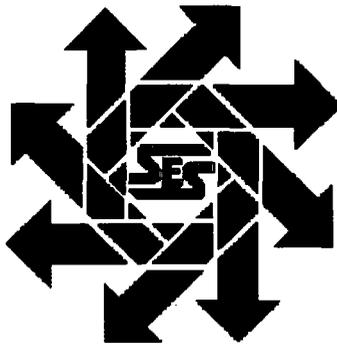


MAY -7 2009

**Oxy USA Corporation
Shelby Federal #3
Unit K, Section 12 T22S R24 E
Eddy County, New Mexico**

Closure Report

May 6, 2009



DENIED
(Handwritten signature)

Prepared for:

***Oxy USA WTP LP
P.O. Box 1988
Carlsbad, New Mexico 88221***

By:

***Safety & Environmental Solutions, Inc.
703 E. Clinton
Hobbs, New Mexico 88240
(575) 397-0510***

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I. Company Contacts

NAME	Company	Telephone	E-mail
Kelton Beaird	Oxy USA	575-390-1903	Kelton_Beaird@oxy.com
Isaac Kincaid	SESI	575-390-8841	ikincaid@sesi-nm.com

II. Background

Safety and Environmental Solutions, Inc. (SESI) was engaged by Oxy USA Corporation to perform clean up services at the Oxy Shelby Federal #3 spill site. This leak was caused by the overflow of a frac tank onsite. There were 200 barrels of produced fluids released.

III. Surface and Ground Water

The closest groundwater of record found on the Office of the State Engineer's online Database is located in the same section, range and township. The depth of water is 585' in 2003.

IV. Work Performed

On February 28, 2008, SESI was onsite to perform clean up from a frac tank that overflowed and ran north outside the berm area. A vacuum truck was onsite to obtain fluid from pooling area. The fluid from the pooled area was obtained and transported to Argon Laboratories to be analyzed for Chlorides (EPA method 300.0).

Sample ID	Chlorides (mg/L)
South Pool	1500

Absorbent pads were installed to absorb fluid from the ground. The absorbent pads were placed into a metal drum and fluids were disposed of to CRI Disposal. SESI then applied 2 loads of water and 1 load of soap to wash surface of the hill. The fluid was then obtained and transported to CRI for disposal.

On March 3, 2008, SESI was onsite to apply three separate applications of 4% micro-blaze was applied to the hillside.

On June 18, 2008, SESI was onsite to obtain samples from hillside spill area. Samples were transported to Argon Laboratories analyzed for Chlorides (EPA method 300.0), Benzene, Toluene, Ethyl Benzene, Xylenes, (BTEX EPA method 8021B), and Total Petroleum Hydrocarbons, (TPH EPA method 418.1.) Samples are as follows:

Sample ID	Chlorides (mg/kg)	Benzene (mg/kg)	Toluene (mg/kg)	Ethyl Benzene (mg/kg)	Xylenes (mg/kg)	TPH (mg/kg)
#1	180	ND	0.52	0.44	5.8	100,000
#2	560	ND	0.81	0.74	9.3	59,000
#3	64	ND	1.1	0.59	12	90,000
#4	10	ND	0.53	0.15	7.4	110,000

On October 3, 2008, SESI was onsite to obtain samples from hillside. A second release occurred approximately 100 yards east of location pad. Samples were obtained at Area 1 and Area 2 and transported to Argon Laboratories analyzed for Chlorides (EPA method 300.0), Benzene, Toluene, Ethyl Benzene, Xylenes, (BTEX EPA method 8021B), and Total Petroleum Hydrocarbons, (TPH EPA method 418.1.) Samples are as follows:

Sample ID	Chlorides (mg/kg)	Benzene (mg/kg)	Toluene (mg/kg)	Ethyl Benzene (mg/kg)	Xylenes (mg/kg)	TPH (mg/kg)
#1 Surface	30	ND	ND	ND	ND	12,000
#2 Surface	ND	ND	ND	ND	ND	25,000
#3 Surface	ND	ND	ND	ND	ND	13,000
#4 Surface	ND	ND	ND	ND	ND	29,000
#5 Surface	ND	ND	ND	ND	ND	30,000
SP#1 Area 2	240	ND	ND	ND	ND	1,800
SP #2 Area 2	120	ND	ND	ND	ND	40

On November 14, 2008, SESI was onsite with Action Express Steam Cleaning to pressure wash hillside with soap and water. After hillside was washed an application of 4% micro-blaze was re-applied.

V. Closure Plan

It is requested that no other action will be taken.

VI. Figures & Appendices

- Figure 1 – Vicinity Map
- Figure 2 – Site Plan
- Appendix A – Analytical Results
- Appendix B – Site Photos

Figure 1
Vicinity Map

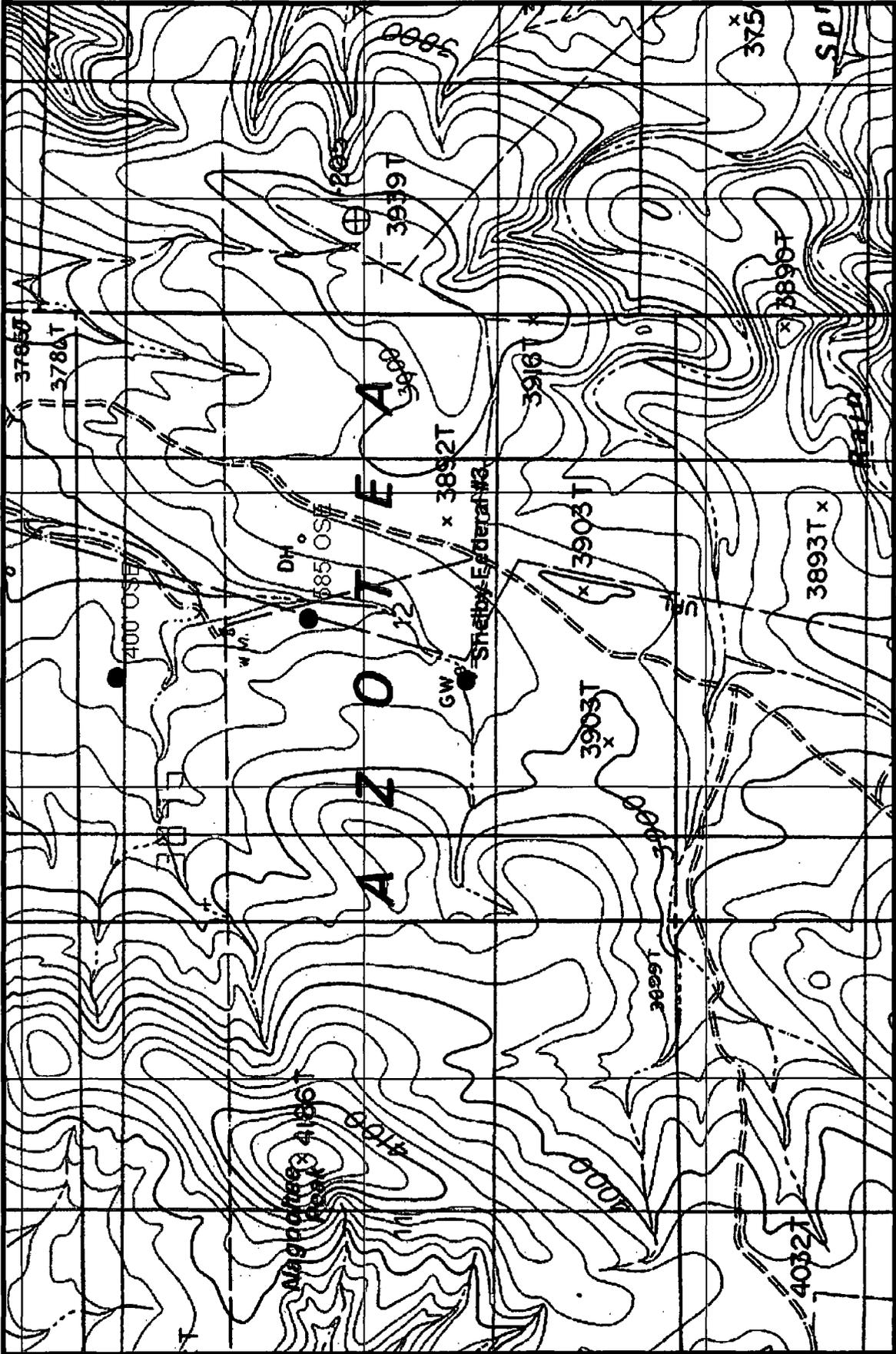
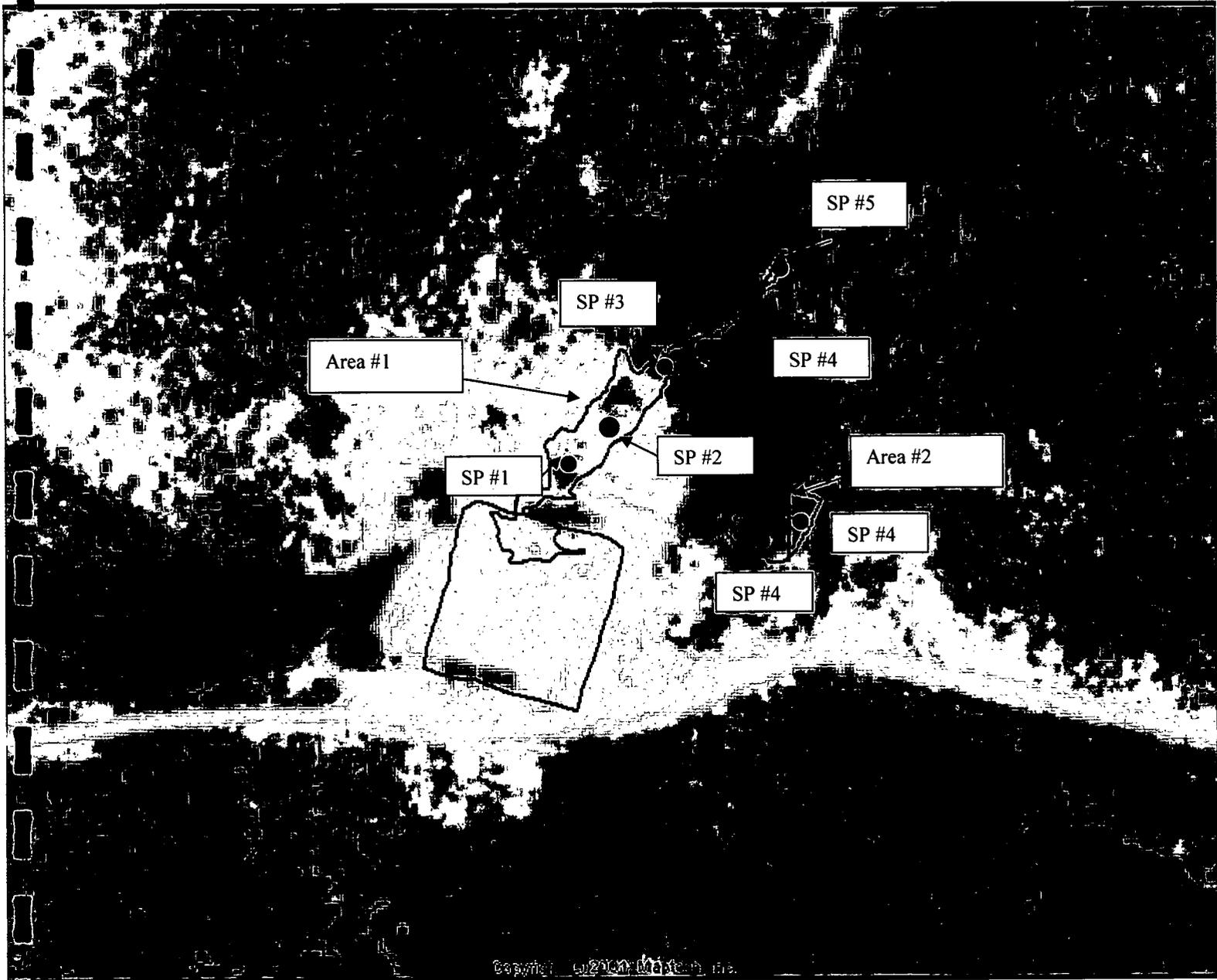


Figure 2
Site Plan

Oxy Shelby #3



Appendix A
Analytical Results

argon laboratories

12 March 2008

Bob Allen
Safety & Environmental Solutions, Inc.
703 E. Clinton Ave
Hobbs, NM 88240

RE: Shell by Fed #3 Spill Project Data

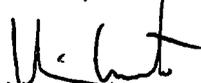
Enclosed are the results for sample(s) received on 03/06/08 15:15 by Argon Laboratories. The sample(s) were analyzed according to instructions in accompanying chain-of-custody. Results are summarized on the following pages.

Please see quality control report for a summary of QC data pertaining to this project.

The sample(s) will be stored for 30 days after completion of analysis, then disposed of in accordance with State and Federal regulations. Sample(s) may be archived by prior arrangement.

Thank you for the opportunity to service the needs of your company.

Sincerely,



Hiram Cueto
Lab Manager

<p>Project No: OXY-08-003 Project Title: Shelby Fed #3 Spill Location: Indian Basin, Eddy Co.</p> <p>Sampler's Name: Brian Cheller (print)</p> <p>Sampler's Signature: </p>	<p>Client: SESI Address: 703 E Clinton Hobbs NM 88240 Contact: 88240 Phone: 505-397-0510 Fax:</p> <p>Bill To:</p> <p>Client Address:</p>	<p>TURN AROUND TIME</p> <p>RUSH <input type="checkbox"/> 24 Hour <input type="checkbox"/> 48 Hour <input type="checkbox"/> other <input type="checkbox"/></p> <p>Standard (5 days) <input checked="" type="checkbox"/></p> <p>Matrix: Water</p>	<p>ANALYSIS</p> <p>Sample ID: 17</p> <p>South Pool 2/29/08 0900 1 Water X</p>	
<p>COMMENTS</p>				
<p> </p>				
<p>Relinquished By: </p>		<p>Date: 3/6/08 Time: 15:15</p>	<p>Received By: </p>	<p>Date: 3-6-08 Time: 15:15</p>
<p>Relinquished By:</p>		<p>Date: Time:</p>	<p>SPECIAL INSTRUCTIONS:</p>	
<p>Relinquished By:</p>		<p>Date: Time:</p>	<p>Date: Time:</p>	

Argon Laboratories Sample Receipt Checklist

Client Name: Safety & Environmental Solutions, Inc. Date & Time Received: 03/06/08 15:15

Project Name: Shell by Fed #3 Spill Client Project Number: OXY-08-003

Received By: R.E. Matrix: Water Soil Sludge

Sample Carrier: Client Laboratory Fed Ex UPS Other

Argon Labs Project Number: C803004

Shipper Container in good condition? N/A Yes No Samples received in proper containers? Yes No

Samples received intact? Yes No

Samples received under refrigeration? Yes No Sufficient sample volume for requested tests? Yes No

Chain of custody present? Yes No Samples received within holding time? Yes No

Chain of Custody signed by all parties? Yes No Do samples contain proper preservative? N/A Yes No

Chain of Custody matches all sample labels? Yes No Do VOA vials contain zero headspace? (None submitted) Yes No

ANY "No" RESPONSE MUST BE DETAILED IN THE COMMENTS SECTION BELOW

Date Client Contacted: _____ Person Contacted: _____

Contacted By: _____ Subject: _____

Comments:

Action Taken:

ADDITIONAL TEST(S) REQUEST / OTHER

Contacted By: _____ Date: _____ Time: _____

Call Received By: _____

Comments:

