



December 9, 2014

Mr. Mike Bratcher
NMOCD District 2
811 S. 1st Street
Artesia, NM 88210

AMARILLO
921 North Bivins
Amarillo, Texas 79107
Phone 806.467.0607
Fax 806.467.0622

ARTESIA
408 West Texas Ave.
Artesia, New Mexico 88210
Phone 575.746.8768
Fax 575.746.8905

HOBBS
318 East Taylor Street
Hobbs, New Mexico 88240
Phone 575.393.4261
Fax 575.393.4658

MIDLAND
2901 State Hwy 349
Midland, Texas 79706
Phone 432.522.2133
Fax 432.522.2180

OKLAHOMA CITY
7700 North Hudson Avenue
Suite 10
Oklahoma City, Oklahoma 73116
Phone 405.486.7030
Fax 806.467.0622

SAN ANTONIO
13111 Lookout Way
San Antonio, Texas 78233
Phone 210.265.8025
Fax 210.568.2191

Subject: **Remediation and Closure Report**
Oxy Permian, LTD
Government R Federal #2
API: 30-015-28391 2RP-2380

Dear Mr. Bratcher,

Oxy Permian (Oxy) had contracted Talon/LPE (Talon) to perform soil assessment and remediation services at the above referenced location. The results of our soil assessment, completed remediation activities and closure request are submitted herein.

Background Information

The Oxy Government R Fed #2 is located approximately 33 miles Southeast of Artesia, New Mexico. The legal location for this release is Unit Letter K, Section 14, Township 20 South, and Range 28 East in Eddy County, New Mexico. More specifically the latitude and longitude for the release are 32.572760 North and -104.149283 West. A site plan is presented in [Appendix I](#).

According to the soil survey provided by the United States Department of Agriculture Natural Resources Conservation Service, the soil in this area is made up of the Gypsum land-Reeves complex with 0 to 3 percent slopes (eroded). Drainage courses in this area are normally dry. Groundwater in the project vicinity is approximately 14-feet below ground surface (bgs) according to the New Mexico Office for the State Engineer. See [Appendix II](#) for the referenced groundwater data.

The ranking for this site is 20 based on the following:

Depth to ground water	<50'
Wellhead Protection Area	>1000'
Distance to surface water body	>1000'

ENVIRONMENTAL CONSULTING
ENGINEERING
DRILLING
CONSTRUCTION
SPILL MANAGEMENT
GENERAL CONTRACTING

Incident Description

A gasket failure on the heater treater caused a release of 20bbbls of oil and 170bbbls of produced water (no fluids were recovered). The fluid flowed northwest across the location and flowed into the pasture for approximately 15-feet on the east side of the location. The overspray area measures approximately 230-feet long by 35-feet wide in the pasture north of the location. A work plan was generated and approved by the NMOCD.

Remedial Actions Taken

The impacted area in the vicinity of S-1 was excavated to a depth of 2.5-feet deep. Field Chloride titration and PID readings were used to guide the excavation. Once field results indicated that the impacted soil was below NMOCD Recommended Remedial Action Level's (RRAL's), confirmation soil samples were taken to insure all of the impacted material was removed. The laboratory analysis on the confirmation samples is presented below.

The impacted area in the vicinity of S-2 was excavated to a depth of 2-feet deep and in the vicinity of S-3, the impacted soil was excavated to a depth of 1-feet deep.

The overspray area in the vicinity of S-4 was treated with Micro-Blaze, a bio remediation agent.

All of the excavated material was transported to Lea Land, LLC an NMOCD approved solid waste disposal facility.

The excavated areas on location were backfilled with caliche. The excavated area off the location was backfilled with top soil and seeded with the BLM recommended seed mix.

Laboratory Results

See [Appendix III](#) for complete report of laboratory results.

Sample ID	Depth (feet)	BTEX (mg/kg)	Chlorides (mg/kg)	TPH (mg/kg) GRO	TPH (mg/kg) DRO
S-1	2'	--	1180	<10	<10
	2.5'	--	176	--	--

(ND) Analyte Not Detected


Based upon the site ranking of **20**, NMOCD Recommended Remedial Action Levels (RRAL's) are 50 mg/kg for BTEX, 10 mg/kg for Benzene, 100 mg/kg for TPH and 1,000 mg/kg for Chlorides.


On behalf of Oxy, we respectfully request that no further actions be required and that closure with respect to these releases be granted. A Final C-141 is also attached in Appendix [IV](#).

If we can provide additional information or be of further assistance please contact our office at 575.746.8768.

Respectfully submitted,

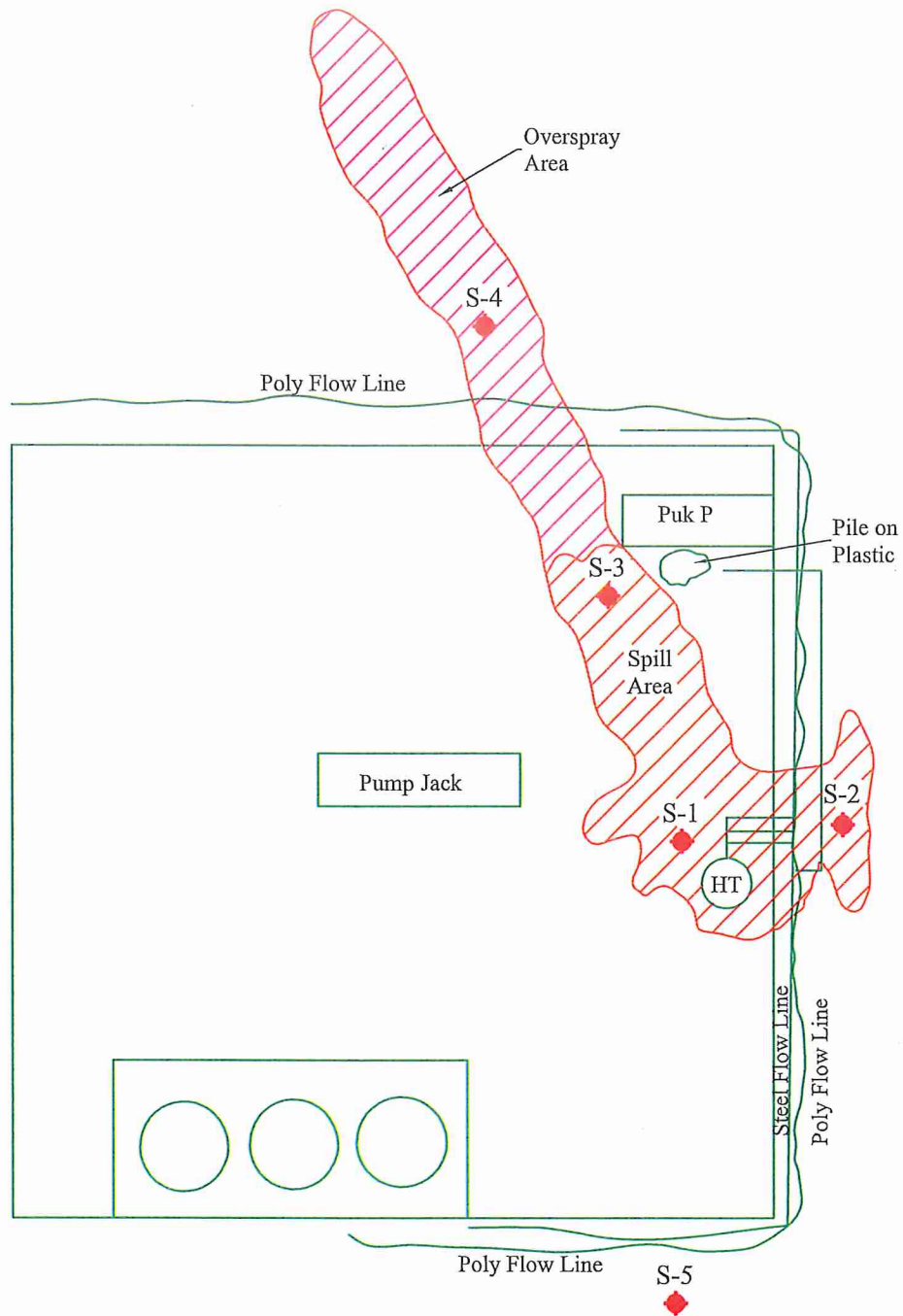
TALON/LPE


Kimberly M. Wilson
Project Manager


David J. Adkins
District Manager

APPENDIX I

SITE MAP



NTS
Scale in Feet

Legend	
	- Sample Location
	- Spill Area
	- Overspray Area



Date: 07/22/2014
Scale: NTS
Drawn By: TJS

Government R-2
Oxy - NM - North
Eddy County, New Mexico
Figure 1 - Site Plan

APPENDIX II
GROUNDWATER DATA



New Mexico Office of the State Engineer Water Column/Average Depth to Water

(A CLW##### in the
POD suffix indicates the
POD has been replaced
& no longer serves a
water right file.)

(R=POD has
been replaced,
O=orphaned,
C=the file is
closed)

(quarters are 1=NW 2=NE 3=SW 4=SE)

(quarters are smallest to largest)

(NAD83 UTM in meters)

(In feet)

POD Number	POD Sub-Code	basin	County	Q 64	Q 16	Q 4	Sec	Tws	Rng	X	Y	Distance	Depth Well	Depth Water	Water Column
LRG12694 POD2	LRR	DA		2	4	3	10	19S	03W	580794	3614551	1697	68	14	54

Average Depth to Water: 14 feet

Minimum Depth: 14 feet

Maximum Depth: 14 feet

Record Count: 1

UTMNAD83 Radius Search (in meters):

Easting (X): 579468

Northing (Y): 3613492

Radius: 2000

The data is furnished by the NMOSE/ISC and is accepted by the recipient with the expressed understanding that the OSE/ISC make no warranties, expressed or implied, concerning the accuracy, completeness, reliability, usability, or suitability for any particular purpose of the data.

APPENDIX III
LABORATORY RESULTS

October 29, 2014

DAVID ADKINS

TALON LPE

408 W. TEXAS AVE.

ARTESIA, NM 88210

RE: GOUT R 2

Enclosed are the results of analyses for samples received by the laboratory on 10/28/14 13:50.

Cardinal Laboratories is accredited through Texas NELAP under certificate number T104704398-13-5. Accreditation applies to drinking water, non-potable water and solid and chemical materials. All accredited analytes are denoted by an asterisk (*). For a complete list of accredited analytes and matrices visit the TCEQ website at www.tceq.texas.gov/field/qa/lab_accred_certif.html.

Cardinal Laboratories is accredited through the State of Colorado Department of Public Health and Environment for:

Method EPA 552.2	Haloacetic Acids (HAA-5)
Method EPA 524.2	Total Trihalomethanes (TTHM)
Method EPA 524.4	Regulated VOCs (V1, V2, V3)

Accreditation applies to public drinking water matrices.

This report meets NELAP requirements and is made up of a cover page, analytical results, and a copy of the original chain-of-custody. If you have any questions concerning this report, please feel free to contact me.

Sincerely,



Celey D. Keene

Lab Director/Quality Manager

Analytical Results For:

TALON LPE
DAVID ADKINS
408 W. TEXAS AVE.
ARTESIA NM, 88210
Fax To: (575) 745-8905

Received: 10/28/2014
Reported: 10/29/2014
Project Name: GOUT R 2
Project Number: 70060837101
Project Location: EDDY COUNTY, NM

Sampling Date: 10/28/2014
Sampling Type: Soil
Sampling Condition: ** (See Notes)
Sample Received By: Celey D. Keene

Sample ID: S-1 2' (H403308-01)

Chloride, SM4500Cl-B			mg/kg							
			Analyzed By: AP							
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier	
Chloride	1180	16.0	10/28/2014	ND	400	100	400	0.00		
TPH 8015M			mg/kg							
			Analyzed By: ms							
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier	
GRO C6-C10	<10.0	10.0	10/28/2014	ND	176	87.9	200	0.451		
DRO >C10-C28	<10.0	10.0	10/28/2014	ND	196	98.0	200	3.25		
<hr/>										
Surrogate: 1-Chlorooctane	79.9 %	47.2-157								
Surrogate: 1-Chlorooctadecane	89.6 %	52.1-176								

Cardinal Laboratories

*=Accredited Analyte

PLEASE NOTE: Liability and Damages. Cardinal's liability and client's exclusive remedy for any claim arising, whether based in contract or tort, shall be limited to the amount paid by client for analyses. All claims, including those for negligence and any other cause whatsoever shall be deemed waived unless made in writing and received by Cardinal within thirty (30) days after completion of the applicable service. In no event shall Cardinal be liable for incidental or consequential damages, including, without limitation, business interruptions, loss of use, or loss of profits incurred by client, its subsidiaries, affiliates or successors arising out of or related to the performance of the services hereunder by Cardinal, regardless of whether such claim is based upon any of the above stated reasons or otherwise. Results relate only to the samples identified above. This report shall not be reproduced except in full with written approval of Cardinal Laboratories.



Celey D. Keene, Lab Director/Quality Manager

Notes and Definitions

ND	Analyte NOT DETECTED at or above the reporting limit
RPD	Relative Percent Difference
**	Samples not received at proper temperature of 6°C or below.
***	Insufficient time to reach temperature.
-	Chloride by SM4500Cl-B does not require samples be received at or below 6°C Samples reported on an as received basis (wet) unless otherwise noted on report

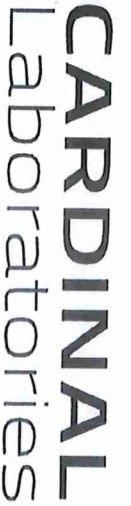
Cardinal Laboratories

* = Accredited Analyte

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Celey D. Keene, Lab Director/Quality Manager



101 East Marland, Hobbs, NM 88240
(575) 393-2326 FAX (575) 393-2476

五

* Samples not taken + brought to lab. Ok

October 31, 2014

DAVID ADKINS

TALON LPE

408 W. TEXAS AVE.

ARTESIA, NM 88210

RE: GOVERNMENT R-2

Enclosed are the results of analyses for samples received by the laboratory on 10/31/14 12:30.

Cardinal Laboratories is accredited through Texas NELAP under certificate number T104704398-13-5. Accreditation applies to drinking water, non-potable water and solid and chemical materials. All accredited analytes are denoted by an asterisk (*). For a complete list of accredited analytes and matrices visit the TCEQ website at www.tceq.texas.gov/field/qa/lab_accred_certif.html.

Cardinal Laboratories is accredited through the State of Colorado Department of Public Health and Environment for:

Method EPA 552.2	Haloacetic Acids (HAA-5)
Method EPA 524.2	Total Trihalomethanes (TTHM)
Method EPA 524.4	Regulated VOCs (V1, V2, V3)

Accreditation applies to public drinking water matrices.

This report meets NELAP requirements and is made up of a cover page, analytical results, and a copy of the original chain-of-custody. If you have any questions concerning this report, please feel free to contact me.

Sincerely,



Celey D. Keene

Lab Director/Quality Manager

Analytical Results For:

TALON LPE
DAVID ADKINS
408 W. TEXAS AVE.
ARTESIA NM, 88210
Fax To: (575) 745-8905

Received: 10/31/2014
Reported: 10/31/2014
Project Name: GOVERNMENT R-2
Project Number: 70060836801
Project Location: EDDY

Sampling Date: 10/31/2014
Sampling Type: Soil
Sampling Condition: ** (See Notes)
Sample Received By: Jodi Henson

Sample ID: S-1 2.5' (H403369-01)

Chloride, SM4500Cl-B		mg/kg		Analyzed By: AP					
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Chloride	176	16.0	10/31/2014	ND	400	100	400	3.92	

Cardinal Laboratories

*=Accredited Analyte

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Celey D. Keene, Lab Director/Quality Manager


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Cardinal Laboratories

*=Accredited Analyte

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Celey D. Keene, Lab Director/Quality Manager



CHAIN-OF-CUSTODY AND ANALYSIS REQUEST

101 East Marland, Hobbs, NM 88240
(575) 393-2326 FAX (575) 393-2476

BILL TO

ANALYSIS REQUEST

Company Name: Valley

Project Manager: D. Hines

Address: 408 W 12th Ave

City: Artesia State: NM Zip: 88210

Phone #: _____ Fax #: _____

Project #: 76660835801 Project Owner: City

Project Name: Goutier

Project Location: Edley

Sampler Name: C. Barza / KS

P.O. #: 0056017121

Company: City

Attn: _____

Address: _____

City: _____ State: _____ Zip: _____

Phone #: _____

Fax #: _____

PRESERV. SAMPLING

FOR LAB USE ONLY

Lab I.D. _____ Sample I.D. _____

1403349

S-1 2.5'

(G)RAB OR (C)OMP. # CONTAINERS
GROUNDWATER
WASTEWATER
SOIL
OIL
SLUDGE
OTHER :
ACID/BASE:
ICE / COOL
OTHER :

DATE TIME
10-31-14 9:15

Total chlorides

PLEASE NOTE: Liability and Damage. Cardinal's liability and client's exclusive remedy for any claim arising whether based in contract or tort, shall be limited to the amount paid by the client for the analysis. All claims including those for negligence and any other cause whatsoever shall be deemed waived unless made in writing and received by Cardinal within 30 days after completion of the applicable service. In no event shall Cardinal be liable for incidental or consequential damages, including without limitation, business interruptions, loss of use, or loss of profits incurred by client, its subsidiaries, affiliates or successors arising out of or related to the performance of services rendered by Cardinal regardless of whether such claim is based upon any of the above stated reasons or otherwise.

Relinquished By: _____

Date: 10-31-14 Time: 18:30

Received By: Spencer

Relinquished By: _____

Date: _____ Time: _____

Received By: _____

Delivered By: (Circle One)

Sampler - UPS - Bus - Other: _____

22.2

Sample Condition
Cool Intact
☐ Yes ☒ No

CHECKED BY: _____

Phone Result: ☐ Yes ☐ No Add'l Phone #: _____
Fax Result: ☐ Yes ☐ No Add'l Fax #: _____

REMARKS:

PUSTH!!

† Cardinal cannot accept verbal changes. Please fax written changes to (575) 393-2326

#54

APPENDIX IV

FINAL C-141

District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 S. First St., Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-141
Revised August 8, 2011

Submit 1 Copy to appropriate District Office in
accordance with 19.15.29 NMAC.

Release Notification and Corrective Action

OPERATOR

☐ Initial Report ☒ Final Report

Name of Company: OXY USA Limited Partnership	Contact: Chris Jones	
Address: 102 S. Main St. Carlsbad, NM 88220	Telephone No.: 575-628-4121	
Facility Name: Government R Federal #2	Facility Type: Well	
Surface Owner: Federal	Mineral Owner:	API No.: 30-015-28391

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
K	14	20S	28E	2310'	South	2310	West	Eddy

Latitude **32.572760 N** Longitude **-104.149283 W**

NATURE OF RELEASE

Type of Release: Oil	Volume of Release: 20 bbls Oil & 170 bbls PW	Volume Recovered: 0 bbls
Source of Release: Gasket on Heater Treater failure	Date and Hour of Occurrence 7/7/2014	Date and Hour of Discovery 7/7/2014; 7:00 pm
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? Mike Bratcher @ NMOCD Jim Amos @ BLM	
By Whom? Chris Jones	Date and Hour: 7/8/2014 12:55 pm	
Was a Watercourse Reached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, Volume Impacting the Watercourse.	

If a Watercourse was Impacted, Describe Fully.*

Describe Cause of Problem and Remedial Action Taken.* A gasket failure on the heater treater caused 20 barrels of oil and 170 barrels of produced water to be released. No fluids were recovered. The release flowed northwest across the location and flowed off location approximately 15' in to the pasture. The overspray area measures approximately 230' long by 35' wide.

Describe Area Affected and Cleanup Action Taken.*

Talon/LPE was contracted for the correction of this release. The impacted area in the vicinity of S-1 was excavated to a depth of 2.5-feet deep. Field Chloride titration and PID readings were used to guide the excavation. Once field results indicate that the impacted soil was below NMOCD Recommended Remedial Action Level's (RRAL's) confirmation soil samples were be taken to insure all of the impacted material was removed. The impacted area in the vicinity of S-2 was excavated to a depth of 2-feet deep and in the vicinity of S-3, the impacted soil was excavated to a depth of 1-foot deep. The overspray area in the vicinity of S-4 was treated with Micro-Blaze, a bio remediation agent. All of the excavated material was transported to Lea Land, LLC an NMOCD approved solid waste disposal facility. The excavated areas on location were backfilled with caliche. The excavated area off the location was backfilled with top soil and seeded. No further action is required.

I hereby certify that the information given above is true and complete to the best of my knowledge and understand that pursuant to NMOCD rules and regulations all operators are required to report and/or file certain release notifications and perform corrective actions for releases which may endanger public health or the environment. The acceptance of a C-141 report by the NMOCD marked as "Final Report" does not relieve the operator of liability should their operations have failed to adequately investigate and remediate contamination that pose a threat to ground water, surface water, human health or the environment. In addition, NMOCD acceptance of a C-141 report does not relieve the operator of responsibility for compliance with any other federal, state, or local laws and/or regulations.

OIL CONSERVATION DIVISION

Signature: Chris Jones <small>Digitally signed by Chris Jones DN: cn=Chris Jones, o=Oxy, email=ckjones888@yahoo.com, c=US Date: 2014.12.10 15:25:23 -0600</small>	Approved by Environmental Specialist:	
Printed Name: Chris Jones	Approval Date:	Expiration Date:
Title: HES Specialist	Conditions of Approval:	
E-mail Address: Christopher.Jones@oxy.com	Attached <input type="checkbox"/>	
Date: 12/9/2014	Phone: 575-628-4121	

* Attach Additional Sheets If Necessary