

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

DEC - 3 2008 Submit 2 Copies to appropriate District Office in accordance with Rule 116 on back side of form
OCD-ARTESIA

Form C-141
Revised October 10, 2003

Release Notification and Corrective Action

OPERATOR

☐ Initial Report ☒ Final Report

Name of Company	OXY USA	Contact	Kelton Beaird
Address	102 S Main Carlsbad, NM 88220	Telephone No.	575 887 8337(O) 575 390 1903(C)
Facility Name	NEFF #3 SWD	Facility Type	Disposal Well

Surface Owner	BLM	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
	25	22S	31E					Eddy

Latitude N32 22.054 Longitude W103 44.162

NATURE OF RELEASE

Type of Release	Produced Water	Volume of Release	+1000 bbls	Volume Recovered	2bbls
Source of Release	Flow Line	Date and Hour of Occurrence	Unknown	Date and Hour of Discovery	30Jul08 1:00pm
Was Immediate Notice Given?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom?	NM OCD - Gerry Guye; BLM- Jim Amos		
By Whom?	Kelton Beaird HES Specilaist	Date and Hour	See Above		
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.*
N/A

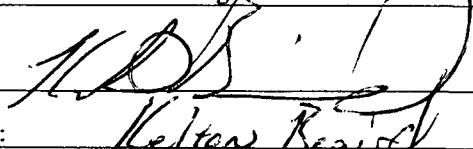
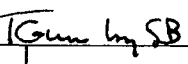
Describe Cause of Problem and Remedial Action Taken.*

Corrosion caused a hole in the steel injection line causing produced to leak into the pasture. A vac-truck was called to remove all standing fluids.

Describe Area Affected and Cleanup Action Taken.*

The affected area is approximately 30,000 sq. feet in the pasture on the north and south side of the access road. The area to the south side of the road was excavated to a depth of 3' below ground surface (BGS), lined with a 20mil synthetic liner, and back filled with like material. The area to the north side of the road was excavated to a depth of 5'BGS, lined with a 20mil synthetic liner, and backfilled using like material. Once backfilling was completed, both areas were contoured to match the surrounding terrain and re-seeded per BLM specifications using BLM #2 seed.

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:	Kelton Beaird			Approved by District Supervisor: 			
Title:	HES Spec			Approval Date:	12-5-08	Expiration Date:	N/A
E-mail Address:				Conditions of Approval:		N/A	
Date:	12-1-08	Phone:	390-1903	Attached		<input type="checkbox"/> N/A 2 RP-205	

* Attach Additional Sheets If Necessary

DEC - 3 2008
OCD-ARTESIA

OXY USA

Site Remediation Summary

Federal NEFF #3

Eddy County, NM

Sec. 25 T22S R31E

GPS N32 22.054 W103 44.162

Start date: 12Aug08

Finish date: 26Nov08

Prepared By: Vernon K. Black

Environmental Technician

Hungry Horse Environmental, LLC

PO Box 1058

Hobbs, NM 88240

(575)-393-3386



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1.0 Introduction

This report addresses the site remediation of the flow line release at Oxy USA's Federal NEFF #3. Analytical results and overhead maps are included in this document as attachments. The project manager for Hungry Horse Environmental Services was David Carter.

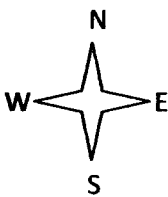
2.0 Area Description

The top three to five feet of soil is mainly sand. Below this layer, the formation begins to turn into a more of a caliche rock base. The caliche becomes less prevalent before turning completely into hard red clay bed at 12-15' below ground surface. The depth to the ground water is approximately 200' based on the Eddy County Depth to ground water Map. There are no known water wells or surface bodies of water within a half of a mile of this location. This location is located Eddy County, New Mexico approximately 30 miles west of Hobbs, New Mexico.

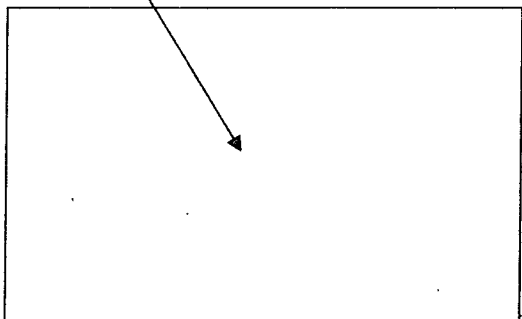
3.0 Site Remediation Summary

The delineation plan, as approved by New Mexico OCD's Sherry Bonham, was to select the lowest elevation on each side (north and south) of the dissecting lease road and determine the depth to which the chlorides reached a level of 250ppm or less. A backhoe was used in this process and field test of the south side indicated a chloride level <250ppm at 8' below ground surface (BGS). The north side was excavated to a depth of approximately 12' BGS at which point a hard clay and rock base was encountered. A drilling rig was then brought in and a bore hole was made to a depth of 15' BGS and field test indicated a chloride level <250ppm. Samples were taken to Cardinal Lab in Hobbs, NM for analysis.

The approved work plan, as approved, was to work the north and south sides of the road separately due to the different level of contaminants. The south side of the road was excavated to a depth of 3' below ground surface (BGS), lined with a 20 mil synthetic liner, and backfilled with clean topsoil. The north side of the road was excavated to a depth of 5' BGS, lined with a 20 mil liner, and backfilled with clean topsoil. All excavated material was transported to CRI for disposal. Both sides of the road were then contoured to match the surrounding terrain and re-seeded to BLM specifications using BLM #2 seed.



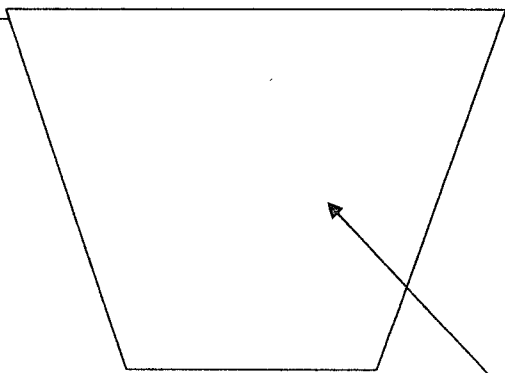
Affected Area



Federal NEFF #3 SWD



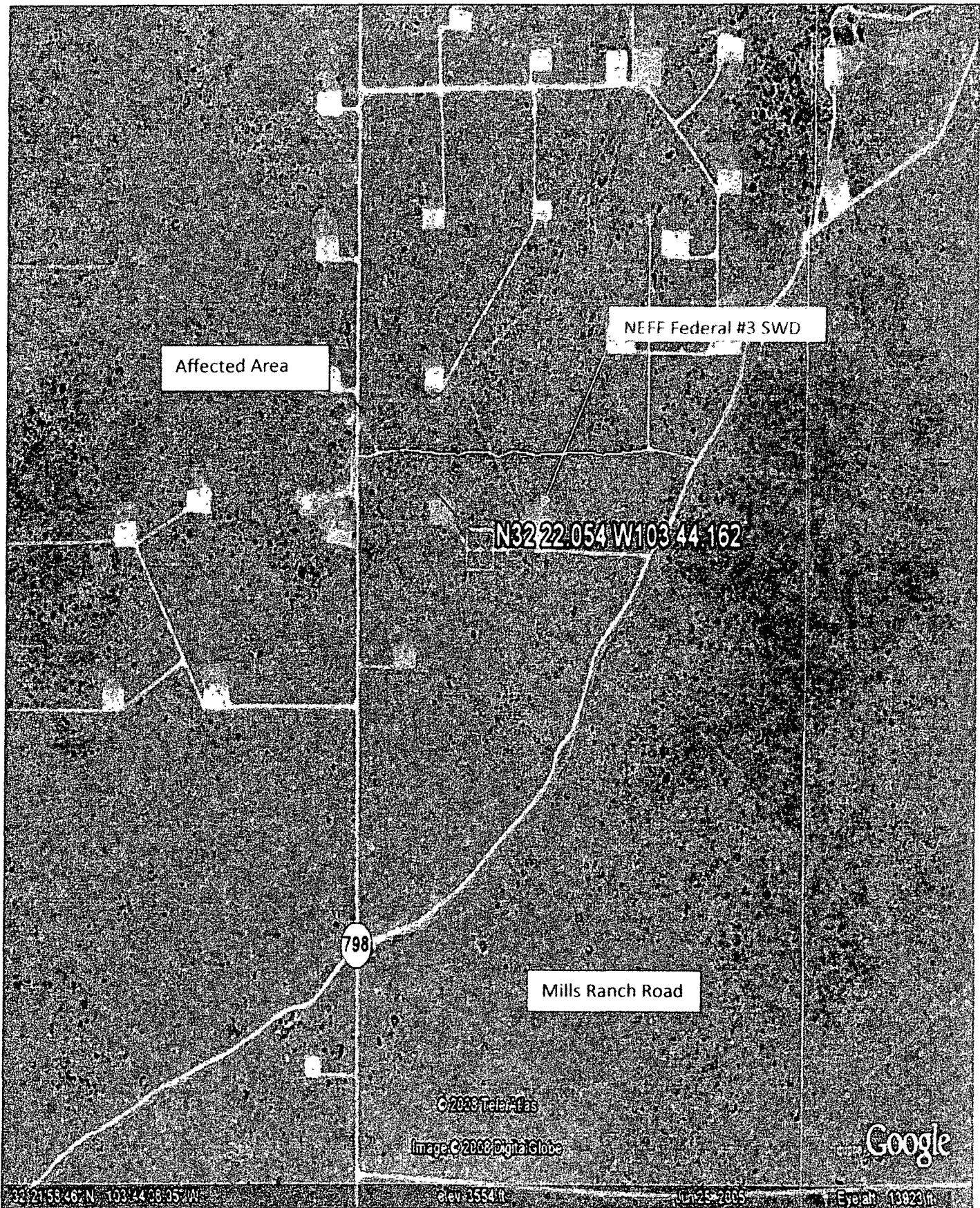
ACCESS ROAD



Affected Area

NOTE: Drawing Not to Scale

Attachment 1



Affected Area

NEFF Federal #3 SWD

N32 22.054 W103 44.162

798

Mills Ranch Road

©2008 TerraFas

Image © 2008 DigitalGlobe

Google

32 21 53.46 N 103 44 06.05 W

elev 3554 ft

Jun 25 2005

Eye alt 13923 ft

Attachment 2



ARDINAL LABORATORIES

PHONE (575) 393 2326 • 101 E. MARLAND • HOBBS, NM 88240

SEP 02 2008

ANALYTICAL RESULTS FOR
HUNGRY HORSE ENVIRONMENTAL SERVICES
ATTN: VERNON K. BLACK
P.O. BOX 1058
HOBBS, NM 88241
FAX TO: (575) 391-4585

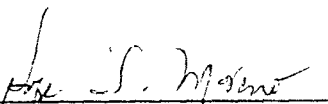
Receiving Date: 08/22/08
Reporting Date: 08/25/08
Project Owner: OXY USA
Project Name: FEDERAL NEF #3
Project Location: SOUTH SIDE DELINEATION

Analysis Date: 08/25/08
Sampling Date: 08/12/08 & 08/20/08
Sample Type: SOIL
Sample Condition: COOL & INTACT
Sample Received By: AB
Analyzed By: HM

LAB NO	SAMPLE ID	Cl ⁻ (mg/kg)
H15800-1	SURFACE	6,080
H15800-2	2' BGS	6,400
H15800-3	4' BGS	1,880
H15800-4	6' BGS	1,260
H15800-5	8' BGS	160

Quality Control	510
True Value QC	500
% Recovery	102
Relative Percent Difference	< 0.1

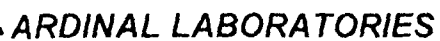
METHOD: Standard Methods 4500-Cl⁻B
Note: Analyses performed on 1:4 w/v aqueous extracts


Chemist

08-26-08
Date

H15800 HHE

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Sampler Relinquished: Relinquished By: <i>[Signature]</i> Delivered By: (Circle One) Sampler - UPS - Bus - Other:		Date: <i>2</i> Received By: <i>E. Angelo</i> Time: <i>1325</i> Temp: <i>1325 L</i> Sample Condition: Cool <input checked="" type="checkbox"/> Yes <input checked="" type="checkbox"/> No Intact <input checked="" type="checkbox"/> Yes <input checked="" type="checkbox"/> No CHECKED BY: <i>[Signature]</i> (Initials)		Phone Result: <input type="checkbox"/> No Add'l Phone #: Fax Result: <input type="checkbox"/> No Add'l Fax #: REMARKS: <i>e-mail & Fax</i>	
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t. Cardinal cannot accept verbal changes. Please fax written changes to 575-393-2476.



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ANALYTICAL RESULTS FOR
HUNGRY HORSE ENVIRONMENTAL SERVICES
ATTN: VERNON K. BLACK
P.O. BOX 1058
HOBBS, NM 88241
FAX TO: (575) 391-4585

Receiving Date: 08/22/08
Reporting Date: 08/25/08
Project Owner: OXY USA
Project Name: FEDERAL NEF #3
Project Location: NORTH SIDE DELINEATION

Analysis Date: 08/25/08
Sampling Date: 08/12/08, 08/20/08 & 08/22/08
Sample Type: SOIL
Sample Condition: COOL & INTACT
Sample Received By: AB
Analyzed By: HM

LAB NO.	SAMPLE ID	Cl ⁻ (mg/kg)
H15799-1	SURFACE	15,800
H15799-2	2' BGS	8,800
H15799-3	5' BGS	14,600
H15799-4	10' BGS	9,200
H15799-5	12' BGS	10,600
H15799-6	15' BGS	384

Quality Control	510
True Value QC	500
% Recovery	102
Relative Percent Difference	2.0

METHOD: Standard Methods 4500-Cl⁻B
Note: Analyses performed on 1:4 w/v aqueous extracts

Kate S. Moreno
Chemist

08-26-08
Date

H15799 HHE

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Page ____ of ____

Company Name Hungry Horse Environmental Services Project Manager Vernon K. Black Address PO Box 1058 City Hobbs State NM Zip 88241 Phone #: 575-393-3386 Fax #: 575-391-4585 Project #: _____ Project Owner OXY USA Project Name Federal Ref #3 Project Location _____ Sampler Name Vernon K. Black				BILL TO P.O. #: _____ Company: SAME Attn: _____ Address: _____ City: _____ State: _____ Zip: _____ Phone #: _____ Fax #: _____		ANALYSIS REQUEST										
Lab I.D. 415799-1 Sample I.D. North Side Delinectia Surface 2' BGS 5' BGS 10' BGS 12' BGS 15' BGS		(G)RAB OR (C)OMP # CONTAINERS G G G C G G	MATRIX GROUNDWATER WASTEWATER SOIL OIL SLUDGE OTHER S S S S S	PRESERV ACID/BASE ICE / COOL OTHER S	SAMPLING DATE 12 Aug 2000 17 Aug 2000 20 Aug 0800 20 Aug 0800 20 Aug 0800 22 Aug 1030	TIME 1200 1000 0800 0800 0800 1030	chlorides X X X X X X									

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Sampler Relinquished: _____ Relinquished By: <i>[Signature]</i> Date: 08/24/08 Time: 1:25P Delivered By: (Circle One) Sampler - UPS - Bus - Other: _____	Received By: <i>[Signature]</i> Date: _____ Time: _____ Temp: _____ Sample Condition Cool Intact <input checked="" type="checkbox"/> Yes <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> No	Phone Result: <input type="checkbox"/> No <input type="checkbox"/> Add'l Phone #: Fax Result: <input type="checkbox"/> No <input type="checkbox"/> Add'l Fax #: REMARKS: _____ CHECKED BY: <i>[Signature]</i> (Initials)
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Receiving Date: 08/20/08
Reporting Date: 08/22/08
Project Owner: OXY USA
Project Name: FEDERAL NEF #3
Project Location: EDDY COUNTY, NM *North side*

Analysis Date: 08/20/08
Sampling Date: 08/20/08
Sample Type: SOIL
Sample Condition: INTACT
Sample Received By: AB
Analyzed By: HM

LAB NO.	SAMPLE ID	Cl ⁻ (mg/kg)
H15774-1	NORTH DELINEATION SP#1 12' BGS	9,000
H15774-2	NORTH DELINEATION SP#2 12' BGS	11,200

Quality Control	500
True Value QC	500
% Recovery	100
Relative Percent Difference	2.0

METHOD: Standard Methods
Note: Analyses performed on 1:4 w/v aqueous extracts

4500-CIB

Chemist

Date _____

H15774 HHE

[illegible]



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Page ____ of ____

Company Name: Hungry Horse Environmental Services Project Manager: Vernon K. Black Address: PO Box 1058 City: Hobbs State: NM Zip: 88241 Phone #: 575-393-3386 Fax #: 575-391-4585 Project #: Project Owner: OXY USA Project Name: Federal NEF #3 Project Location: Eddy County NM Sampler Name: Vernon K. Black				BILL TO P.O. #: Company: SAME Attn: Address: City: State: Zip: Phone #: Fax #:		ANALYSIS REQUEST																		
FOR LAB USE ONLY Lab I.D.		Sample I.D. North Delineation SP#1 12/86 " " SP#2 12/86		# CONTAINERS 6	(G)RAB OR (C)OMP 6	MATRIX GROUNDWATER WASTEWATER SOIL OIL SLUDGE OTHER				PRESERV ACID/BASE ICE / COOL OTHER	SAMPLING DATE 20 Aug 87 TIME 0700		Chlorides X X											

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Sampler Relinquished: Date: Received By: Time:		Phone Result: <input type="checkbox"/> No Add'l Phone #: Fax Result: <input type="checkbox"/> No Add'l Fax #: REMARKS: e-mail & fax	
Relinquished By: [Signature] Delivered By: (Circle One) Sampler - UPS - Bus - Other:		Date: 20 Aug 87 Received By: [Signature] Time: 1050 Temp. Sample Condition: Cool Intact <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No CHECKED BY: [Signature] (Initials)	

Attachment 3

NEW MEXICO ONE CALL
Locate Request Confirmation

Ticket #:2008441973 Reason Code:STANDARD LOCATE
Work to Begin Date: 10/31/2008 Time: 12:44:00 PM

CALLER INFORMATION

VERNON BLACK Excavator Type:CONTRACTOR
HUNGRY HORSE LLC Tel.:(575)631-2253

DIG LOCATION

City:RURAL EDDY
Subdivision:
Address : To:
Street : FED NEFF #3 SALT WATER DISPOSAL FLOWLINE
Nearest Intersecting Street :
Second Intersecting Street :

Additional Dig Information:

SOIL REMEDIATION
FROM HOBBS W ON HWY 62/180 TO MM67- S ON CR29 TO
WHERE RD BECOMES CR789- CONTIN TO MILLS RANCH RD-
L TO 1ST LEASE RD- L PASSING SALT WATER DISPOSAL-
W APPROX 200YD TO LOCATION MARKED W/ PIN FLAGS AND

Remarks: PINK RIBBON
SPOT 200FT RADIUS OUTSIDE OF MARKED LOCATION

Township: 22S Range: 31E Section 1/4: 25 NW

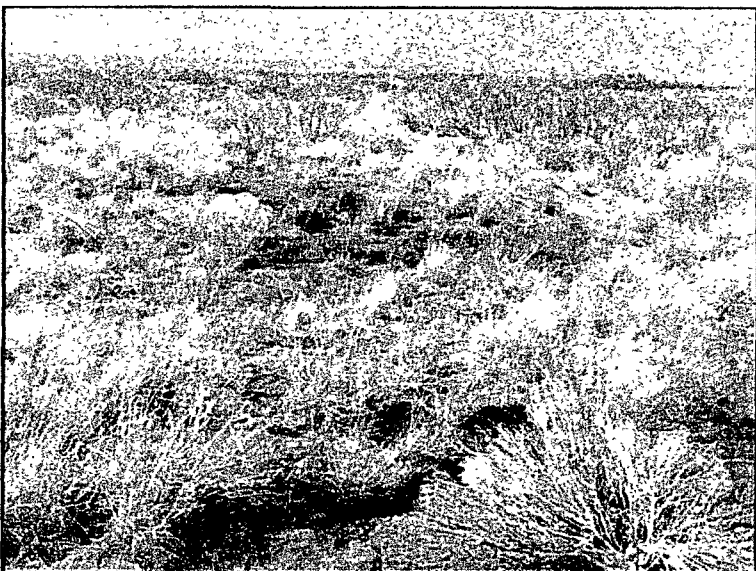
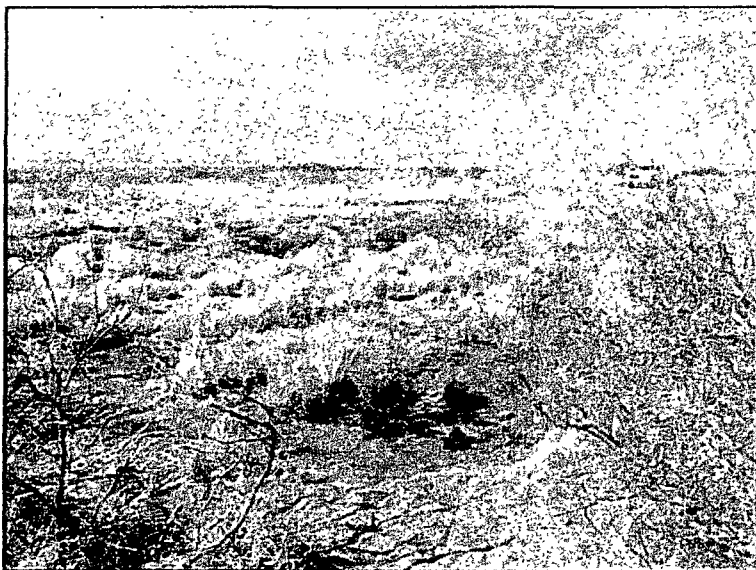
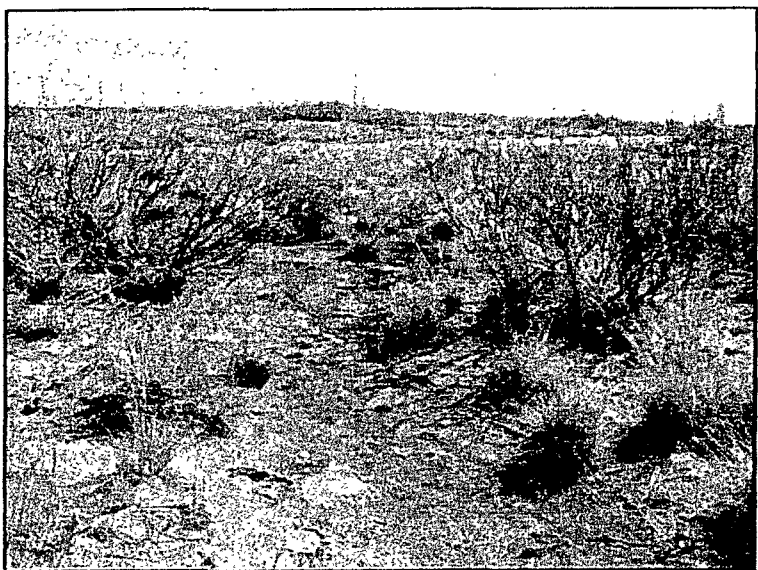
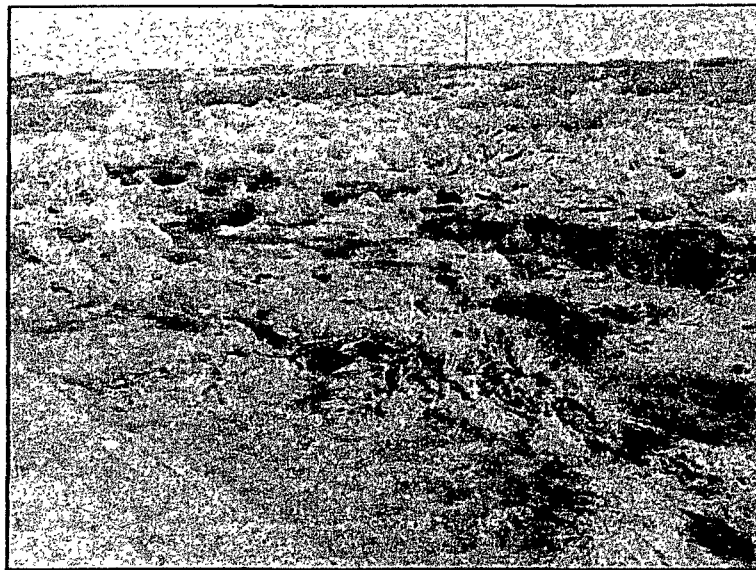
Type of Work: OIL/GAS-PIPELINE CONSTRUCTION

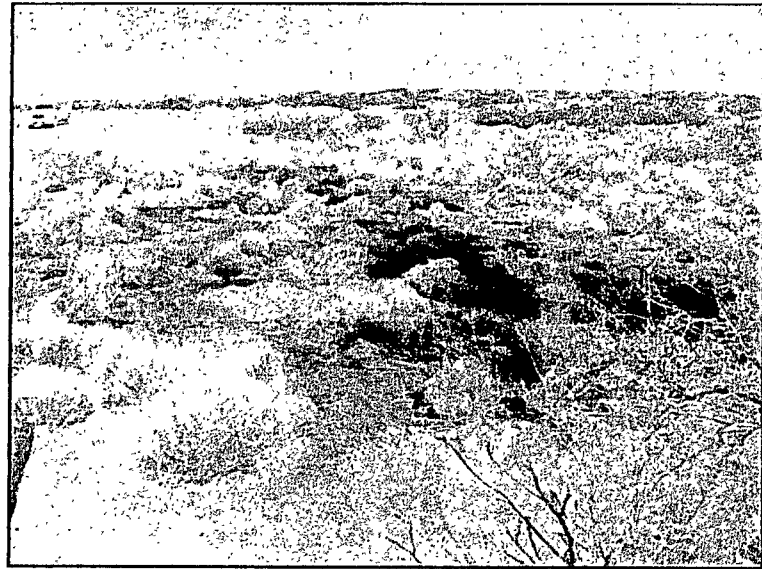
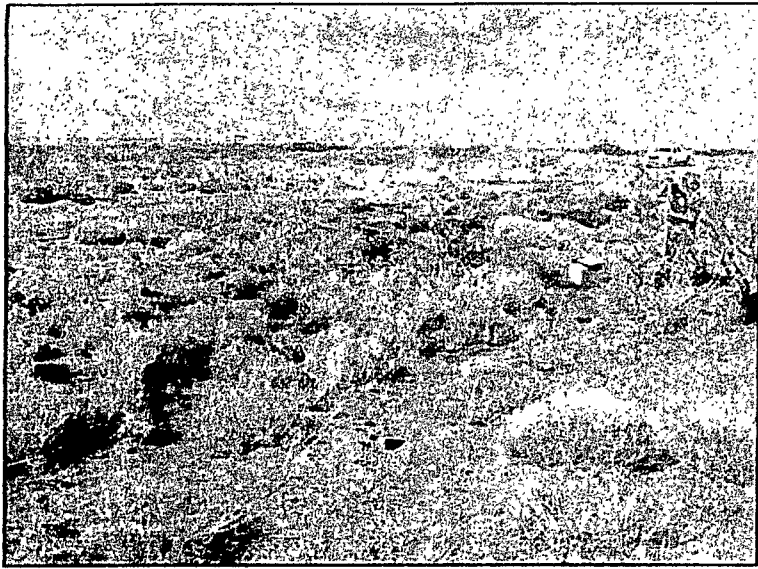
The following utility owners have been notified of
your proposed excavation site:
AGAVE ENERGY COMPANY
PLAINS PIPELINE, LP

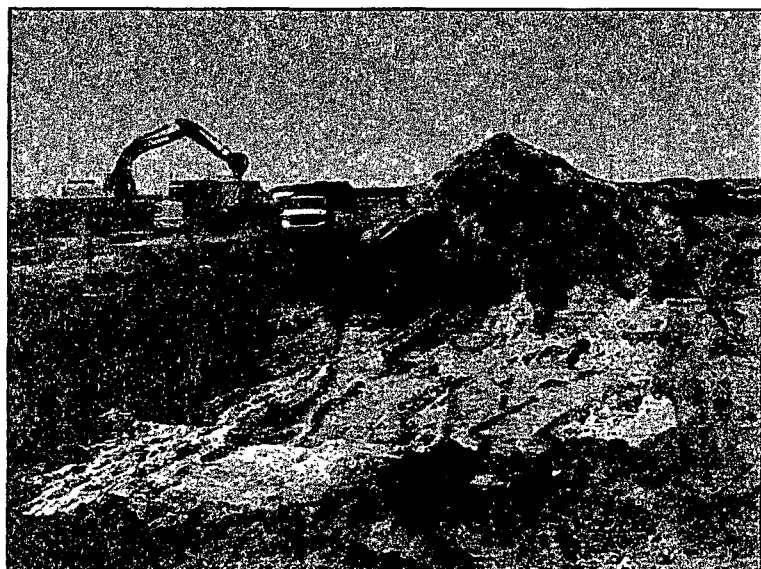
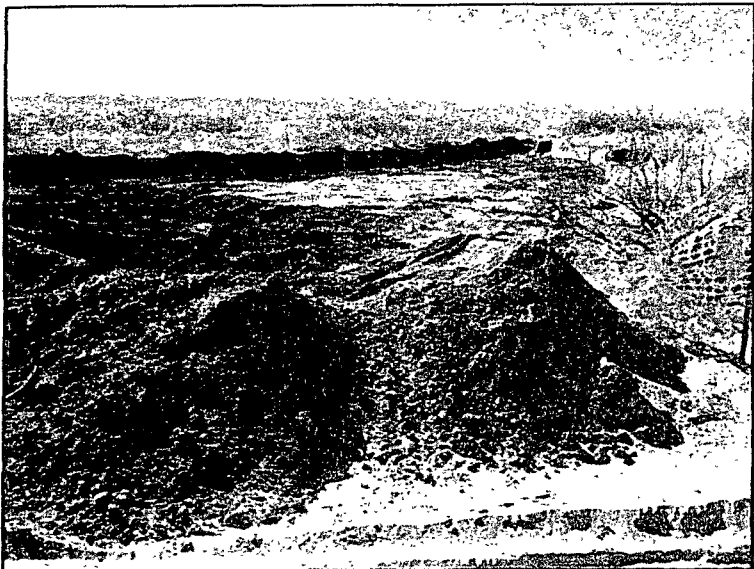
IMPORTANT CONFIRMATION NOTICE

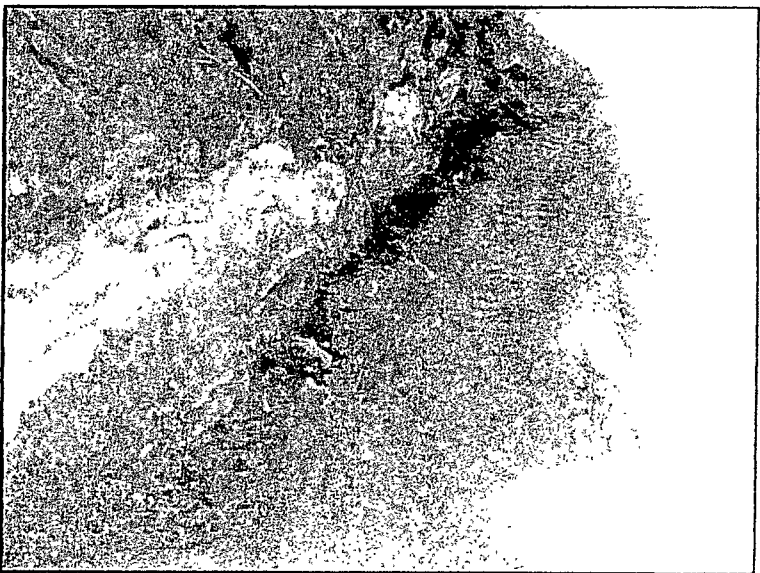
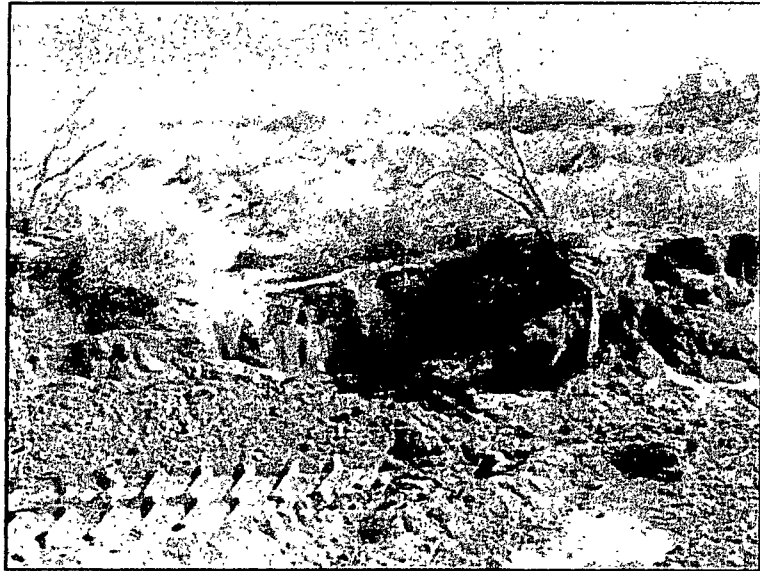
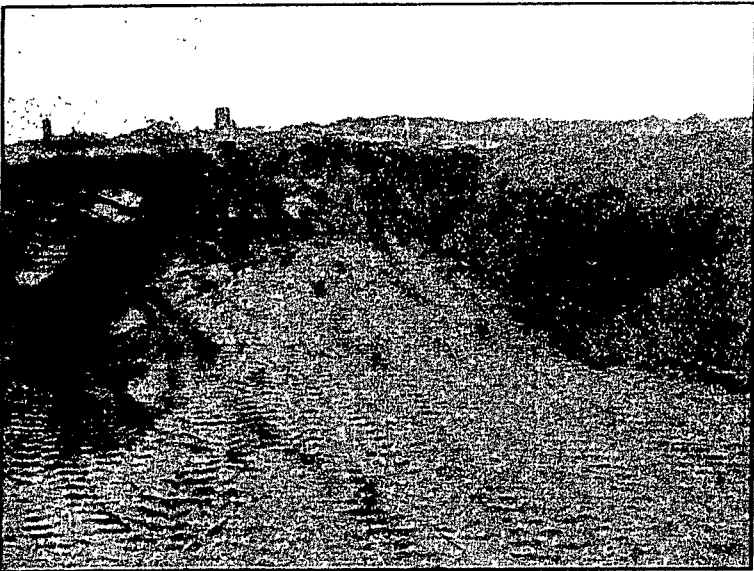
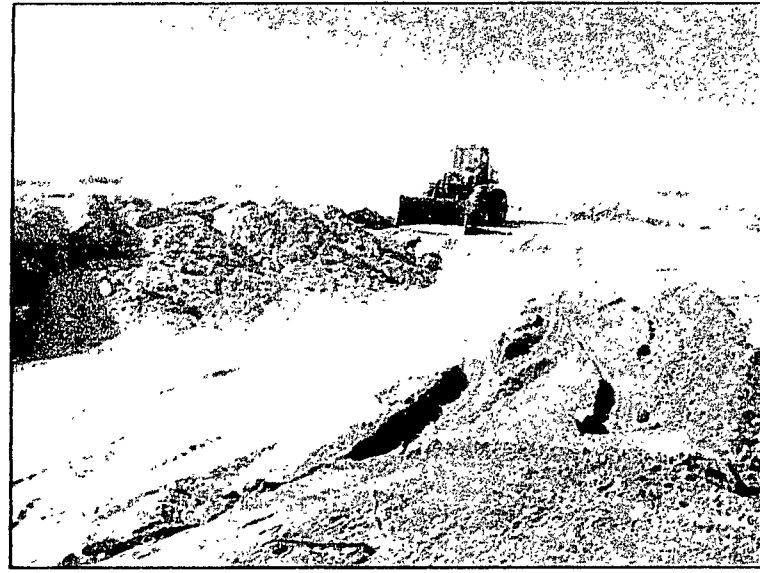
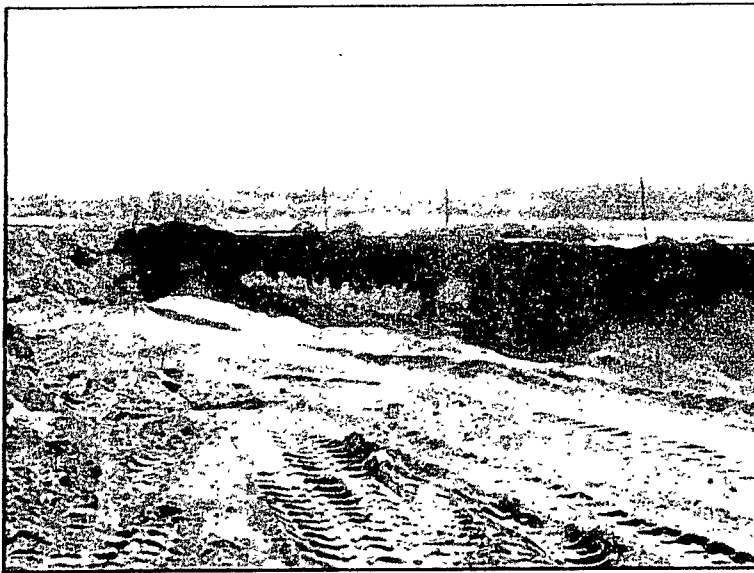
Your fax request has been received and processed. It is your responsibility to review the information provided on this faxback confirmation ticket and ensure it has been correctly interpreted from your request. Notify us immediately of any corrections or errors. Acceptance of this faxback confirmation ticket means you accept responsibility for the accuracy of the information contained in the ticket and you agree to indemnify New Mexico One Call Systems, Inc. of all liability, claims, fees, or damages, including reasonable attorney fees arising from or resulting from the use of the information provided on this confirmation ticket.

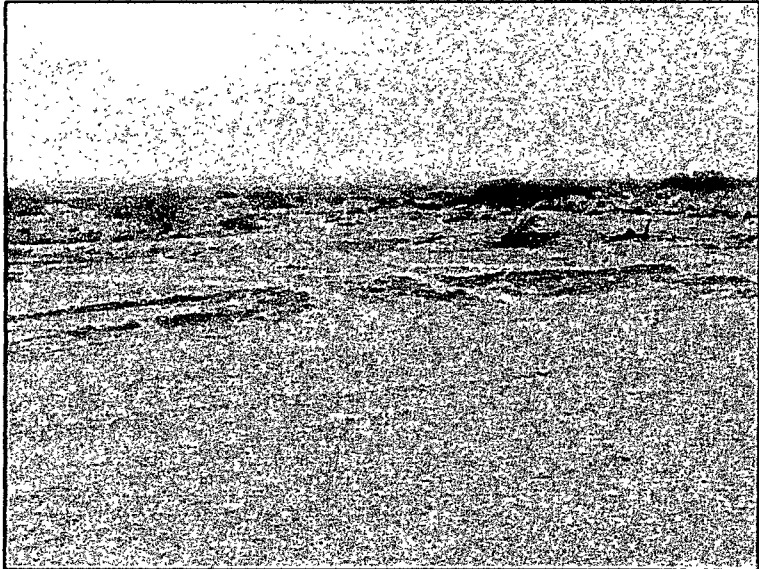
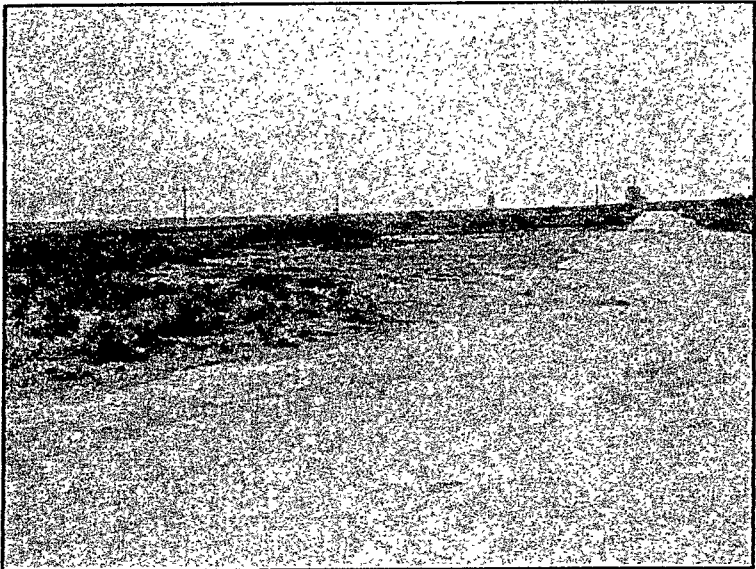
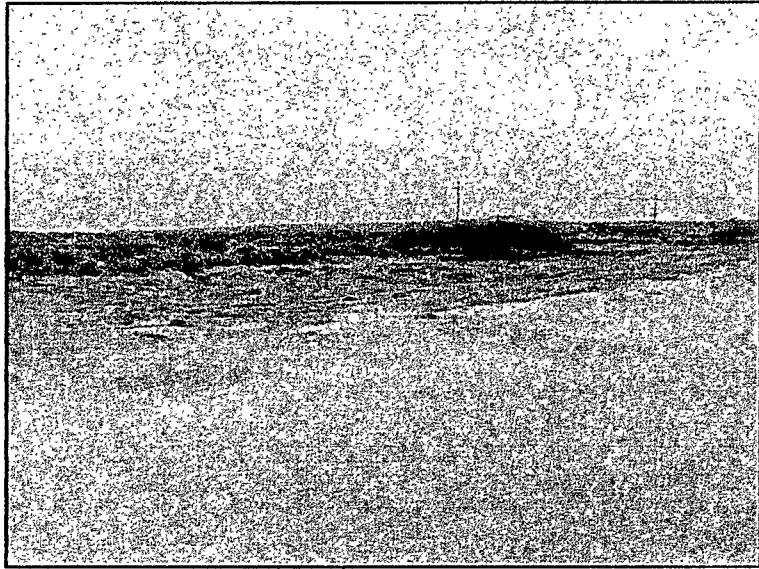
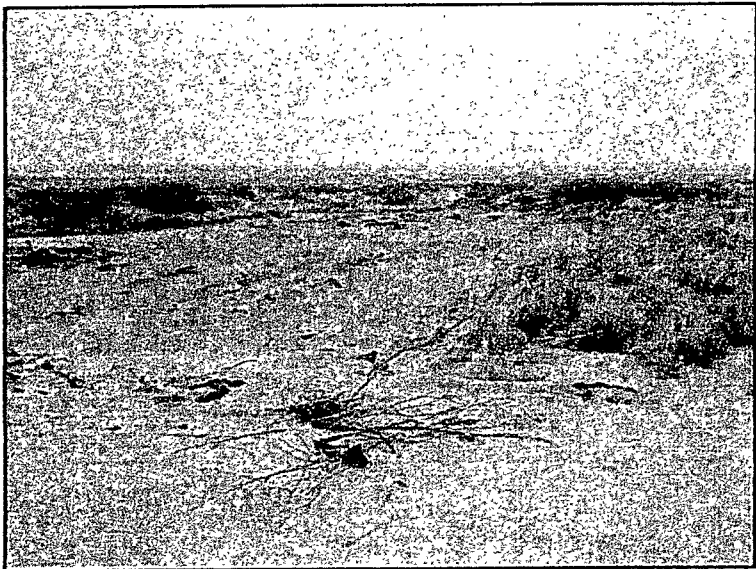
New Mexico Law requires you to wait two working days from the date and time of this confirmation notice before you begin excavation. This

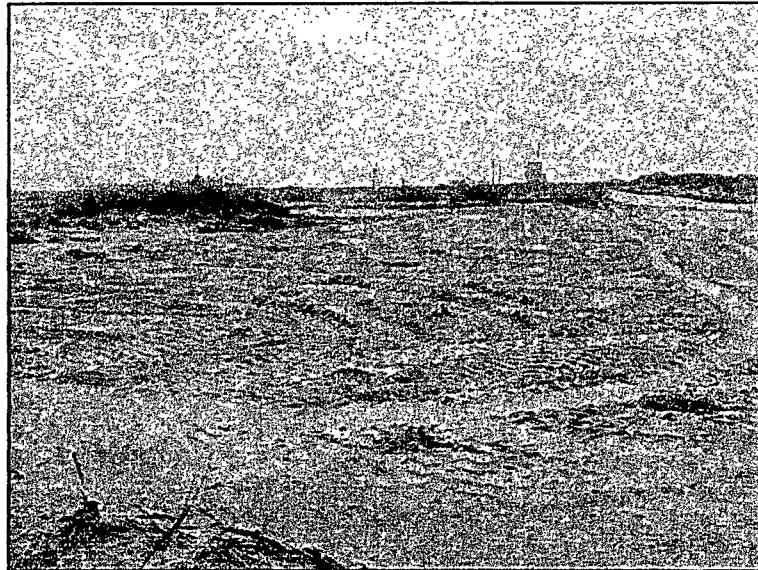
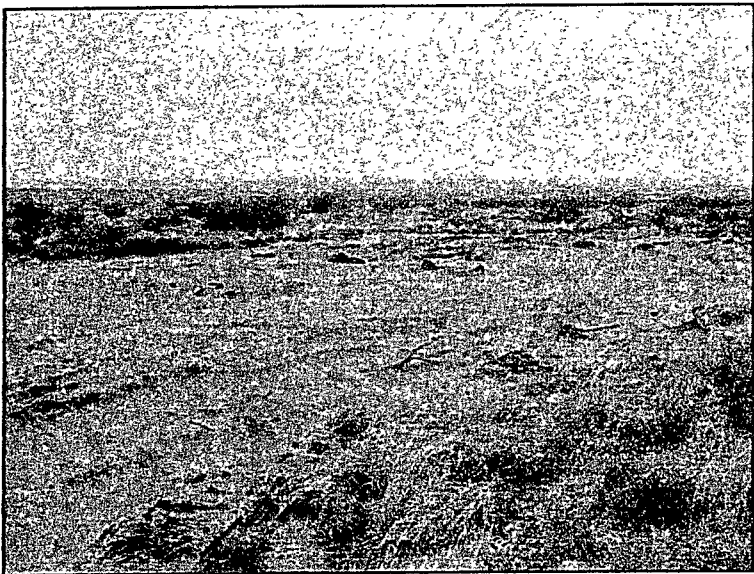
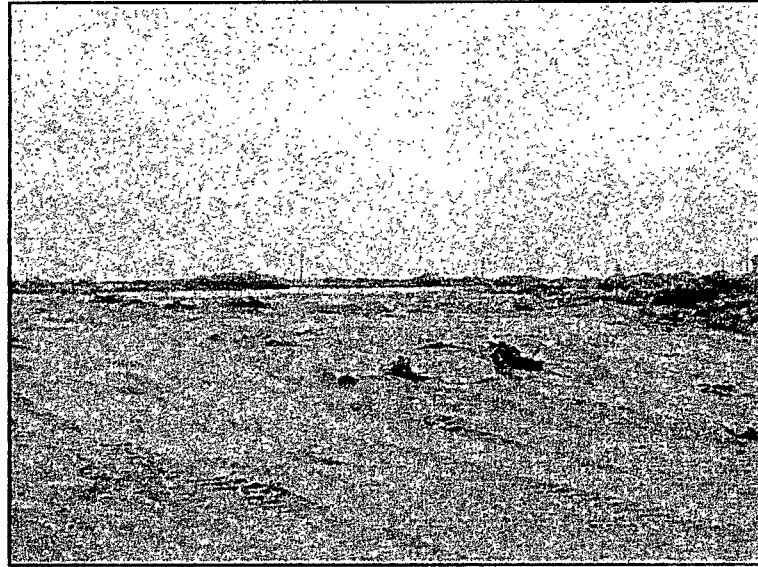
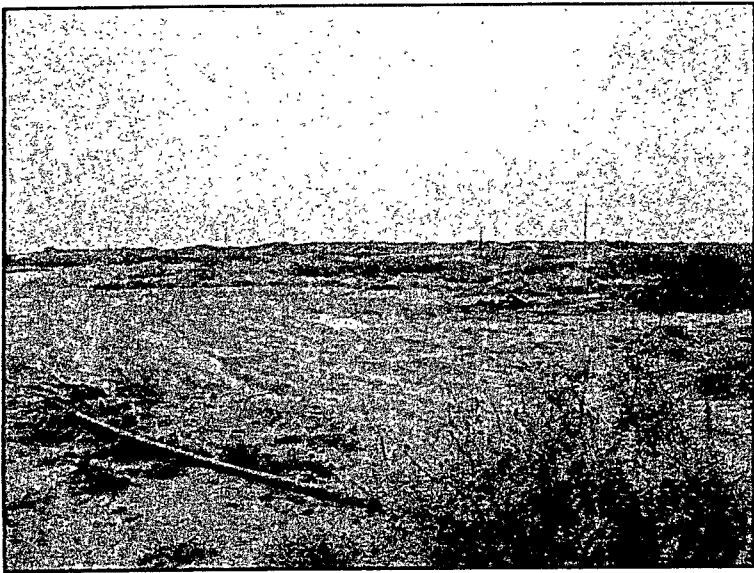
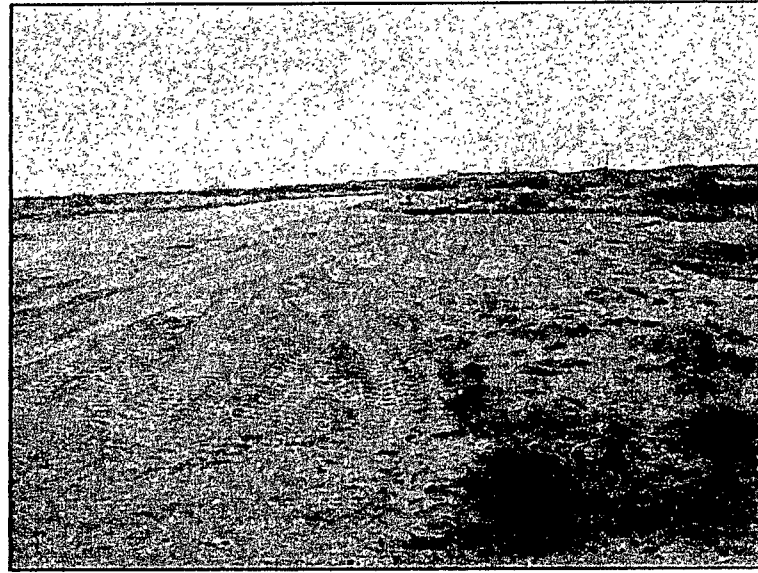
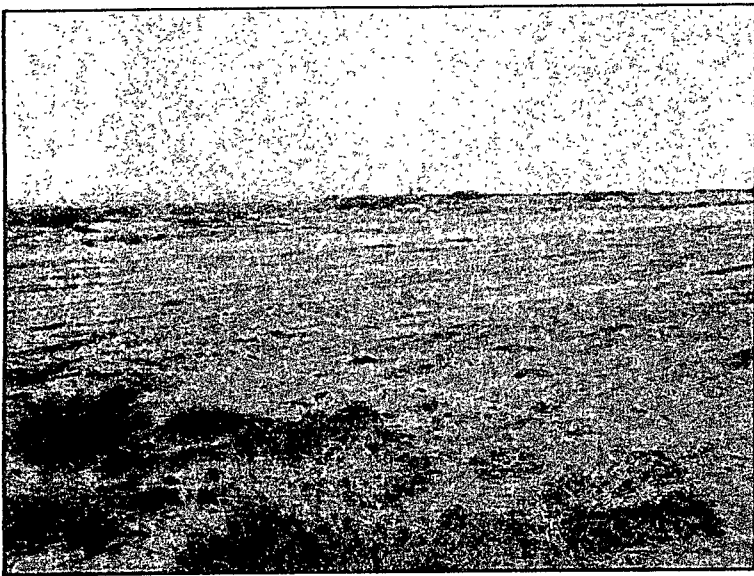












Attachment 5

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 USA	Contact Kelton Beaird
Address 102 S Main Carlsbad, NM 88220	Telephone No. (O) 505-887-8337 C) 575-390-1903
Facility Name Federal NEF #3 SWD	Facility Type Disposal Well

Surface Owner BLM	Mineral Owner	Lease No.
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LOCATION OF RELEASE

Unit Letter	Section 25	Township 22S	Range 31E	Feet from the	North/South Line	Feet from the	East/West Line	County Eddy
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Latitude _____ Longitude _____

NATURE OF RELEASE

Type of Release Produced Water	Volume of Release +1000 bbls	Volume Recovered 2bbls
Source of Release Flow line	Date and Hour of Occurrence Unknown	Date and Hour of Discovery 7-30-08 / 1:00pm

Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? NMOCD- Gerry Guye; BLM- Jim Amos
--	--

By Whom? Kelton Beaird- Oxy HES Specialist	Date and Hour See above
--	-------------------------

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.*
Corrosion caused a hole in the steel injection line causing produced water to leak onto the pasture. A vac-truck was called to remove all standing fluids

Describe Area Affected and Cleanup Action Taken *
The area affected is approx. 30,000 sq. feet in the pasture. Depth of contamination is unknown. Delineation will take place to determine the extent of the contamination and a work plan will be worked up and submitted to the BLM and NMOCD for approval

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: Kelton Beaird			
Title: HES Specialist	Approval Date	Expiration Date.	
E-mail Address: kelton_beaird@oxy.com	Conditions of Approval		Attached <input type="checkbox"/>
Date: 7-31-08			

* Attach Additional Sheets If Necessary

Attachment 6

HUNGRY HORSE, LLC
ENVIRONMENTAL SERVICES

Dirt Work * On-Site Remediation * Soil Testing * Excavation

29Oct08

TO: Sherry Bonham,
NM OCD Dist II
REFERENCE: Remediation Work Plan

OPERATOR: OXY USA
LOCATION: Federal NEFF #3 Salt Water Disposal Flow line
API:
LEGALS: SEC. 25, T22S, R31E
GPS: N32 22.054 W103 44.162
DEPTH to GROUND WATER: >100 ft

General Site Characteristics: This a flow line release for on a line going to the Federal NEFF #3 Salt Water Disposal. The affected area consists of an area of pasture on each side, north and south, of the access road. The natural contour of the land helped contain this release to a minimal exposure.

Site ranking Score: 0 Depth to ground water is >100', distance to the nearest water source is >1000' and there are no domestic wells with in 200', there are no surface bodies of water within 1000'.

Soil Remediation Action Levels: As per OCD Guidance

Delineation: Delineation was conducted by use of heavy equipment and air rotary drill truck. Lab analytical results were previously submitted with the firs work plan proposal.

Sketch of Affected Area: previously submitted

Work Plan Proposal: The proposed work plan is to divide the affected area into two areas, north and south of the access road, and remediate as follows: South side-remove three feet of soil from the affected area and line with a 20mil welded seam liner, North side-remove five feet from the affected area and line with a 20mil welded seam liner. Both areas will be backfilled with like material that will be obtained from a local pit. Once backfilled, contouring and re-seeding of the areas will be done to BLM standards.

Notes/Comments:

HUNGRY HORSE, LLC
ENVIRONMENTAL SERVICES

Dirt Work * On-Site Remediation * Soil Testing * Excavation

Submitted By: Vernon K. Black, Hungry Horse Environmental Services

Signature: VK Black

OCD Approval By: _____

Signature: _____

Date: _____

New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson

Governor

Joanna Prukop
Cabinet Secretary
Reese Fullerton
Deputy Cabinet Secretary

Mark Fesmire
Division Director
Oil Conservation Division



October 30, 2008

OXY USA, Inc.
Attn: Kelton Beard
PO Box 1988
Carlsbad, NM 88221-1988

Reference: NEFF Federal 003 30-015-28281
D-25-22S-31E Eddy County, New Mexico
2RP-205

Operator,

The New Mexico Oil Conservation Division District 2 Office (OCD) is in receipt of a remediation plan for the release of produced fluids occurring at the above referenced facility on or about July 30, 2008.

The plan is accepted with the following stipulations:

- Remediation requirements may be subject to change as site conditions warrant
- A final Report C-141 is to be submitted to the OCD upon satisfactory completion of remediation project
- Remediation to be completed on or before December 15, 2008

Please be advised that NMOCD acceptance of this plan 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 this plan does not relieve the operator of responsibility for compliance with any other federal, state, local laws and/or regulations.

Respectfully,

Sherry Bonham
NMOCD District 2
1301 W Grand Avenue
Artesia, NM 88210
575 748.1283 ext. 109
sherry.bonham@state.nm.us

cc: Vernon Black, Hungry Horse Environmental

