



Occidental Permian Limited Partnership

July 23, 2007

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



Attn: Environmental Engineering

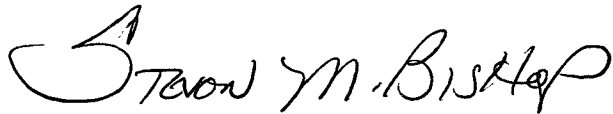
RE: 1RP-1238
Final Closure Letter
South Hobbs Unit Satellite #1 Test Vessel
UL 'K', Sec. 5, T-19-S, R-38-E

Leak occurred on 02/28/2007, and was discovered at 12:00 PM. A sight glass on the test vessel at South Hobbs Unit Satellite #1 broke causing spill. Valves were closed behind the sight glass to isolate leak. There was no wells switched to this vessel at time of incident. The area affected by this spill is an area measuring approximately 20' wide and 100' long, total, to the south and east of South Hobbs Unit Satellite #1. An area of approximately 20' X 60' was affected, in grassy pasture, that belongs to the landowner. An estimated 15 barrels of produced water was spilled. Approximately 10 bbls of water was recovered via vacuum truck. Mr. Dee A. Cochran is the surface owner and utilizes the area for grazing. Depth to ground water according to State Engineers Office is an average of 35', for all wells in the area, giving this spill site a ranking of 20. Remediation of the spill site was as follows:

1. Affected area was excavated and soil was disposed of at Sundance Services, Parabo Facility near Eunice, NM. 36 yards of soil was taken to the Parabo Facility.
2. Soil samples were gathered from affected area. See attached map for sample points and depths.
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.
5. Soil analysis data is submitted with this final closure letter. See attached Cardinal Labs soil analysis data dated 07/17/2007.

Soil analysis data shows that TPH and BTEX is non-detect. Chloride levels while slightly elevated over background are well beneath the attached water analysis data for the South Hobbs Unit. Due to the minimal amount spilled and low levels measured in the soil analysis, Oxy believes no future damage will occur as result of this spill, and plans no further work at this site.

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



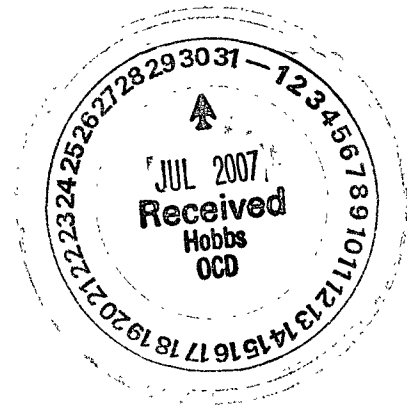
Steven M. Bishop
HES Tech/WSAH RMT
Steven_Bishop@oxy.com
(505) 397-8251

Attachments: Final C-141

Hand drawn map of spill area, showing sample points and depths of samples

Cardinal Lab soil analysis data dated 07/17/2007 (3 pages)

Latest South Hobbs Unit Water Analysis taken at South Hobbs Unit Central T/B



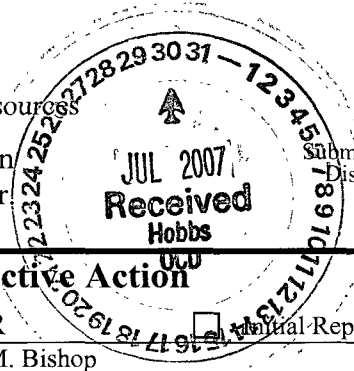
District I
1625 N French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St Francis Dr., Santa Fe, NM 87505

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 Satellite #1	Facility Type Production

Surface Owner Mr. Dee A. Cochran	Mineral Owner	Lease No.
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LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
'K'	5	19-S	38-E					LEA

Latitude 32°41'10.03" Longitude 103°10'22.17"

NATURE OF RELEASE

Type of Release Produced water only	Volume of Release 15 bbls water	Volume Recovered 10 bbls water
Source of Release Broken Sight Glass on Test Vessel	Date and Hour of Occurrence 02/28/2007 12:00 PM	Date and Hour of Discovery 02/28/2007 12:00 PM
Was Immediate Notice Given? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? N/A	
By Whom? N/A	Date and Hour N/A	
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.*

Operators discovered a broken sight glass on the test vessel at South Hobbs Unit Satellite #1. There was no production switched to this vessel at the time but pressure had allowed water to exit the vessel from the broken sight glass. Valves were closed behind the sight glass to isolate the leak. All fluid possible was picked up via vacuum truck. 10 bbls of water was recovered.

Describe Area Affected and Cleanup Action Taken.*

Spilled fluid ran approximately 50' across the caliche pad of Satellite #1, then into an area of approximately 20' X 60' of grassy pasture belonging to land owner. All fluid possible was recovered via vacuum truck. Land owner was contacted regarding the spill. Area was 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:	OIL CONSERVATION DIVISION	
Printed Name: Steven M. Bishop	Approved by District Supervisor:	
Title: HES Technician	Approval Date: 8.2.07	Expiration Date:
E-mail Address: Steven_Bishop@oxy.com	Conditions of Approval:	Attached <input type="checkbox"/>
Date: 07/23/2007	Phone: (505) 397-8251	

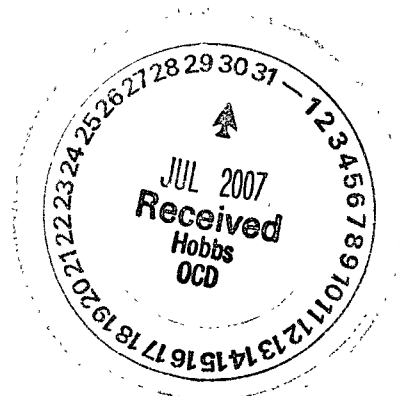
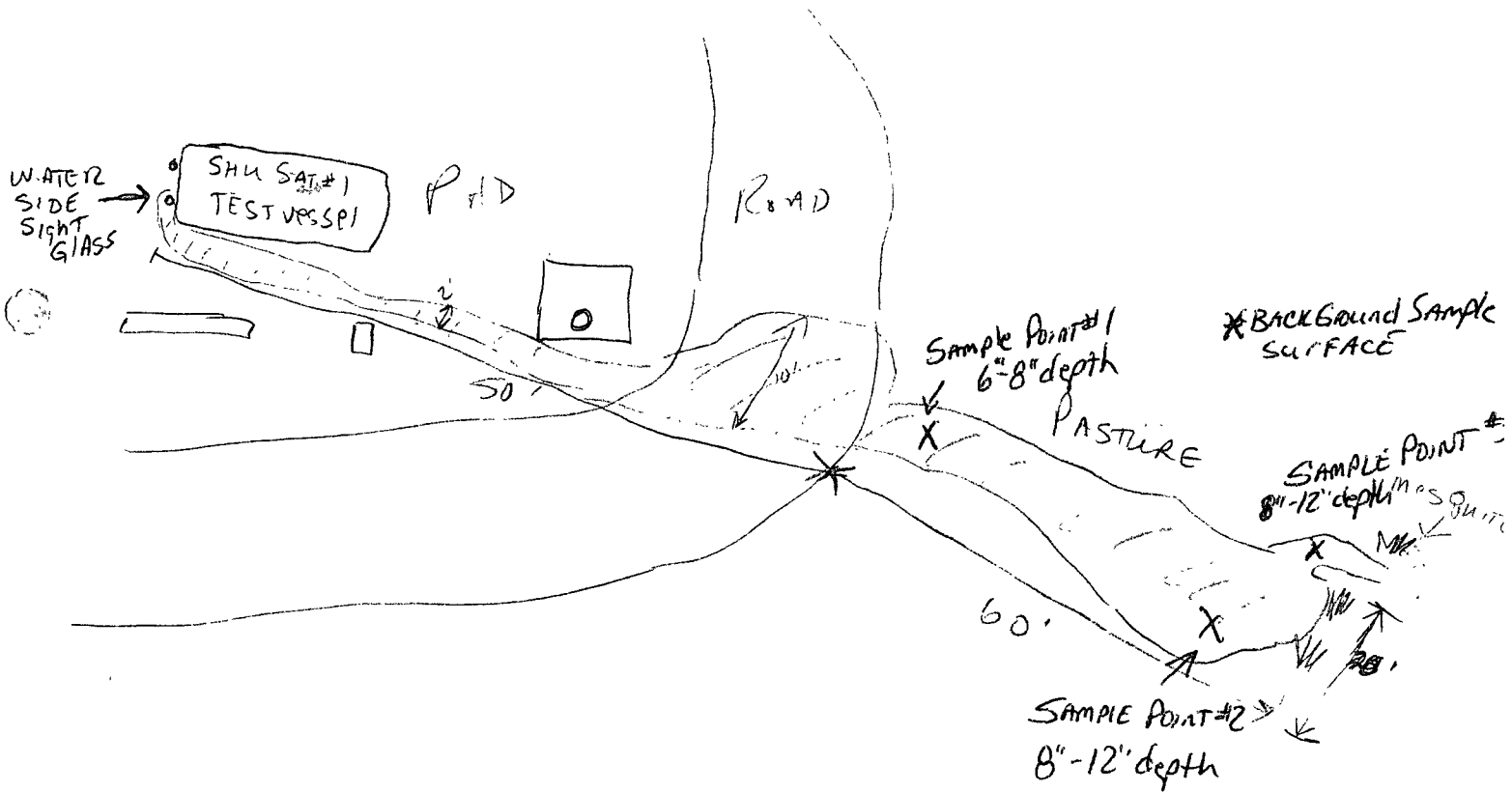
* Attach Additional Sheets If Necessary

RPT# 1238

SPILL MAP

PLEASE DRAW SKETCH OF SPILL AND INDICATE WHERE SPILL ORIGINATED.

02/28/07 ØBO x 15 BW REC ØBO x 10 BW
SHU SAT #1 BROKEN SITE GLASS ON TEST SEPARATOR
UL'K' Sec 5, T-19 S, R-33-E
N 32° 41' 10.03" W 103° 10' 22.17"

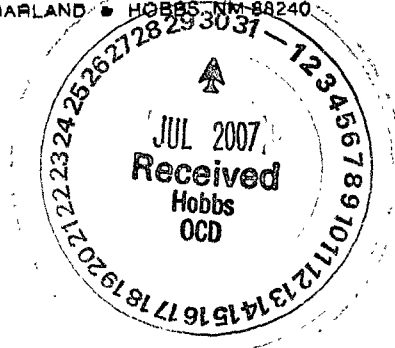




ARDINAL LABORATORIES

PHONE (815) 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: 07/16/07
Reporting Date: 07/17/07
Project Owner: OXY
Project Name: SHU SATT. #1
Project Location: HOBBS, NM

Sampling Date: 07/16/07
Sample Type: SOIL
Sample Condition: INTACT
Sample Received By: AB
Analyzed By: AB

LAB NUMBER	SAMPLE ID	BENZENE (mg/Kg)	TOLUENE (mg/Kg)	ETHYL BENZENE (mg/Kg)	TOTAL XYLENES (mg/Kg)
ANALYSIS DATE		07/16/07	07/16/07	07/16/07	07/16/07
H12895-1	SP 1	<0.002	<0.002	<0.002	<0.006
H12895-2	SP 2	<0.002	<0.002	<0.002	<0.006
H12895-3	SP 3	<0.002	<0.002	<0.002	<0.006
H12895-4	BACKGROUND	<0.002	<0.002	<0.002	<0.006
Quality Control		0.115	0.100	0.104	0.313
True Value QC		0.100	0.100	0.100	0.300
% Recovery		115	100	104	104
Relative Percent Difference		15.1	10.3	12.4	10.7

METHOD: EPA SW-846 8021 B

Bryce J. Cochran
Chemist

7/17/07
Date

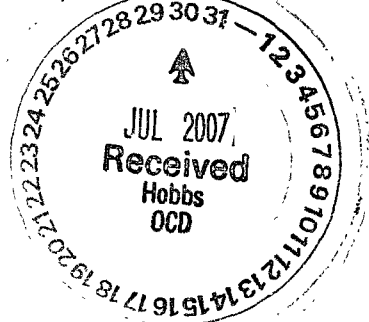
PLEASE NOTE: Liability and Damages. Cardinal's liability and client's exclusive remedy for any claim arising, whether based in contract or tort, shall be limited to the amount paid by client for analyses. All claims, including those for negligence and any other cause whatsoever shall be deemed waived unless made in writing and received by Cardinal within thirty (30) days after completion of the applicable service. Cardinal shall not 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.



ARDINAL LABORATORIES

PHONE (915) 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 806
HOBBS, NM 88241
FAX TO: (505) 397-0397

Receiving Date: 07/16/07
Reporting Date: 07/17/07
Project Owner: OXY
Project Name: SHU SATT. #1
Project Location: HOBBS, NM

Sampling Date: 07/16/07
Sample Type: SOIL
Sample Condition: INTACT
Sample Received By: AB
Analyzed By: BC/HM

LAB NUMBER	SAMPLE ID	GRO	DRO	CI*
		(C ₆ -C ₁₀) (mg/Kg)	(>C ₁₀ -C ₂₈) (mg/Kg)	(mg/Kg)
ANALYSIS DATE		07/16/07	07/16/07	07/16/07
H12895-1	SP 1	<10.0	18.3	416
H12895-2	SP 2	<10.0	<10.0	256
H12895-3	SP 3	<10.0	<10.0	32
H12895-4	BACKGROUND	<10.0	<10.0	<16
Quality Control		758	751	510
True Value QC		800	800	500
% Recovery		94.7	93.9	102
Relative Percent Difference		6.1	6.4	2.0

METHODS: TPH GRO & DRO: EPA SW-846 8015 M; CI: Std. Methods 4600-CI'B

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

Chemist

Date

H12895A BBC

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 services hereunder by Cardinal, regardless of whether such claim is based upon any of the above-stated reasons or otherwise.



CHAIN-OF-CUSTODY AND ANALYSIS REQUEST

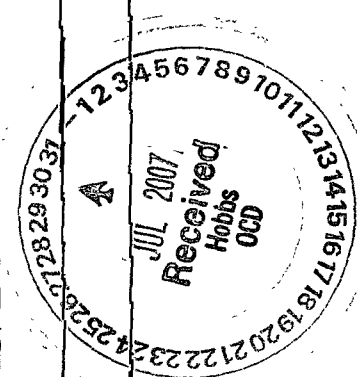
Page 1 of 1

[illegible]

Tax on small Commercial Import will be charged on all imports more than 20 days past due at the rate of 25% per annum from the original date of invoice, and of every 30 consecutive, including attorney's fees.

Sampler Relinquished:		Date: 3/6/07	Received By:	Phone Result: <input type="checkbox"/> Yes <input type="checkbox"/> No	Add'l Phone #:
Relinquished By: [Signature]		Time:		Fax Result: <input type="checkbox"/> Yes <input type="checkbox"/> No	Add'l Fax #:
Date:		Received By: (Lab Staff)		REMARKS:	
Time:		[Signature]			
Delivered By: (Circle One)		Sample Condition	CHECKED BY:		
Sampler - UPS - Bus - Other:		Cool Intact	(Initials)		
		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	[Signature]		
		<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No			

† Cardinal cannot accept verbal changes. Please fax written changes to 505-393-2476.



MITCHELL ANALYTICAL LABORATORY

2638 Faudree
Odessa, Texas 79765-8538
561-5579

Company: **Nalco Energy Services**

Well Number: SHU T-Pump
Lease: OXY
Location:
Date Run: 5/18/2007
Lab Ref #: 07-may-n34696

Sample Temp: 70
Date Sampled: 5/14/2007
Sampled by: Kevin Chiles
Employee #:
Analyzed by: DOM

Dissolved Gases

		Mg/L	Eq. Wt.	MEq/L
Hydrogen Sulfide (H2S)		259.00	16.00	16.19
Carbon Dioxide (CO2)	NOT ANALYZED			
Dissolved Oxygen (O2)	NOT ANALYZED			

Cations

		Mg/L	Eq. Wt.	MEq/L
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++)	NOT ANALYZED			
Manganese (Mn+)		.06	27.50	.00

Anions

		Mg/L	Eq. Wt.	MEq/L
Hydroxyl (OH-)		.00	17.00	.00
Carbonate (CO3=)		.00	30.00	.00
BiCarbonate (HCO3-)		1,490.84	61.10	24.40
Sulfate (SO4=)		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 Solids		9,863.62		
Total Hardness as CaCO3		1,765.86		
Conductivity MICROMHOS/CM		13,180		

pH 7.790 Specific Gravity 60/60 F. 1.007

CaSO4 Solubility @ 80 F. 14.48 MEq/L, CaSO4 scale is unlikely

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

