

July 16, 2007

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

Attn: Environmental Engineering

RE: Final Closure Plan South Hobbs Unit Central Tank Battery UL 'A', Sec. 9, T-19-S, R-38-E



Leak occurred on 03/11/2007, and was discovered at 06:00 PM. A glitch in the communication system that sends alarms to Occidental Permian LTD's answering service, failed to alert field personnel to alarms at the South Hobbs Unit Central T/B. Operators were unaware that the water injection pumps had stopped and water was filling the 10,000 bbl spill over tank. The spill over tank ran over spilling water out of an overflow. The spilled fluid ran across the battery location to the southeast corner where it breached a berm. Water continued down a lease road for about 100 yards to a well location where it stopped in the pasture in an area measuring approximately 20' X 30'. An estimated 150 barrels of produced water was spilled, and 80 bbls of water was recovered via vacuum truck. Occidental Permian LTD is the surface owner and utilizes the area for oil and gas production only. Depth to ground water according to State Engineers Office is an average of 53', for all wells in the area, giving this spill site a ranking of 10. Remediation of the spill site was as follows:

- 1. Affected area was excavated and soil was disposed of at Sundance Services, Parabo Faciltiy near Eunice, NM. Disposed of 192 yards of soil.
- 2. Soil samples were gathered from affected area. See hand drawn map of sample points attached.
- 3. NMOCD guidelines were used to insure entire site is in compliance with guidelines.
- 4. Any soils removed will be replaced with clean fresh soils, where needed.

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

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5. Soil analysis data will be submitted with final closure letter. See attached Cardinal Lab soil analysis dated 7/12/2007.

Samples show TPH and BTex as non-detect. Chlorides samples are slightly elevated over background but well below injection water analysis. Latest South Hobbs Unit water analysis also attached. Oxy feels no damage to surface or sub-surface will occur as result of this spill. Natural vegetation was already growing in this spill site area before remediation work began. No further work is planned for this site.

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

TENON M. SISTER

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

Attachments: Final C-141 Cardinal Labs soil analysis data dated 7/12/2007 (2 pages) Hand drawn map showing sample points Latest South Hobbs Unit Water Analysis taken at South Hobbs Unit Central T/B .

State of New Mexico Energy Minerals and Natural Resources

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

Kh#1921

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

1220 S St Francis Dr , Santa Fe, NM 87505 Sa	inta Fe	, NM 875	05		sid	e of form
Release Notific	ation	and Co	rrective A	ction		
		OPERA	ſOR		nitial Report 🛛 🖾 Fir) al 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 Central T/B	I	Facility Typ	e Production			
Surface Owner Oxy Permian LTD. Mineral O	wner			Lea	se No.	
LOCA	TION	NOF REI	LEASE			
Unit Letter Section Township Range Feet from the	North/	South Line	Feet from the	East/West Li	ne County	
'A' 9 19-S 38-E					LEA	
Latitude 32°40`48 6	<u> </u>	Longitude	103°08`52.64	,,,		
N. 4. T			<u> </u>			
NAT Time of Palassa	URE	OF REL	Release	Volu	na Pacovarad	
Produced water only		150 bbls v	/ater	80 bt	ls water	
Source of Release		Date and H	our of Occurrenc	e Date	and Hour of Discovery	
10,000 bbl Spill Over Tank		03/11/2007	<u>06:00 PM</u>	03/11	/2007 06:00 PM	
Was Immediate Notice Given?	equired	Patricia Ca	whom? perton (Left Mess	sage on Voice	Mail)	
By Whom?	<u> </u>	Date and H	our		· · · · · · · · · · · · · · · · · · ·	
Steven M. Bishop		3/11/2007	7:15 PM			
Was a Watercourse Reached?		If YES, Volume Impacting the Watercourse.				
				_		
Describe Cause of Problem and Remedial Action Taken.* There was a glitch in communications system that sends re- alarms not to be sent to field operators. The water injection tanks to fill and send water to the spill over tank. The comm the spill over tank resulting in the tank running over. Appro- spill over tank. The water injection pumps were put back in truck, recovering about 80 bbls of water. Describe Area Affected and Cleanup Action Taken.* Spilled fluid ran to the SE corner of the Central T/B and br well pad and into an area approximately 20' X 30' in the pas	ports al pumps municat oximate nto serv reached sture. A	arms to Occ at the Sout ion problem ly 150 bbls ice stopping a berm. Wa ill fluid pos	vidental Permian h Hobbs Unit C a also did not al of produced was the overflow. ater then ran app sible was recover	n LTD's answ entral T/B ha low the autor iter was spille All fluid pos proximately h ered via vacu	ering service, causing so d gone down allowing w natic shut downs to work ed out of the overflow on sible was recovered via v 00 yds down a caliche ro um truck. Occidental Pe	ome rater c off of the vacuum pad to a rmian
I hereby certify that the information given above is true and compl regulations all operators are required to report and/or file certain re public health or the environment. The acceptance of a C-141 repo should their operations have failed to adequately investigate and re or the environment. In addition, NMOCD acceptance of a C-141 r federal, state, or local laws and/or regulations.	lete to th elease no ort by the emediate report do	e best of my otifications ar NMOCD m contaminations not reliev	knowledge and u ad perform correct arked as "Final R on that pose a three the operator of the second	nderstand that tive actions fo eport" does no eat to ground v responsibility t	pursuant to NMOCD rules r releases which may endan t relieve the operator of liab vater, surface water, human for compliance with any oth	and ger bility health ler
S ~ m Russia			OIL CON	SERVATIO	ON DIVISION	
Signature: Istor Printed Name: Steven M. Bishop	/	Approved by	EN dife. District Supervise	ENGR	eluson_	
Title: HES Technician	A	Approval Dat	e: 7.18.07	Expirat	ion Date:	
E-mail Address: Steven_Bishop@oxy.com	(Conditions of	Approval:		Attached	1
Date: 07/16/2007 Phone: (505) 397-825 * Attach Additional Sheets If Necessary	1					



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

PHONE (505) 393-2328 . 101 E. MARLAND - HOBBS, NM 88240

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ANALYTICAL RESULTS FOR BBC INTERNATIONAL, INC. ATTN: CLIFF BRUNSON P.O. BOX 805 HOBBS, NM 86241 FAX TO: (505) 397-0397

Receiving Date: 07/11/07 Reporting Date: 07/12/07 Project Owner: OXY Project Name: SHU CTB Project Location: HOBBS, NEW MEXICO

Sampling Date: 07/11/07 Sample Type: SOIL Sample Condition: COOL & INTACT Sample Received By: BC Analyzed By: BC/HM

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LAB NUMBER SAMPLE ID	GRO (C ₀ -C ₁₀) (mg/Kg)	DRO (>C ₁₀ -C ₂₈) (mg/Kg)	Cl* (mg/Kg)
ANALYSIS DATE	07/11/07	07/11/07	07/11/07
H12879-1 SP 1	<10.0	<10.0	16
H12879-2 SP 2	<10.0	<10.0	480
H12879-3 SP 3	<10.0	<10.0	512
H12879-4 SP 4	<10.0	<10.0	624
H12879-5 SP 5	<10.0	<10.0	752
H12879-5 BACKGROUND	<10.0	<10.0	<16
Quality Control	732	743	490
True Value QC	800	800	500
% Recovery	91.5	92.8	98.0
Relative Percent Difference	<0.1	1.3	<0.1

METHODS: TPH GRO & DRO: EPA SW-846 8015 M; CI': Std. Methods 4500-CI'B *Analyses performed on 1:4 w:v aqueous extracts.

H12879A BBC

PLEASE NOTE Liability and Damages, Cardinat's liability and disn't enclusive remedy for any claim anging, whether based in contraction fort, shall be limited to the antiount paid by disn't for any lipits. All claims, including these for negligence and any other cause whatseever shall be deemed waved unless made in writing and received by Cardinal within thirty (SO) dave after compliance of the applicable astrong in no avent shall Cardinal be liable for modernal or consequential damages, including, without limitation, beameds interruptions, logic of use or loge of profits incurred by client. Its subsidiarities, attivates or successors erising out of or related to the performance of services herbunder by Cardinat, regardless of whether such days is based upon any of the above-stelled reasons or otherway.



PHONE (325) 573-7001 - 2111 BEECHWOOD - ABILENE. TX 79603

PHONE (506) 393-2328 + 101 E MARLAND + HOBBS, NM 88240

ANALYTICAL RESULTS FOR BBC INTERNATIONAL, INC ATTN: CLIFF BRUNSON P.O. BOX 805 HOBBS, NM 68241 FAX TO: (505) 397-0397

Receiving Date: 07/11/07 Reporting Date: 07/12/07 Project Owner: OXY Project Name: SHU CTB Project Location: HOBBS, NEW MEXICO

Sampling Date: 07/11/07 Sample Type: SOIL Semple Condition: COOL & INTACT Sample Received By: BC Analyzed By: AB

LAB NUMBER	SAMPLE ID	BENŻENE (mg/Kg)	ETHYL ZENE TOLUENE BENZENE "Kg) (mg/Kg) (mg/Kg)		TOTAL XYLENES (mg/Kg)
ANALYSIS DA	TE	07/11/07	07/11/07	07/11/07	07/11/07
H12879-1	SP 1	<0.002	<0.002	<0.002	<0.006
H12879-2	SP 2	<0.002	< 0.002	< 0.002	0.006
H12879-3	SP 3	<0.002	<0.002	<0.002	<0.006
H12879-4	SP 4	< 0.002	<0.002	<0.002	<0.006
H12879-5	SP 5	<0.002	<0.002	<0.002	<0.006
H12879-6	BACKGROUND	<0.002	<0.002	<0.002	<0.006
Quality Control		0.088	0.095	0.095	0.291
True Value QC		0.100	0.100	D.100	0.300
% Recovery		87.6	95.0	94.6	96.9
Relative Percer	nt Difference	4.3	1.0	10.5	11.3

METHOD: EPA SW-846 8021 B

espfa. Cool.

Date

PLEASE NOTE: Lisblilly and Damages. Cardinal's hability and client's exclusive remedy for any dawn aftaing, whather based in contract in tort, altitle be timbled to the amount party by client for any dawn aftaing, whather based in contract in tort, altitle be timbled to the amount party by client for any dawn aftaing, whather based in contract in tort, altitle be timbled in the amount party by client for any dawn aftaing, whather based upper for any dawn aftaing and received by Cardinal within thiny (30) days after completion of the approximate any dawn aftaing and received by Cardinal within thiny (30) days after completion of the approximate any dawn aftaing and received by Cardinal within thiny (30) days after completion of the approximate a substituties, any term of the track any dawn and a substituties in the contract any dawn and a substituties in the term of the approximate and any dawn, its substituties, and the dawn after a substituties and the dawn and any dawn and any dawn, the substituties at the substitution. The term and the dawn and the approximate of other approximate at the dawn and any dawn any dawn any dawn any dawn and any dawn and any dawn and any dawn any dawn and any dawn any dawn and any dawn any dawn any dawn any dawn any dawn and any dawn any dawn any dawn and any dawn and any dawn any daw

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L LABORATORIES	E Brunson	Man Land States NM	Z 6 386 Fax#	CTB	ses theorem along		Sample I,D.				Prund	בוווין אלאלץ אנון ליינינו ונילוגיא לאולי לאול נינו אלאלץ אנון ליינינו ונילוגיא לאולי לייני	Tahani a arungané ounin, bulan di 1842 perintnya di sanèn la artis b _i Gr	Date: 11/67 Terre: 950 Date: 11mu:	Onel ther:
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MITCHELL ANALYTICAL LABORATORY

2638 Faudree Odessa, Texas 79765-8538 561-5579

Company: Nalco Energy Services

SHU T-Pump	Sample Temp:	70
OXY	Date Sampled:	5/14/2007
	Sampled by:	Kevin Chiles
5/18/2007	Employee #:	
07-may-n34696	Analyzed by:	DOM
	SHU T-Pump * OXY 5/18/2007 07-may-n34696	SHU T-PumpSample Temp:OXYDate Sampled:Sampled by:Sampled by:5/18/2007Employee #:07-may-n34696Analyzed by:

		D	issolved G	Fases			
Hydrogen Sulfide	(H2S)				Mg/L 259.00	Eq. Wt. 16.00	MEq/L 16.19
Carbon Dioxide Dissolved Oxygen	(CO2) (O2)	ז ק	NOT ANAL	YZED YZED			
			Cations				
Calcium	(Ca++	·)			450.24	20.10	22.40
Magnesium	(Mg++	+)			156.16	12.20	12.80
Sodium	(Na+)				2,752.45	23.00	119.67
Barium	(Ba++	·)					
		N	IOT ANAL	YZED			~~~
Manganese	(Mn+)				.06	27.50	.00
			Anions				
Hydroxyl	(OH-)				.00	17.00	.00
Carbonate	(CO3=	:)			.00	30.00	.00
BiCarbonate	(HCO3	-)			1,490.84	61.10	24.40
Sulfate	(SO4=	:)		~	2 450-00	48.80	9.22
Chloride	(Cl-)			(4,304.73	35.50	121.26
Total Iron	(Fe)		-		0.14	18.60	.01
Total Dissolved Sc	olids				9,863.62		
Total Hardness as	CaCO3				1,765.86		
Conductivity MICR	OMHOS/	CM			13,180		
рН 7.79	00			Specific	: Gravity 60/60	• F.	1.007
CaSO4 Solubility @	80 F.	14.48	3	MEq/L,	CaSO4 sca	le is unlike	ly
CaCO3 Scale Index							
70.0	1.440	100.0	1.790	130.0	2.300		
80.0	1.570	110.0	2.030	140.0	2.300		
90.0	1.790	120.0	2.030	150.0	2.530		

Nalco Energy Services