



Occidental Permian Limited Partnership

October 03, 2006

New Mexico Oil Conservation Division
District I
1625 N. French Drive
Hobbs, New Mexico 88240

Attn: Environmental Engineering

RE: Final Closure Plan
North Hobbs Unit Well #32-111
UL 'D', Sec. 32, T-18-S, R-38-E

API # 30025075280000

Leak occurred on 08/11/2006, at approximately 09:00 PM. North Hobbs Unit 32-111 shut down due to an electrical storm passing through the Hobbs, NM area. Lease operator went to restart the well and noticed the flow line leak. The area affected by this spill is an area measuring approximately 10'-100' wide and running approximately 500' to the south and east of the well location. Affected area includes caliche pad as well as natural pasture. Leak occurred during a heavy rain so oil was spread thin over a large area. All fluid possible was recovered via vacuum trucks, on the morning of 8/12/2006. An estimated 15 barrels of crude oil and 20 barrels of produced water was spilled. 1 barrel of crude oil and 19 barrels of water, mostly rain water, were recovered. Southwest Supply (Larry Shed) is the surface owner and was notified of the incident by Occidental Permian LTD. Depth to ground water according to State Engineers Office is an average of 50', for all wells in the area, giving this spill site a ranking of 10. Remediation of the spill site was as follows:

1. Location was delineated to a depth of 6" to 1' while affected soil was being removed.
2. Affected soil was excavated and hauled to Sundance Services, Parabo facility near Eunice, NM.
3. Soil samples were gathered from affected area.
4. NMOCD guidelines were used to insure entire site is in compliance with guidelines.
5. Any soils removed will be replaced with clean fresh soils, where needed.

Hobbs RMT, 1017 W. Stanolind Rd, Hobbs, New Mexico 88240

Application - PPAC0623747878

10.10.06
CANNOT CLOSE UNTIL
TOP SOIL IS REPLACED
& GROWTH ESTABLISHED -
LANDOWNER NOT NOTIFIED?
11.9.06
TALK w/ BISHOP -
THE SOIL IS TO
BE REPLACED &
HE WILL TALK w/
LANDOWNER AFTER SITES
SA

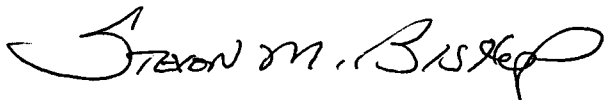
RP#
1005

October 2, 2006

Page 2

6. Soil analysis data is being submitted with this final closure letter, see attached Cardinal Laboratories analysis data dated 09/26/2006 and 09/26/2006.

If you have any questions, or if I can be of further assistance, please contact me at (505) 397-8251.

A handwritten signature in black ink that reads "Steven M. Bishop". The signature is fluid and cursive, with the first name "Steven" and last name "Bishop" clearly legible.

Steven M. Bishop
HES Technician/Hobbs RMT
Steven_Bishop@oxy.com
(505) 397-8251

Attachments: Final C-141
Hand drawn map of spill area, showing sample points
Cardinal Laboratories analytical data dated 09/25/2006 and 09/26/2006
North Hobbs Unit Water Analysis taken at North Hobbs Unit Central T/B

PATE VACUUM TRUCK (Shipman (a/bd))
BSC - Cliff Brunson 9:36 AM
Debbie Haveman 9:40 AM

SPILL MAP

PLEASE DRAW SKETCH OF SPILL AND INDICATE WHERE SPILL ORIGINATED.

8/11/06 NHu 32-111 Flowline LEAK

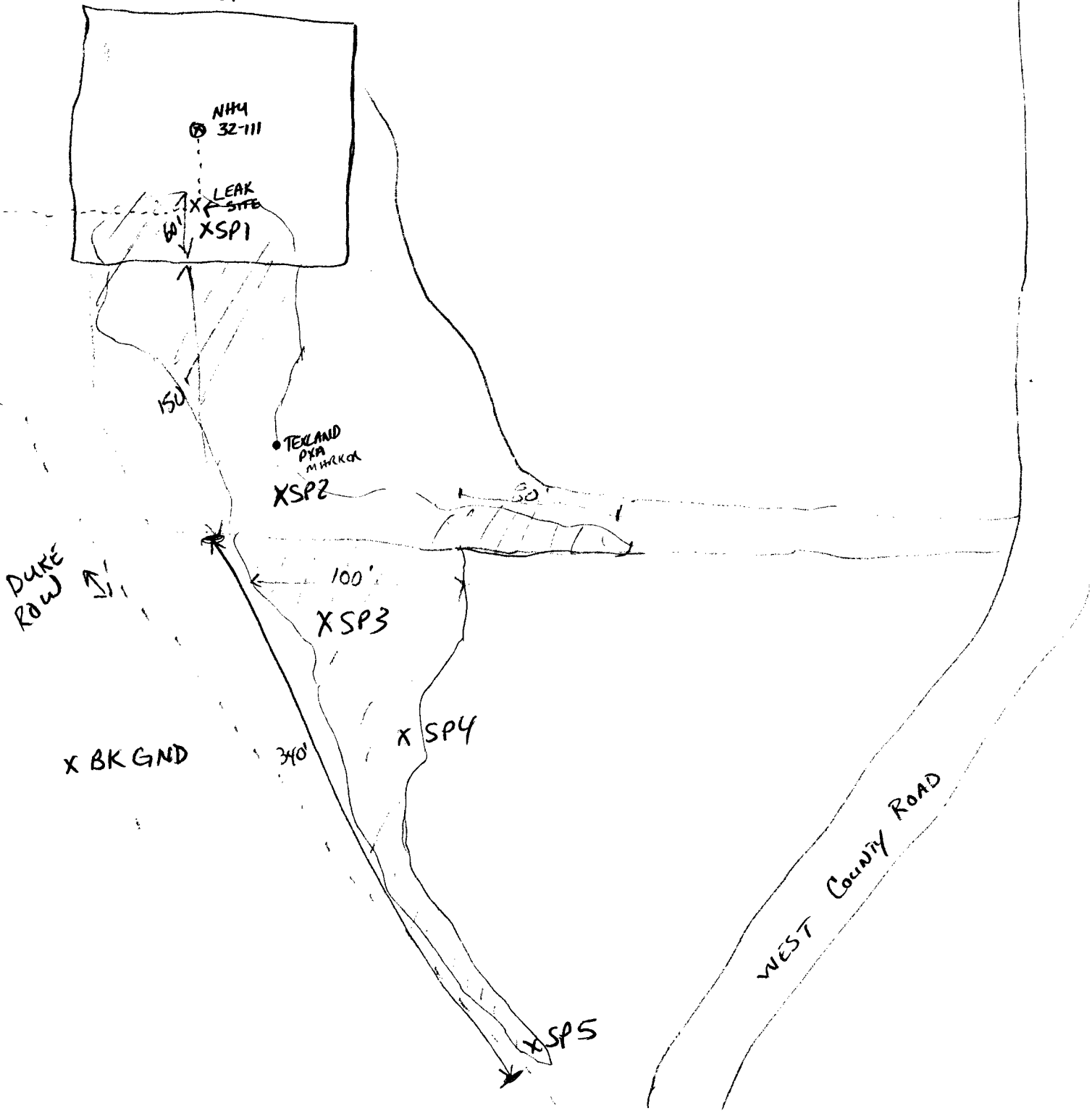
N 32° 42' 38.00" W 103° 10' 37.70" LLD Sec 32, T-18-S, R-39E

1580 x 20 BW EST. LOSS

GARY W. AK 10:30 AM 8/12/06

REC. 130719 BW mostly rain water.

↑
TO
SANGU





ARDINAL LABORATORIES

PHONE (325) 673-7001 • 2111 BEECHWOOD • ABILENE, TX 79603

PHONE (505) 393-2326 • 101 E. MARLAND • HOBBS, NM 88240

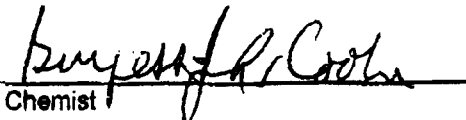
ANALYTICAL RESULTS FOR
BBC INTERNATIONAL, INC.
ATTN: CLIFF BRUNSON
P.O. BOX 805
HOBBS, NM 88241
FAX TO: (505) 397-0397

Receiving Date: 09/21/06
Reporting Date: 09/25/06
Project Owner: OXY
Project Name: NHU 32-111 FLOWLINE LEAK
Project Location: HOBBS, NM

Sampling Date: 09/21/06
Sample Type: SOIL
Sample Condition: COOL & INTACT
Sample Received By: NF
Analyzed By: BC

LAB NUMBER	SAMPLE ID	BENZENE (mg/Kg)	TOLUENE (mg/Kg)	ETHYL BENZENE (mg/Kg)	TOTAL XYLENES (mg/Kg)
ANALYSIS DATE		09/22/06	09/22/06	09/22/06	09/22/06
H11558-1	SP1 @ 1'	<0.005	<0.005	<0.005	<0.015
H11558-2	SP2 @ 1'	<0.005	<0.005	<0.005	<0.015
H11558-3	SP3 @ 1'	<0.005	<0.005	<0.005	<0.015
H11558-4	SP4 @ 1'	<0.005	<0.005	<0.005	<0.015
H11558-5	SP5 @ 6"	<0.005	<0.005	<0.005	<0.015
H11558-6	BKGND @ 6"	<0.005	<0.005	<0.005	<0.015
Quality Control		0.106	0.103	0.106	0.297
True Value QC		0.100	0.100	0.100	0.300
% Recovery		106	103	106	98.8
Relative Percent Difference		6.52	4.3	6.7	4.0

METHOD: EPA SW-846 8260


Chemist

9/25/06
Date

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 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 thirty (30) days after completion of the analytical service. No 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 hereunder by Cardinal, regardless of whether such claim is based upon any of the above-stated reasons or otherwise.



ARDINAL LABORATORIES

PHONE (325) 673-7001 • 2111 BEECHWOOD • ABILENE, TX 79603

PHONE (505) 393-2326 • 101 E. MARLAND • HOBBS, NM 88240

ANALYTICAL RESULTS FOR
BBC INTERNATIONAL, INC.
ATTN: CLIFF BRUNSON
P.O. BOX 805
HOBBS, NM 88241
FAX TO: (505) 397-0397

Receiving Date: 09/21/06
Reporting Date: 09/26/06
Project Owner: OXY
Project Name: NHU 32-111 FLOWLINE LEAK
Project Location: HOBBS, NM

Sampling Date: 09/21/06
Sample Type: SOIL
Sample Condition: COOL & INTACT
Sample Received By: NF
Analyzed By: BC/HM

LAB NUMBER	SAMPLE ID	GRO (C ₆ -C ₁₀) (mg/Kg)	DRO (>C ₁₀ -C ₂₆) (mg/Kg)	Cl ⁻ (mg/Kg)
------------	-----------	--	--	----------------------------

ANALYSIS DATE	09/23/06	09/23/06	09/25/06
H11558-1 SP1 @ 1'	<10.0	27.1	544
H11558-2 SP2 @ 1'	<10.0	<10.0	224
H11558-3 SP3 @ 1'	<10.0	<10.0	64
H11558-4 SP4 @ 1'	<10.0	<10.0	64
H11558-5 SP5 @ 6"	<10.0	14.3	<16
H11558-6 BKGND @ 6"	<10.0	<10.0	<16
Quality Control	740	756	970
True Value QC	800	800	1000
% Recovery	92.5	94.5	97.0
Relative Percent Difference	0.3	0.7	2.0

METHODS: TPH GRO & DRO: EPA SW-846 8015 M; Cl⁻: Std. Methods 4500-Cl⁻B

*Analyses performed on 1:4 w:v aqueous extracts.


Chemist

9/26/06
Date

H11558A

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 profit incurred by client, its subsidiaries, affiliates or successors arising out of or related to the performance of services hereunder by Cardinal, regardless of whether such claim is based upon any of the above-stated reasons or otherwise.

MITCHELL ANALYTICAL LABORATORY

2638 Faudree
XOdessa, Texas 79765-8538
561-5579

Company: **Nalco Energy Services**

Well Number: CTB Pump Discharge #5
Lease: OXY
Location: Hobbs
Date Run: 9/27/2006
Lab Ref #: 06-sep-n30765

Sample Temp: 70
Date Sampled: 9/26/2006
Sampled by: Kevin Chiles
Employee #:
Analyzed by: DOM

Dissolved Gases

		Mg/L	Eq. Wt.	MEq/L
Hydrogen Sulfide (H2S)		103.00	16.00	6.44
Carbon Dioxide (CO2)	NOT ANALYZED			
Dissolved Oxygen (O2)	NOT ANALYZED			

Cations

Calcium (Ca++)		1,045.20	20.10	52.00
Magnesium (Mg++)		292.80	12.20	24.00
Sodium (Na+)		3,631.82	23.00	157.91
Barium (Ba++)				
	NOT ANALYZED			
Manganese (Mn+)		.03	27.50	.00

Anions

Hydroxyl (OH-)		.00	17.00	.00
Carbonate (CO3=)		.00	30.00	.00
BiCarbonate (HCO3-)		2,859.48	61.10	46.80
Sulfate (SO4=)		1,700.00	48.80	34.84
Chloride (Cl-)		5,405.94	35.50	152.28
Total Iron (Fe)		0.18	18.60	.01
Total Dissolved Solids		15,038.45		
Total Hardness as CaCO3		3,813.48		
Conductivity MICROMHOS/CM		25,265		

pH 6.680 Specific Gravity 60/60 F. 1.010

CaSO4 Solubility @ 80 F. 41.26 MEq/L, CaSO4 scale is unlikely

CaCO3 Scale Index

70.0	.668	100.0	1.008	130.0	1.568
80.0	.788	110.0	1.268	140.0	1.568
90.0	1.008	120.0	1.268	150.0	1.848

Nalco Energy Services

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 Occidental Permian Limited Partnership	Contact Steven M. Bishop
Address 1017 West Stanolind Road, Hobbs, N.M. 88240	Telephone No. (505) 397-8251
Facility Name North Hobbs Unit Well # 32-111	Facility Type Production

Surface Owner Southwest Supply	Mineral Owner	Lease No.
--------------------------------	---------------	-----------

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
'D'	32	18-S	38-E					LEA

Latitude N32°42'33.00" Longitude W103°10'37.70"

NATURE OF RELEASE

Type of Release Crude oil and produced water	Volume of Release 15 BO X 20 BW	Volume Recovered 1 BO X 19 BW
Source of Release Wells 4" steel flow line	Date and Hour of Occurrence 08/11/2006 09:00 PM	Date and Hour of Discovery 08/11/2006 09:00 PM
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? Gary Wink	
By Whom? Steven M. Bishop	Date and Hour 08/12/2006 10:30 AM	
Was a Watercourse Reached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, Volume Impacting the Watercourse. N/A	
If a Watercourse was Impacted, Describe Fully. *N/A		

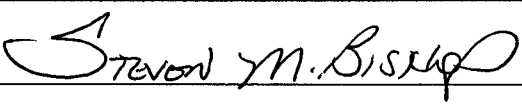
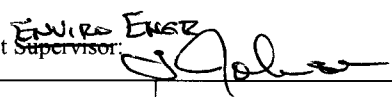
Describe Cause of Problem and Remedial Action Taken.*

North Hobbs Unit #32-111 well shut down due to an electrical storm passing through the Hobbs, NM area. Lease operator went to start the well and found the flow line leaking. Valves were shut at the well head and production header to stop leak. Due to heavy rain at the time it is unknown of the actual volume lost due to this spill. Release volumes are estimated. Picked up all standing fluid via vacuum trucks, 8/12/2006.

Describe Area Affected and Cleanup Action Taken.*

Oil and water ran to the south and east of the well head. A large area approximately 150' to the south of the well is caliche pad where a Texland PXA marker is. An area approximately 50' X 340' to the south and east of the caliche pad also had an oil sheen in the pasture. Affected area and location was remediated to NMOCD guidelines for spills and leaks.

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.

Signature: 	OIL CONSERVATION DIVISION	
Printed Name: Steven M. Bishop	Approved by District Supervisor: 	
Title: HES Technician	Approval Date: 11.8.06	Expiration Date: —
E-mail Address: Steven_Bishop@oxy.com	Conditions of Approval: <u>RESTORE SURFACE</u>	Attached <input type="checkbox"/>
Date: 10/03/2006	Phone: (505) 397-8251	

* Attach Additional Sheets If Necessary

R P # 1005