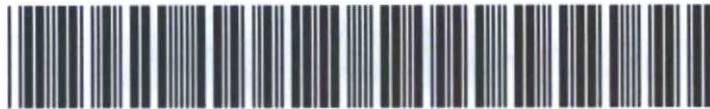




AE Order Number Banner

Report Description

This report shows an AE Order Number in Barcode format for purposes of scanning. The Barcode format is Code 39.



App Number: pLWJ1030950457

1RP - 2395

OXY USA INC



**CONESTOGA-ROVERS
& ASSOCIATES**

2135 S. Loop 250 West
Midland, Texas 79705
Telephone: (432) 686-0086 Fax: (432) 686-0186
<http://www.craworld.com>

December 29, 2009

Reference No. 058373

Mr. Larry Johnson
New Mexico Oil Conservation Division
District I Office - 1625 N. French Drive
Hobbs, NM 88240

Certified USPS 420 88240 9410 8036 9930 0002 7437 23

Re: Corrective Action Plan (Initial)
Oxy USA/#11 MLMU (API#30-025-09424)
(Unit Letter B) of Section 25, Township 23 South, Range 36 East
Lea County, New Mexico

Dear Mr. Johnson:

Conestoga-Rovers and Associates (CRA) herewith submits this initial Corrective Action Plan (CAP) on behalf of Oxy USA, Inc. (Oxy) to the New Mexico Oil Conservation Division (OCD) regarding the abandonment of the above referenced wellsite location.

PROJECT INFORMATION

The subject wellsite is located within the Myers Langlie Mattix Unit (MLMU) situated between Jal and Eunice, New Mexico. The legal description of the Site is the NW/4 of the NE/4, Section 25, T-23-S, R-36-E with GPS coordinates 32° 16' 50.88" N and 103° 13' 01.45" W (FIGURE 1). CRA understands the surface property is owned by the Myers Family. Depth to groundwater in the vicinity of the subject property is reported by the United States Geological Survey (USGS) to be greater than 100 feet below ground surface (bgs).

Tanks and ancillary surface equipment have been removed from the wellsite. A dry hole marker is present on the location. Residual soil staining from historic releases in the area of (former) location facilities have been identified (FIGURE 2). The volume of the releases are unknown. An Initial Report version of OCD Form C-141, Release Notification and Corrective Action for the MLMU #11 wellsite is included as an enclosure to this correspondence.

REGULATORY FRAMEWORK

The OCD has regulatory jurisdiction over oil and gas production operations including pipeline spill/closure in the State of New Mexico. This project will be conducted under the regulatory jurisdiction of the OCD, which requires that soil impacted by a crude oil spill be remediated in such a manner that the potential for future affects to groundwater or the environment are minimized. The OCD hydrocarbon remediation levels are determined by ranking criteria on a site-by-site basis, which is outlined in the OCD *Guidelines for Remediation of Spills, Leaks, and Releases*, dated August 13, 1993. The ranking criteria are

Equal
Employment Opportunity
Employer



based on three site characteristics: depth to groundwater, wellhead protection and distance to surface water.

Based on these Site characteristics and associated OCD ranking criteria presented in the table below, the following hydrocarbon recommended remediation action levels (RRALs) apply at the Site: benzene- 10 ppm, Total BTEX- 50 ppm and TPH- 5,000 ppm.

CHARACTERISTIC	SELECTION	SCORE
Depth to Groundwater	> 100 feet	0
Wellhead Protection Area	>1,000 feet	0
Distance to Surface Water	>1,000 feet	0

Total Ranking Score = 0

PROPOSED ACTIVITIES

Soil Investigation

CRA proposes to install an estimated five to six hand auger borings at the release site (see FIGURE 2) to evaluate the horizontal and vertical extent of hydrocarbon and chloride-impacted soils. If hand augering is not a feasible approach for soil sample collection, a backhoe or air rotary drilling rig will be utilized to obtain the subsurface soil samples.

Prior to mobilizing the heavy and/or drilling equipment to the Site (if warranted), the boring location areas will be marked and a utility notification will be made at least 48-hour prior to mobilization. A post-hole digger or similar tool will be utilized to clear each boring location to a depth of approximately 5-feet below ground surface (bgs) and approximately 10-inches in diameter.

An air-rotary rig, operated by a State of New Mexico licensed water well driller, will be utilized (as appropriate) to advance the proposed borings to appropriate depths (estimated at approximately 2-feet to 30-feet bgs) to assess the nature and extent of hydrocarbon and chloride-impacted soils at the release site. The soil sampling plan for this project will generally include the collection of soil samples in one to five-foot intervals. Soil samples will be field screened with a photo-ionization detector (PID) or organic vapor meter (OVM) to measure the relative concentration of volatile organic compounds (VOCs) of the samples using the "heated headspace method." Soil samples collected for laboratory analysis will be based on physical observations and field VOC measurements. A geologist will record the subsurface lithology and sample data on soil boring logs. Selected soil samples from each boring will be analyzed for total petroleum hydrocarbons by (TPH) diesel-range organics (DRO) and gasoline-range organics (GRO) by EPA Method 8015 modified, analysis of benzene, toluene, ethylbenzene and xylene (BTEX) by EPA Method 8021B and chloride analysis by EPA Method 300.



Soil Remediation

The information from the soil investigation will be evaluated to develop an excavation approach to remove hydrocarbon and chloride-affected soils from the release area that exhibit concentrations above regulatory levels. Hydrocarbon and chloride-impacted soils associated with the #11 MLMU location will be excavated and staged onsite by Oxy designated subcontractors and delineated using heavy equipment. The vertical and horizontal extents of the excavation will be assessed by field personnel using OCD procedures for headspace analysis of soil samples. Confirmation soil samples will be collected for determination of the final soil contaminant concentrations pursuant to section VI.A of the *OCD Guidelines for Remediation of Spills, Leaks, and Releases*, dated August 13, 1993.

Soil samples collected from the remedial excavation and staging areas at the site will be placed into a laboratory-supplied soil jars equipped with a Teflon-lined lid and placed on ice in an insulated cooler. These samples will be submitted to TraceAnalysis, Inc. (Trace) in Lubbock, Texas for analysis of total petroleum hydrocarbons (TPH) diesel-range organics (DRO) and gasoline-range organics (GRO) by EPA Method 8015 modified, analysis of benzene, toluene, ethylbenzene and xylene (BTEX) by EPA Method 8021B and chlorides by EPA Method 300. The submitted coolers will be sealed for shipment and proper chain-of-custody documentation will accompany the samples to the laboratory.

Soil management options for this site include offsite disposal or land treatment at an OCD approved/permitted facility. Other options such as onsite landfarming, in-situ soil treatment or alternative methods may also be employed. Equivalent volumes of clean soils (to any impacted volumes hauled offsite) will be brought into the remedial excavations to bring the excavations to the existing ground surface. The source of the clean soils most likely will come from a proximate location on the property owner's land. The ground surface of the remediated area will then be contoured to match the natural topography. Other reclamation activities, such as re-seeding, will also be performed in coordination with the landowner.

Reporting

The District 1 OCD office will be notified prior to soil sampling activities. After remedial actions have been performed, a final report version of OCD Form C-141 will be prepared and submitted to the OCD District I office for review and acceptance. The final report will document assessment activities and corrective actions performed at the site and including field procedures implemented, analytical summaries and data, and other pertinent information.

If you have any questions or comments with regards to this Corrective Action Plan please call do not hesitate to contact our Midland office at (432) 686-0086. Your timely response to this correspondence is appreciated.



**CONESTOGA-ROVERS
& ASSOCIATES**

December 29, 2009

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Reference No. 058373

Yours truly,

CONESTOGA-ROVERS & ASSOCIATES

A handwritten signature in blue ink that reads "Thomas C. Larson". The signature is written in a cursive, flowing style.

Thomas C. Larson
Operations Manager

Enclosures:

Site Location Map
Proposed Soil Boring Location Map
OCD Initial Report Form C-141

c.c.: Mr. Damian Reed, Glenn Springs Holding, Inc.
CRA - Midland File

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

x Initial Report Final Report

Name of Company	Oxy USA Incorporated	Contact	Dusty Wilson
Address	4008 Grimes PMB 269, Hobbs, NM 88240	Telephone No.	575-441-7189
Facility Name	#11 Myers Langlie Mattix Unit (MLMU)	Facility Type	Oil and Gas

Surface Owner	Myers	Mineral Owner	Unitized	Lease No.	30-025-09424
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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
B	25	23S	36E	660'	North	1980	East	Lea

Latitude 32° 16' 50.88" N Longitude 103° 13' 01.45" W

NATURE OF RELEASE

Type of Release	Hydrocarbon and Produced Water	Volume of Release	unknown	Volume Recovered	none
Source of Release	Facility tank valves, lines and wellhead locations. Also projected discharges over time due to unknown causes which distributed hydrocarbon and produced water liquids around facility.	Date and Hour of Occurrence	unknown	Date and Hour of Discovery	3/8/08
Was Immediate Notice Given?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Required	If YES, To Whom?			
By Whom?	Date and Hour				
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

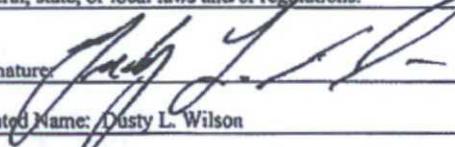
Describe Cause of Problem and Remedial Action Taken.*

Historical release areas were discovered subsequent to well site abandonment activities. Hydrocarbon and produced water-impacted soils located in the area of well site facilities were identified for removal to disposal. Samples will be collected and analyzed to verify contaminate levels for NMOC and delineated targets for excavation purposes. A Corrective Action Plan (CAP) will be prepared for this well site.

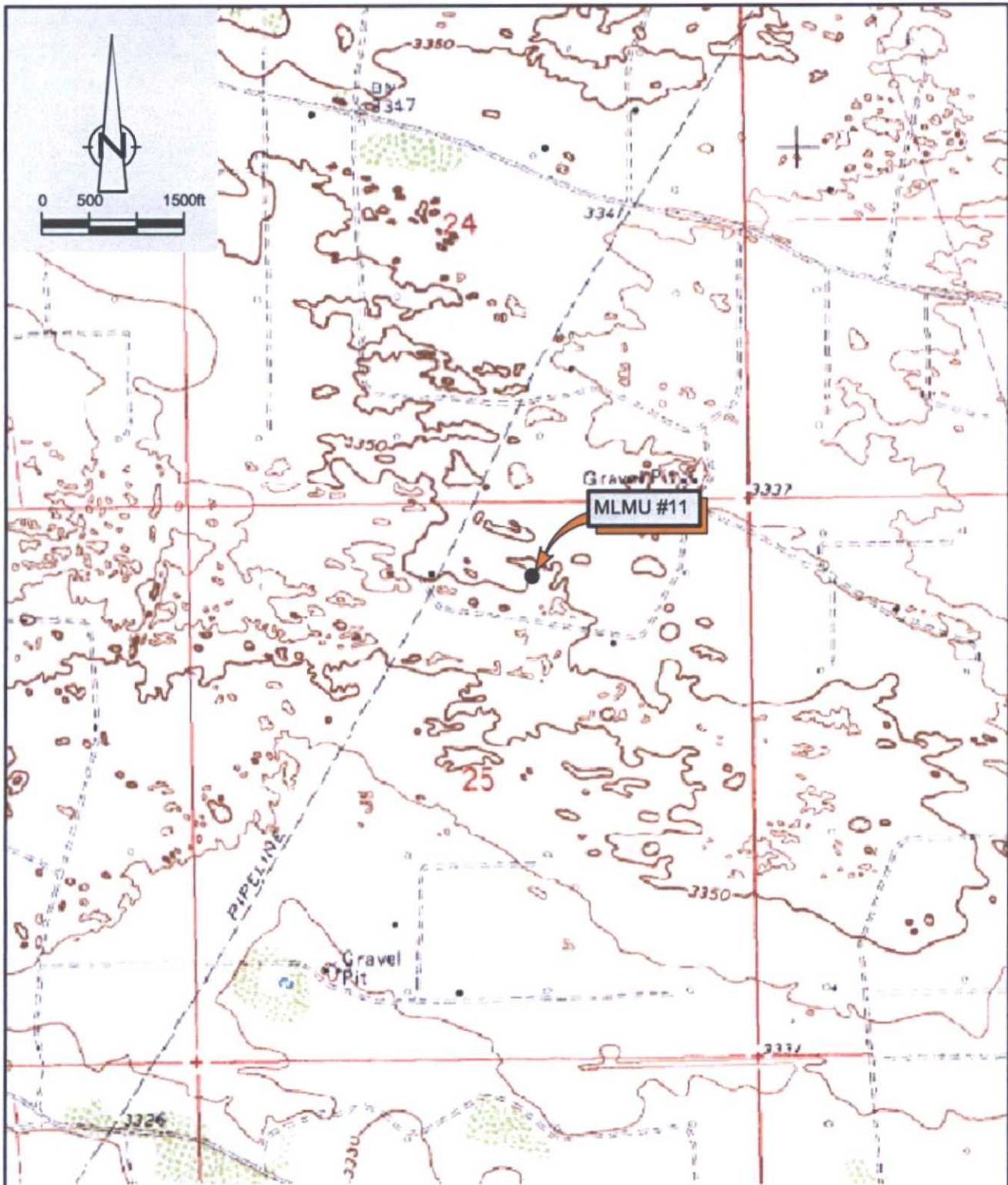
Describe Area Affected and Cleanup Action Taken.*

Affected areas will be investigated and remediated in accordance to CAP submitted to OCD District I office dated December 29, 2009
A FINAL REPORT, detailing assessment and remedial actions undertaken at the site, will subsequently be prepared and submitted to OCD District I office for review and acceptance.

I hereby certify that the information given above is true and complete to the best of my knowledge and understand that pursuant to NMOC 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 NMOC 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, NMOC 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: Dusty L. Wilson	Approved by District Supervisor:	
Title: HES Specialist	Approval Date:	Expiration Date:
E-mail Address: dusty.wilson@oxy.com	Conditions of Approval:	Attached <input type="checkbox"/>
Date: 12/22/2009	Phone: (575) 441-7189	

* Attach Additional Sheets If Necessary



USGS QUADRANGLE
 RATTLESNAKE CANYON, NEW MEXICO
 32° 16' 50.88" N, 103° 13' 01.45" W

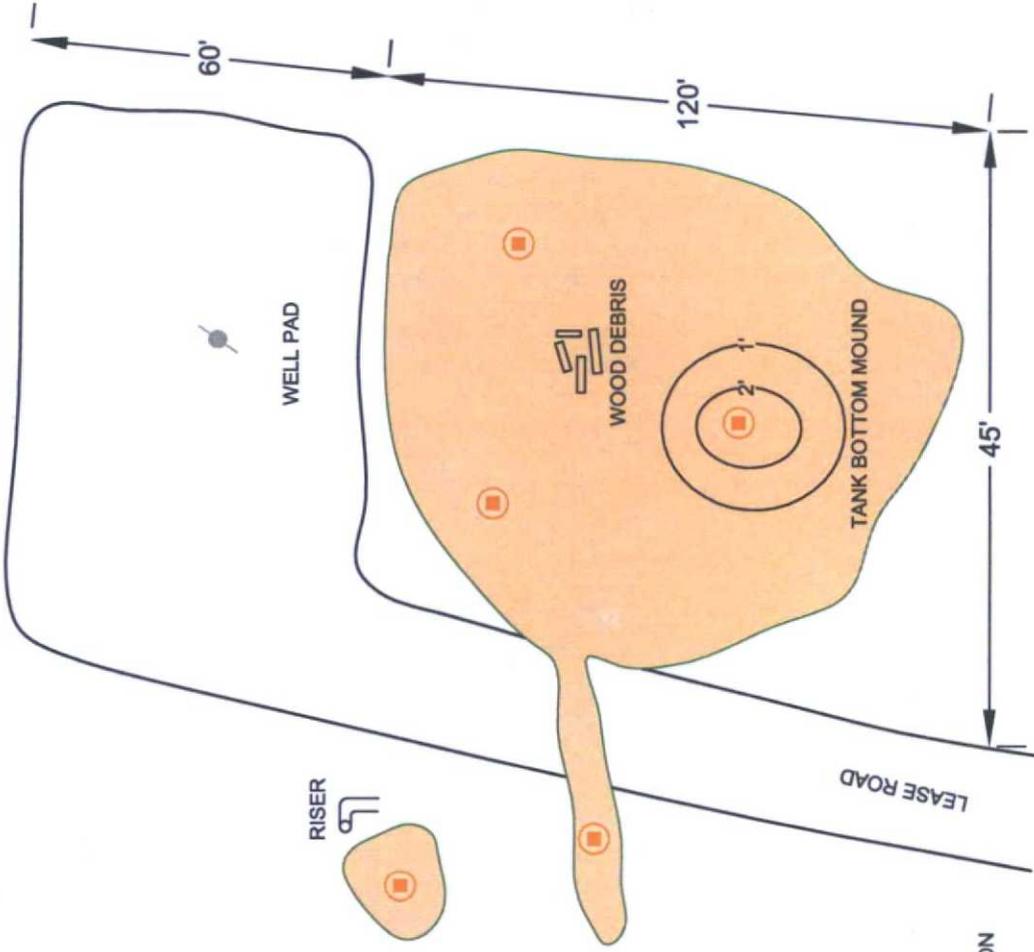


figure 1
 SITE LOCATION MAP
 MLMU #11
 LEA COUNTY, NEW MEXICO
 Glenn Springs Holdings, Inc.

32° 16' 50.88" N, 103° 13' 01.45" W



NOT TO SCALE



LEGEND

STAINED SOIL AREA

PROPOSED SOIL BORING LOCATION

DRY HOLE MARKER



figure 2

PROPOSED SOIL BORING LOCATION MAP

MLMU #11

LEA COUNTY, NEW MEXICO

Glenn Springs Holdings, Inc.

Stephens & Johnson Operating Co.
Denton North Wolfcamp Unit Well No. 12-5
Flowline Leak
October 29, 2009

ATTACHMENT TO C-141

Describe Cause of Problem and Remedial Action Taken:

On 9-24-09 Denton North Wolfcamp Unit well No. 12-5 flowline was found to have leaked east of the well located in Sec. 25 14S 37E in Lea County. Well was shut-in, flowline was flushed with fresh water. On 9-28-09 dug up flowline leak and found split in fiberglass on top of line. Dug up an area of approximately 80' x 100' x 10' and hauled contaminated soil to Jay Dan Land Farm Disposal. Due to line being located in irrigated land, flowline has been abandoned and relocated down lease road. Well turned back on using new flowline.

Describe Area Affected and Cleanup Action Taken:

An area of 80' x 100' has been dug out to approximately 10' deep. Samples were taken from area on 10-8-09 with TPH of the samples being 418.1 and chlorides being 96-126 mg/kg. Since the contaminated area has developed larger than expected, it is planned to hire Tetra-Tech Environmental Company and drill test bore holes and find area extent of contamination. Upon test results from bore holes, new plan of action will be forwarded.