



Occidental Permian Limited Partnership

June 8, 2007

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

Attn: Environmental Engineering

RE: Final Closure Letter
South Hobbs Unit 8" Injection Trunk Line
1200 Block of South Hannah Road
UL 'L', Sec. 3, T-19-S, R-38-E



Leak occurred on 05/12/2007, at approximately 02:00 PM. An 8" cement lined steel trunk line used to transfer injection water from South Hobbs Unit Central T/B to South Hobbs Unit Injection wells along Leech Street ruptured causing spill. Valves on both ends of the trunk line were shut to isolate leak. The line operates at approximately 1100 pounds and has a rate of approximately 18,000 barrels per day. Produced water ran south on Hannah collecting on both sides due to the street not having curbing. Water also ran down the city street curbing all the way to the intersection of Palace and Rainbow where the water pooled. There were no city sewer drains along the route of the water, please see attached map of the water route. An estimated 320 barrels of injection water was spilled, no oil was spilled. All fluid possible was picked up via vacuum truck, recovering 280 bbls, some may have been rain water. Most fluid was picked up, along both sides of Hannah Road and at the intersection of Palace and Rainbow. Hobbs Fire Department rinsed water route area with Micro Blaze foam to decrease any smell. Damage to area is minimal due to mostly cement and pavement along the water route. Area of spill site will be remediated. Depth to ground water according to State Engineers Office is an average of 46', 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.
2. Soil samples were gathered from ditch line at spill site.
3. NMOCD guidelines were used to insure entire site is in compliance with guidelines.
4. Soils removed were replaced with clean fresh soils, where needed.
5. City Streets were repaired by local city approved contractor

RP# 1348

June 8, 2007

Page 2

6. Soil analysis data is attached to this final closure letter. Please see attached lab analysis from Cardinal Laboratories dated 05/18/2007 and 05/23/2007.

Lab analysis shows that ditch below leak site and ditch line to the south east of leak site are in compliance with NMOCD spill guidelines levels. Fresh pad sand was used to refill the excavation site and pad sand was watered to insure proper packing. Armstrong Construction used a pourable backfill on top of the pad sand and re-paved Hannah Street to City of Hobbs specifications. Heavy rains in the Hobbs, NM area washed away any residue not rinsed away by the Hobbs Fire Department on the day of the spill. No further work is planned for this affected area.

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 initial 'S'.

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

Attachments: Final C-141
Hand drawn map of spill site and water route
Analytical data from Cardinal Laboratories dated 05/18/2007 and 05/23/2007

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 City of Hobbs	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
'L'	3	19-S	38-E					LEA

Latitude N32°41'16.00" Longitude W103°08'31.30"

NATURE OF RELEASE

Type of Release Injection Water	Volume of Release Est. 320 Bbls	Volume Recovered 280 Bbls
Source of Release 8" Cement Lined Steel Injection Line	Date and Hour of Occurrence 05/12/2007 02:00 PM	Date and Hour of Discovery 05/12/2007 02:00 PM
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? Mark Whitaker	
By Whom? Steven M. Bishop	Date and Hour 05/12/2007 03:20 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

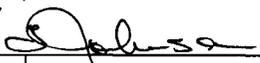
Describe Cause of Problem and Remedial Action Taken.*

An 8" cement lined steel injection line, buried under Hannah Road, approximately 450' south of the intersection of Hannah Road and Texas Street in Hobbs, New Mexico developed a pin hole causing leak. Valves were closed isolating leak until repairs can be made. All free standing fluid was picked up, via vacuum truck, recovering 280 bbls of water, some possible rain water.

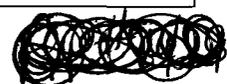
Describe Area Affected and Cleanup Action Taken.*

Water pooled along Hannah street, adjacent to the leak site and south towards Castle Street. Water also pooled in the intersection of Palace and Rainbow. All free standing fluid was picked up via vacuum truck, mostly gathered along Hannah and at the intersection of Palace and Rainbow. 280 bbls of water was recovered some that may have been rain water. Fire department rinsed water route area with micro blaze foam. Impact was minimal due to water running along curbing and pavement. No city sewer drains were along the route of the water. Hobbs Police and Fire Departments did respond to area. Piping was excavated and repaired, all removed soil was disposed of. Area around spill site was remediated to NMOCD guidelines. Fresh pad sand was used to refill excavation at leaksite. Heavy rains washed away any remaining residue along water route. Local contractor for the city repaired street. No further work is planned for this site.

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 ^{ENVIR ENGR} Supervisor: 	
Title: HES Technician	Approval Date: 6.13.07	Expiration Date: —
E-mail Address: Steven_Bishop@oxy.com	Conditions of Approval:	Attached <input type="checkbox"/>
Date: 06/08/2007	Phone: (505) 397-8251	

* Attach Additional Sheets If Necessary





**ARDINAL
LABORATORIES**

PHONE (325) 673-7001 • 2111 BEECHWOOD • ABILENE, TX 79603

PHONE (505) 393-2326 • 101 E. MARLAND • HOBBS, NM 88240

ANALYTICAL RESULTS FOR
OCCIDENTAL PERMIAN LTD. PARTNERSHIP
ATTN: STEVE BISHOP
1017 W. STANOLIND ROAD
HOBBS, NM 88240
FAX TO: (505) 397-8204

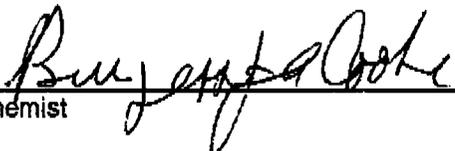
Receiving Date: 05/18/07
Reporting Date: 05/23/07
Project Number: NOT GIVEN
Project Name: SHU INJ LINE
Project Location: HANNAH STREET

Sampling Date: 05/18/07
Sample Type: SOIL
Sample Condition: COOL & INTACT
Sample Received By: AB
Analyzed By: BC/AB

LAB NUMBER	SAMPLE ID	GRO	DRO	Cl ⁺
		(C ₆ -C ₁₀) (mg/Kg)	(>C ₁₀ -C ₂₈) (mg/Kg)	(mg/Kg)
	ANALYSIS DATE	05/18/07	05/18/07	05/18/07
H12619-1	DITCH BOTTOM 6' DEPTH	<10.0	<10.0	16
H12619-2	DITCH SE OF LEAK	<10.0	<10.0	240
	Quality Control	733	781	490
	True Value QC	800	800	500
	% Recovery	91.7	97.7	98
	Relative Percent Difference	1.5	1.1	0.0

METHODS: TPH GRO & DRO: EPA SW-846 8015 M; Cl⁺: Std. Methods 4500-Cl⁺B

*Analysis performed on a 1:4 w:v aqueous extract.


Chemist

5/23/07
Date

H12619A OXY

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 analysis. 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. In no event shall Cardinal 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.

French Dr., Hobbs, NM 88240
 District II
 W. Grand Avenue, Artesia, NM 88210
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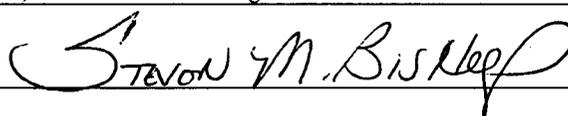
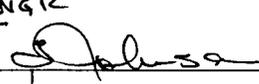
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E-mail Address: Steven_Bishop@oxy.com	Conditions of Approval:	Attached <input type="checkbox"/>
Date: 06/08/2007	Phone: (505) 397-8251	

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