NMOCD
HOBBS

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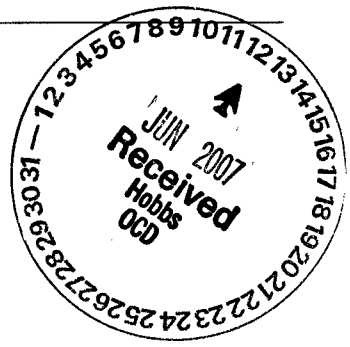
Effective Solutions



08 June 2007

Mr. Patrick B. M^cMahon
Heidel, Samberson, Newell, Cox & M^cMahon Law Firm
P. O. Drawer 1599
311 North First
Lovington, New Mexico 88260

Re: Plains Marketing, L. P., Remediation Status Update (Frisco Skelly # 1)
Unit P (SE ¼, SE ¼) Section 36, Township 16 South, Range 36 East
Lea County, New Mexico
Plains SRS Number: 2004-00196
NMOCD File Number: 1R-0457

Dear Mr. M^cMahon:

Basin Environmental Service Technologies, LLC (Basin), on behalf of Plains Marketing, L. P. (Plains), submitted a Preliminary Site Investigation Report and Remediation Plan (PSIR R/P), dated 16 May 2006, which was subsequently approved by the New Mexico Oil Conservation Division (NMOCD), Santa Fe Office. The PSIR R/P was reviewed by yourself and Mr. Eddie Seay, and was initially approved; however, Mr. Pat Wise, Lovington City Manager, later rejected the proposed 1000 ppm backfill concentrations of total petroleum hydrocarbons – gasoline range organics/diesel range organics (TPH-GRO/DRO).

Based on the City of Lovington's sensitivity concerning the TPH-GRO/DRO concentration levels, Basin on behalf of Plains, initiated soil sampling of the five (5) stockpiles adjacent to the Frisco Skelly # 1 excavation. Stockpile 1, which contains approximately 1866 cubic yards of excavated impacted soil, was mechanically spread out resulting in a stockpile dimension of approximately 140 feet long by 60 feet wide and 6 feet high. The remaining four (4) segregated clean overburden stockpiles were sampled in place as there was no space on-site to spread the stockpiles out due to the numerous pipelines, access roads and oil field production facilities adjacent to the site.

On 17 and 18 May 2007, the five (5) stockpiles were measured and the total cubic yardage was calculated at approximately 16,500 cubic yards. Each stockpile was divided into equal grids of approximately 500 cubic yards per grid resulting in a total of 33 soil samples being collected. The soils samples were analyzed for constituent concentrations of benzene, toluene, ethylbenzene, and xylenes (BTEX) and TPH-GRO/DRO. The collected soil samples were field screen with a Photoionization Detector (PID); immediately placed in a 4-ounce soil sample glass jar and placed in a cooler with ice to preserve the integrity of the soil samples. Soil sampling was conducted utilizing a 420D backhoe with an extendable bucket allowing access to the crown and mid-sections of Stockpile 2, Stockpile 3, Stockpile 4 and Stockpile 5. Stockpile 1 was spread out and had a lift of approximately 6 feet high with the soil samples collected at depths of approximately 3 feet.

On 17 May 2007, four (4) soil samples were collected from the impacted soil contained in Stockpile 1 at a depth of approximately 3 feet. Laboratory results indicated that constituent concentrations of BTEX were below NMOCD regulatory standards for the four (4) soil samples. Laboratory results indicated that constituent concentrations of TPH-GRO/DRO for the four (4) soil samples were 581mg/kg, 1460 mg/kg, 530 mg/kg and 1810 mg/kg, respectively.

On 18 May 2007, seventeen (17) soil samples were collected from Stockpile 2. Laboratory results indicated that constituent concentrations of BTEX and TPH-GRO/DRO were below laboratory method detection limits for the seventeen (17) soil samples.

On 18 May 2007, six (6) soil samples were collected from Stockpile 3. Laboratory results indicated that constituent concentrations of BTEX and TPH-GRO/DRO were below laboratory method detection limits for the soil samples with the exception of Grid 1, which was 11.7 mg/kg for TPH-GRO/DRO.

On 18 May 2007, five (5) soil samples were collected from Stockpile 4. Laboratory results indicated that constituent concentrations of BTEX and TPH-GRO/DRO were below laboratory method detection limits for the five (5) soil samples.

On 18 May 2007, one (1) soil sample was collected from Stockpile 5. Laboratory results indicated that constituent concentrations of BTEX and TPH-GRO/DRO were below laboratory method detection limits for the soil sample.

Based on the May 2007, soil sampling and laboratory results of the impacted and segregated clean overburden stockpiles, Plains proposes to:

- Excavate the benched areas to the excavation floor at a depth of approximately 18-20 feet below ground surface (bgs) to allow a sufficient buffer zone around the limited impacted area, as approved by NMOCD.

- Install an impermeable 40-ml poly liner at depth extending approximately five (5) feet beyond the edges of the soil impacted above NMOCD remedial thresholds with a 1-foot sand cushion above and beneath the poly liner to prevent damage to the integrity of the installation and backfilling activities, as approved by NMOCD.

- Once the installation of the 40-ml poly liner is completed, backfill the lower half of the excavation with soil from Stockpile 2 which was below laboratory method detection limits for all seventeen (17) soil samples.

- Blend the impacted soil from Stockpile 1 with the segregated clean overburden material from Stockpile 3, Stockpile 4 and Stockpile 5 and backfill the remaining excavation with the blended material after confirmation samples indicate TPH-GRO/DRO concentrations of 500 ppm or less. Soil samples will be collected at approximately 500 cubic yard intervals and analyzed for BTEX and TPH-GRO/DRO.

These proposed soil blending and backfill activities should meet with the City of Lovington's request to remediate excavated soil to less than 500 mg/kg TPH-GRO/DRO concentrations. Plains requests your written approval of the proposed actions and we anticipate we can complete the project within one (1) month of receipt of your written approval.

Please feel free to contact Camille Reynolds with Plains at (505) 396-3341(office) or (505) 441-0965 (cell) if you have any questions.

Sincerely,

Ken Dutton
Basin Environmental Services

Attachments: Table 1, Soil Chemistry Results, Stockpile Sampling

cc: Jeff Dann, Plains Marketing, L. P.
Camille Reynolds, Plains Marketing, L. P.
Mr. Wayne Price, NMOCD, Santa Fe
Mr. Larry Johnson, NMOCD, Hobbs District 1

TABLE 3

SOIL CHEMISTRY RESULTS, STOCKPILES

PLAINS MARKETING, L.P.
FRISCO-SKELLY # 1
LEA COUNTY, NEW MEXICO
PLAINS SRS NO: 2004-00196

SAMPLE LOCATION	SAMPLE DEPTH	SAMPLE DATE	METHOD: EPA SW 846-8021B, 5030					METHOD: 8015M		TOTAL TPH
			BENZENE (mg/kg)	TOLUENE (mg/kg)	ETHYL-BENZENE (mg/kg)	M,P-XYLENES (mg/kg)	O-XYLENE (mg/kg)	GRO (mg/kg)	DRO (mg/kg)	(mg/kg)
S/P-1 Grid 1	N/A	05/17/07	0.011	0.047	0.030	0.173	0.044	115	466	581
S/P-1 Grid 2	N/A	05/17/07	0.004	0.026	0.039	0.117	0.033	233	1223	1460
S/P-1 Grid 3	N/A	05/17/07	<0.025	<0.025	<0.025	<0.025	<0.025	24	506	530
S/P-1 Grid 4	N/A	05/17/07	0.104	0.155	0.072	0.395	0.277	443	1365	1810
S/P-2 Grid 1	N/A	05/18/07	<0.025	<0.025	<0.025	<0.025	<0.025	<10	<10	<10
S/P-2 Grid 2	N/A	05/18/07	<0.025	<0.025	<0.025	<0.025	<0.025	<10	<10	<10
S/P-2 Grid 3	N/A	05/18/07	<0.025	<0.025	<0.025	<0.025	<0.025	<10	<10	<10
S/P-2 Grid 4	N/A	05/18/07	<0.025	<0.025	<0.025	<0.025	<0.025	<10	<10	<10
S/P-2 Grid 5	N/A	05/18/07	<0.025	<0.025	<0.025	<0.025	<0.025	<10	<10	<10
S/P-2 Grid 6	N/A	05/18/07	<0.025	<0.025	<0.025	<0.025	<0.025	<10	<10	<10
S/P-2 Grid 7	N/A	05/18/07	<0.025	<0.025	<0.025	<0.025	<0.025	<10	<10	<10
S/P-2 Grid 8	N/A	05/18/07	<0.025	<0.025	<0.025	<0.025	<0.025	<10	<10	<10
S/P-2 Grid 9	N/A	05/18/07	<0.025	<0.025	<0.025	<0.025	<0.025	<10	<10	<10
S/P-2 Grid 10	N/A	05/18/07	<0.025	<0.025	<0.025	<0.025	<0.025	<10	<10	<10
S/P-2 Grid 11	N/A	05/18/07	<0.025	<0.025	<0.025	<0.025	<0.025	<10	<10	<10
S/P-2 Grid 12	N/A	05/18/07	<0.025	<0.025	<0.025	<0.025	<0.025	<10	<10	<10
S/P-2 Grid 13	N/A	05/18/07	<0.025	<0.025	<0.025	<0.025	<0.025	<10	<10	<10
S/P-2 Grid 14	N/A	05/18/07	<0.025	<0.025	<0.025	<0.025	<0.025	<10	<10	<10
S/P-2 Grid 15	N/A	05/18/07	<0.025	<0.025	<0.025	<0.025	<0.025	<10	<10	<10
S/P-2 Grid 16	N/A	05/18/07	<0.025	<0.025	<0.025	<0.025	<0.025	<10	<10	<10
S/P-2 Grid 17	N/A	05/18/07	<0.025	<0.025	<0.025	<0.025	<0.025	<10	<10	<10

TABLE 1 (cont)

SOIL CHEMISTRY, DELINEATION SOIL BORINGS & MONITOR WELLS

PLAINS MARKETING, L.P.
FRISCO-SKELLY # 1
LEA COUNTY, NEW MEXICO
PLAINS EMS NO: 2004-00196

SAMPLE LOCATION	SAMPLE DEPTH	SAMPLE DATE	METHOD: EPA SW 846-8021B, 5030					METHOD: 8015M		TOTAL TPH
			BENZENE (mg/kg)	TOLUENE (mg/kg)	ETHYL-BENZENE (mg/kg)	M,P-XYLENES (mg/kg)	O-XYLENE (mg/kg)	GRO (mg/kg)	DRO (mg/kg)	(mg/kg)
S/P-3 Grid 1	N/A	05/18/07	<0.025	<0.025	<0.025	<0.025	<0.025	<10	11.7	11.7
S/P-3 Grid 2	N/A	05/18/07	<0.025	<0.025	<0.025	<0.025	<0.025	<10.0	<10.0	<10.0
S/P-3 Grid 3	N/A	05/18/07	<0.025	<0.025	<0.025	<0.025	<0.025	<10.0	<10.0	<10.0
S/P-3 Grid 4	N/A	05/18/07	<0.025	<0.025	<0.025	<0.025	<0.025	<10.0	<10.0	<10.0
S/P-3 Grid 5	N/A	05/18/07	<0.025	<0.025	<0.025	<0.025	<0.025	<10.0	<10.0	<10.0
S/P-3 Grid 6	N/A	05/18/07	<0.025	<0.025	<0.025	<0.025	<0.025	<10.0	<10.0	<10.0
S/P-4 Grid 1	N/A	05/18/07	<0.025	<0.025	<0.025	<0.025	<0.025	<10.0	<10.0	<10.0
S/P-4 Grid 2	N/A	05/18/07	<0.025	<0.025	<0.025	<0.025	<0.025	<10.0	<10.0	<10.0
S/P-4 Grid 3	N/A	05/18/07	<0.025	<0.025	<0.025	<0.025	<0.025	<10.0	<10.0	<10.0
S/P-4 Grid 4	N/A	05/18/07	<0.025	<0.025	<0.025	<0.025	<0.025	<10.0	<10.0	<10.0
S/P-4 Grid 5	N/A	05/18/07	<0.025	<0.025	<0.025	<0.025	<0.025	<10.0	<10.0	<10.0
S/P-5 Grid 1	N/A	05/18/07	<0.025	<0.025	<0.025	<0.025	<0.025	<10.0	<10.0	<10.0