

AP - 041

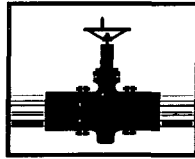
**GENERAL
CORRESPONDENCE**

YEAR(S):

2007

AP 041

February 1, 2007



PLAINS
ALL AMERICAN
PIPELINE, L.P.

Mr. Wayne Price
Environmental Bureau
New Mexico Oil Conservation Division
1220 S. St. Francis Drive
Santa Fe, New Mexico 87505

2007 FEB 8 AM 11 22

Re: Plains Marketing, L.P.
Hugh Gathering Site (2002-10235)
Unit Letter M, Section 12 of Township 21 South and Range 37 East
Lea County, New Mexico

Dear Mr. Price:

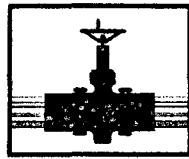
The purpose of this letter is to notify the NMOCD that the landowner on the east side of Highway 18 (McNeill Ranch) has denied Plains access to the above-referenced historical release site to conduct our soil remediation activities.

The release site is located in Lea County east of Eunice on Hwy 18. The crude oil release occurred from the pipeline inside the protective casing located beneath Highway 18 and came out of the casing on both sides of the Highway. There are two different landowners (Lucille Bryant on the west side and the McNeill Ranch on the east side). We have an approved Stage 1 and 2 Abatement Plan (NMOCD approved letter dated November 4, 2005 and subsequent email amendment approval dated November 22, 2005) for the site and the soil and groundwater impacts have been delineated. The soil remediation on the west side of the highway has been completed (report to the NMOCD pending) and we are currently recovering phase separated hydrocarbons (PSH) from the surface of the groundwater on the west side of the highway. The delineation activities on the east side indicated limited soil impacts and no groundwater impacts.

The landowner has worked with Plains in the past and has allowed us access to conduct the delineation activities. However, the owner claims that the NMOCD-approved Abatement Plan is not adequate to cleanup the soil impacts and protect the groundwater. Plains has had numerous discussions with the landowner and has offered to expand the scope of the soil remediation activities, within reason, and the landowner still contends that our proposed activities are not sufficient. Plains feels that we have made a good faith effort to try and work with the landowner and have been denied access to complete our remediation activities. Therefore, we are seeking your assistance or guidance in this matter.

Attached are copies of recent correspondences and emails between Plains and Paige McNeill of the McNeill Ranch. Please contact me at (713) 646-4657 if you have any questions or need additional information.

Jeffrey P. Dann, P.G.
Senior Environmental Specialist
Plains All American Pipeline, L.P.



PLAINS
ALL AMERICAN
PIPELINE, L.P.

January 8, 2007

Mr. Paige McNeill
McNeill Ranch
P.O. Box 1058
Hobbs, NM 88241

Re: Plains Pipeline, L.P. – Hugh Gathering Remediation Site
Located in Section 12, Township 21 South and Range 37 East
Lea County, New Mexico
Plains SRS No.: 2002-00235

Dear Mr. McNeill:

As you know Plains Pipeline, L.P. (Plains) has been in the process of remediating a crude oil release that occurred from our pipeline that crosses beneath State Highway 18. The release impacted soil on the west side of the highway (Bryant Property) and on the east side of the highway (McNeill Ranch Property). Plains has completed the soil remediation on the west side of the highway in accordance with our Stage 1 and 2 Abatement Plan, dated May 2005 (as approved by the New Mexico Oil Conservation Division, November 4, 2005). The approved Abatement Plan also included a scope of work for conducting the soil remediation on the east side of the highway on McNeill Ranch property.

Pursuant to your request and since you own a remediation/construction firm, Plains agreed to allow your remediation/construction firm to bid on the approved scope of work outlined in the Abatement Plan. In addition to inviting you to bid on the project, Plains conducted an additional site investigation to gather more current soil data, we agreed to excavate to a depth greater than was outlined in the approved scope of work in the Abatement Plan, and we agreed to install a downgradient groundwater monitoring well. We feel that we have conducted our remediation activities in accordance with the New Mexico Oil Conservation Division guidelines and we desire to complete the remaining soil remediation activities. It is our understanding that the McNeill Ranch does not want Plains to proceed with the approved Abatement Plan in its current state or with the additional items as described above and that your remediation/construction firm has elected not to bid on the project.

The purpose of this letter is to notify you that Plains plans on starting the soil remediation activities on the McNeill Ranch in accordance with the NMOCD approved Abatement Plan on February 1, 2007. If you have any objections to the proposed work or start date, please inform Plains in writing.

If you have any questions, please feel free to contact me at (713) 646-4657.

Sincerely,

A handwritten signature in black ink, appearing to read "Jeffrey P. Dann".

Jeffrey P. Dann, P.G.
Senior Environmental Specialist
Plains All American

CC : Camille Reynolds, Plains
File: n/remediation/SRS/2002/2002-10235/McNeill-1.doc

Jeffrey P Dann

From: hungryhorse@valornet.com
Sent: Wednesday, January 31, 2007 8:01 AM
To: Jeffrey P Dann
Subject: Re: Plains - start of soil remediation project



McNeillRanchRemed
Notif.pdf

Mr. Dan:

I have turned this matter over to my attorney, James Lyle, in Albuquerque, NM. I do not have any confidence in the remediation plan that you have some how managed to get the OCD to sign off on. As you well know, approval from the OCD does not release you of any present or future liabilities related to this project, nor does it over ride any requirements deriving from the land owner. The McNeill Ranch believes that the only practical way to eliminate any future risk of contamination and to remediate the immediate problem is to excavate the entire contaminated area and replace it with clean soil. If you have any further questions or concerns please contact Mr. Lyle at 505 843-8000.

Paige McNeill

>
> From: Jeffrey P Dann <jpdann@paalp.com>
> Date: 2007/01/30 Tue AM 11:01:01 CST
> To: "'hungryhorse@valornet.com'" <hungryhorse@valornet.com>
> CC: Camille J Reynolds <cjreynolds@paalp.com>
> Subject: Plains - start of soil remediation project
>
> To: Paige McNeill
>
> As previously described to you in the letter from Plains to McNeill Ranch
> dated January 8, 2007, Plains will be proceeding with the soil remediation
> activities for our Hugh Gathering site in accordance with the NMOCD approved
> soil remediation plan. Plains will have a crew onsite around 8:00 am on
> February 1, 2007 to commence work on the project.
>
> A copy of the previously submitted letter is attached below.
>
> <<McNeillRanchRemedNotif.pdf>>
>
> Jeffrey P. Dann, P.G.
> Senior Environmental Specialist
> Plains All American
> (713) 646-4657 (o)
> (713) 646-4199 (f)
> (713) 201-3548 (c)
> email: jpdann@paalp.com
>
>
> #####
> Attention:
> The information contained in this message and/or attachments is intended
> only for the person or entity to which it is addressed and may contain
> confidential and/or privileged material. If you received this in error,
> please contact the Plains Service Desk at 713-646-4444 and delete the
> material from any system and destroy any copies.
>
> This footnote also confirms that this email message has been scanned for
> Viruses and Content and cleared.
> #####
>

Jeffrey P Dann

From: Jeffrey P Dann
Sent: Wednesday, January 31, 2007 8:08 AM
To: 'hungryhorse@valornet.com'
Cc: Camille J Reynolds
Subject: RE: Plains - start of soil remediation project

Paige McNeill - Plains will cancel the work we had scheduled to start on February 1, 2007.

Jeff Dann
Plains Marketing, L.P.

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

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