



Occidental Permian Limited Partnership

July 26, 2007

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



Attn: Environmental Engineering

RE: 1RP-1198
Final Closure Letter
South Hobbs Unit #39 3" Fiberglass Injection Line
UL 'I', Sec. 6, T-19-S, R-38-E

Leak occurred on 01/28/2007, at approximately 05:00 PM. A 3" fiberglass injection line used to transfer water from South Hobbs Unit Injection Building #5 to the South Hobbs Unit Well #39 developed a hole causing spill. Valves on both ends of the line were shut to isolate leak. The normal rate for the South Hobbs Unit well #39 is 315 bbls/day at a pressure of about 840 psig. The area affected by this spill is an area measuring approximately 25' wide and 950' long to the south east of South Hobbs Unit Injection Building #5. An estimated 250 barrels of injection water was spilled. None of the spilled fluid was recovered. Mr. Kress Jones is the surface owner and utilizes the surface for grazing cattle. Depth to ground water according to State Engineers Office is an average of 76', for all wells in the area, giving this spill site a ranking of 10. Remediation of the spill site was as follows:

1. Piping was excavated and repaired.
2. Affected area was excavated and soil was disposed of at Sundance Services, Parabo Facility near Eunice, NM. Approximately 640 cubic yards was sent to Parabo Facility for disposal.
3. Soil samples were gathered from affected area. 11 samples were collected on 03/01/2007 and 4 samples were collected on 07/16/2007, please see attached maps for locations and depths of samples.
4. NMOCD guidelines were used to insure entire site is in compliance with guidelines.

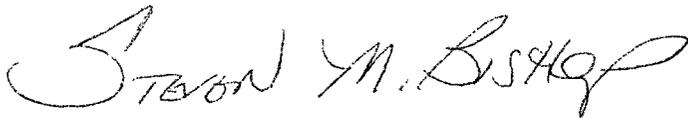
January 29, 2007

Page 2

5. Any soils removed will be replaced with clean fresh soils, where needed.
6. Soil analysis data is being submitted with this final closure letter. Please see attached soil analysis from Cardinal Labs, 1 page dated 03/05/2007, and 2 pages dated 07/17/2007.

NMOCD was sent 48 hour closure sampling notice on this site twice. The first sampling occurred on 03/01/2007, 11 samples were gathered, please see map for location and depth of sample points. Since this was a water leak and no oil was spilled, only chloride tests were taken. Cardinal Laboratories data dated 03/05/2007, shows that while well below South Hobbs Unit Water Analysis chloride levels, chloride levels were still slightly elevated over background levels. The second sampling was done, after minor work at the site, on 07/16/2007. 4 samples were gathered, one at leak site and 3 samples were taken from the same sites as the previous sampling. Please see map for location and depth of sample points. Cardinal Laboratories data, dated 07/16/2007, show a dramatic drop in chloride levels and that TPH and BTEX is non-detect. Visually the area is showing excellent natural vegetation growth across the entire area. Oxy feels that there will be no further impact to this area as a result of this spill. No further work is planned for this site.

If you have any questions, or if I can be of further assistance, please contact me at (505) 397-8251.



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

Attachments: Final C-141.

Hand drawn map of spill area showing sample points and depths of samples taken on 03/01/2007.

Cardinal Laboratories soil analysis dated 03/05/2007 (3 pages).

Hand drawn map of spill area showing sample points and depths of samples taken on 07/16/2007.

Cardinal Laboratories soil analysis dated 07/17/2007 (3 pages).

Latest South Hobbs Unit Water Analysis taken at South Hobbs Unit Central T/B

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 #39	Facility Type Production

Surface Owner Kress Jones	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
'I'	6	19-S	38-E					LEA

Latitude 32°41'15.90" Longitude 103°10'49.40"

NATURE OF RELEASE

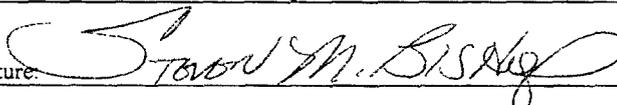
Type of Release Injection water	Volume of Release 250 bbls	Volume Recovered 0 bbls
Source of Release 3" fiberglass injection line	Date and Hour of Occurrence 01/28/2007 05:00 PM	Date and Hour of Discovery 01/28/2007 05:00 PM
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? Gary Wink via Pager	
By Whom? Steven M. Bishop	Date and Hour 01/28/2007 05:44 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.*

Describe Cause of Problem and Remedial Action Taken.*
Responded to water leak turned in by rancher. Discovered a leak just east of South Hobbs Unit Injection Building #5. Shut valves on injection header inside building #5 going to South Hobbs Unit Injection Well #39 to stop leak. Was unable to recover any spilled fluid, soaked into pasture.

Describe Area Affected and Cleanup Action Taken.*
Spilled fluid ran approximately 950' to the southeast of South Hobbs Unit Injection Building #5. Fluid ran down a two track road and accumulated in a larger area on the southeast end of the spill area. Unable to recover any spilled fluid. Area affected is in grassy pasture used for grazing. Area was saturated due to recent snow on ground. Area was remediated to NMOCD spill guidelines.

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: ENVIRONMENTAL ENGINEER	
Title: HES Technician	Approval Date: 9.17.08	Expiration Date: _____
E-mail Address: Steven_Bishop@oxy.com	Conditions of Approval: _____	Attached <input type="checkbox"/>
Date: 07/26/2007	Phone: (505) 397-8251	

* Attach Additional Sheets If Necessary

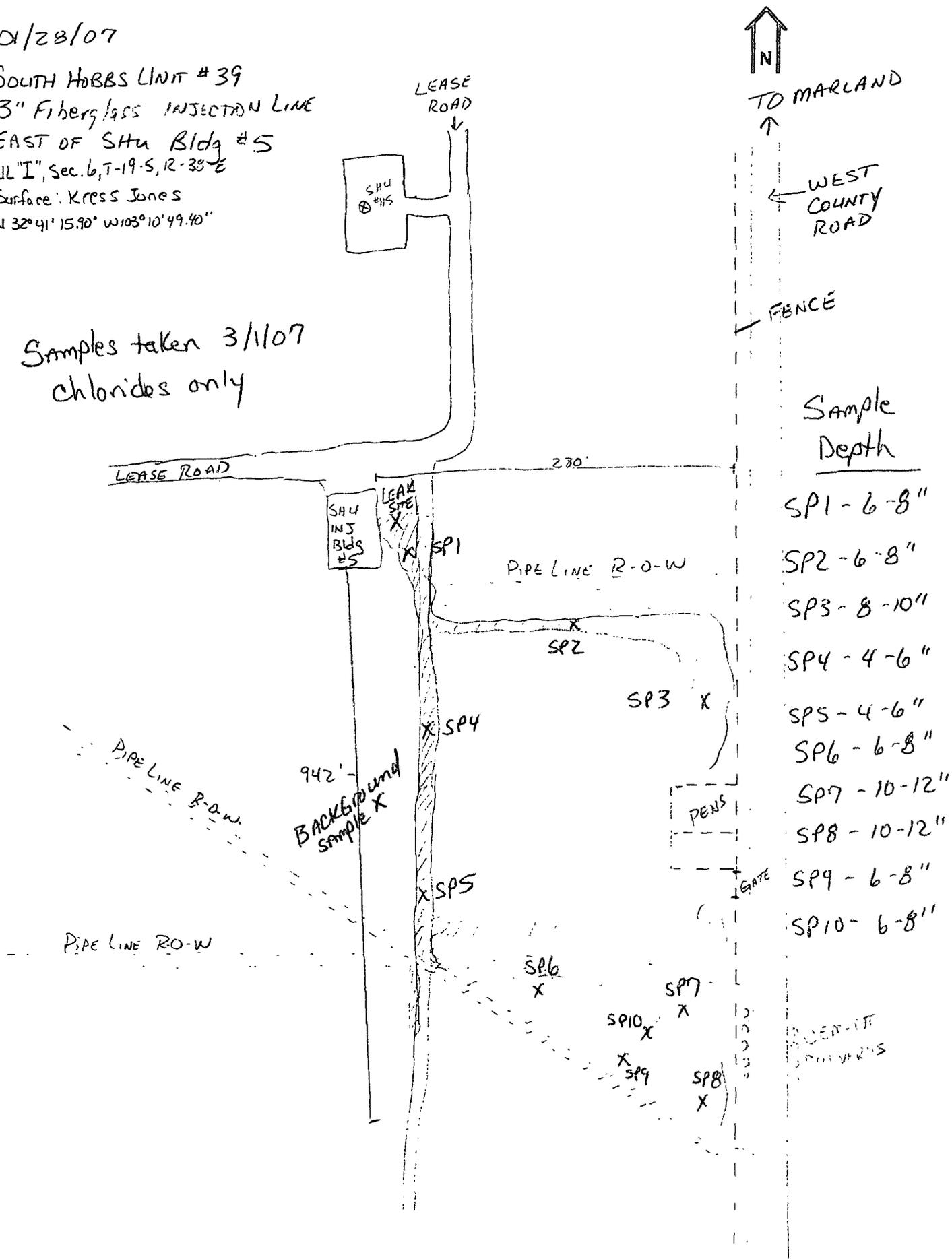
SPILL MAP

PLEASE DRAW SKETCH OF SPILL AND INDICATE WHERE SPILL ORIGINATED.

01/28/07

SOUTH HOBBS UNIT #39
 3" Fiberglass INJECTION LINE
 EAST OF SHU Bldg #5
 U1 "I", Sec. 6, T-19-S, R-33-E
 Surface: Kress Jones
 N 32° 41' 15.90" W 103° 10' 49.40"

Samples taken 3/1/07
 chlorides only



← WEST COUNTY ROAD

← FENCE

Sample
 Depth

- SP1 - 6-8"
- SP2 - 6-8"
- SP3 - 8-10"
- SP4 - 4-6"
- SP5 - 4-6"
- SP6 - 6-8"
- SP7 - 10-12"
- SP8 - 10-12"
- SP9 - 6-8"
- SP10 - 6-8"

PERMIT
 1000000000

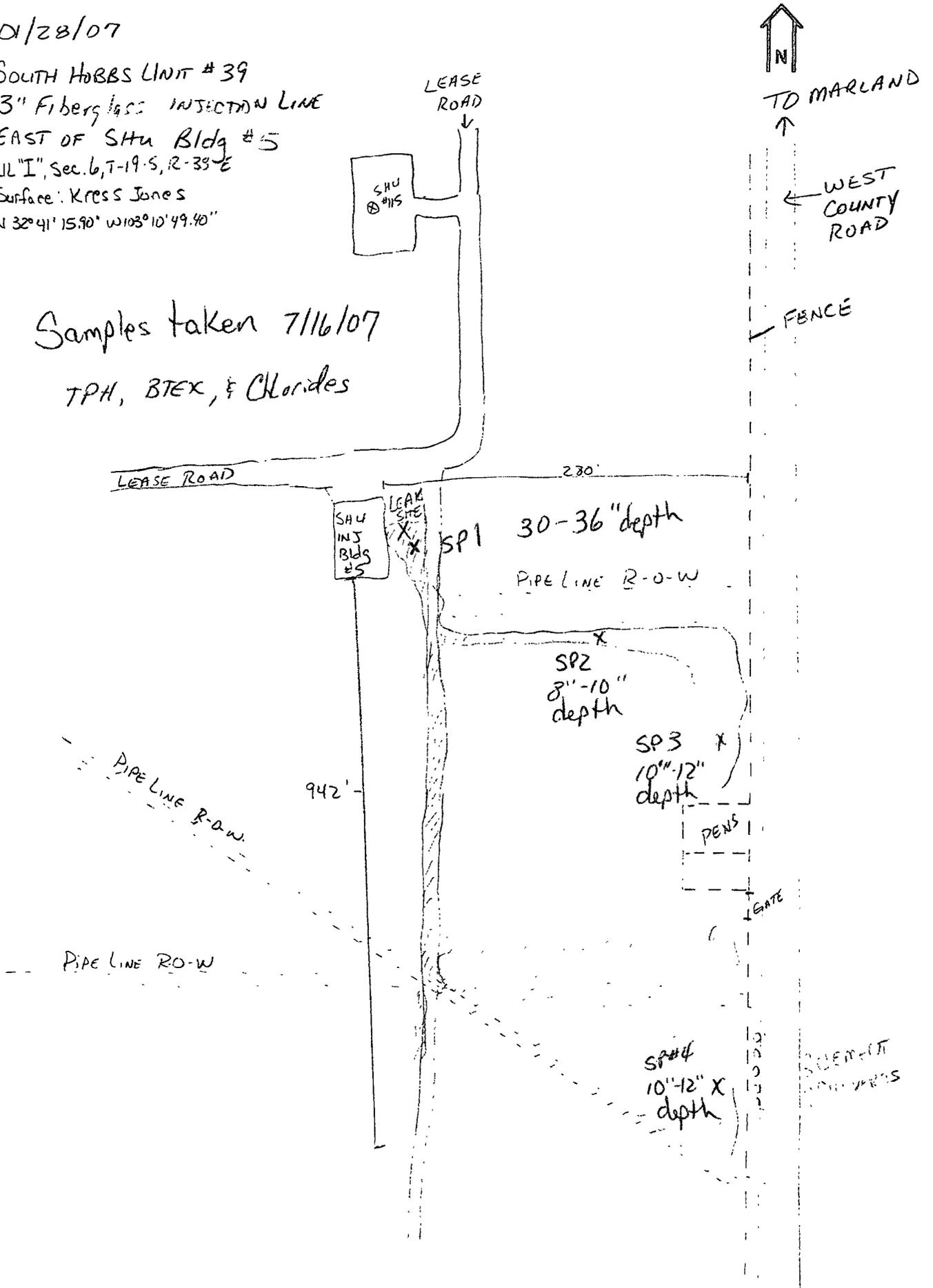
SPILL MAP

PLEASE DRAW SKETCH OF SPILL AND INDICATE WHERE SPILL ORIGINATED.

01/28/07

SOUTH HOBBS UNIT # 39
3" Fiberglass INSULATION LINE
EAST OF SHU Bldg #5
UL "I", Sec. 6, T-19-S, R-33-E
Surface: Kress Jones
N 32° 41' 15.90" W 103° 10' 49.40"

Samples taken 7/16/07
TPH, BTEX, & Chlorides





PHONE (915) 673-7001 • 2111 BEECHWOOD • ABILENE, TX 79603

PHONE (505) 303-2326 • 101 E. MARLAND • HOBBS NM 88240

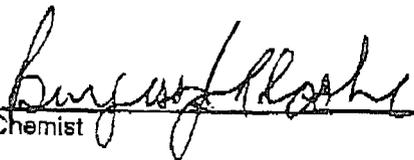
ANALYTICAL RESULTS FOR
 BBC INTERNATIONAL, INC.
 ATTN: CLIFF BRUNSON
 P.O. BOX 805
 HOBBS, NM 88241
 FAX TO: (505) 397-0397

Receiving Date: 07/16/07
 Reporting Date: 07/17/07
 Project Owner: OXY
 Project Name: SHU #39
 Project Location: HOBBS, NM

Sampling Date: 07/16/07
 Sample Type: SOIL
 Sample Condition: INTACT
 Sample Received By: AB
 Analyzed By: AB

LAB NUMBER	SAMPLE ID	BENZENE (mg/Kg)	TOLUENE (mg/Kg)	ETHYL BENZENE (mg/Kg)	TOTAL XYLENES (mg/Kg)
ANALYSIS DATE		07/16/07	07/16/07	07/16/07	07/16/07
H12894-1	SP 1	<0.002	<0.002	<0.002	<0.006
H12894-2	SP 2	<0.002	<0.002	<0.002	<0.006
H12894-3	SP 3	<0.002	<0.002	<0.002	<0.006
H12894-4	SP 4	<0.002	<0.002	<0.002	<0.006
Quality Control		0.115	0.100	0.104	0.313
True Value QC		0.100	0.100	0.100	0.300
% Recovery		115	100	104	104
Relative Percent Difference		15.1	10.3	12.4	10.7

METHOD: EPA SW-846 8021 B


 Chemist

7/17/07
 Date

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 analyses. 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. Cardinal shall not 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.



**ARDINAL
LABORATORIES**

PHONE (915) 673-7001 • 2111 BEECHWOOD • ABILENE, TX 79603

PHONE (505) 393-2328 • 101 E. MARLAND • HOBBS, NM 88240

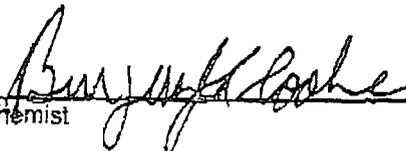
**ANALYTICAL RESULTS FOR
BBC INTERNATIONAL, INC.
ATTN: CLIFF BRUNSON
P.O. BOX 805
HOBBS, NM 88241
FAX TO: (505) 397-0397**

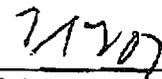
Receiving Date: 07/16/07
Reporting Date: 07/17/07
Project Owner: OXY
Project Name: SHU #39
Project Location: HOBBS, NM

Sampling Date: 07/16/07
Sample Type: SOIL
Sample Condition: INTACT
Sample Received By: AB
Analyzed By: BC/HM

LAB NUMBER	SAMPLE ID	GRO (C ₅ -C ₁₀) (mg/Kg)	DRO (>C ₁₀ -C ₂₈) (mg/Kg)	Cl ^o (mg/Kg)
ANALYSIS DATE		07/16/07	07/16/07	07/16/07
H12894-1	SP 1	<10.0	<10.0	16
H12894-2	SP 2	<10.0	<10.0	1390
H12894-3	SP 3	<10.0	<10.0	336
H12894-4	SP 4	<10.0	<10.0	656
Quality Control		758	751	510
True Value QC		800	800	500
% Recovery		94.7	93.9	102
Relative Percent Difference		6.1	6.4	2.0

METHODS: TPH GRO & DRO: EPA SW-846 8015 M; Cl^o: Std. Methods 4500-Cl^o
*Analyses performed on 1:4 w:v aqueous extracts.


Chemist


Date

H12894A BBC

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 analyses. 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.

