

Bratcher, Mike, EMNRD

From: Cliff P. Brunson <cbrunson@bbcinternational.com>
Sent: Wednesday, April 03, 2013 3:32 PM
To: Bratcher, Mike, EMNRD
Cc: Chris Jones; Ken Swinney; Jennifer Gilkey; Kathy Purvis
Subject: Oxy-Saltwater Release (7/21/10) at Nagooltee Peak 5-1-Remediation Plan
Attachments: Remediation Packet- Saltwater Release 7-21-10.pdf

Mike,

This e-mail is to confirm our discussion on March 25, 2013 concerning the remediation plan for the release that occurred at the Oxy Saltwater Release (7/21/10) at Nagooltee Peak 5-1. I have attached the site drawing and the summary of the laboratory data we reviewed during our discussion for your files. As agreed, Oxy will excavate 6 inches across the entire leak area at the site. The site will then be backfilled with clean soil. The depth to groundwater in this area is approximately 25 feet.

If you would please reply back via e-mail with your concurrence of this remediation plan, it would be greatly appreciated.

Oxy and I thank you for your assistance in handling this matter.

Thanks, Cliff

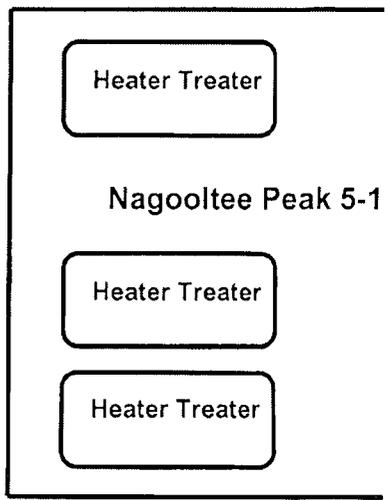
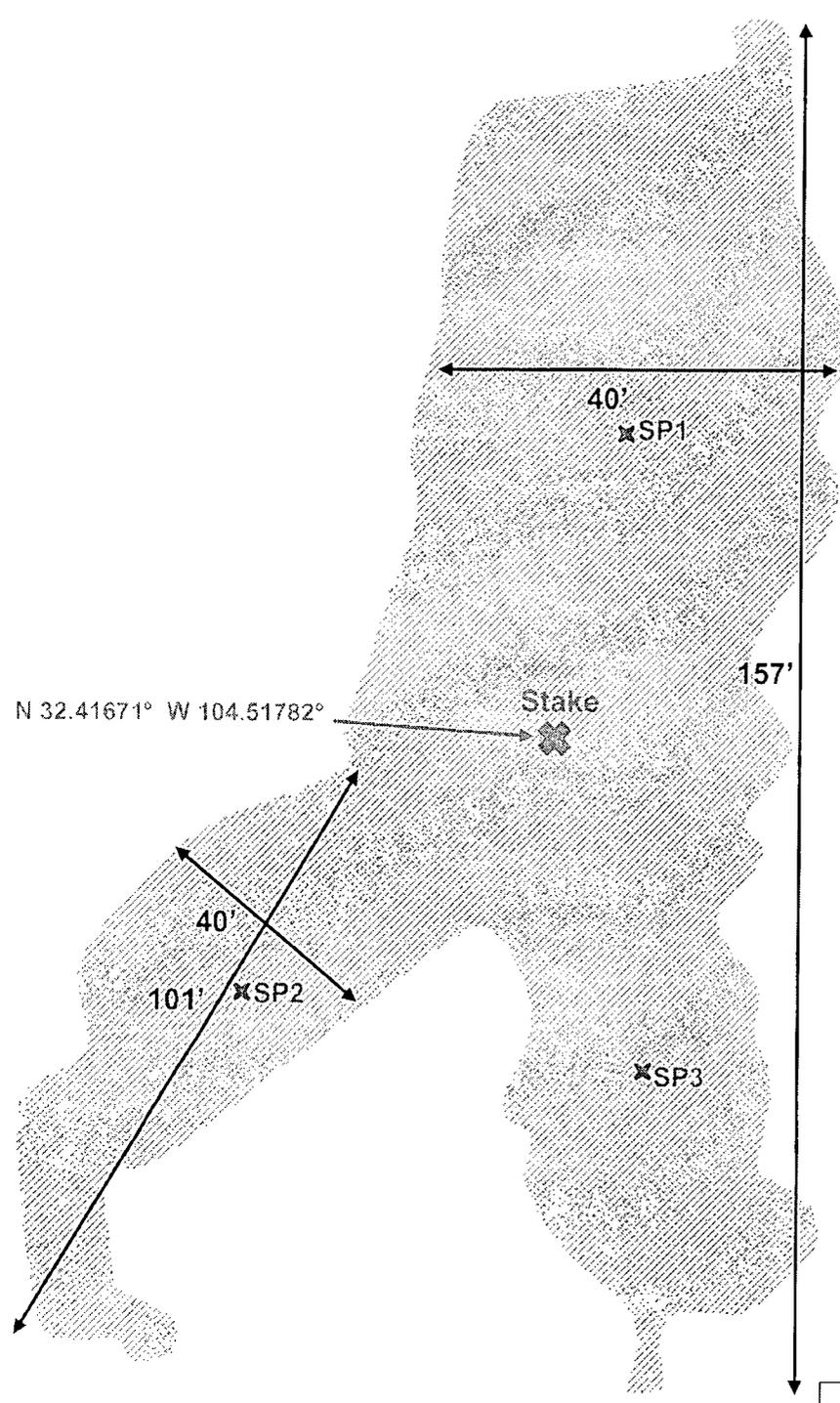
Cliff P. Brunson, CEI, CRS
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World-Wide Environmental Specialists
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Oxy

Saltwater Release (7/21/10) at Nagooltee Peak 5-1



U/L J, Section 5, T22S, R24E
Eddy County, NM

| | |
|----------------------------------|--------------------|
| BBC International, Inc. | |
| Oxy | |
| Saltwater Release 7/21/10 | |
| Date: 01/22/2013 | DRWG by: K. Purvis |
| NOT TO SCALE | File: Oxy 2013 |

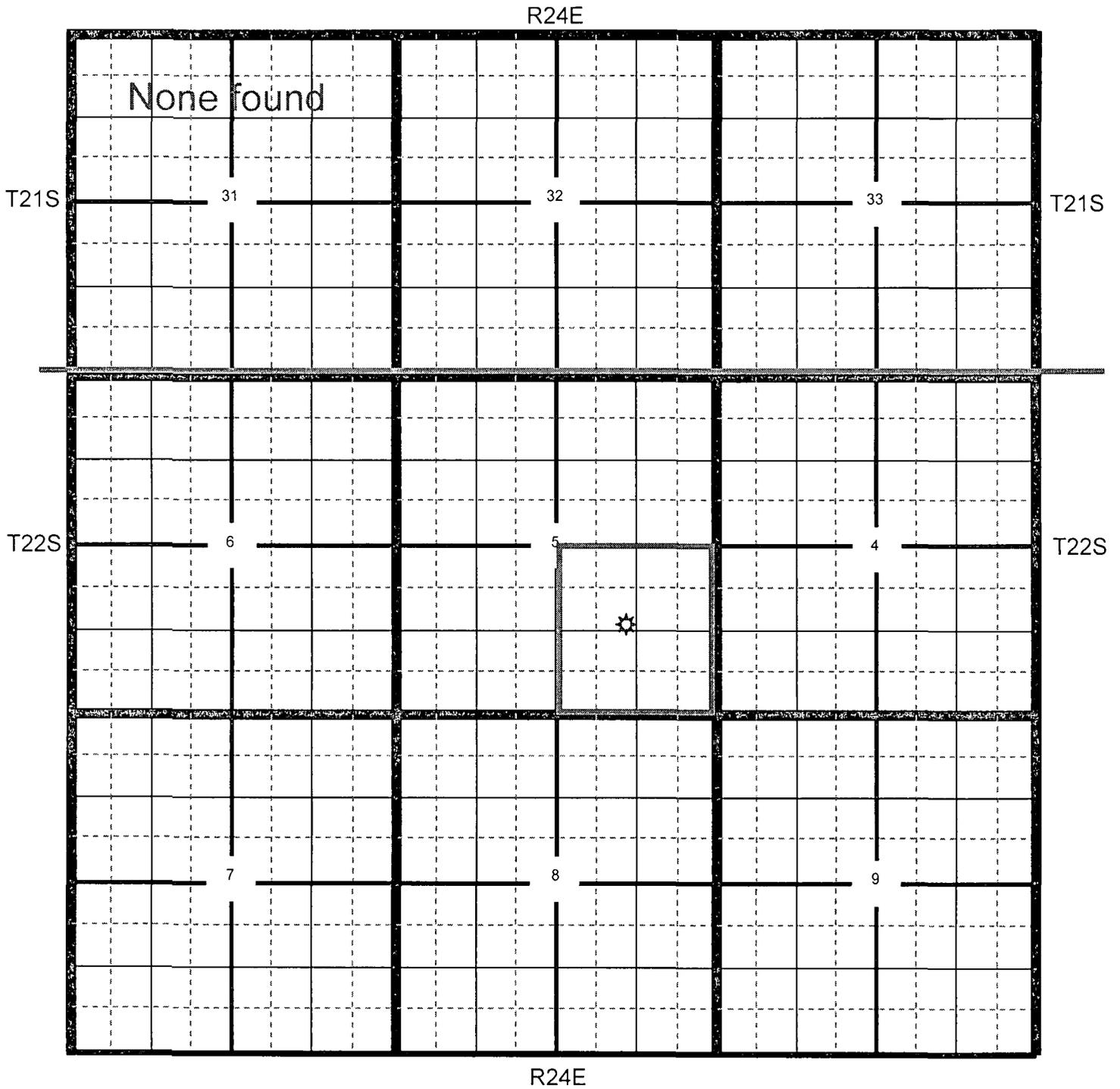


Groundwater Plot

Oxy Saltwater Release (7/21/10) At the Nagooltee Peak 5 Fed Com #1

County: Eddy Unit Letter: SE ¼ Section: 5 Township: 22S Range: 24E

Trend Map <25'



☼ Location ● OCD ● USGS ● SEO ● All Databases

Section Quarters

Oxy Saltwater Release (7/21/10) at Nagooltee Peak 5 Fed Com #1

County Eddy Unit Letter SE ¼ Section 5 Township 22S Range 24E

Trend Map <25'

1

2

| | | | |
|--------------------------------------|------------------------|------------------------|------------------------|
| NW/NW None found Unit Letter D | NE/NW Unit Letter C | NW/NE Unit Letter B | NE/NE Unit Letter A |
| SW/NW Unit Letter E | SE/NW Unit Letter F | SW/NE Unit Letter G | SE/NE Unit Letter H |
| NW/SW Unit Letter L | NE/SW Unit Letter K | NW/SE Unit Letter J | NE/SE Unit Letter I |
| SW/SW Unit Letter M | SE/SW Unit Letter N | SW/SE Unit Letter O | SE/SE Unit Letter P |

3

4

**Laboratory Analytical Results Summary
Saltwater Release @ Nagooltee Peak 5 #1**

| | | Sample | SP1 @ Surface | SP1 @ 6" |
|----------|------------|--------|------------------|----------|
| Analyte | Method | Date | 2/7/13 | 2/7/13 |
| | | | mg/Kg | mg/Kg |
| Chloride | SM4500Cl-B | | <16.0 | 256 |

| | | Sample | SP2 @ Surface | SP2 @ 6" |
|---------------|------------|--------|------------------|----------|
| Analyte | Method | Date | 2/7/13 | 2/7/13 |
| | | | mg/Kg | mg/Kg |
| Benzene | BTEX 8021B | | n/a | <0.050 |
| Toluene | BTEX 8021B | | n/a | <0.050 |
| Ethylbenzene | BTEX 8021B | | n/a | <0.050 |
| Total Xylenes | BTEX 8021B | | n/a | <0.150 |
| Total BTEX | BTEX 8021B | | n/a | <0.300 |
| Chloride | SM4500Cl-B | | <16.0 | 288 |
| GRO | TPH 8015M | | n/a | <10.0 |
| DRO | TPH 8015M | | n/a | 299 |

| | | Sample | SP3 @ Surface | SP3 @ 6" |
|----------|------------|--------|------------------|----------|
| Analyte | Method | Date | 2/7/13 | 2/7/13 |
| | | | mg/Kg | mg/Kg |
| Chloride | SM4500Cl-B | | <16.0 | 224 |

February 14, 2013

Cliff Brunson

BBC International, Inc.

P.O. Box 805

Hobbs, NM 88241

RE: SALTWATER RELEASE @ NAGOOLTE PEAK 5 #1

Enclosed are the results of analyses for samples received by the laboratory on 02/08/13 12:00.

Cardinal Laboratories is accredited through Texas NELAP under certificate number T104704398-11-3. Accreditation applies to drinking water, non-potable water and solid and chemical materials. All accredited analytes are denoted by an asterisk (*). For a complete list of accredited analytes and matrices visit the TCEQ website at www.tceq.texas.gov/field/qa/lab_accred_certif.html.

Cardinal Laboratories is accredited through the State of Colorado Department of Public Health and Environment for:

| | |
|------------------|------------------------------|
| Method EPA 552.2 | Haloacetic Acids (HAA-5) |
| Method EPA 524.2 | Total Trihalomethanes (TTHM) |
| Method EPA 524.4 | Regulated VOCs (V1, V2, V3) |

Accreditation applies to public drinking water matrices.

This report meets NELAP requirements and is made up of a cover page, analytical results, and a copy of the original chain-of-custody. If you have any questions concerning this report, please feel free to contact me.

Sincerely,



Celey D. Keene

Lab Director/Quality Manager

Analytical Results For:

 BBC International, Inc.
 Cliff Brunson
 P.O. Box 805
 Hobbs NM, 88241
 Fax To: (575) 397-0397

| | | | |
|-------------------|----------------------------------|---------------------|---------------|
| Received: | 02/08/2013 | Sampling Date: | 02/07/2013 |
| Reported: | 02/14/2013 | Sampling Type: | Soil |
| Project Name: | SALTWATER RELEASE @ NAGOOLTE PE/ | Sampling Condition: | Cool & Intact |
| Project Number: | NONE GIVEN | Sample Received By: | Jodi Henson |
| Project Location: | NOT GIVEN | | |

Sample ID: SP 1 @ SURFACE (H300368-01)

| Chloride, SM4500Cl-B | | mg/kg | | Analyzed By: DW | | | | | | |
|----------------------|--------|-----------------|------------|-----------------|-----|------------|---------------|------|-----------|--|
| Analyte | Result | Reporting Limit | Analyzed | Method Blank | BS | % Recovery | True Value QC | RPD | Qualifier | |
| Chloride | <16.0 | 16.0 | 02/13/2013 | ND | 432 | 108 | 400 | 3.77 | | |

Sample ID: SP 1 @ 6" (H300368-02)

| Chloride, SM4500Cl-B | | mg/kg | | Analyzed By: DW | | | | | | |
|----------------------|--------|-----------------|------------|-----------------|-----|------------|---------------|------|-----------|--|
| Analyte | Result | Reporting Limit | Analyzed | Method Blank | BS | % Recovery | True Value QC | RPD | Qualifier | |
| Chloride | 256 | 16.0 | 02/13/2013 | ND | 432 | 108 | 400 | 3.77 | | |

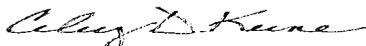
Sample ID: SP 2 @ SURFACE (H300368-03)

| Chloride, SM4500Cl-B | | mg/kg | | Analyzed By: DW | | | | | | |
|----------------------|--------|-----------------|------------|-----------------|-----|------------|---------------|------|-----------|--|
| Analyte | Result | Reporting Limit | Analyzed | Method Blank | BS | % Recovery | True Value QC | RPD | Qualifier | |
| Chloride | <16.0 | 16.0 | 02/13/2013 | ND | 432 | 108 | 400 | 3.77 | | |

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* = Accredited Analyte

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Celey D. Keene, Lab Director/Quality Manager

Analytical Results For:

 BBC International, Inc.
 Cliff Brunson
 P.O. Box 805
 Hobbs NM, 88241
 Fax To: (575) 397-0397

| | | | |
|-------------------|----------------------------------|---------------------|---------------|
| Received: | 02/08/2013 | Sampling Date: | 02/07/2013 |
| Reported: | 02/14/2013 | Sampling Type: | Soil |
| Project Name: | SALTWATER RELEASE @ NAGOOLTE PE/ | Sampling Condition: | Cool & Intact |
| Project Number: | NONE GIVEN | Sample Received By: | Jodi Henson |
| Project Location: | NOT GIVEN | | |

Sample ID: SP 2 @ 6" (H300368-04)

| BTEX 8021B | | mg/kg | | Analyzed By: AP | | | | | | |
|----------------|--------|-----------------|------------|-----------------|------|------------|---------------|------|-----------|--|
| Analyte | Result | Reporting Limit | Analyzed | Method Blank | BS | % Recovery | True Value QC | RPD | Qualifier | |
| Benzene* | <0.050 | 0.050 | 02/13/2013 | ND | 2.46 | 123 | 2.00 | 8.61 | | |
| Toluene* | <0.050 | 0.050 | 02/13/2013 | ND | 2.42 | 121 | 2.00 | 9.04 | | |
| Ethylbenzene* | <0.050 | 0.050 | 02/13/2013 | ND | 2.39 | 119 | 2.00 | 8.61 | | |
| Total Xylenes* | <0.150 | 0.150 | 02/13/2013 | ND | 7.26 | 121 | 6.00 | 8.88 | | |
| Total BTEX | <0.300 | 0.300 | 02/13/2013 | ND | | | | | | |

Surrogate: 4-Bromofluorobenzene (PIE) 106 % 89.4-126

| Chloride, SM4500Cl-B | | mg/kg | | Analyzed By: DW | | | | | | |
|----------------------|------------|-----------------|------------|-----------------|-----|------------|---------------|------|-----------|--|
| Analyte | Result | Reporting Limit | Analyzed | Method Blank | BS | % Recovery | True Value QC | RPD | Qualifier | |
| Chloride | 288 | 16.0 | 02/13/2013 | ND | 432 | 108 | 400 | 3.77 | | |

| TPH 8015M | | mg/kg | | Analyzed By: MS | | | | | | |
|------------------------|------------|-----------------|------------|-----------------|-----|------------|---------------|------|-----------|--|
| Analyte | Result | Reporting Limit | Analyzed | Method Blank | BS | % Recovery | True Value QC | RPD | Qualifier | |
| GRO C6-C10 | <10.0 | 10.0 | 02/11/2013 | ND | 197 | 98.5 | 200 | 12.1 | | |
| DRO >C10-C28 | 299 | 10.0 | 02/11/2013 | ND | 182 | 90.8 | 200 | 16.2 | | |

Surrogate: 1-Chlorooctane 84.8 % 65.2-140

Surrogate: 1-Chlorooctadecane 111 % 63.6-154

Sample ID: SP 3 @ SURFACE (H300368-05)

| Chloride, SM4500Cl-B | | mg/kg | | Analyzed By: DW | | | | | | |
|----------------------|--------|-----------------|------------|-----------------|-----|------------|---------------|------|-----------|--|
| Analyte | Result | Reporting Limit | Analyzed | Method Blank | BS | % Recovery | True Value QC | RPD | Qualifier | |
| Chloride | <16.0 | 16.0 | 02/13/2013 | ND | 432 | 108 | 400 | 3.77 | | |

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 BBC International, Inc.
 Cliff Brunson
 P.O. Box 805
 Hobbs NM, 88241
 Fax To: (575) 397-0397

| | | | |
|-------------------|----------------------------------|---------------------|---------------|
| Received: | 02/08/2013 | Sampling Date: | 02/07/2013 |
| Reported: | 02/14/2013 | Sampling Type: | Soil |
| Project Name: | SALTWATER RELEASE @ NAGOOLTE PE/ | Sampling Condition: | Cool & Intact |
| Project Number: | NONE GIVEN | Sample Received By: | Jodi Henson |
| Project Location: | NOT GIVEN | | |

Sample ID: SP 3 @ 6" (H300368-06)

| Chloride, SM4500Cl-B | mg/kg | Analyzed By: DW | | | | | | | |
|----------------------|------------|-----------------|------------|--------------|-----|------------|---------------|------|-----------|
| Analyte | Result | Reporting Limit | Analyzed | Method Blank | BS | % Recovery | True Value QC | RPD | Qualifier |
| Chloride | 224 | 16.0 | 02/13/2013 | ND | 432 | 108 | 400 | 3.77 | |

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Celey D. Keene, Lab Director/Quality Manager

Notes and Definitions

| | |
|-----|--|
| ND | Analyte NOT DETECTED at or above the reporting limit |
| RPD | Relative Percent Difference |
| ** | Samples not received at proper temperature of 6°C or below. |
| *** | Insufficient time to reach temperature. |
| - | Chloride by SM4500Cl-B does not require samples be received at or below 6°C Samples reported on an as received basis (wet) unless otherwise noted on report |

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*=Accredited Analyte

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Celey D. Keene, Lab Director/Quality Manager

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 Permian Ltd. | Contact | Christopher Jones |
| Address | 1502 W. Commerce Dr., Carlsbad, NM | Telephone No. | (575) 628-4121 |
| Facility Name | Saltwater Release at Nagoothee Peak 5-1 | Facility Type | |
| Surface Owner | 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 |
|-------------|---------|----------|-------|---------------|------------------|---------------|----------------|-----------------|
| J | 5 | 22S | 24E | | | | | Eddy County, NM |

Latitude N 32.41671° Longitude W 104.51782°

NATURE OF RELEASE

| | | | | | |
|-----------------------------|---|-----------------------------|---|----------------------------|-----------|
| Type of Release | Produced water | Volume of Release | Unknown | Volume Recovered | 0 bbls |
| Source of Release | Unknown | Date and Hour of Occurrence | Unknown | Date and Hour of Discovery | 7/21/2010 |
| Was Immediate Notice Given? | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Not Required | | If YES, To Whom? | | |
| By Whom? | Terry Gregston of BLM | | Date and Hour | | |
| 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.*

An unknown problem caused an undetermined amount of produced water to leak onto the ground. No fluids were recovered. The leak was discovered by Terry Gregston of the BLM.

Describe Area Affected and Cleanup Action Taken.*

An unknown problem caused an undetermined amount of produced water to leak onto the ground. No fluids were recovered. The leak was discovered by Terry Gregston of the BLM. Remediation will be completed in accordance with a remediation plan approved by NMOCD and the BLM.

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: | <u>OIL CONSERVATION DIVISION</u> | | |
| Printed Name: Christopher Jones | Approved by District Supervisor: | | |
| Title: HES Specialist | Approval Date: | Expiration Date: | |
| E-mail Address: Christopher_Jones@oxy.com | Conditions of Approval: | | Attached <input type="checkbox"/> |
| Date: 1-22-13 | Phone: (575) 628-4121 | | |

* Attach Additional Sheets If Necessary