

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 South Hobbs Unit #39 | Facility Type Production |

| | | |
|---------------------------|---------------|----------------------------------------|
| Surface Owner Kress Jones | Mineral Owner | Lease No. API 30 02.5 076340000 |
|---------------------------|---------------|----------------------------------------|

LOCATION OF RELEASE

| Unit Letter | Section | Township | Range | Feet from the | North/South Line | Feet from the | East/West Line | County |
|-------------|---------|----------|-------|---------------|------------------|---------------|----------------|--------|
| T | 6 | 19-S | 38-E | | | | | LEA |

Latitude 32°41'15.90" Longitude 103°10'49.40"

NATURE OF RELEASE

| | | |
|------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------|---------------------------------------------------|
| Type of Release Injection water | Volume of Release 250 bbls | Volume Recovered 0 bbls |
| Source of Release 3" fiberglass injection line | Date and Hour of Occurrence 01/28/2007 05:00 PM | Date and Hour of Discovery 01/28/2007 05:00 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 via Pager | |
| By Whom? Steven M. Bishop | Date and Hour 01/28/2007 05:44 PM | |
| 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.*

Describe Cause of Problem and Remedial Action Taken.*

Responded to water leak turned in by rancher. Discovered a leak just east of South Hobbs Unit Injection Building #5. Shut valves on injection header inside building #5 going to South Hobbs Unit Injection Well #39 to stop leak. Was unable to recover any spilled fluid, soaked into pasture.

Describe Area Affected and Cleanup Action Taken.*

Spilled fluid ran approximately 950' to the southeast of South Hobbs Unit Injection Building #5. Fluid ran down a two track road and accumulated in a larger area on the southeast end of the spill area. Unable to recover any spilled fluid. Area affected is in grassy pasture used for grazing. Area was saturated due to recent snow on ground. Area will be remediated to NMOCD spill guidelines.

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: <i>Steven M. Bishop</i> | OIL CONSERVATION DIVISION | |
| Printed Name: Steven M. Bishop | Approved by District ^{ENGINEER} Supervisor: | |
| Title: HES Technician | Approval Date: 2-9-07 | Expiration Date: 5-9-07 |
| E-mail Address: Steven_Bishop@oxy.com | Conditions of Approval: 48 HR NOTIFICATION PERIOD TO FINAL SAMPLING | Attached <input type="checkbox"/> |
| Date: 01/29/2007 Phone: (505) 397-8251 | | |

* Attach Additional Sheets If Necessary

*Incident - a PAC-0704333757
application - pPAC0704333860*

*2) SUBMITTAL OF FINAL
C-141 w/ DOCUMENTATION
OF SAMPLE RESULTS*

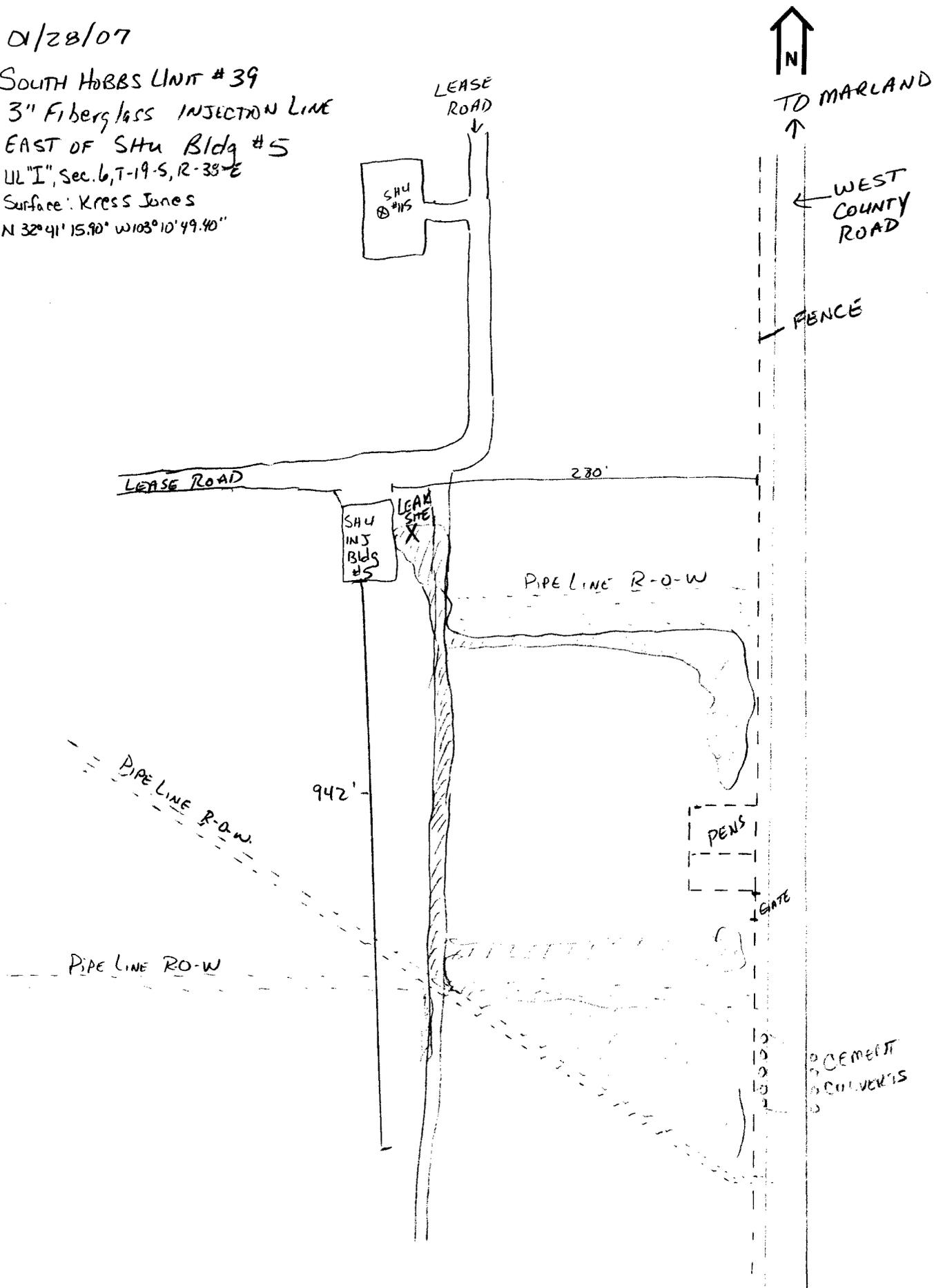
RPT# 1198

SPILL MAP

PLEASE DRAW SKETCH OF SPILL AND INDICATE WHERE SPILL ORIGINATED.

01/28/07

SOUTH HOBBS UNIT #39
3" Fiberglass INJECTION LINE
EAST OF SHU Bldg #5
UL "I", Sec. 6, T-19-S, R-33-E
Surface: Kress Jones
N 32° 41' 15.90" W 103° 10' 49.40"





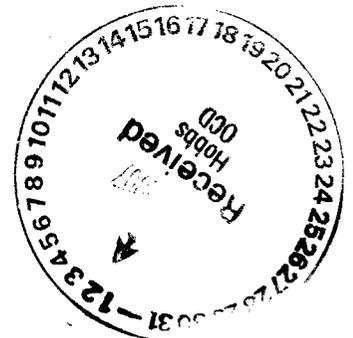
Occidental Permian Limited Partnership

January 29, 2007

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

Attn: Environmental Engineering

RE: Remediation Plan
South Hobbs Unit #39 3" Fiberglass Injection Line
UL 'I', Sec. 6, T-19-S, R-38-E



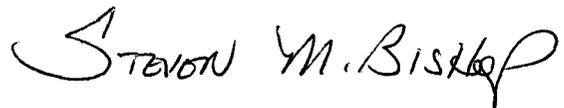
Leak occurred on 01/28/2007, at approximately 05:00 PM. A 3" fiberglass injection line used to transfer water from South Hobbs Unit Injection Building #5 to the South Hobbs Unit Well #39 developed a hole causing spill. Valves on both ends of the line were shut to isolate leak. The normal rate for the South Hobbs Unit well #39 is 315 bbls/day at a pressure of about 840 psig. The area affected by this spill is an area measuring approximately 25' wide and 950' long to the south east of South Hobbs Unit Injection Building #5. An estimated 250 barrels of injection water was spilled. None of the spilled fluid was recovered. Mr. Kress Jones is the surface owner and utilizes the surface for grazing cattle. Depth to ground water according to State Engineers Office is an average of 76', for all wells in the area, giving this spill site a ranking of 10. Remediation of the spill site will be as follows:

1. Piping will be excavated and repaired.
2. Affected area will be excavated and soil will be disposed of at Sundance Services, Parabo Faciltiy near Eunice, NM.
3. Soil samples will be gathered from affected area.
4. NMOCD guidelines will be used to insure entire site is in compliance with guidelines.
5. Any soils removed will be replaced with clean fresh soils, where needed.
6. Soil analysis data will be submitted with final closure letter.

January 29, 2007

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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 letters are cursive and somewhat stylized, with the first letter 'S' being particularly large and looping.

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

Attachments: Initial C-141
Hand drawn map of spill area
South Hobbs Unit Water Analysis taken at South Hobbs Unit Central T/B