



Occidental Permian Limited Partnership

August 6, 2004

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



Attn: Environmental Engineering

RE: ~~Remediation Plan~~
3" Steel Flowline Leak
~~UL 'M', Sec. 30, T-18-S, R-38-E~~

Leak occurred on ~~08/05/2004~~, at approximately 09:00 AM. A ~~3"~~ steel flowline used to transfer produced fluid from the North Hobbs Unit Well #~~30-242-16~~ to the North Hobbs Unit Satellite #25 developed a small pin hole causing spill. The leak occurred due to damaged coating at a lease road crossing and external ~~corrosion~~ resulted. The normal operating pressure on this pipe is approximately 25 to 40 pounds, and serves this one well only. The area affected by this spill is an area measuring approximately ~~20' X 200'~~ in an open area covered by caliche and very little vegetation. The area where the leak occurred is south and east of the North Hobbs Unit well # 25-441. Fluid ran from the leak site in the caliche road to the north and pooled north of the leaksite. All fluid recovered was taken from the pool formed north of the leak site. An estimate of ~~4 barrels of crude oil and 16 barrels of produced water~~ was spilled. All freestanding fluid was picked up via vacuum trucks, recovering approximately ~~3 barrels of crude oil and 10 barrels of produced water~~. Fresh soil was spread over entire spill area to keep livestock clear until remediation efforts could be initiated. The leak area surface owner is the State of New Mexico. Depth to ground water according to State Engineers Office is an average of ~~37'~~, for all wells in the area, giving this spill site a ranking of 20. Remediation of the spill site will be as follows:

1. Piping was excavated and repaired.
2. Affected areas will be pushed up and soil hauled to an approved site.
3. Soil samples will be obtained from spill areas.
4. NMOC guidelines will be used to insure entire site is in compliance with guidelines.
5. Soils removed will be replaced with clean fresh soil.
6. Soil analysis data will be submitted with final closure letter.

Oxy - 157984
API# 30025288860000
Incident - nPAC0603833950

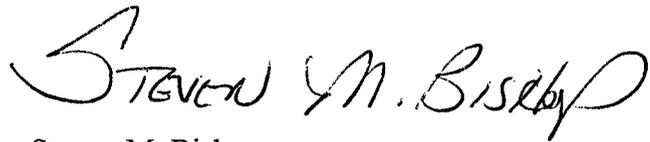
Hobbs RMT, 1017 W. Stanolind Rd, Hobbs, New Mexico 88240

Application - nPAC0603834313

August 6, 2004

Page 2

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 letters are cursive and somewhat stylized, with a large initial 'S'.

Steven M. Bishop

HES Technician/Hobbs RMT
(505) 397-8251

Attachments: Original C-141
Hand drawn map of leak site

District I - (505) 393-6161
P.O. Box 1980
Hobbs, NM 88241-1980
District II - (505) 748-1283
811 South First
Artesia, NM 88210
District III - (505) 334-6178
1000 Rio Brazos Road
Aztec, NM 87419
District IV - (505) 827-7131

State of New Mexico

Energy Minerals and Natural Resources Department
Oil Conservation Division
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

FORM C-141
Originated 2/13/97

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 Occidental Permian Limited Partnership	Contact Steven M. Bishop
Address 1017 W. Stanoliind Rd. Hobbs, N.M. 88240	Telephone No. (505) 397-8251
Facility Name North Hobbs Unit Well #30-242 Flowline	Facility Type Production

API# 3002588860000

Surface Owner State of New Mexico	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
'M'	30	18-S	38-E					Lea

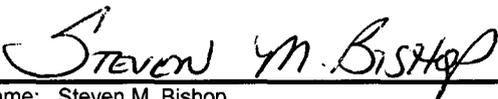
NATURE OF RELEASE

Type of Release Crude Oil and Produced Water	Volume of Release 4 Bbls Oil and 16 Bbls Water	Volume Recovered 3 bbls oil and 10 bbls Water
Source of Release 3" Steel Flowline	Date and Hour of Occurrence 08/05/2004 09:00 AM	Date and Hour of Discovery 08/05/2004 09:00 AM
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 • N/A		

Describe Cause of Problem and Remedial Action Taken. • 3" steel flowline carrying produced oil and water from North Hobbs Unit Well #30-242 to the North Hobbs Unit Satellite #25 developed a pin hole causing spill. Closed valves at well and satellite to stop flow.

Describe Area Affected and Cleanup Action Taken. • Area affected is a caliche area measuring approximately 20' X 200'. Most of the fluid ran to the north from the leak sight and pooled at the north end of the affected area. All free standing fluid was picked up via vacuum truck, and area was pushed up with a backhoe and covered with fresh soil to keep livestock from entering until remediation activities could be started. Line will be excavated and repaired. Affected area will be remediated to NMOCD guidelines for spills.

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, 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:  Printed Name: Steven M. Bishop		OIL CONSERVATION DIVISION	
		Approved by District Supervisor:	
Title: HES Technician		Approval Date:	Expiration Date:
Date: 08/06/2003	Phone: (505) 397-8251	Conditions of Approval:	Attached: <input type="checkbox"/>

8/5/04

ULM - Sec 30, T-18-S, R-38-E

30-242 Flowline leak
3" steel line

11/14/04
25-44

SPILL MAP

PLEASE DRAW SKETCH OF SPILL AND INDICATE WHERE SPILL ORIGINATED.

4 x 16 spilled
3 x 10 Recovered

