

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

Form C-141
Revised October 10, 2003

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

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 North Hobbs Unit Well # 31-431 | Facility Type Production |

| | | |
|---------------------------|---------------|-----------|
| Surface Owner Kress Jones | Mineral Owner | Lease No. |
|---------------------------|---------------|-----------|

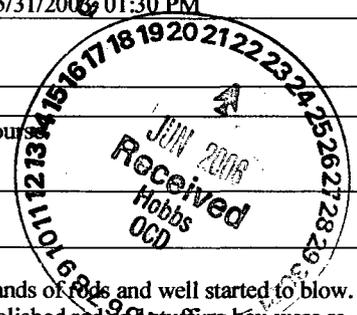
LOCATION OF RELEASE API# 30025 12758

| Unit Letter | Section | Township | Range | Feet from the | North/South Line | Feet from the | East/West Line | County |
|-------------|---------|----------|-------|---------------|------------------|---------------|----------------|--------|
| T | 31 | 18-S | 38-E | | | | | LEA |

Latitude N32°42'10.90" Longitude W103°10'49.50"

NATURE OF RELEASE

| | | |
|--|--|---|
| Type of Release Crude oil and produced water | Volume of Release 10 BO X 40 BW | Volume Recovered 5 BO X 35 BW |
| Source of Release Well head while well being pulled | Date and Hour of Occurrence 05/31/2006 01:30 PM | Date and Hour of Discovery 05/31/2006 01:30 PM |
| Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required | If YES, To Whom? Left Message for Patricia Caperton | |
| By Whom? Steven M. Bishop | Date and Hour 05/31/2006 03:15 PM | |
| 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.*
North Hobbs Unit #31-431 rods were being pulled. Killed well with kill truck and started pulling rods. Pulled 2 stands of rods and well started to blow. Crew shut rod stripper and rubbers blew out of rod stripper causing spill. Water was pumped into well to kill it. Polished rod and stuffing box were re-installed so location and rig could be cleaned. Picked up all standing fluid via vacuum trucks. Covered location with fresh sand until area can be remediated.

Describe Area Affected and Cleanup Action Taken.*
All fluid stayed on location inside guy wire anchors and most was recovered via vacuum truck. An area approximately 100' X 300' to the south and west of the wellhead had a heavy oil spray on vegetation. Land owner was contacted and told of the incident. Affected area on location will be remediated to NMOCD guidelines for spills and leaks.

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: | <i>Paul Bishop</i> |
| Title: HES Technician | Approval Date: 6-22-06 | Expiration Date: ENVIRONMENTAL ENGINEER |
| E-mail Address: Steven_Bishop@oxy.com | Conditions of Approval: by 8-01-06 | Attached <input type="checkbox"/> |
| Date: 06/01/2006 Phone: (505) 397-8251 | Delinents: CI, TPH, BTEX | |

* Attach Additional Sheets If Necessary

incident - nPAC0617349901
application - pPAC0617351071

RP# 931