

1R - 395

**GENERAL
CORRESPONDENCE**

YEAR(S):
2013

Hansen, Edward J., EMNRD

From: Hansen, Edward J., EMNRD
Sent: Thursday, January 31, 2013 3:12 PM
To: Jeffrey P Dann (jpdann@paalp.com)
Cc: Leking, Geoffrey R, EMNRD; Jason Henry (JHenry@paalp.com)
Subject: FW: Plains - Livingston Line - Bob McCasland (1R-0395)
Attachments: Scanned from a Xerox multifunction device001.pdf

Dear Mr. Dann:

The New Mexico Oil Conservation Division (OCD) has received your letter to Mr. Robert McCasland, dated January 31, 2013. Please submit to the OCD a status report regarding this matter within 60 days.

Thank you for your cooperation in this matter,

Edward J. Hansen
Hydrologist
Environmental Bureau
505-476-3489

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

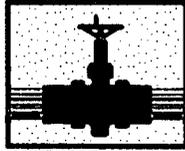
From: Jeffrey P Dann [<mailto:jpdann@paalp.com>]
Sent: Thursday, January 31, 2013 10:33 AM
To: Hansen, Edward J., EMNRD; Jason Henry
Subject: FW: Plains - Livingston Line - Bob McCasland (1R-0395)

Please find attached a copy of the letter sent to Mr. Bob McCasland regarding access to the site to complete the soil remediation activities.

Jeffrey P. Dann, P.G.
Senior Environmental Remediation and Compliance Specialist Plains All American Pipeline, L.P.
333 Clay Street, Suite 1600
Houston, TX 77002
office - 713-646-4657
fax - 713-646-4310
cell - 713-201-3548
email - jpdann@paalp.com

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

From: Jeffrey P Dann
Sent: Thursday, January 31, 2013 12:37 PM
To: Jeffrey P Dann
Subject: Scanned from a Xerox multifunction device



PLAINS PIPELINE, L.P.

January 31, 2013

Mr. Robert McCasland
P.O. Box 206
Eunice, NM 88231-0206

Re: Crude Oil Pipeline Release Update
Former EOTT Energy Pipeline Limited Partnership
Livingston 4" Line – Bob McCasland Release Site
NE/4, SW/4 of Section 3, Township 21 South and Range 37 East
Lea County, NM
Plains SRS No.: 2001-11226

Dear Mr. McCasland:

On December 27, 2001, a crude oil pipeline release was discovered on the McCasland property (NE/4, SW/4 of Section 3, Township 21 South and Range 37 East) from a pipeline owned and operated by EOTT Energy Pipeline Limited Partnership (EOTT). As a result of the crude oil release, EOTT immediately conducted a soil and groundwater investigation to evaluate and delineate the extent and magnitude of the release. Numerous soil boring and groundwater monitoring wells were installed on the site to delineate the impact. In April 2004, Plains All American Pipeline Company, L.P. (Plains) purchased the assets of EOTT and Plains is the responsible party of record for this site.

The release was reported to the New Mexico Oil Conservation Division (NMOCD) as they are the lead regulatory agency for oilfield activities in the state of New Mexico. In accordance with the NMOCD guidelines, a site investigation report and remediation plan was submitted to the NMOCD for their review and approval. Over the past several years, Plains has continued to remediate and monitor the impacted soil and groundwater at the site with our goal being the appropriate NMOCD cleanup standards for crude oil releases. At this time, the excavation remains open and Plains is anxious to complete the soil work and backfill the excavation. It is my understanding that you have denied Plains access to the site to conduct the remaining soil remediation activities. However, you have allowed Plains to continue to monitor the groundwater at the site.

As you are aware, a "Release Agreement" was signed by Irene McCasland in 2003 which resolved/settled any and all outstanding claims against EOTT for spills or leaks which occurred between May 1, 1999 and March 31, 2003 on the subject property owned by Farm & Ranch Limited Partnership by McCasland Management, Inc. In consideration for settling the outstanding claims, Farm & Ranch Limited Partnership was paid \$135,000.00. This Livingston 4" Line – Bob McCasland Pipeline release occurred within the specified time frame on the subject property and any damages or payments resulting from the release are covered by the settlement payment. Any groundwater

monitoring wells installed on the property subsequent to the March 31, 2003 timeframe are subject to additional consideration.

In response to our telephone conversation of November 27, 2012, I have researched the project files and reviewed the site soil and groundwater remediation data. Currently, there are eleven (11) groundwater monitor wells on the site. Six (6) of the monitor wells (MW-1 through MW-6) were installed during the timeframe covered by the Release Agreement and five (5) of the groundwater monitor wells (MW-7 through MW-11) were installed in 2004, which is after the timeframe covered by the Release Agreement. As a result of this oversight, Plains will pay you a back payment of \$500 per monitor well (five wells total) per year (2004 through 2012) for a total of \$22,500.00. In addition, we will schedule an annual monitor well payment of \$500.00 per well for the five (5) monitor wells (MW-7 through MW-11) installed outside of the Agreement which will be paid annually in December starting with December 2013. These annual monitor well payments will cease when a well(s) is approved for plugging by the NMOCD.

Plains will issue Farm & Ranch Limited Partnership by McCasland Management a check for \$22,500 once we have received written agreement/acknowledge from you regarding this lump sum monitor well payment to cover the years from 2004 through 2012 for monitor wells MW-7 through MW-11. In addition, by accepting this payment, you agree that Plains may enter the site and conduct the necessary remaining soil remediation activities as required by the NMOCD and continue with the groundwater remediation and monitoring activities.

Should you have any questions or comments, please contact Mike Kelly with Plains at (713) 646-4224 or Jeffrey Dann at (713) 646-4657.

Sincerely,



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

CC: Ed Hansen, New Mexico Oil Conservation Division, Santa Fe, NM
Jason Henry, Plains