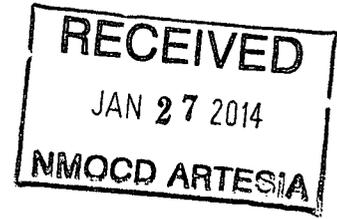




January 16, 2014



Mr. Mike Bratcher  
NMOCD District 2  
811 S. 1<sup>st</sup> 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 575.748.8905

HOBBS  
318 East Taylor Street  
Hobbs, New Mexico 88241  
Phone 505.393.4261  
Fax 505.393.4658

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

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

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

ENVIRONMENTAL CONSULTING  
ENGINEERING  
DRILLING  
CONSTRUCTION  
SPILL MANAGEMENT  
GENERAL CONTRACTING

Subject: **Remediation and Closure Report**  
Oxy Permian  
SDS 11 Federal 1 SWD Battery  
API # 30-015-27627 2RP-1704

Dear Mr. Bratcher,

Oxy Permian has contracted Talon/LPE (Talon) to perform soil assessment and remediation services for the SDS 11 Federal 1 SWD release. The results of our soil assessment, completed remediation activities and closure request are submitted herein.

**Incident Date**

May 13, 2013

**Background Information**

The SDS 11 Federal 1 SWD Battery is located approximately forty (40) miles southeast of Carlsbad, New Mexico. The legal location for the site is Section 11, Township 24 South and Range 31 East in Eddy County, New Mexico. More specifically, the latitude and longitude for the release are 32.23339 North and -103.750704 West.

According to the soil survey provided by the United States Department of Agriculture National Resources Conservation Services, the soil in this area is made up of Beríno complex with 0 to 3 percent slopes, eroded. Per the New Mexico Bureau of Geology and Mineral Resources, the local surface and shallow geology, Quaternary Age sedimentary deposits, is comprised of alluvium and eolian sands which includes fine sandy loam under lain by sandy clay loam and hard caliches. Drainage courses in this area are normally dry. The New Mexico State Engineer web site indicates the nearest ground water data to be in S2-T24S-R31E. The ground water in Section 2 is reported to be at depth of 205' below ground surface (bgs). The referenced groundwater data is presented in Appendix I.

The ranking for this site is 0 based on the as following:

Depth to ground water	>100'
Wellhead Protection Area	>1000'
Distance to surface water body	>1000'

## **Incident Description**

On May 13, 2013 the triplex transfer pump line was found to be leaking causing a release of 20 barrels of produced water. No fluids were recovered. The triplex transfer pump was subsequently replaced. The fluid from this release flowed north and west across the location. It then ran off of the northern side of the location and flowed into the pasture measuring approximately 280-feet long.

## **Remedial Actions Taken**

Talon personnel mobilized to the site to begin excavation of the impacted area in accordance with the approved work plan and the additional stipulations as directed by the NMOCD and BLM. The impacted soil on the location was excavated to a depth of 4-feet deep and transported to a NMOCD approved solid waste disposal facility, Lea Land, LLC, pursuant to NMOCD stipulations. A 1-foot layer of clay was backhauled from a private pit and then backfilled to grade using new caliche backhauled from a local borrow pit and the location will be reconstructed.

A clay liner was installed in the excavated flow path off the location and on the unvegetated portion of the old pit area per BLM stipulations. The area was backfilled with clean sandy top soil and contoured to match the surrounding terrain. The area off location was seeded on November 21, 2013 with BLM #2 seed mix. The seeding label is attached.

## **Closure**

On behalf of Oxy Permian LTD Corporation, we respectfully request that no further actions be required and that closure with respect to this release be granted.

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

Curtis & Curtis, Inc.  
 4500 North Prince  
 Clovis, NM 88130  
 Phone: (575) 762-4759

11/21/13

Talon Drilling LP  
 1 Acre BLM #2, Broadcast Rate  
 1 - 1 Acre Bag @ 29.66 Bulk Pounds Each  
 Job "Oxy SDS 11 Federal #1 SWD"  
 30-015-27627  
 F-11-24-31  
 700608.207.01

Lot# M-11883

<u>Item</u>	<u>Origin</u>	<u>Purity</u>	<u>Germ</u>	<u>Dormant</u>	<u>Germ &amp; Dormant</u>	<u>Test Date</u>	<u>Total PLS Pounds</u>
Sand Dropseed VNS	Texas	13.76%	81.00%	17.00%	98.00%	05/13	4.00
Little Bluestem Itasca	Minnesota	21.30%	50.00%	45.00%	95.00%	03/13	6.00
Coreopsis Plains	Oregail	15.86%	85.00%	0.00%	85.00%	08/13	4.00
Sideoats Grama El Reno	New Mexico	21.30%	95.00%	0.00%	95.00%	04/13	6.00
Indian Ricegrass Nezpar	Washington	13.76%	21.00%	77.00%	98.00%	05/13	4.00
Other Crop:	0.06%	There Are 1 Bag For This Mix				Total Bulk Pounds:	30
Weed Seed:	0.10%	This Bag Weighs 29.66 Bulk Pounds					
Inert Matter:	13.86%	Use This Bag For 1 Acres					

District I  
1625 N. French Dr., Hobbs, NM 88240  
District II  
1301 W. Grand Avenue, 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 October 10, 2003

Submit 2 Copies to appropriate  
District Office in accordance  
with Rule 116 on back  
side of form

### Release Notification and Corrective Action

#### OPERATOR

Initial Report  Final Report

Name of Company : Oxy Permian LTD (192463)	Contact : C.J. Summers
Address : 102 S Main St., Carlsbad, NM 88220	Telephone No. : 575-397-8216
Facility Name : SDS 11 Federal #1 SWD Battery	Facility Type: SWD
Surface Owner : Federal	Mineral Owner
API#: 30-015-27627 2RP-1704	

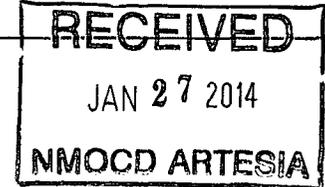
#### LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County:
F	11	24S	31E	2090'	North	1980'	West	EDDY

Latitude 32.23339 N Longitude -103.75070 W

#### NATURE OF RELEASE

Type of Release : Produced Water	Volume of Release : 20 bbls	Volume Recovered: -0- bbls
Source of Release : Transfer Pump	Date and Hour of Occurrence: 5/13/2013 Unknown	Date and Hour of Discovery: 5/13/2013
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? OCD/Mike Bratcher & BLM/Jim Amos	
By Whom? CJ Summers (Oxy)	Date and Hour : 5/15/2013 1:38 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.\* On May 13, 2013 the triplex transfer pump line was found to be leaking causing a release of 20 barrels of produced water. No fluids were recovered. The triplex transfer pump was subsequently replaced. The fluid from this release flowed north and west across the location. It then ran off of the northern side of the location and flowed into the pasture measuring approximately 280-feet long.

Describe Area Affected and Cleanup Action Taken.\* Talon/LPE was contracted for the correction of this release. Talon personnel mobilized to the site to begin excavation of the impacted area in accordance with the approved work plan. The impacted soil on the location was excavated to a depth of 4-feet deep and transported to a NMOCD approved solid waste disposal facility, Lea Land, LLC, pursuant to NMOCD stipulations. A 1-foot layer of clay was backhauled from a private pit and then backfilled to grade using new caliche backhauled from a local borrow pit and the location will be reconstructed. A clay liner was installed in the excavated flow path off the location and on the unvegetated portion of the old pit area. The area was backfilled with clean sandy top soil and contoured to match the surrounding terrain. The area off location was seeded on November 21, 2013 with BLM #2 seed mix.

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:	Approved by District Supervisor:	
Printed Name: Austin Trammell	Approval Date:	Expiration Date:
Title: HES Specialist	Conditions of Approval:	
E-mail Address: austin.trammell@oxy.com	Attached <input type="checkbox"/>	
Date: 1/21/2014 Phone: 575-397-8210		

\* Attach Additional Sheets If Necessary