounts paid to Grantors hereunder or otherwise covered by this Agreement.

8. Release and Covenant Not To Sue. In return for the lump sum payment provided hereunder, Grantors, on behalf of themselves and each of their respective heirs, successors, assigns and all subsequent transferees of the Property, or any other person or legal entity asserting or purporting to assert any right, cause of action, claim, demand or interest by or through Grantors or any such party designated above, hereby release, acquit, forever discharge and covenant not to sue BP Pipelines (North America) Inc., and

each of its, officers, directors, employees, agents, shareholders, parents, affiliates, predecessors, successors and assigns for those matters covered by this Agreement.

9. Notices. All notices and other communications contemplated by this Agreement shall be given in person, electronically or by regular mail to the following persons:

Grantor:

Mr. James R. Byrd,
c/o Byrd Ranch
P.O. Box 32
Monument, NM 88265

Grantee:

Ray Glover
BP Pipelines (North America) Inc. (MC 7093A)
801 Warrenville Road
Lisle, IL 60532

and

James L. Lucari
Senior Attorney
BP America Inc. (MC 4 West)
4101 Winfield Road
Warrenville, IL 60555

10. Entire Agreement. This Agreement embodies the entire agreement and understanding of the parties hereto in respect of the subject matter addressed herein. There are no obligations, promises, warranties, covenants or undertakings, other than those expressly set forth or referred to in this Agreement. This Agreement supersedes all prior agreements and understandings (whether oral or written) between the parties with respect to the subject matter hereof, and all such agreements and understandings shall be deemed to be merged with and into this Agreement, such that this Agreement shall govern the relationship and understandings of the parties on and after its Effective Date.

11. No Admission. Grantor acknowledges that all payments made hereunder are made in settlement of disputed amounts and neither the existence of this Agreement nor any payment or performance of activities hereunder shall be construed as an admission of liability or responsibility or a waiver of any rights or defenses by Grantee. This Agreement shall not be introducible as evidence by any party in any legal proceeding, except a suit to enforce its terms.

12. Confidentiality. This Agreement is private and confidential. Absent compulsory process or other order of a court with jurisdiction, the parties shall not disclose the terms of this Agreement to any person or entity other than the parties, their attorneys, accountants, or other persons or entities identified herein who have a need to know, except upon the express written consent of the other parties.

13. Governing Law. This Agreement shall be interpreted and enforced in accordance with the laws of the State of New Mexico.

14. Effective Date and Termination. This Agreement and the License granted herein shall become effective as of the date first set forth above upon execution of the Agreement by Grantors and Grantee and shall continue in force for a period of twenty-four (24) months thereafter or until such time as otherwise provided herein.

15. Survival of Certain Terms. Notwithstanding anything to the contrary contained herein, the releases and covenants set forth in paragraphs 7, 8, 10 and 11 above shall survive the termination of this Agreement indefinitely or for the maximum period of time allowed under applicable law.

16. Authorization and Counterparts. The undersigned hereby acknowledge, warrant and represent that they are authorized and legally competent to enter into this Agreement and have full authority to consent to the actions contemplated hereunder and that no further consents are required. This Agreement may be executed in counterparts, each of which shall constitute an original and all of which taken together shall constitute one and the same instrument.

IN WITNESS WHEREOF, this Agreement is made and entered into as of the day and year first above written.

GRANTORS:

By: _____
James R. Byrd, Owner

By: _____
Raymond L. Byrd, Owner

Date: _____
Tax Id. No. = _____

Date: _____
Tax Id. No. = _____

By: _____
Robert C. Byrd, Owner

Date: _____
Tax Id. No. = _____

GRANTEE:

BP PIPELINES (North America) Inc.

By:

Ray Glover
Environmental Business Manager
Group Environmental Management Company
a BP affiliated company



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Betty Rivera
Cabinet Secretary

Lori Wrotenbery
Director
Oil Conservation Division

October 11, 2002

CERTIFIED MAIL
RETURN RECEIPT NO. 7001-1940-0004-7923-0544

Mr. Ray Glover
BP Pipeline (North America), Inc.
Mail Code 7039A
801 Warrenville Rd.
Lisle, Illinois 60532

RE: CASE #1R0034
BYRD PUMP SITE
MONUMENT, NEW MEXICO

Dear Mr. Glover:

The New Mexico Oil Conservation Division (OCD) has reviewed BP Pipeline (North America), Inc.'s (BP) March 12, 2002 "WORK PLAN FOR EXCAVATION BACKFILLING AND QUARTERLY GROUNDWATER MONITORING, BP PIPELINES (NORTH AMERICA), INC., BYRD PUMP RELEASE SITE, MONUMENT, NEW MEXICO" which was submitted on behalf of BP by their consultant URS Corporation. This document contains BP's work plan for backfilling remediated soil into the onsite excavation, installation of ground water monitoring wells and ground water quality sampling at the Byrd Pump Release Site southwest of Monument, New Mexico.

The above-referenced work plan is approved with the following conditions:

1. The excavation may be backfilled with landfarmed soils that meet the OCD's guidance criteria of 100 ppm for this area.
2. The monitor wells shall be completed with at least 5 feet of well screen above the top of the water table.
3. All soil and ground water quality samples shall be obtained and analyzed using EPA approved methods and quality assurance/ quality control procedures.

Please be advised that OCD approval does not relieve BP of responsibility if the work plan fails to adequately remediate contamination at the site, or if contamination exists that is outside the scope of the work plan. In addition, OCD approval does not relieve BP of responsibility for compliance with any other federal, state or local rules and regulations.

If you have any questions, please call me at (505) 476-3491.

Sincerely,



William C. Olson
Hydrologist
Environmental Bureau

xc: Chris Williams, OCD Hobbs District Supervisor
Shannon Hoover, URS Corporation

RECEIVED**MAR 13 2002**

March 12, 2002

ENVIRONMENTAL BUREAU
OIL CONSERVATION DIVISION

Mr. Bill Olson
New Mexico Energy, Minerals & Natural Resources Department
Oil Conservation Division
2040 South Pacheco
Santa Fe, New Mexico 87505

RE: *Work Plan for Excavation Backfilling and Quarterly Groundwater Monitoring*
BP Pipelines (North America), Inc.
Byrd Pump Release Site, Monument, New Mexico

Dear Mr. Olsen:

Please find enclosed a *Work Plan for Excavation Backfilling and Quarterly Groundwater Monitoring* for the above referenced site. BP requests concurrence of the proposed sampling and analysis as outlined in this work plan for landfarmed soils that will be used as backfill in the excavation. Based on the results of the sampling and analysis, BP will (under separate cover) request concurrence on the use of the soils as backfill prior to performing the backfilling activities. It is BP's intent to gain concurrence from NMOCD on the use of the landfarmed soils as backfill prior to initiating the backfilling activities. Additionally, BP requests concurrence of the proposed groundwater investigation to be performed concurrently with the excavation backfilling activities.

If you have any questions or comments regarding the content of this document, please do not hesitate to call myself or Mark Smith with Delta Environmental Consultants at 972-516-0890.

Sincerely,



Rick Nelson
Project Manager

cc: Chris Williams, NMOCD- Hobbs, NM
Mark Smith, Delta Environmental Consultants, Plano, Texas

Olson, William

From: Olson, William
Sent: Thursday, February 07, 2002 8:38 AM
To: 'Rick_Nelson@urscorp.com'
Subject: RE: Byrd Pump Site Case #1R0034 - Work Plan for Well Installation



William Olson

Dear Mr. Nelson

BP's request to extend the deadline for submission of a work plan to install monitoring wells at the Byrd Pump Site (Case #1R0034) is approved. BP shall submit the work plan by March 10, 2002. If you have any questions please contact me.

Sincerely,

William C. Olson
Hydrologist
NMOCD Environmental Bureau

-----Original Message-----

From: Rick_Nelson@urscorp.com [mailto:Rick_Nelson@urscorp.com]
Sent: Thursday, February 07, 2002 7:49 AM
To: Olson, William
Subject: Byrd Pump Site Case #1R0034 - Work Plan for Well Installation

Dear Mr. Olson:

BP Pipeline, Inc. hereby requests a 30 day extension for a work plan submittal to install monitoring wells at the above referenced site. The extension is requested in order to allow BP to negotiate an access agreement with the land owner for the well installation. Please respond to myself as I will be issuing the work plan from my office.

Thank You for your time,



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Jennifer A. Salisbury
Cabinet Secretary

Lori Wrotenbery
Director
Oil Conservation Division

December 10, 2001

CERTIFIED MAIL
RETURN RECEIPT NO. 5357-8079

Mr. Ray Glover
BP Pipeline (North America), Inc.
Mail Code 7039A
801 Warrenville Rd.
Lisle, Illinois 60532

RE: CASE #1R0034
BYRD PUMP SITE
MONUMENT, NEW MEXICO

Dear Mr. Glover:

The New Mexico Oil Conservation Division (OCD) has reviewed BP Pipeline (North America), Inc.'s (BP) May 8, 2001 "SOIL REMEDIATION REPORT, BP PIPELINES (NORTH AMERICA), INC., BYRD PUMP RELEASE SITE, MONUMENT, NEW MEXICO" which was submitted on behalf of BP by their consultant URS Corporation. This document contains the results of BP's soil and ground water remediation activities at the Byrd Pump Release Site southwest of Monument, New Mexico. The document also requests closure of the site based upon the results of soil and ground water sampling.

The soil investigation and remediation actions taken to date are satisfactory. The OCD understands that the excavation is still currently open. The OCD requires that BP backfill the excavation. The excavation may be backfilled with landfarmed soils that meet the OCD's guidance criteria of 100 ppm for this area. If landfarmed soils are used for backfill, the OCD requires that a soil confirmation sample be taken for every 100 yards of backfill and analyzed for concentrations of BTEX and TPH using EPA approved methods, and that BP submit a report to the OCD containing the backfill results.

Since ground water at the site was originally contaminated in excess of New Mexico Water Quality Control Commission (WQCC) standards, the OCD cannot issue final closure approval until BP can demonstrate that ground water at the site is below WQCC standards for 4 consecutive quarters. The OCD requires that BP submit a work plan to install ground water monitoring wells to meet this objective. The work plan shall be submitted to the OCD Santa Fe Office by February 10, 2002 with a copy provided to the OCD Hobbs District Office.

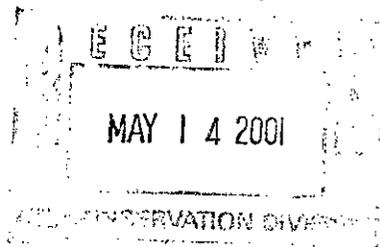
If you have any questions, please call me at (505) 476-3491.

Sincerely,

A handwritten signature in black ink, appearing to read "William C. Olson". The signature is fluid and cursive, with the first name being the most prominent.

William C. Olson
Hydrologist
Environmental Bureau

xc: Chris Williams, OCD Hobbs District Supervisor
Rick Nelson, URS Greiner Woodward Clyde



May 8, 2001

Mr. Bill Olson
New Mexico Energy, Minerals & Natural Resources Department
Oil Conservation Division
2040 South Pacheco
Santa Fe, New Mexico 87505

RE: Soil Remediation Report
BP Pipelines (North America), Inc.
Byrd Pump Release Site, Monument, New Mexico

Dear Mr. Olsen:

Please find enclosed a *Soil Remediation Report* for the above referenced site. Results of the soil remediation activities have indicated that the site meets the NMOCD soil remediation guidelines; therefore, BP Pipelines (North America), Inc. requests site closure and no further action based on the results of the soil remediation.

Sincerely,

Rick Nelson
Project Manager

cc: Donna Williams, NMOCD- Hobbs
Michelle Chillson, Earth Tech -- Oak Brook, IL

Olson, William

From: Olson, William
Sent: Monday, June 26, 2000 10:10 AM
To: 'Rick_Nelson@urscorp.com'
Subject: RE: Byrd Pump Site - Lea county NM

The below referenced extension request is approved.

From: Rick_Nelson@urscorp.com [SMTP:Rick_Nelson@urscorp.com]
Sent: Friday, June 23, 2000 10:29 AM
To: Olson, William
Cc: Williams, Donna
Subject: RE: Byrd Pump Site - Lea county NM

Dear Mr. Olson: ARCO Pipe Line company (APL) requests an extension for submittal of the below referenced report. As of June 23, 2000 overexcavation is still in progress as the impacted soils appear to extend out from the release point farther than expected. APL is currently removing the impacted soil located just above the water table at 35 feet below grade. At this time the estimated completion date for the overexcavation is sometime in August. APL requests that the due date for the report documenting the soil remediation be extended to September 11, 2000. Please call or e-mail if you have any questions or comments.

Sincerely,
Rick Nelson
URS Corp. Project Manager
512-419-5305 (office)
rick_nelson@urscorp.com



Rick J. Nelson
Project Manager/Hydrogeologist

URS Corporation
P.O. Box 201088
Austin, TX 78720-1088
8501 North Mopac Boulevard
Austin, TX 78759
Tel: 512.419.5320
Direct: 512.419.5305
Fax: 512.419.5445
rick_nelson@urscorp.com

Bill

*NO
more

Soil
samples

* Send
by email
to Bill
&
Rick

areo

Byrd

site

Sent
e-mail
Photos

on Oct-16-2000



PHONE (916) 673-7001 • 2111 BEECHWOOD • ABILENE, TX 79603

PHONE (505) 393-2328 • 101 E. MARLAND • HOBBS, NM 88240

ANALYTICAL RESULTS FOR
 CJR CONTRACTORS
 ATTN: J.L. HAM
 401 WEST BROADWAY
 DENVER CITY, TX 79323
 FAX TO:

Receiving Date: 08/28/00
 Reporting Date: 08/29/00
 Project Number: NOT GIVEN
 Project Name: BYRD PUMP
 Project Location: MONUMENT, NM

Sampling Date: 08/28/00
 Sample Type: SOIL
 Sample Condition: COOL & INTACT
 Sample Received By: AH
 Analyzed By: BC

LAB NO.	SAMPLE ID	BENZENE (mg/Kg)	TOLUENE (mg/Kg)	ETHYL BENZENE (mg/Kg)	TOTAL XYLENES (mg/Kg)
ANALYSIS DATE		08/28/00	08/28/00	08/28/00	08/28/00
H5128-7	SAMPLE #7 COMPOSITE	<0.005	<0.005	<0.005	<0.015
Quality Control		0.090	0.097	0.097	0.294
True Value QC		0.100	0.100	0.100	0.300
% Recovery		88.9	97.2	98.9	97.9
Relative Percent Difference		2.8	8.8	5.5	4.8

METHOD: EPA SW 846-8021B, 5030, 5021 Gas Chromatography

Burgess J. Cook
 Chemist

8/29/00
 Date

H5128B.XLS

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 causes 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 (606) 393-2328 • 101 E. MARLAND • HOBBS, NM 88240

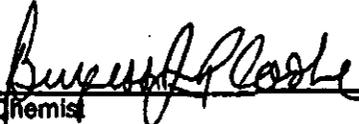
ANALYTICAL RESULTS FOR
CJR CONTRACTORS
ATTN: J.L. HAM
401 WEST BROADWAY
DENVER CITY, TX 79323
FAX TO:

Receiving Date: 08/28/00
Reporting Date: 08/29/00
Project Number: NOT GIVEN
Project Name: BYRD PUMP
Project Location: MONUMENT, NM

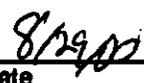
Sampling Date: 08/28/00
Sample Type: SOIL
Sample Condition: COOL & INTACT
Sample Received By: AH
Analyzed By: BC

LAB NUMBER	SAMPLE ID	GRO (C ₈ -C ₁₀) (mg/Kg)	DRO (>C ₁₀ -C ₂₆) (mg/Kg)
ANALYSIS DATE:		08/28/00	08/28/00
H5126-1	SAMPLE #1 30-32'	<50	67.1
H5126-2	SAMPLE #2 30-32'	<50	<50
H5126-3	SAMPLE #3 30-32'	<50	<50
H5126-4	SAMPLE #4 30-32'	<50	<50
H5126-5	SAMPLE #5 30-32'	<50	<50
H5126-6	SAMPLE #6 30-32'	<50	125
Quality Control		822	956
True Value QC		1000	1000
% Recovery		82.2	95.6
Relative Percent Difference		4.5	9.5

METHOD: SW-846 8015 M



Chemist



Date

H5126A.XLS

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.

Olson, William

From: Olson, William
Sent: Thursday, April 06, 2000 1:56 PM
To: 'Rick_Nelson@urscorp.com'
Cc: Williams, Donna
Subject: RE: Byrd Pump Site - Lea county NM

The below April 4, 2000 soil remediation plan is approved on the condition that Arco submit a report on the actions to the OCD Santa Fe Office by June 9, 2000 with a copy provided to the OCD Hobbs District Office.

Please be advised that OCD approval does not relieve Arco of liability if the plan fails to adequately remediate contamination related to Arco's activities. In addition, OCD approval does not relieve Arco of responsibility for compliance with any other federal, state or local laws and regulations.

Sincerely,

William C. Olson
Hydrologist
OCD Environmental Bureau

From: Rick_Nelson@urscorp.com [SMTP:Rick_Nelson@urscorp.com]

Sent: Tuesday, April 04, 2000 8:15 AM
To: Olson, William
Subject: Byrd Pump Site - Lea county NM
Importance: High

Dear Mr. Olson:

Arco Pipe Line Company (APL) requests approval to initiate soil remediation by way of over-excavation at the above referenced site. APL wishes to change the proposed soil remediation method (as outlined in the Initial Site Investigation Reports submitted to your office on January 19, 2000) from insitu soil venting to complete over-excavation of the impacted soils. APL wishes to over-excavate the impacted soils which show petroleum constituents above the Oil Conservation Commission (OCD) remediation guidelines of 100ppm TPH, 50 ppm BTEX, and 10 ppm benzene based on the site's ranking. After excavation is complete, soil samples will be collected from the excavation walls and floor to document remaining constituent levels. Clean imported fill soil will be placed in the excavated area after the wall and floor sample data indicate remaining levels at or below OCD soil remediation guideline levels. The excavated soils will be landfarmed onsite until the target remediation level is met.

APL realizes that groundwater is also impacted at this site; therefore, upon completion of the soil excavation activities, APL will submit a Stage 1 Abatement Plan proposal for a site investigation to collect additional data to delineate the impacted groundwater and fulfill the requirements set forth in the New Mexico Water Quality Control Commission regulations section 4106. The proposal will include the results of the over-excavation activities and indicate where and how many monitoring wells will be constructed. Additionally an initial groundwater monitoring plan will be proposed and recommendations will be made as to what additional activities may be necessary to perform the groundwater abatement to NMWQCC standards

(ie, Stage 2 Abatement Plan).

APL wishes to begin the over-excavation of the soil the week of April 10, 2000. Should you have any questions or comments, please feel free to contact Robert Glaze with APL in Houston, Texas at 281/986-5339 or myself at 512/419-5305 in Austin, Texas.

Sincerely,
Rick Nelson
URS Corp.
Project Manager



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 S. PACHECO
SANTA FE, NEW MEXICO 87505
(505) 827-7131

October 15, 1999

CERTIFIED MAIL
RETURN RECEIPT NO. Z-274-520-718

Mr. Robert Glaze
ARCO Pipe Line Company
15600 JFK Blvd., Suite 300
Houston, Texas 77032

**RE: INVESTIGATION WORK PLAN
BYRD PUMP SITE
MONUMENT, NEW MEXICO**

Dear Mr. Glaze:

The New Mexico Oil Conservation Division (OCD) has reviewed ARCO Pipe Line Company's (ARCO) October 1, 1999 "INITIAL SITE CHARACTERIZATION WORK PLAN, ARCO PIPE LINE COMPANY, BYRD PUMP SITE, MONUMENT, NEW MEXICO" which was submitted on behalf of ARCO by their consultant URS Greiner Woodward Clyde. This document contains ARCO's proposed work plan for investigation of the extent of soil and ground water contamination related to the Byrd Pump Site southwest of Monument, New Mexico.

The OCD above referenced work plan is approved with the following conditions:

1. ARCO shall wait a minimum of 24 hours after the monitor wells have been developed to purge and sample ground water from the monitor wells.
2. Ground water samples taken for metals analyses shall be analyzed for metals listed in the New Mexico Water Quality Control Commission regulations.
3. ARCO shall submit a report on the investigations to the OCD by December 17, 1999. The report shall be submitted to the OCD Santa Fe Office with a copy provided to the OCD Hobbs District Office and shall contain:
 - a. A description of all investigation activities conducted including conclusions and recommendations.
 - b. A map showing spill areas, excavated areas, monitor well and soil boring locations as well as the direction and magnitude of the hydraulic gradient.

- c. Geologic logs and well completion diagrams for each monitor well and soil boring.
 - d. Isopleth maps for contaminants of concern.
 - e. The laboratory analytical results of all soil and water quality sampling including the quality assurance/quality control data.
4. All wastes generated shall be disposed of at an OCD approved facility.
5. ARCO shall notify the OCD at least 24 hours in advance of all scheduled activities such that the OCD has the opportunity to witness the events and split samples.

Please be advised that OCD approval does not relieve ARCO of liability if contamination exists which is beyond the scope of the work plan, or if the plan fails to adequately determine the extent of contamination related to ARCO's activities. In addition, OCD approval does not relieve ARCO of responsibility for compliance with any other federal, state or local laws and regulations.

If you have any questions, please call me at (505) 827-7154.

Sincerely,



William C. Olson
Hydrologist
Environmental Bureau

xc: Chris Williams, OCD Hobbs District Supervisor
Rick Nelson, URS Greiner Woodward Clyde

URS Greiner Woodward Clyde

A Division of URS Corporation

6200 La Calma, Suite 210
Austin, TX 78752
Tel: 512.458.1174
Fax: 512.458.9823
Offices Worldwide

October 1, 1999

Mr. Bill Olson
New Mexico Energy, Minerals & Natural Resources Department
Oil Conservation Division
2040 South Pacheco
Santa Fe, New Mexico 87505

RECEIVED

OCT 04 1999

ENVIRONMENTAL BUREAU
OIL CONSERVATION DIVISION

RE: Initial Site Characterization Work Plan
ARCO Pipe Line Company
Byrd Pump Site, Monument, New Mexico

Dear Mr. Olsen:

Please find enclosed an *Initial Site Characterization Work Plan* for the above referenced site. This work plan supercedes and replaces the "*Arco Pipeline Remediation Workplan Byrd Pump*" prepared by CJR Contractors dated April 12, 1999. Based on site observations and results obtained from laboratory analysis of surface soils, APL proposes to drill and sample one soil boring next to the pump to vertically delineate the impact to soils adjacent to the pump. The boring will then be converted to a monitoring well after soil sampling.

Upon approval of this work plan, APL will inform OCD of the schedule of activities. Should you have any questions or comments, please feel free to contact Robert Glaze with APL at 281/986-5339 or me at 512/458-1174 in Austin, Texas.

Sincerely,



Rick Nelson
Project Manager

cc: Donna Williams, NMOCD- Hobbs
Robert Glaze, APL Houston
Frank DeLaO, APL Midland