



Occidental Permian Limited Partnership

May 16, 2005

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



Attn: Environmental Engineering

RE: Final Closure Letter
8" Cement Lined Steel Injection Trunk Line Leak
UL 'I', Sec. 5, T-19-S, R-38-E

Leak occurred on 08/27/2004, at approximately 01:00 AM. An 8" cement lined steel injection-trunk line used to transfer injection water from the South Hobbs Unit Central T/B to the injection buildings throughout the South Hobbs Unit field (buildings 5, 6, 7, & 9) developed a small pin hole causing spill. The leak occurred due to damaged coating and internal corrosion. The normal operating pressure on this pipe is approximately 1000 pounds. The area affected by this spill is an area measuring approximately 50' X 400' in an open pasture directly south and east of the spill site. The area where the leak occurred is north and east of the South Hobbs Unit well #239. An estimate of 400 barrels of injection water was spilled. All fluid soaked into the soil, none was recovered. The leak area surface owner is Mr. Malcolm Coombes. 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. Piping was excavated and repaired. (Piping was repaired and put back into service until a poly liner could be installed. Poly liner was installed in April of 2005.)
2. Affected areas were pushed up and soil hauled to an approved site. (1572 cubic yards of soil were hauled to Sundance Services, Parabo Facility near Eunice, NM.)
3. Soil samples were obtained from spill areas. (4 soil samples were taken at approximately 2' depth on May 11, 2005, see attached hand drawn map for sample locations. 48 hours notice was given to NMOCD before samples were taken.)
4. NMOCD guidelines will be used to insure entire site is in compliance with guidelines.
5. Soils removed will be replaced with clean fresh soil. (Fill dirt will be used to backfill the majority of the excavation. 6" to 8" of top soil will be used across the area for final fill. The area will also be seeded per request of the current land owner.)
6. Soil analysis data is being submitted with this closure letter. (See attached soil analysis data dated 05/12/05, from Cardinal Laboratories.)

Oxy - 157984
Facility - FPAC 0603831960
incident - FPAC 0603832057
application - pPAC 0603832516
Hobbs RMT, 1017 W. Stanolind Rd, Hobbs, New Mexico 88240

May 16, 2005
Page 2

According to the lab analysis, attached, the highest hit was close to the leak site and near the piping. The analysis shows this area to be less than one tenth of one percent for chlorides. In order to minimize further impact to area, or damage to the pipeline, excavation in this area was stopped. We are planning no further work to this site, and at time of this letter backfill of the area has commenced.

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

A handwritten signature in black ink that reads "STEVEN M. BISHOP". The signature is written in a cursive style with a large, stylized initial 'S'.

Steven M. Bishop

HES Technician/Hobbs RMT
Steven_Bishop@oxy.com
(505) 397-8251

Attachments: Final C-141
Hand drawn map of leak site, showing sample points
Cardinal Laboratories, soil sample analysis data dated 05/12/2005

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 Injection System | Facility Type Production |

| | | |
|----------------------------------|---|-----------|
| Surface Owner Malcolm Coombes | Mineral Owner Occidental Permian Limited Partnership | Lease No. |
|----------------------------------|---|-----------|

LOCATION OF RELEASE

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

Latitude North (NAD 83) 32°41'16.4542" Longitude West (NAD 83) 103°09'44.8380"

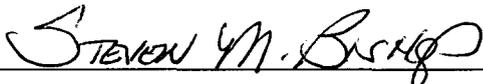
NATURE OF RELEASE

| | | |
|--|--|---|
| Type of Release Injection Water | Volume of Release 400 bbls water | Volume Recovered 0 bbls water |
| Source of Release 8" cement lined steel trunk line | Date and Hour of Occurrence 08/27/2004 01:00 AM | Date and Hour of Discovery 08/27/2004 01:00 AM |
| Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required | If YES, To Whom? Sylvia Dickey, left message | |
| By Whom? Steven M. Bishop | Date and Hour 08/27/2004 09:25 AM | |
| 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.* N/A | | |

Describe Cause of Problem and Remedial Action Taken.* An 8" cement lined steel trunk line carrying injection water from the South Hobbs Unit Central T/B to South Hobbs Unit Injection buildings developed a pin hole causing spill. Closed valves on both ends of the trunkline to stop flow, and contain leak.

Describe Area Affected and Cleanup Action Taken.* Area affected approximately 50' X 400' pasture to the south and east of the leak site. All fluid soaked into the soil. Line was excavated, repaired, and put back into service until a poly liner could be installed. Poly liner was installed in April, 2005. Affected area will be remediated to NMOCD guidelines for spills. Entire area excavated to 2' depth and soil samples taken. Area will be backfilled and seeded.

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: | Expiration Date: |
| E-mail Address: Steven_Bishop@oxy.com | Conditions of Approval: | Attached <input type="checkbox"/> |
| Date: 05/16/2005 | Phone: (505) 397-8251 | |

* Attach Additional Sheets If Necessary

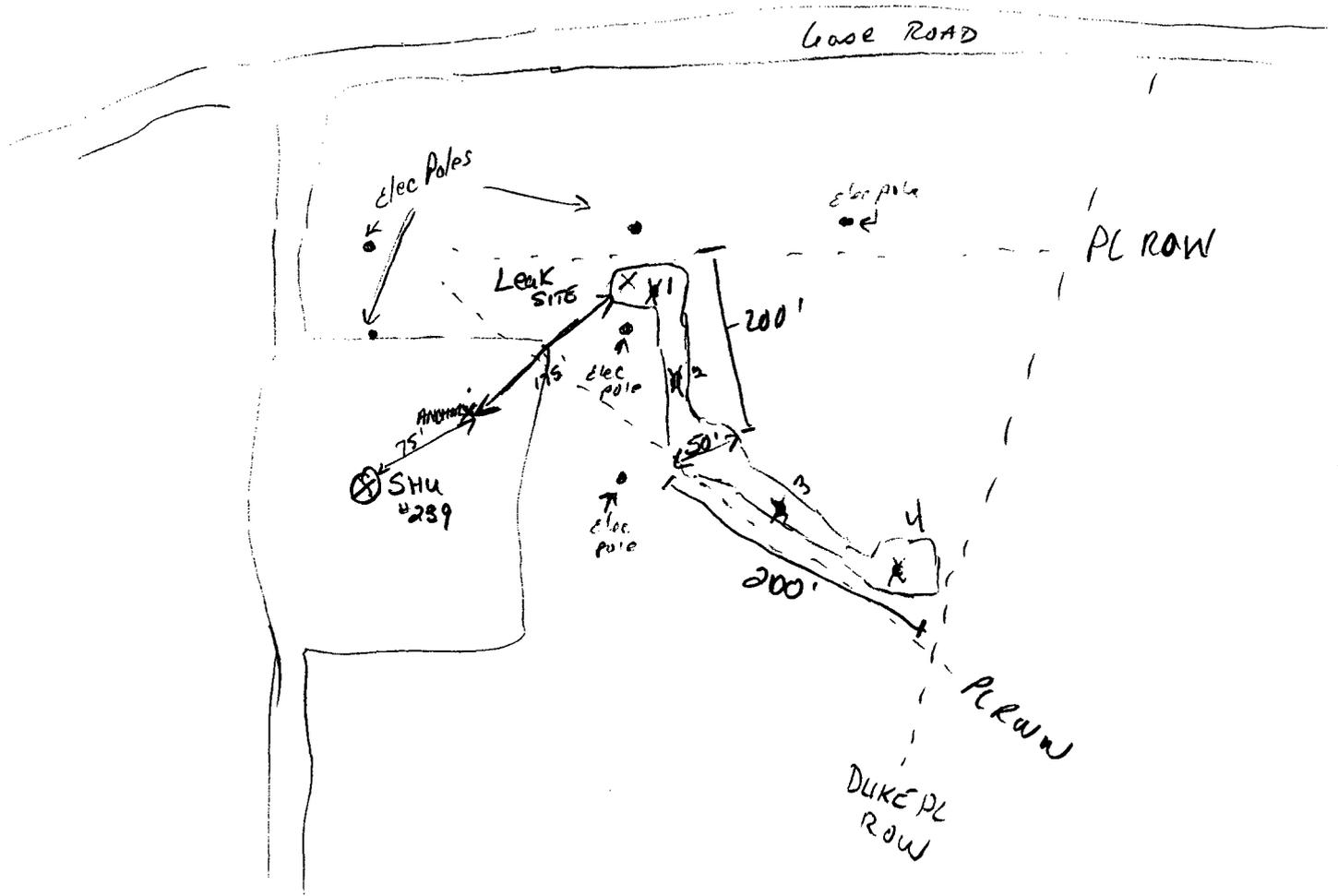
8/27/04

SPILL MAP

41I' Sec 5, T-18-S, R-38E
250' NE SHU #239

PLEASE DRAW SKETCH OF SPILL AND INDICATE WHERE SPILL ORIGINATED.

0 B0 x 400 BW est.



* Sample point

Gps coordinates

*1 N32° 41.268' + W 103° 09.747'

*2 N32° 41.255' + W 103° 09.746'

*3 N32° 41.241' + W 103° 09.742'

*4 N32° 41.228' + W 103° 09.728'



PHONE (325) 873-7001 • 2111 BEECHWOOD • ABILENE, TX 79803

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

ANALYTICAL RESULTS FOR
 BBC INTERNATIONAL, INC.
 ATTN: CLIFF BRNSON
 P.O. BOX 805
 HOBBS, NM 88241
 FAX TO: (505) 397-0397

Receiving Date: 05/11/05
 Reporting Date: 05/12/05
 Project Owner: OXY PERMIAN
 Project Name: SHU 8" INJECTION LINE
 Project Location: HOBBS, NM

Analysis Date: 05/12/05
 Sampling Date: 05/11/05
 Sample Type: SOIL
 Sample Condition: COOL & INTACT
 Sample Received By: AH
 Analyzed By: AH

| LAB NUMBER | SAMPLE ID | CF (mg/Kg) |
|-----------------------------|----------------------|---------------|
| H9785-1 | BOTTOM SAMPLE 1 @ 2' | 992 |
| H9785-2 | BOTTOM SAMPLE 2 @ 2' | 64 |
| H9785-3 | BOTTOM SAMPLE 3 @ 2' | 208 |
| H9785-4 | BOTTOM SAMPLE 4 @ 2' | 96 |
| | | |
| | | |
| | | |
| Quality Control | | 960 |
| True Value QC | | 1000 |
| % Recovery | | 96.0 |
| Relative Percent Difference | | 1.0 |

METHOD: Standard Methods 4500-CTB

Note: Analyses performed on 1:4 w:v aqueous extracts.

Amy Hill
 Chemist

5/12/05
 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. ~~1997~~ Cardinal shall not 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.