

Bratcher, Mike, EMNRD

From: Cliff P. Brunson <cbrunson@bbcinternational.com>
Sent: Wednesday, April 03, 2013 3:49 PM
To: Bratcher, Mike, EMNRD
Cc: Chris Jones; Ken Swinney; Jennifer Gilkey; Kathy Purvis
Subject: Oxy-Old Ranch Knoll 8 Federal #7 (1/15/13)-Remediation Plan
Attachments: Remediation Packet- Old Ranch Knoll 8-7 with leak date (1-15-13).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 Old Ranch Knoll 8 Federal #7 (1/15/13). 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 surface scrape across the entire leak area at the site. As we discussed, this leak occurred on top of a previous leak in the south corner of the pad area. The previous leak was approved for remediation by you on January 15, 2013 (2RP 1330). That approved plan will take care of this latest one in that area. The site will then be backfilled with clean soil. The depth to groundwater in this area is approximately 100 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

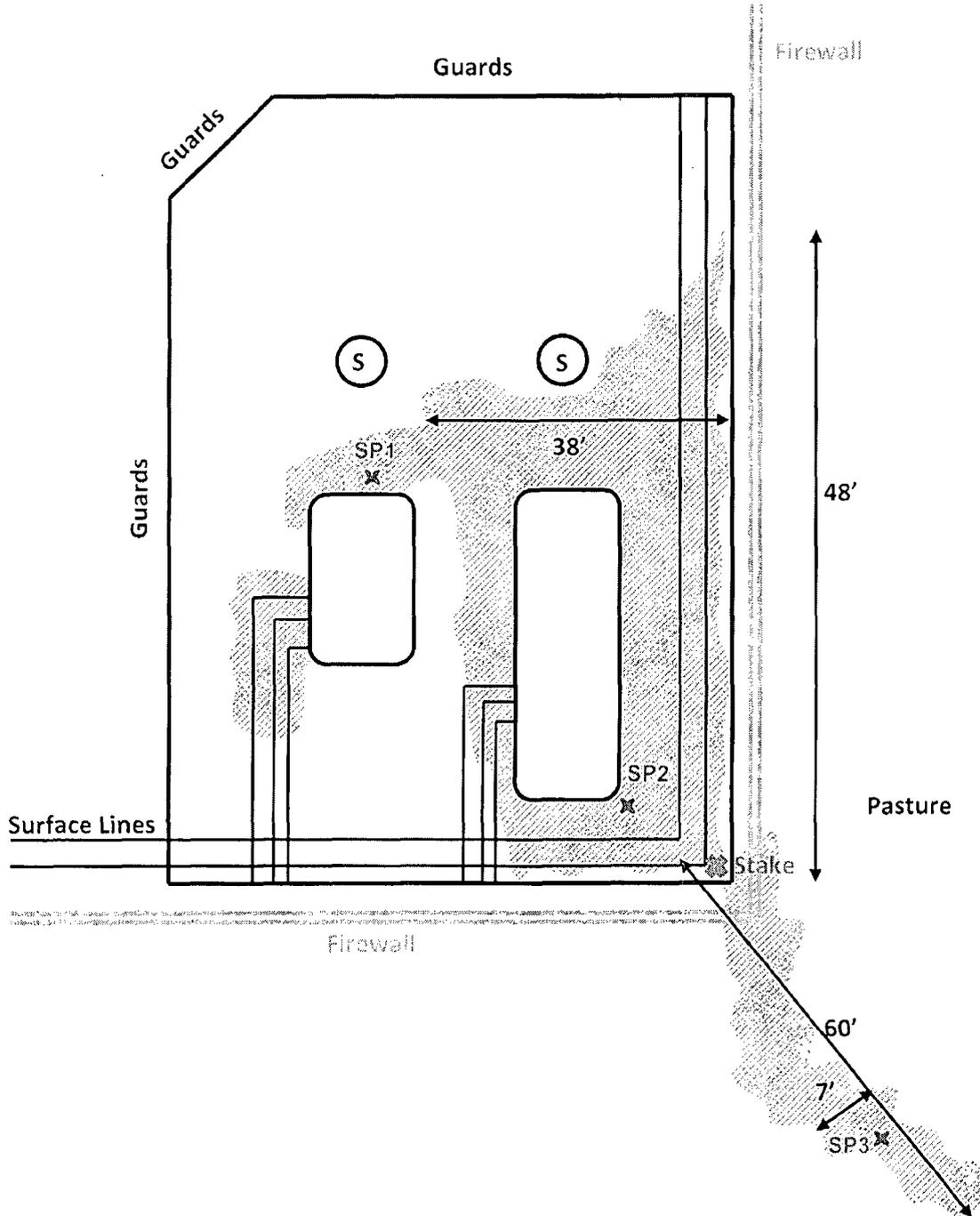
Cliff P. Brunson, CEI, CRS
President
BBC International, Inc.
World-Wide Environmental Specialists
Mailing Address:
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Hobbs, NM 88241-0805 USA
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Oxy

Old Ranch Knoll 8 Federal #7 (Leak date: 1/15/13)



U/L G, Section 8, T22S, R24E
1790' FNL and 2170' FEL
Eddy County, NM
N 32.40720° W 104.51900°
API# 30-015-32621

| | |
|------------------------------|--------------------|
| BBC International, Inc. | |
| Oxy | |
| Old Ranch Knoll 8 Federal #7 | |
| Date: 01/24/13 | DRWG by: K. Purvis |
| NOT TO SCALE | File: Oxy 2013 |



Groundwater Plot

Oxy Old Ranch Knoll 8 Fed #7

County
Eddy

Unit Letter
G

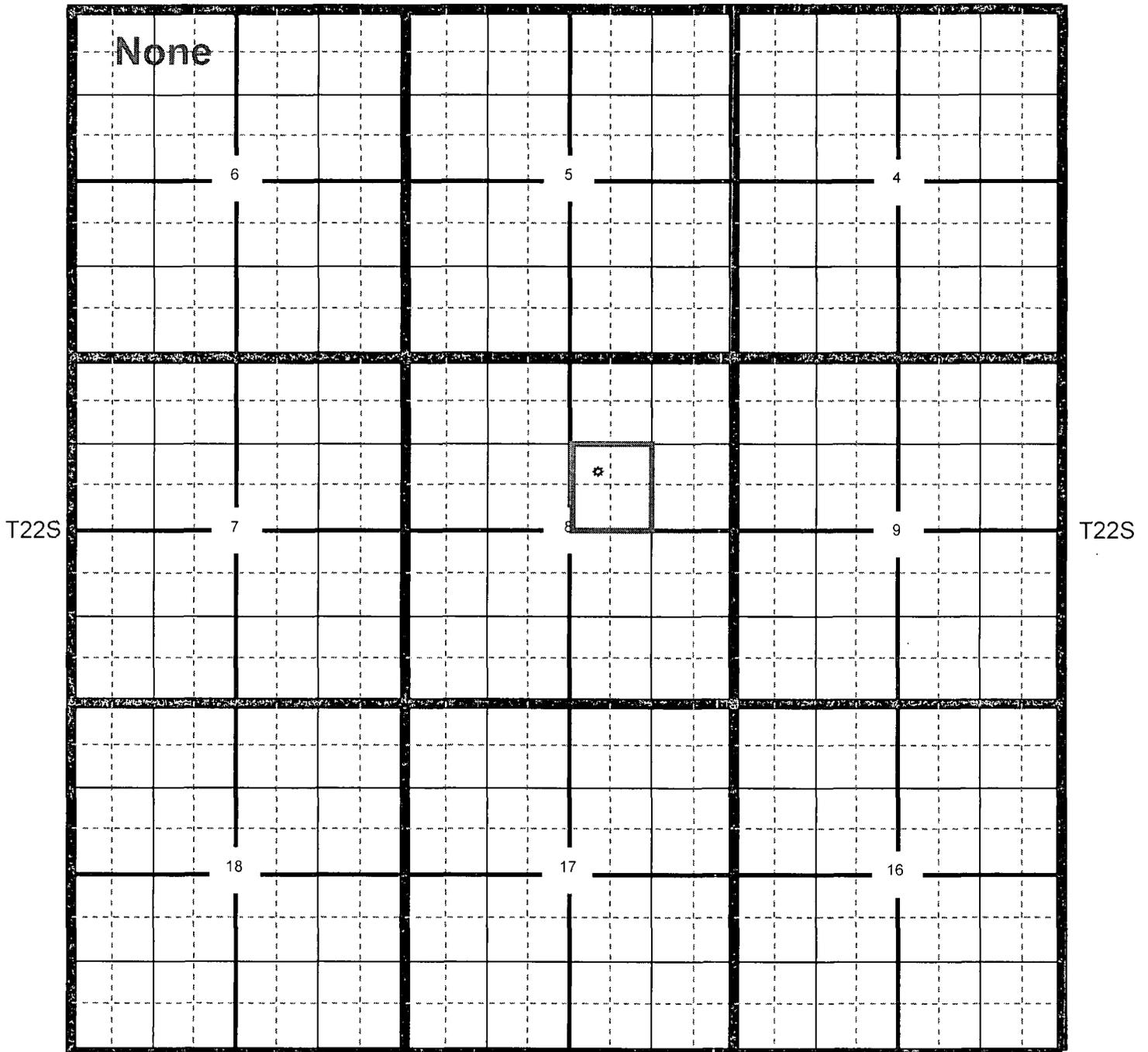
Section
8

Township
22S

Range
24E

Trend Map 100'

R24E



★ Location

● OCD

● USGS

● SEO

● All Databases

Section Quarters

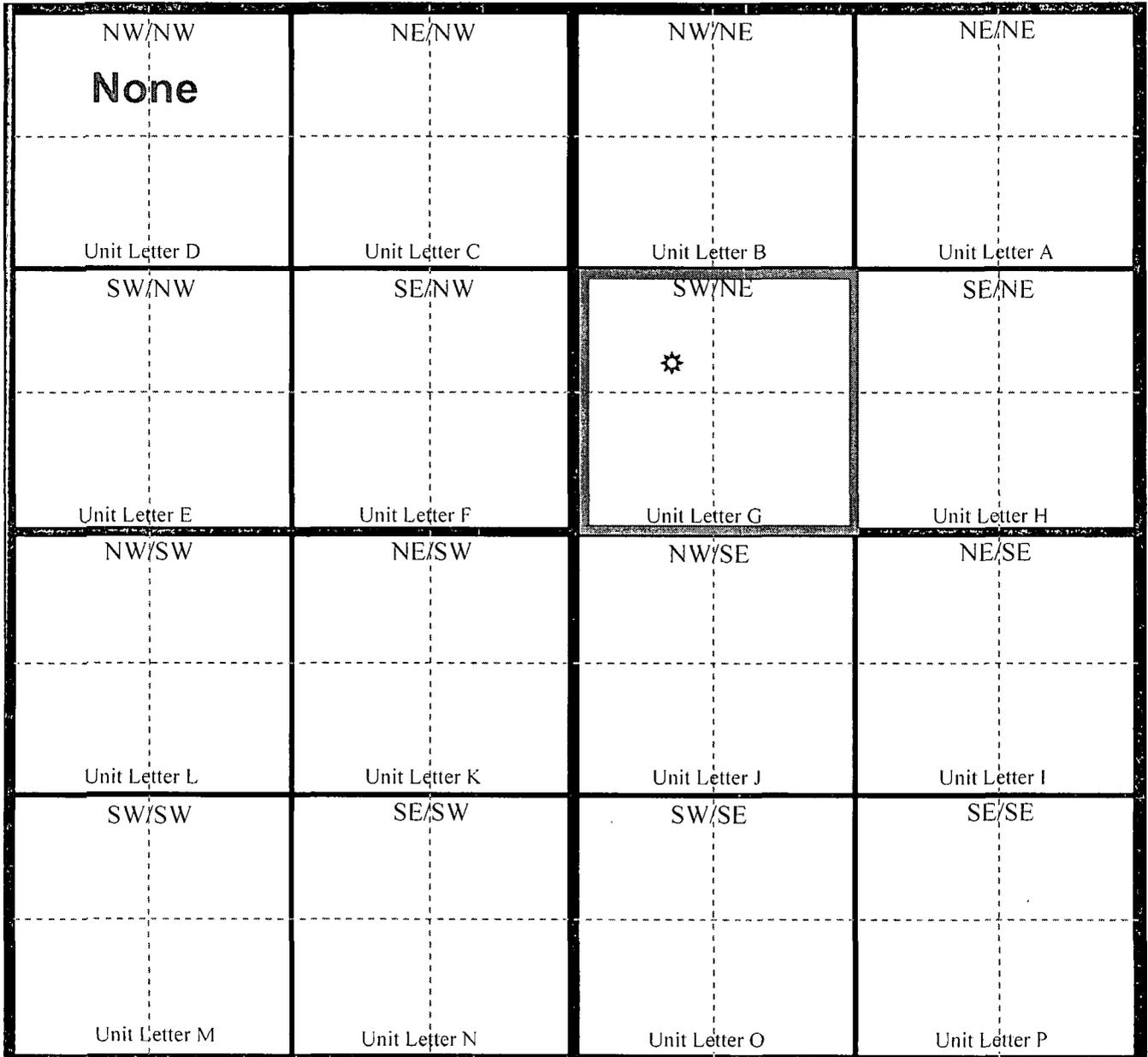
Oxy Old Ranch Knoll 8 Fed #7

| | | | | |
|-----------------------|-------------------------|---------------------|------------------------|---------------------|
| County Eddy | Unit Letter G | Section 8 | Township 22S | Range 24E |
|-----------------------|-------------------------|---------------------|------------------------|---------------------|

Trend Map 100'

1

2



3

4

★ Location ● OCD ● USGS ● SEO ● All Databases

**Laboratory Analytical Results Summary
Old Ranch Knoll 8 #7**

| | | Sample | SP1 @ Surface | SP1 @ 6" |
|-----------------|------------|--------|------------------|----------|
| Analyte | Method | Date | 2/6/13 | 2/6/13 |
| | | | mg/Kg | mg/Kg |
| Chloride | SM4500Cl-B | | 32 | <16.0 |

| | | Sample | SP2 @ Surface | SP2 @ 6" |
|-----------------|------------|--------|------------------|-----------|
| Analyte | Method | Date | 2/6/13 | 2/6/13 |
| | | | mg/Kg | mg/Kg |
| Chloride | SM4500Cl-B | | <16.0 | 48 |

| | | Sample | SP3 @ Surface | SP3 @ 6" |
|-----------------|------------|--------|------------------|-----------|
| Analyte | Method | Date | 2/6/13 | 2/6/13 |
| | | | mg/Kg | mg/Kg |
| Chloride | SM4500Cl-B | | <16.0 | 48 |



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

February 12, 2013

Cliff Brunson
BBC International, Inc.
P.O. Box 805
Hobbs, NM 88241

RE: OLD RANCH KNOLL 8 #7

Enclosed are the results of analyses for samples received by the laboratory on 02/07/13 8:30.

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,

A handwritten signature in cursive script that reads "Celey D. Keene".

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: | 02/07/2013 | Sampling Date: | 02/06/2013 |
| Reported: | 02/12/2013 | Sampling Type: | Soil |
| Project Name: | OLD RANCH KNOLL 8 #7 | Sampling Condition: | Cool & Intact |
| Project Number: | NONE GIVEN | Sample Received By: | Jodi Henson |
| Project Location: | EDDY COUNTY, NM | | |

Sample ID: SP 1 @ SURFACE (H300349-01)

| Chloride, SM4500Cl-B | mg/kg | Analyzed By: DW | | | | | | | |
|----------------------|--------|-----------------|------------|--------------|-----|------------|---------------|------|-----------|
| Analyte | Result | Reporting Limit | Analyzed | Method Blank | BS | % Recovery | True Value QC | RPD | Qualifier |
| Chloride | 32.0 | 16.0 | 02/08/2013 | ND | 448 | 112 | 400 | 7.41 | |

Sample ID: SP 1 @ 6" (H300349-02)

| 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 | 02/08/2013 | ND | 448 | 112 | 400 | 7.41 | |

Sample ID: SP 2 @ SURFACE (H300349-03)

| 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 | 02/08/2013 | ND | 448 | 112 | 400 | 7.41 | |

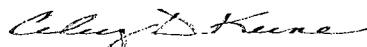
Sample ID: SP 2 @ 6" (H300349-04)

| Chloride, SM4500Cl-B | mg/kg | Analyzed By: DW | | | | | | | |
|----------------------|--------|-----------------|------------|--------------|-----|------------|---------------|------|-----------|
| Analyte | Result | Reporting Limit | Analyzed | Method Blank | BS | % Recovery | True Value QC | RPD | Qualifier |
| Chloride | 48.0 | 16.0 | 02/08/2013 | ND | 448 | 112 | 400 | 7.41 | |

Cardinal Laboratories

*=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: | 02/07/2013 | Sampling Date: | 02/06/2013 |
| Reported: | 02/12/2013 | Sampling Type: | Soil |
| Project Name: | OLD RANCH KNOLL 8 #7 | Sampling Condition: | Cool & Intact |
| Project Number: | NONE GIVEN | Sample Received By: | Jodi Henson |
| Project Location: | EDDY COUNTY, NM | | |

Sample ID: SP 3 @ SURFACE (H300349-05)

| 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 | 02/08/2013 | ND | 448 | 112 | 400 | 7.41 | |

Sample ID: SP 3 @ 6" (H300349-06)

| Chloride, SM4500Cl-B | mg/kg | Analyzed By: DW | | | | | | | |
|----------------------|-------------|-----------------|------------|--------------|-----|------------|---------------|------|-----------|
| Analyte | Result | Reporting Limit | Analyzed | Method Blank | BS | % Recovery | True Value QC | RPD | Qualifier |
| Chloride | 48.0 | 16.0 | 02/08/2013 | ND | 448 | 112 | 400 | 7.41 | |

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*=Accredited Analyte

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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



CARDINAL LABORATORIES
 101 East Marland, Hobbs, NM 88240
 (505) 393-2326 FAX (505) 393-2476

CHAIN-OF-CUSTODY AND ANALYSIS REQUEST

| | | | | | | | | | | | | | | | | | | | | | | | | | |
|---|----------------------|----------------------|-------------|-------------------------|----------|-----|---------|--------|------------|------------|--------|---------------|-------------|----------|--|--|--|--|--|--|--|--|--|--|--|
| Company Name: BBC International, Inc. | | BILL TO | | ANALYSIS REQUEST | | | | | | | | | | | | | | | | | | | | | |
| Project Manager: Cliff Brunson | | P.O. #: | | | | | | | | | | | | | | | | | | | | | | | |
| Address: P.O. Box 805 | | Company: | | | | | | | | | | | | | | | | | | | | | | | |
| City: Hobbs State: NM Zip: 88241 | | Attn: | | | | | | | | | | | | | | | | | | | | | | | |
| Phone #: 575-397-6388 Fax #: 575-397-0397 | | Address: <i>SAME</i> | | | | | | | | | | | | | | | | | | | | | | | |
| Project #: Project Owner: <i>oxy</i> | | City: | | | | | | | | | | | | | | | | | | | | | | | |
| Project Name: <i>Old Ranch Knoll 877</i> | | State: Zip: | | | | | | | | | | | | | | | | | | | | | | | |
| Project Location: | | Phone #: | | | | | | | | | | | | | | | | | | | | | | | |
| Sampler Name: <i>Roger Hernandez</i> | | Fax #: | | | | | | | | | | | | | | | | | | | | | | | |
| FOR LAB USE ONLY | | | | | | | | | | | | | | | | | | | | | | | | | |
| Lab I.D. | Sample I.D. | # CONTAINERS | MATRIX | | | | PRESERV | | | SAMPLING | | | | | | | | | | | | | | | |
| | | | GROUNDWATER | WASTEWATER | SOIL | OIL | SLUDGE | OTHER: | ACID/BASE: | ICE / COOL | OTHER: | DATE | TIME | | | | | | | | | | | | |
| <i>1300319</i> | | | | | | | | | | | | | | | | | | | | | | | | | |
| <i>1</i> | <i>SP1 @ Surface</i> | <i>1</i> | | | <i>✓</i> | | | | <i>✓</i> | | | <i>2-6-13</i> | <i>996</i> | <i>✓</i> | | | | | | | | | | | |
| <i>2</i> | <i>SP1 @ 6"</i> | <i>1</i> | | | <i>✓</i> | | | | <i>✓</i> | | | <i>2-6-13</i> | <i>950</i> | <i>✓</i> | | | | | | | | | | | |
| <i>3</i> | <i>SP2 @ Surface</i> | <i>1</i> | | | <i>✓</i> | | | | <i>✓</i> | | | <i>2-6-13</i> | <i>1020</i> | <i>✓</i> | | | | | | | | | | | |
| <i>4</i> | <i>@ 6"</i> | <i>1</i> | | | <i>✓</i> | | | | <i>✓</i> | | | <i>2-6-13</i> | <i>1045</i> | <i>✓</i> | | | | | | | | | | | |
| <i>5</i> | <i>SP3 @ Surface</i> | <i>1</i> | | | <i>✓</i> | | | | <i>✓</i> | | | <i>2-6-13</i> | <i>1105</i> | <i>✓</i> | | | | | | | | | | | |
| <i>6</i> | <i>@ 6"</i> | <i>1</i> | | | <i>✓</i> | | | | <i>✓</i> | | | <i>2-6-13</i> | <i>1128</i> | <i>✓</i> | | | | | | | | | | | |

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| | | | | |
|--|--|---------------------------------|--|----------------|
| Relinquished By: <i>[Signature]</i> | Date: <i>2-7-13</i> | Received By: <i>[Signature]</i> | Phone Result: <input type="checkbox"/> Yes <input type="checkbox"/> No | Add'l Phone #: |
| | Time: <i>8:30</i> | | Fax Result: <input type="checkbox"/> Yes <input type="checkbox"/> No | Add'l Fax #: |
| Relinquished By: | Date: | Received By: | REMARKS: | |
| | Time: | | | |
| Delivered By: (Circle One) | Sample Condition | CHECKED BY: | | |
| Sampler - UPS - Bus - Other: <i>SP</i> | Cool <input type="checkbox"/> Yes <input type="checkbox"/> No Intact <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No | (Initials) | | |

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

#26

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 Old Ranch Knoll 8 Federal #7 | Facility Type |

| | | |
|----------------------|---------------|-------------------------------|
| Surface Owner BLM | Mineral Owner | Lease No. API#30-015-32621 |
|----------------------|---------------|-------------------------------|

LOCATION OF RELEASE

| Unit Letter | Section | Township | Range | Feet from the | North/South Line | Feet from the | East/West Line | County |
|-------------|---------|----------|-------|---------------|------------------|---------------|----------------|-----------------|
| G | 8 | 22S | 24E | 1790 | North | 2170 | East | Eddy County, NM |

Latitude N 32.40715° Longitude W 104.51900

NATURE OF RELEASE

| | | |
|--|---|----------------------------|
| Type of Release Produced water | Volume of Release 20 bbls | Volume Recovered 0 bbls |
| Source of Release Water dump line at Victaulic clamp froze and broke | Date and Hour of Occurrence 1/15/13 | Date and Hour of Discovery |
| Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required | If YES, To Whom? Mike Bratcher- OCD, James Amos-BLM, Terry Gregston-BLM | |
| By Whom? Christopher Jones | Date and Hour 1/16/13 @ 7:13 am | |
| 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.*

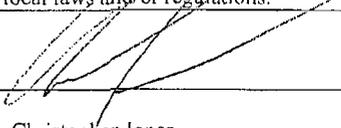
A water dump line at the victaulic clamp froze and broke causing 20 bbls of produced water to leak onto the ground. 0 bbls were recovered and the line was repaired.

Describe Area Affected and Cleanup Action Taken.*

The area affected is approximately 100' x 40'. A water dump line at the victaulic clamp froze and broke causing 20 bbls of produced water to leak onto the ground. Fluids were not recoverable. Remediation will be performed in accordance with an OCD and BLM approved remediation plan.

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: Christopher Jones | Approval Date: | Expiration Date: | |
| Title: HES Specialist | Conditions of Approval: | | |
| E-mail Address: Christopher Jones@oxy.com | | | Attached <input type="checkbox"/> |
| Date: 1/17/13 Phone: (575) 628-4121 | | | |

* Attach Additional Sheets If Necessary