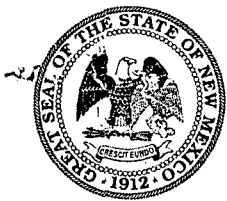


AP - 54

**GENERAL
CORRESPONDENCE**

**YEAR(S):
2003**



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop
Cabinet Secretary

Lori Wrotenbery

Director

Oil Conservation Division

June 10, 2003

1R384

Mr. Frank Hernandez
EOTT Energy LLC
P.O. Box 1660
Midland, Texas 79703

HOBBS MAILINE JUNCTION, EOTT REF #2003-00017, PRELIMINARY PLAN

Dear Mr. Hernandez:

The New Mexico Oil Conservation Division (OCD) has reviewed Environmental Plus, Inc.'s (EPI) "PRELIMINARY GROUND WATER CONTAMINATION INVESTIGATION AND DELINEATION PLAN" for the Hobbs Junction Mainline 012303 EOTT REF: #2003-00017 M 26 18 37 and D 35 18 37 about 1.5 miles NNE of the Hobbs Airport in Lea County, New Mexico received on June 10, 2003 and submitted on your (EOTT) behalf. This document contains information on the water testing and oil recovery operations at this site and shows that two recovery wells have 6 feet and 15 inches of free product (PSH) on the water table about 36 feet below the surface. The plan proposes more recovery and monitoring wells to delineate the contamination. Soil treatment methods will be proposed once delineation is completed and evaluated.

OCD approves this plan with the following conditions.

1. EOTT shall notify the OCD Hobbs District Office at least four working days of any other major events such as initiation of work at a site and sampling events so that the OCD has the opportunity to witness the events.
2. EOTT shall complete the new monitor and recovery wells as follows.
 - a. At least 15 feet of well screen shall be placed across the water table interface with 5 feet of the well screen above the water table and 10 feet of the well screen below the water table.
 - b. An appropriately sized gravel pack shall be set in the annulus around the well screen from the bottom of the hole to 2 to 3 feet above the top of the well screen.
 - c. A 2 to 3 foot bentonite plug shall be placed above the gravel pack.
 - d. The remainder of the hole shall be grouted to the surface with cement containing 3 to 5% bentonite.
 - e. A concrete pad and locking well cover shall be placed at the surface.
 - f. The well shall be developed after construction using EPA approved procedures.
3. No less than 48 hours after the wells are developed, ground water from all monitor wells at each site shall be purged, sampled and analyzed for concentrations of benzene, toluene, ethylbenzene, xylene (BTEx), polycyclic aromatic hydrocarbons (PAH), total dissolved solids (TDS) and New Mexico Water Quality Control Commission (WQCC) metals and major cations and anions using EPA approved methods and quality assurance/quality control (QA/QC). If PSH is encountered in a well, the thickness shall be recorded, but ground water need not be tested.
4. All soil and water samples shall be obtained and analyzed using EPA approved methods and quality assurance/quality control (QA/QC) procedures.
5. All wastes taken for offsite disposal shall be disposed of at an OCD approved facility.

Mr. Frank Hernandez
EOTT Energy LLC
June 10, 2003
Page 2 of 2

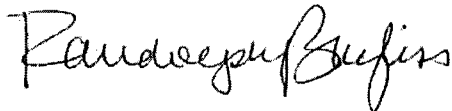
6. EOTT shall submit a report on all investigation and recovery activities to the OCD Santa Fe Office within 60 days of completion of the monitoring work with a copy provided to the OCD Hobbs District Office. OCD encourages submittal of reports and photographs using electronic means. The report shall contain the following:

- a. A description of all monitoring and remediation activities that occurred.
- b. A geologic lithologic log and well completion diagram for each monitor and recovery well.
- c. Maps showing the location of the spills, excavated areas, monitor wells, recovery wells and any other pertinent site features as well as the direction and magnitude of the hydraulic gradient created using the water table elevation from each monitor well.
- d. Isopleth maps for contaminants observed during the investigations.
- e. Summary tables of the results of all analytical sampling results as well as copies of laboratory analyses and associated QA/QC data.
- f. The disposition and volume of all wastes generated, recovered, and disposed of.
- h. Photographic documentation of monitoring and remediation activities.

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

I've discussed this project with Cody Morrow of the State Land Office (505-827-5765). Please keep the SLO up to date on your work on this project. Please provide our Hobbs District Office and Ed Martin of the Santa Fe OCD office with copies of all correspondence. If you have any questions, please contact OCD at 505-476-3492.

Sincerely,



Randolph Bayliss, P.E.
Hydrologist,
Environmental Bureau

Martin, Ed

1R384

From: Bayliss, Randy
Sent: Tuesday, May 27, 2003 1:08 PM
To: William von Drehle (E-mail)
Cc: Martin, Ed; Johnson, Larry
Subject: Hobbs Junction Mainline EOTT Ref #2003-00017

Please give this site your immediate attention. You'll recall we talked about this project in Hobbs a week ago, but with all the uproar about the Saunders Pit, you may have lost sight of this release.

OCD would like to see PSH recovery begin soon. With more than six feet of PSH in the monitoring well, there's plenty of oil to be pumped out. Once recovery begins, we can stake out the horizontal limits of the plume.

Martin, Ed

1R384

From: William_VonDrehle@Eott.Com
Sent: Tuesday, June 03, 2003 1:04 PM
To: RBayliss@state.nm.us
Cc: Martin, Ed; Johnson, Larry
Subject: Re: Hobbs Junction Mainline EOTT Ref #2003-00017

Randy,

I have talked with Pat McAsland and Frank Hernandez. In addition, you and I spoke yesterday in advance of your field trip to the area. We are in agreement as to the need to install recovery, and EOTT is committed to attending to your concerns at this site. I will contact you tomorrow upon your return, and discuss final arrangements with Pat McAsland and Frank Hernandez as well.

Thanks, Bill

8/12/2003



ENVIRONMENTAL PLUS, INC.

Micro-Blaze

Micro-Blaze Out

STATE APPROVED LAND FARM AND ENVIRONMENTAL SERVICES

March 5, 2003

Mr. Randy Bayliss
New Mexico Oil Conservation Division - Environmental Bureau
P.O. Box 6429
1220 S. St. Francis Drive
Santa Fe, New Mexico 87505

Subject: Written notification of ground water impact

Dear Mr. Bayliss,

Environmental Plus, Inc. (EPI), 2100 Avenue O, Eunice, New Mexico, on behalf of EOTT Energy, Midland, Texas submits this written notification of ground water impact due to a crude oil leak on the Hobbs Junction Mainline (EOTT reference #2003-00017), located in Unit Letter M, SW¼ of SW¼ of Section 26, T18S, and R37E in excess of 20 NMAC 6.2.3103, i.e., "Non-aqueous phase liquid shall not be present floating atop or immersed within ground water, as can be reasonably measured." Verbal notification of ground water impact at this site was made to Mr. Larry Johnson, NMOCD, Hobbs District at 2:30 PM, March 5, 2003. In addition, this written submittal, via electronic mail and regular mail, is consistent with the notification requirements of 19 NMAC 15.116. A Site location map, topographical map and GPS site drawing are attached.

Distribution of the crude oil source term at the site is currently being assessed with an initial installation of two ground water monitor wells. Monitor Well #1 was placed ~6-ft south of the E-W Section Line, in line with the Point of Release (POR). An up gradient Monitor Well #2 was placed ~75-ft northwest of the POR. Preliminary results from the MW#1 installation indicate that there is approximately 6-ft of crude oil on top of the ground water at the zone 36-42-ft bgs. Completion of the up gradient monitor well will provide an accurate measurement of true ground water elevation. There are no water wells or surface water bodies within 1000-ft of the release site.

A remediation work plan addressing soil and ground water will be developed and submitted for your approval.

Please mail all official written communications to:

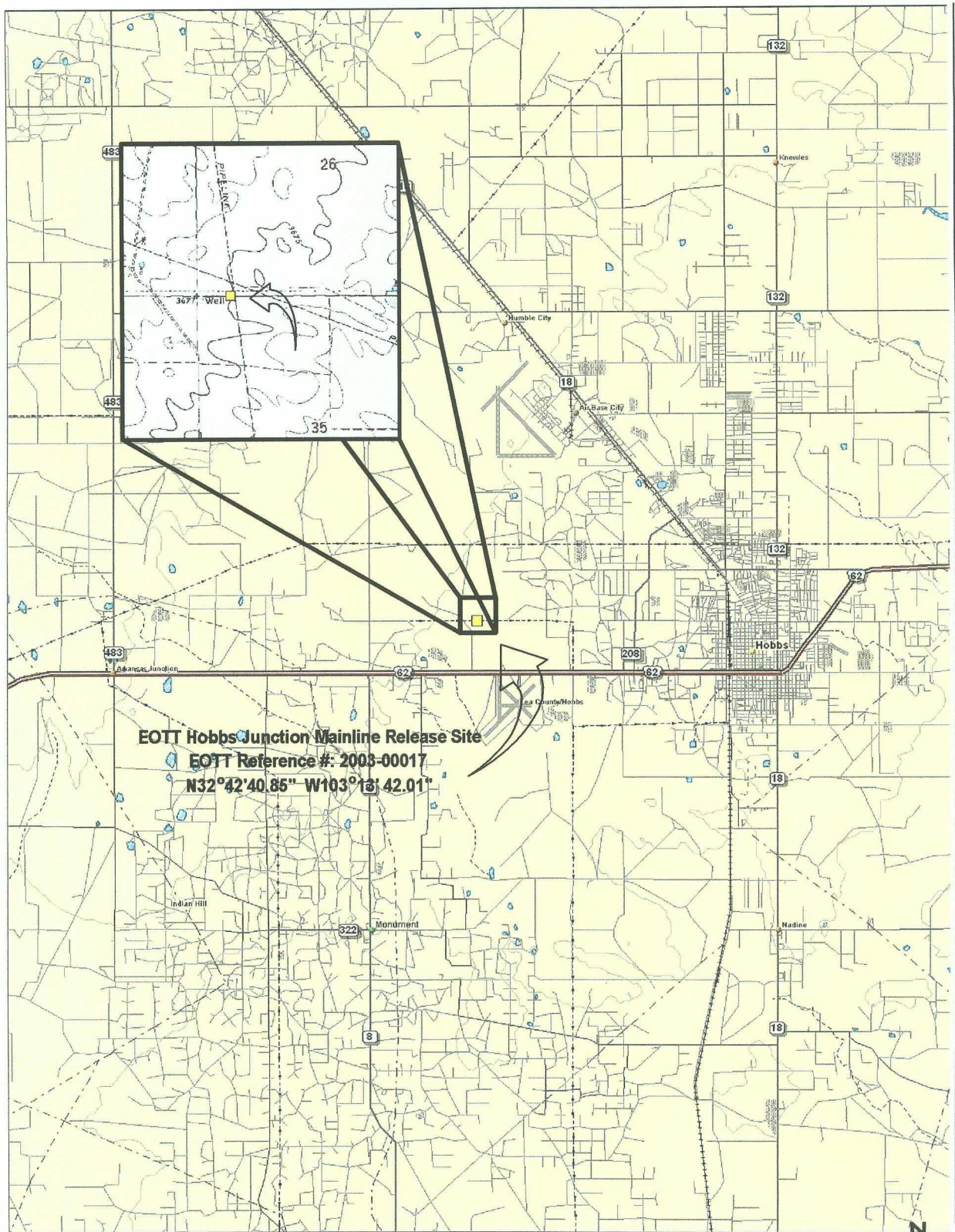
Mr. Frank Hernandez
EOTT Energy Pipeline, LP
P.O. Box 1660
Midland, Texas 79703

Sincerely,

John C. Good
EPI Environmental Consultant

cc: Paul Sheeley, NMOCD - Hobbs
Larry Johnson, NMOCD Hobbs
Frank Hernandez, EOTT Energy - Midland
Bill Von Drehle, EOTT Energy - Houston
Mike Kelly, EOTT General Counsel - Houston
Ben Miller, EPI Vice President and General Manager
Pat McCasland, EPI Technical Manager

ENVIRONMENTAL PLUS, INC.



Copyright © 2000 Enclosure Topographic & Surveying, Inc. Scale: 1" = 1/4" (1:2500) Elevation: 1000'

Plate 1: Release Site Location



EOTT Energy Pipeline, LP - Hobbs Junction Mainline (2003-00017)
Lea County, NM; UL-M Section 26 T18S R37E
Lea County, NM; UL-D Section 35 T18S R37E



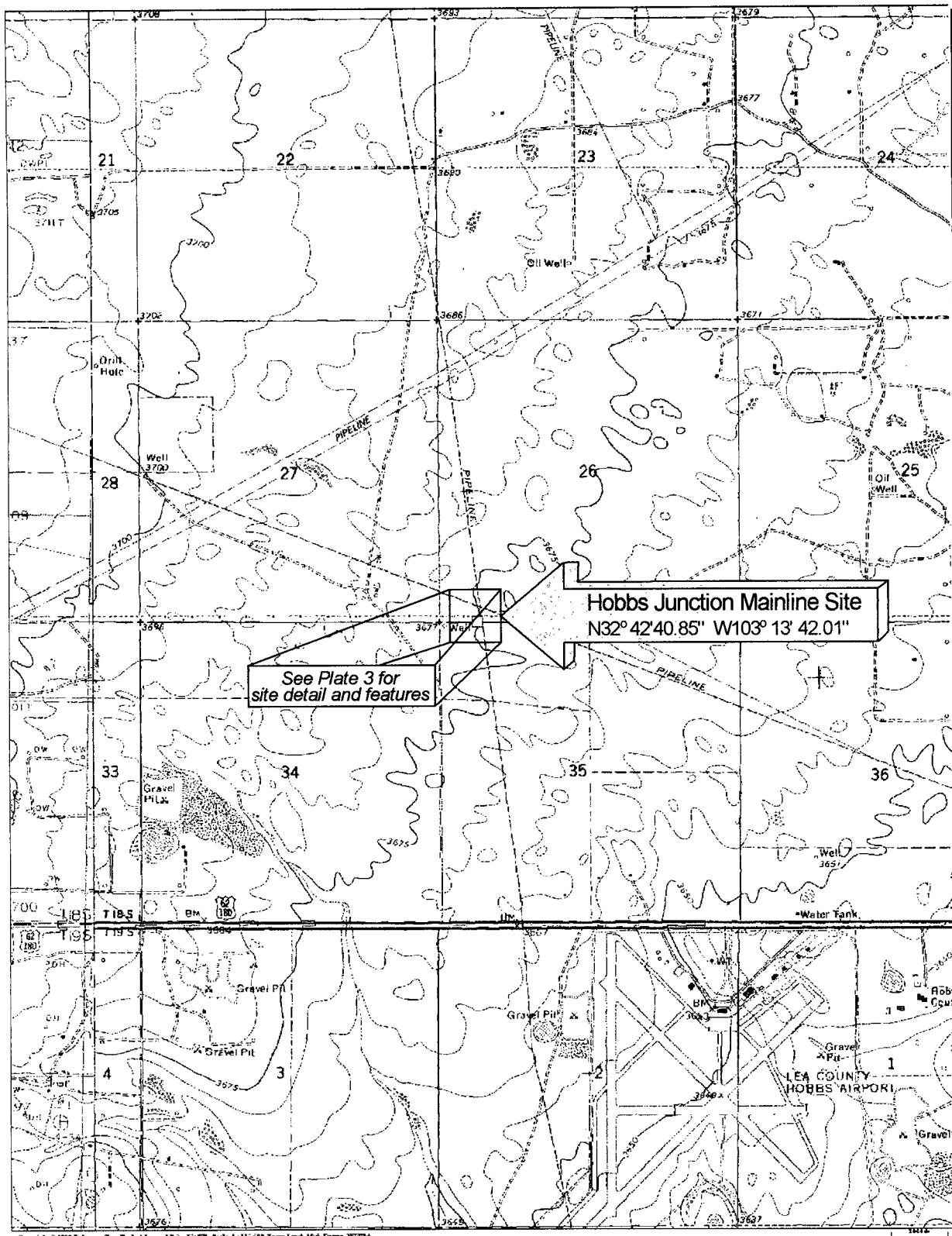


Plate 2: Site Topography and Release Location

EOTT Energy Pipeline, LP - Hobbs Junction Mainline (2003-00017)

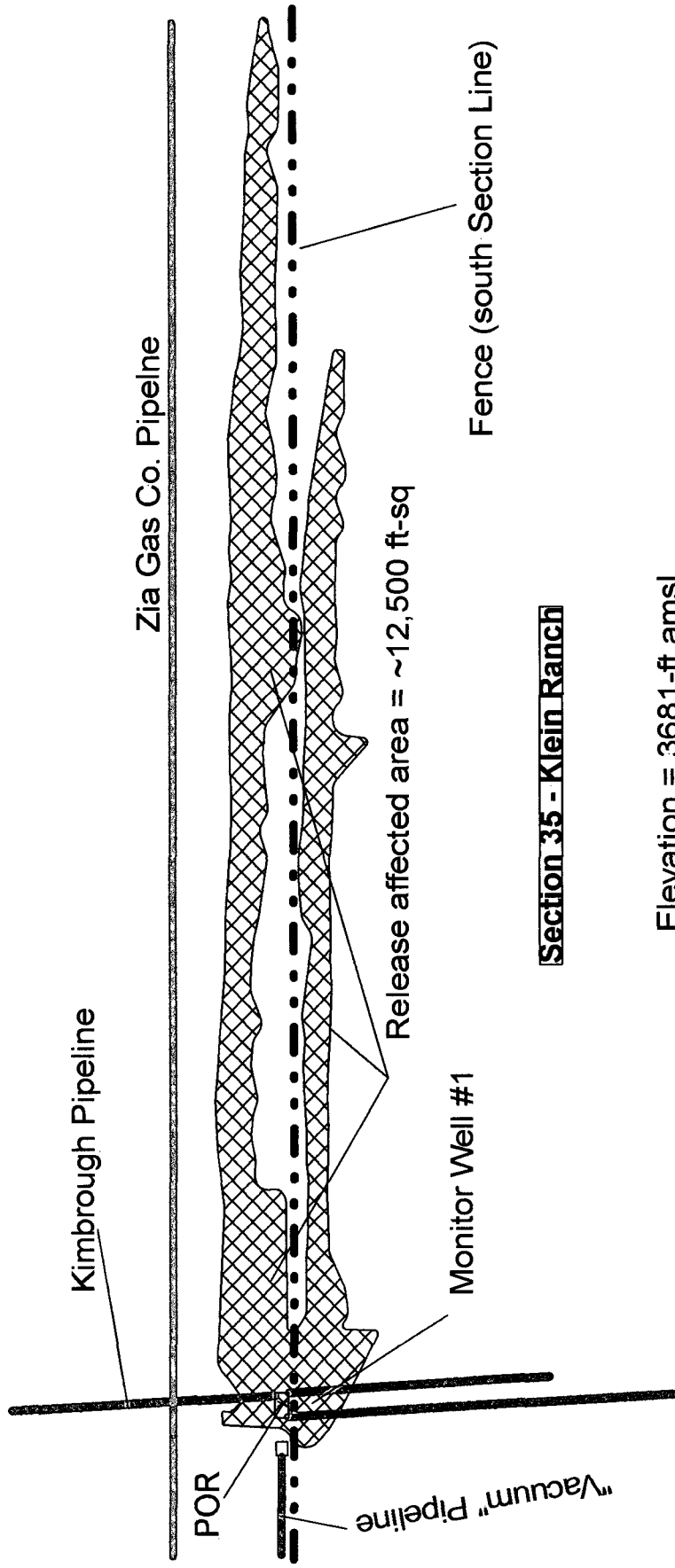
Lea County, NM; UL-M Section 26 T18S R37E

Lea County, NM; UL-D Section 35 T18S R37E



Monitor Well #2 (Background)

Section 26 - State of New Mexico



Section 35 - Klein Ranch

Elevation = 3681-ft amsl

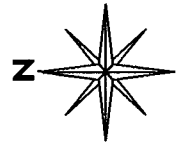


Plate 3: Initial Response GPS Demarcation
EOTT Energy Pipeline, LP - Hobbs Junction Mainline 012303; REF: 2003-00017
Lea County, NM; UL-M Section 26 T18S R37E
UL-D Section 35 T18S R37E

Drawn By: JCG Date: JAN-03 Revised





ENVIRONMENTAL PLUS, INC. ~~Micro-Blaze~~ ~~Micro-Blaze Out~~
STATE APPROVED LAND FARM AND ENVIRONMENTAL SERVICES

March 5, 2003

Mr. Randy Bayliss
New Mexico Oil Conservation Division - Environmental Bureau
P.O. Box 6429
1220 S. St. Francis Drive
Santa Fe, New Mexico 87505

Subject: Written notification of ground water impact

Dear Mr. Bayliss,

Environmental Plus, Inc. (EPI), 2100 Avenue O, Eunice, New Mexico, on behalf of EOTT Energy, Midland, Texas submits this written notification of ground water impact due to a crude oil leak on the Hobbs Junction Mainline (EOTT reference #2003-00017), located in Unit Letter M, SW¼ of SW¼ of Section 26, T18S, and R37E in excess of 20 NMAC 6.2.3103, i.e., "Non-aqueous phase liquid shall not be present floating atop or immersed within ground water, as can be reasonably measured." Verbal notification of ground water impact at this site was made to Mr. Larry Johnson, NMOCD, Hobbs District at 2:30 PM, March 5, 2003. In addition, this written submittal, via electronic mail and regular mail, is consistent with the notification requirements of 19 NMAC 15.116. A Site location map, topographical map and GPS site drawing are attached.

Distribution of the crude oil source term at the site is currently being assessed with an initial installation of two ground water monitor wells. Monitor Well #1 was placed ~6-ft south of the E-W Section Line, in line with the Point of Release (POR). An up gradient Monitor Well #2 was placed ~75-ft northwest of the POR. Preliminary results from the MW#1 installation indicate that there is approximately 6-ft of crude oil on top of the ground water at the zone 36-42-ft bgs. Completion of the up gradient monitor well will provide an accurate measurement of true ground water elevation. There are no water wells or surface water bodies within 1000-ft of the release site.

A remediation work plan addressing soil and ground water will be developed and submitted for your approval.

Please mail all official written communications to:

Mr. Frank Hernandez
EOTT Energy Pipeline, LP
P.O. Box 1660
Midland, Texas 79703

Sincerely,

John C. Good
EPI Environmental Consultant

cc: Paul Sheeley, NMOCD - Hobbs
Larry Johnson, NMOCD Hobbs
Frank Hernandez, EOTT Energy - Midland
Bill Von Drehle, EOTT Energy - Houston
Mike Kelly, EOTT General Counsel - Houston
Ben Miller, EPI Vice President and General Manager
Pat McCasland, EPI Technical Manager

ENVIRONMENTAL PLUS, INC.

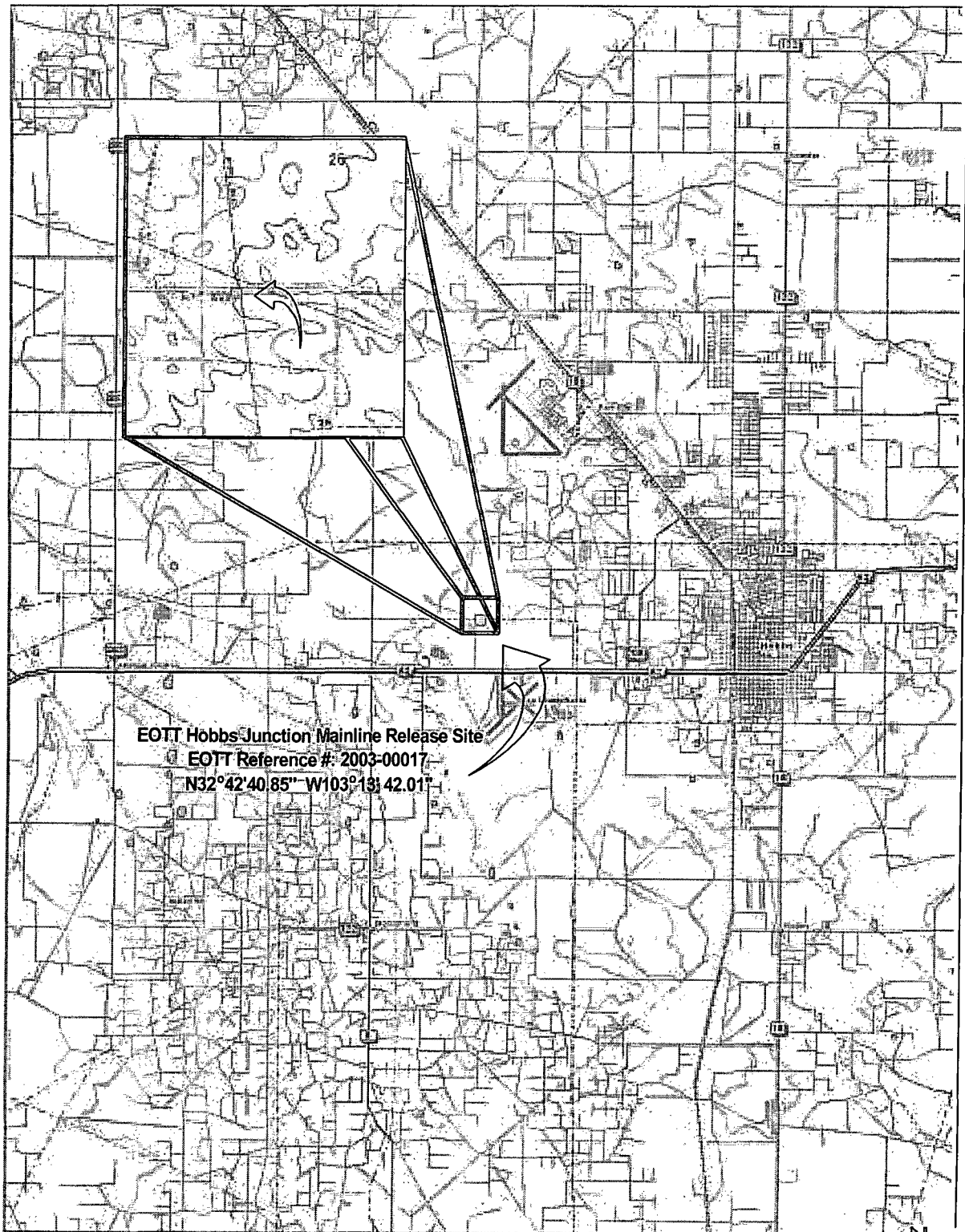
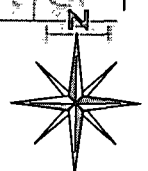


Plate 1: Release Site Location

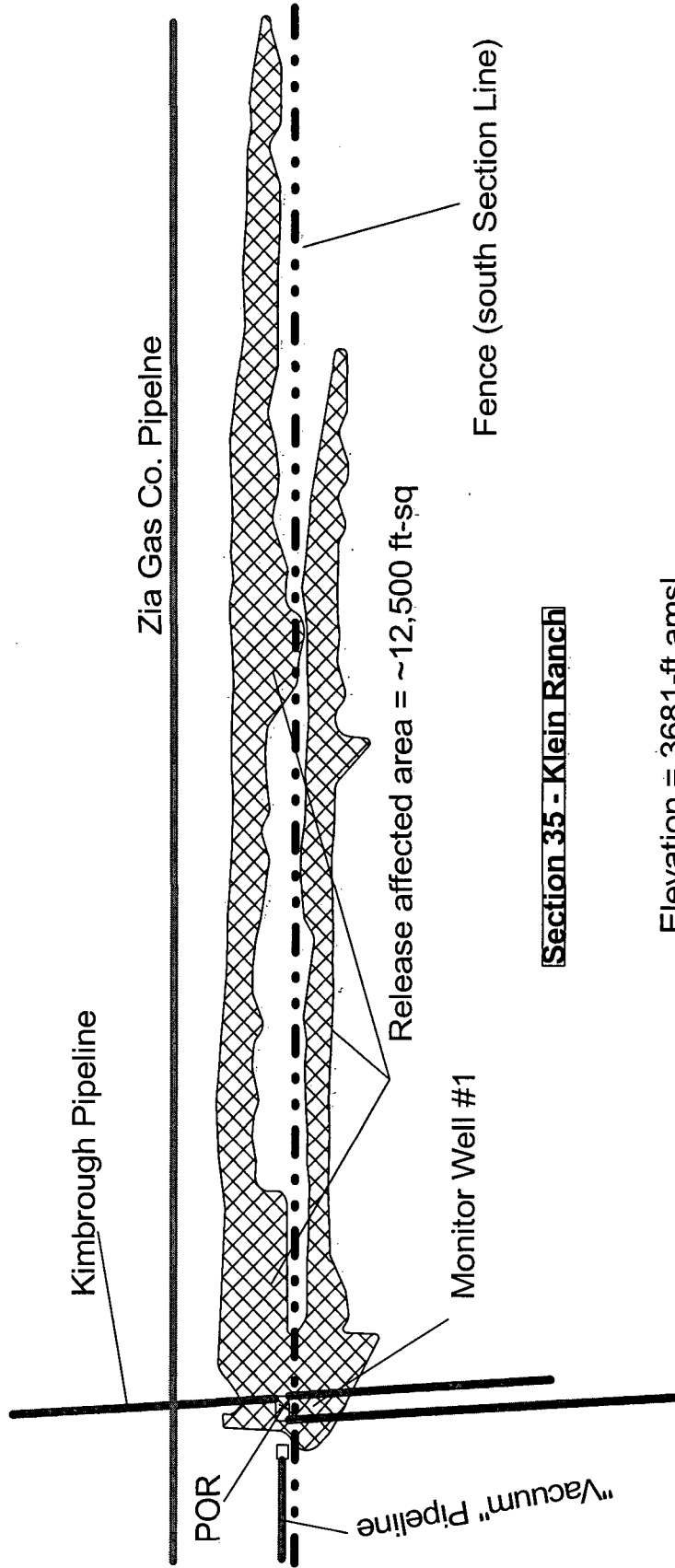


EOTT Energy Pipeline, LP - Hobbs Junction Mainline (2003-00017)
 Lea County, NM; UL-M Section 26 T18S R37E
 Lea County, NM; UL-D Section 35 T18S R37E



Monitor Well #2 (Background)

Section 26 - State of New Mexico



Section 35 - Klein Ranch

Elevation = 3681-ft amsl

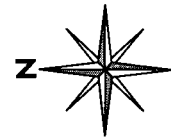
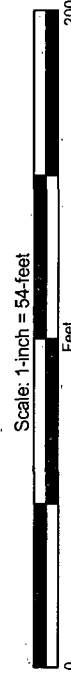


Plate 3: Initial Response GPS Demarcation
EOTT Energy Pipeline, LP - Hobbs Junction Mainline 012303; REF: 2003-00017
Lea County, NM; UL-M Section 26 T18S R37E
UL-D Section 35 T18S R37E

Drawn By: JCG Date: JAN-03 Revised