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APPROVALS

YEAR(S):



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

May 30, 2006

Mr. Jeffrey P. Dann, P.G.

Plains Marketing, L.P.

P.O. Box 4648

Houston, TX 77210-4648

RE: General Remediation Work Plan
Clay Osborn Rocky Top Ranch Sites
Jal, Lea County, New Mexico
Sections 7, 12, and 13 of Township 25 South, Range 36 East and
Section 7 and 18 of Township 25 South, 37 East

Dear Mr. Dann:

The New Mexico Oil Conservation Division (NMOCD) has received and reviewed the above work plan submitted by Plains Marketing, L.P. (Plains). This work plan is hereby approved, in principle, with the following understandings and conditions:

1. Under Section 4.0 of the work plan, entitled "Proposed TPH and BTEX Remedial Goals", 2,000 mg/Kg of total petroleum hydrocarbons (TPH) in soils used as backfill over impermeable barriers is not acceptable. Plains will remediate soils used as backfill to 1,000 mg/Kg TPH.
2. Under Section 7.0 of the work plan, entitled "Centralized Soil Treatment Facility", 2,000 mg/Kg of TPH is, again, not acceptable. Plains will remediate these soils to 1,000 mg/Kg of TPH before they may be used as backfill at the Osborn remediation sites.
3. Each of the sites on the Osborn Rocky Top Ranch that are to be addressed under this general remediation work plan will be reported, individually, to the NMOCD Santa Fe office so that site-specific conditions may be considered in the eventual approval of the remediation plan for that particular site. Each will require individual closure requests as work is completed.
4. Section 5.1 Surface Restoration Sites (Scenario 1): this approach is approved in principle.
5. Section 5.2 Total Excavation (Scenario 2): this approach is agreed to in principle with the condition that excavation at these sites will be not less than 10 feet, or until site remediation standards are met, and that the sidewalls of the resulting excavation will meet the benzene and total BTEX standards set forth in Section 4.0 of the work plan (10 mg/Kg and 50 mg/Kg, respectively).
6. Section 5.3 Limited Excavation and Risk-Based Closure (Scenario 3): this approach is approved in principle with the condition that excavation at these sites will be not less than 10 feet, and that the sidewalls of the resulting excavation will meet the benzene and total BTEX standards set forth in Section 4.0 of the work plan (10 mg/Kg and 50 mg/Kg, respectively).

7. The general work plan includes only those sites shown on the attachment to the work plan:

Site Name	NMOCD File *	Legal Description	GPS Coordinates
Jalmat #1	1R-0412	Section 7, T 25N, R37E	Lat: 32.1403 N Long: 103.2106 W
Jalmat #2	1R-0466	Section 7, T25N, R37E	Lat: 32.1408 N Long: 103.2106 W
Jalmat #3	1R-0467	Section 7, T25N, R37E	Lat: 32.1378 N Long: 103.2106 W
Jalmat #22A	1R-0411	Section 7, T25N, R37E	Lat: 32.1328 N Long: 103.2106 W
Jalmat J#22B	1R-0468	Section 18, T25N, R37E	Lat: 32.1319 N Long: 103.2106 W
Shell North 6" (East of Road)	1R-0083	Section 12, T25N, R36E	Lat: 32.1428 N Long: 103.2161 W
TM-245-2	1R-0469	Section 18, T25N, R37E	Lat: 32.1314 N Long: 103.2105 W
DT-27	1R-0470	Section 7, T25N, R37E	Lat: 32.1402 N Long: 103.2104 W
SH 0193-2	1R-0471	Section 12, T25N, R36E	Lat: 32.1418 N Long: 103.2125 W
SH 0184-1	1R-0472	Section 18, T25N, R37E	Lat: 32.1313 N Long: 103.1983 W

**Any correspondence concerning these individual sites must contain the above NMOCD file number. Please advise if the above sites are designated with names other than those shown above.*

8. If Plains wishes to add any sites to this general work plan, formal notice to NMOCD Santa Fe of such intent is required. All such additions must be located on the Clay Osborn Rocky Top Ranch to be considered for inclusion in this general work plan.
9. Plains will provide a site list showing the quarter/quarter or unit letter associated with each site.

NMOCD approval does not relieve Plains of responsibility should its operations at these sites prove to have been harmful to public health or the environment. Nor does it relieve Plains of its responsibility to comply with the rules and regulations of any other governmental agency.

If you have any questions, contact me at (505) 476-3492, or (505) 476-3470, or ed.martin@state.nm.us

NEW MEXICO OIL CONSERVATION DIVISION



Edwin E. Martin
Environmental Bureau

Copy: Ms. Camille Reynolds
NMOCD, Hobbs

Martin, Ed, EMNRD

From: Martin, Ed, EMNRD
Sent: Thursday, May 18, 2006 7:22 AM
To: 'Camille J Reynolds'; Johnson, Larry, EMNRD; Sheeley, Paul, EMNRD;
'pat.caperton@state.nm.us'
Cc: Price, Wayne, EMNRD; jpdann@paalp.com
Subject: RE: Notification of delineation activities

All of the listed sites will be managed under the Plains "General Remediation Work Plan" which will be handled out of the Santa Fe NMOCDD office. This work plan is still under review. The delineation activities set forth below are approved, however subsequent work at the sites will have to wait until the general work plan is approved.

Ed Martin
New Mexico Oil Conservation Division
Environmental Bureau
1220 S. St. Francis
Santa Fe, NM 87505
Phone: 505-476-3492
Fax: 505-476-3462
email: ed.martin@state.nm.us

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

From: Camille J Reynolds [mailto:cjreynolds@paalp.com]
Sent: Wednesday, May 17, 2006 1:37 PM
To: Martin, Ed, EMNRD; Johnson, Larry, EMNRD; Sheeley, Paul, EMNRD;
'pat.caperton@state.nm.us'
Subject: Notification of delineation activities

Ed, Larry, Paul and Pat;

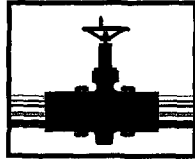
Plains will be conducting soil boring delineation activities at the Clay Osborn-Rocky Top Ranch sites listed below beginning on May 22, 2006.

- * Jalmat #22B Section 18, T25S, R37E Driving directions-From Hwy.
128 in Jal go 1.2 miles north on Country Club Road to caliche road on left.
Turn left on caliche road and go 0.8 mile west then south on oil field road for 0.6 mile.
- * TM-245-2 Section 18, T25S, R37E Driving directions-From Hwy.
128 in Jal go 1.2 miles north on Country Club Road to caliche road on left.
Turn left on caliche road and go 0.8 mile west then south on oil field road for 0.6 mile.
- * Jalmat #1 Section 7, T25S, R37E Driving directions- From Hwy.
128 in Jal go 1.2 miles north on Country Club Road to caliche road on left.
Turn left on caliche road and go west for 1 mile then south on oilfield road for 0.1 mile.
- * DT-27 Section 7, T25S, R37E Driving directions- From Hwy.
128 in Jal go 1.2 miles north on Country Club Road to caliche road on left.
Turn left on caliche road and go west for 1 mile then south on oilfield road for 0.1 mile.
- * SH 0193-2 Section 12, T25S, R36E Driving directions- From Hwy.
128 in Jal go 1.2 miles north on Country Club Road to caliche road on left.
Turn left on caliche road go west for 1.3 miles.
- * SH 0184-1 Section 18, T25S, R37E Driving directions- From Hwy.
128 in Jal go 0.75 miles north on Country Club road to West Oche Road. Turn left on West Oche Road and go 0.3 miles.

Should you have any questions or concerns please contact me at 505-441-0965.

Thank you,

Camille Reynolds
Remediation Coordinator
Plains All American



PLAINS
PIPELINE, L.P.

April 27, 2006

Mr. Ed Martin
State of New Mexico
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Re: Plains Pipeline, L.P.
General Remediation Work Plan
Clay Osborn - Rocky Top Ranch
Jal, Lea County, New Mexico

Dear Mr. Martin:

Plains Pipeline, L.P. (Plains) is pleased to submit the attached General Remediation Work Plan for the remediation of pipeline-related crude oil release sites located on the Osborn's Rocky Top Ranch in Jal, Lea County, New Mexico. The purpose of the General Remediation Work Plan is to obtain approval from the New Mexico Oil Conservation Division (NMOCD) for the overall concept of the General Remediation Work Plan so that development and approval of the site-specific Work Plans in the future can be expedited.

The attached General Remediation Work Plan includes six known or previously investigated sites and four newly identified and uninvestigated sites. As we previously discussed, while there are other known sites on the property, after further investigation and discussions with the landowner, we do not think these sites are associated with the pipelines and the landowner does not expect the General Remediation Work Plan to address the other sites. Also attached is the Agreement of Settlement and Release which is to be filed in the Lea County property records.

Should you have any questions or comments, please contact me at (713) 646-4657 or Doug Kennedy at (713) 646-4610.

Sincerely,

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

Douglas S. Kennedy
Manager, Remediation and Special Projects
Plains All American

Attachment: General Remediation Work Plan
Agreement of Settlement and Release

File: n:\jeff-files\Osborn-RockyTopRanch\General WP-CoverLtr.doc



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

July 8, 2004

Mr. Jimmy Bryant
Link Energy
P.O. Box 1660
Midland, TX 79703

Dear Mr. Bryant:

The New Mexico Oil Conservation Division has received Link's "Annual Monitoring Report Link Energy Clay Osborn Jalmat #1 #2000-10606" report dated April 28, 2004. The NMOCD file number for this site is 1R-0412.

Before we can act on your request for termination of groundwater monitoring, we need some additional information. Please send me the results of the soil sampling taken at the time of the original investigation at this site. The sampling would have taken place during your advancement of 9 soil borings between June 21, 2000 and June 26, 2000. Your report, noted above, says that soil samples were taken every 5 feet. NMOCD needs to see the laboratory results taken on these samples showing concentrations at each 5-foot depth.

If you have any questions, contact me at (505) 476-3492 or emartin@state.nm.us

NEW MEXICO OIL CONSERVATION DIVISION

A handwritten signature in cursive script, reading "Ed Martin".

Edwin E. Martin, Environmental Bureau

cc: Larry W. Johnson, NMOCD, Hobbs
Jeff Dann, Link Energy, Houston
Pat McCasland, EPI