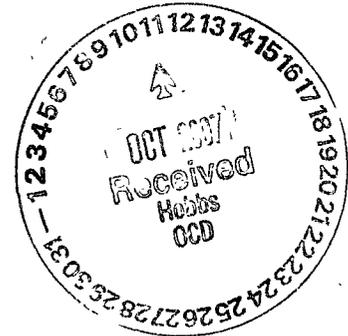




Occidental Permian Limited Partnership

October 11, 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 #213 2" Steel Injection Riser
UL 'A', Sec. 5, T-19-S, R-38-E
API 30-025-29752
RP-1576

Leak occurred on 09/12/2007, at approximately 12:00 PM. A 2" steel injection riser used to transfer water from South Hobbs Unit Injection System to the South Hobbs Unit Well #213 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 #213 is approximately 1100 bbls/day at a pressure of about 950 psig. The area affected by this spill is an area measuring approximately 10' wide and 300' long, at the widest points, to the south of South Hobbs Unit #213 on a caliche location, and along Humble Street to the intersection of Humble and Rash. An estimated 25 barrels of injection water was spilled. Approximately 20 bbls of water was recovered via vacuum truck. Occidental Permian LTD. utilizes the caliche pad for the sole purpose of oil and gas production. The city street is where the water pooled and vacuum trucks were used to recover the spilled fluid. Depth to ground water according to State Engineers Office is an average of 35', 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. Affected area was excavated and soil was disposed of at Sundance Services, Parabo Facility near Eunice, NM. 24 yards were hauled off location.
3. Soil samples were gathered from affected area. Please see attached map showing sample points.

4. NMOCD guidelines were used to insure entire site is in compliance with guidelines.
5. Any soils removed were replaced with clean fresh soils, where needed.
6. Soil analysis data is attached to this closure letter. See attached Cardinal Laboratories analysis data dated 10/10/2007.

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 depth
Cardinal Laboratories soil analysis data dated 10/10/2007
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 #213	Facility Type Production

Surface Owner City of Hobbs Street	Mineral Owner	Lease No. API 30-025-29752 RP-1576
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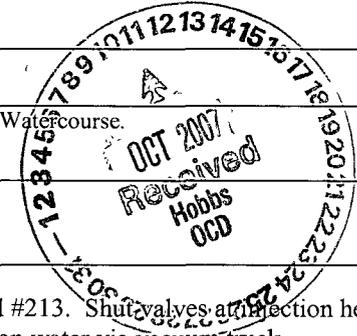
LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
'A'	5	19-S	38-E					LEA

Latitude N32°41'41.30" Longitude W103°09'57.80"

NATURE OF RELEASE

Type of Release Injection water	Volume of Release 25 bbls water	Volume Recovered 20 bbls water
Source of Release 3" steel injection line	Date and Hour of Occurrence 09/12/2007 12:00 PM	Date and Hour of Discovery 09/12/2007 12:00 PM
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? Patricia Richards	
By Whom? Mark D Andersen	Date and Hour 09/12/2007 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.*

Describe Cause of Problem and Remedial Action Taken.*
Operators discovered a leak on the well riser at the wellhead of South Hobbs Unit Injection Well #213. Shut valves at injection header and on wellhead at South Hobbs Unit Injection Well #213 to stop leak. Recovered 20 bbls of injection water via vacuum truck.

Describe Area Affected and Cleanup Action Taken.*
Spilled fluid ran approximately 300' to the south of South Hobbs Unit Well #213, into Humble Street, and to corner of Humble and Rash Streets where it pooled. Approximately 20 bbls was recovered from the intersection along with rain water standing due to recent rains. 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: <i>Steven M. Bishop</i>	OIL CONSERVATION DIVISION	
Printed Name: Steven M. Bishop	<i>Johnson</i> Approved by District Supervisor: ENVIRONMENTAL ENGINEER	
Title: HES Technician	Approval Date: 10-11-07	Expiration Date: —
E-mail Address: Steven_Bishop@oxy.com	Conditions of Approval: —	Attached <input type="checkbox"/>
Date: 10/11/2007	Phone: (505) 397-8251	

* Attach Additional Sheets If Necessary

RP#1576

SPILL MAP

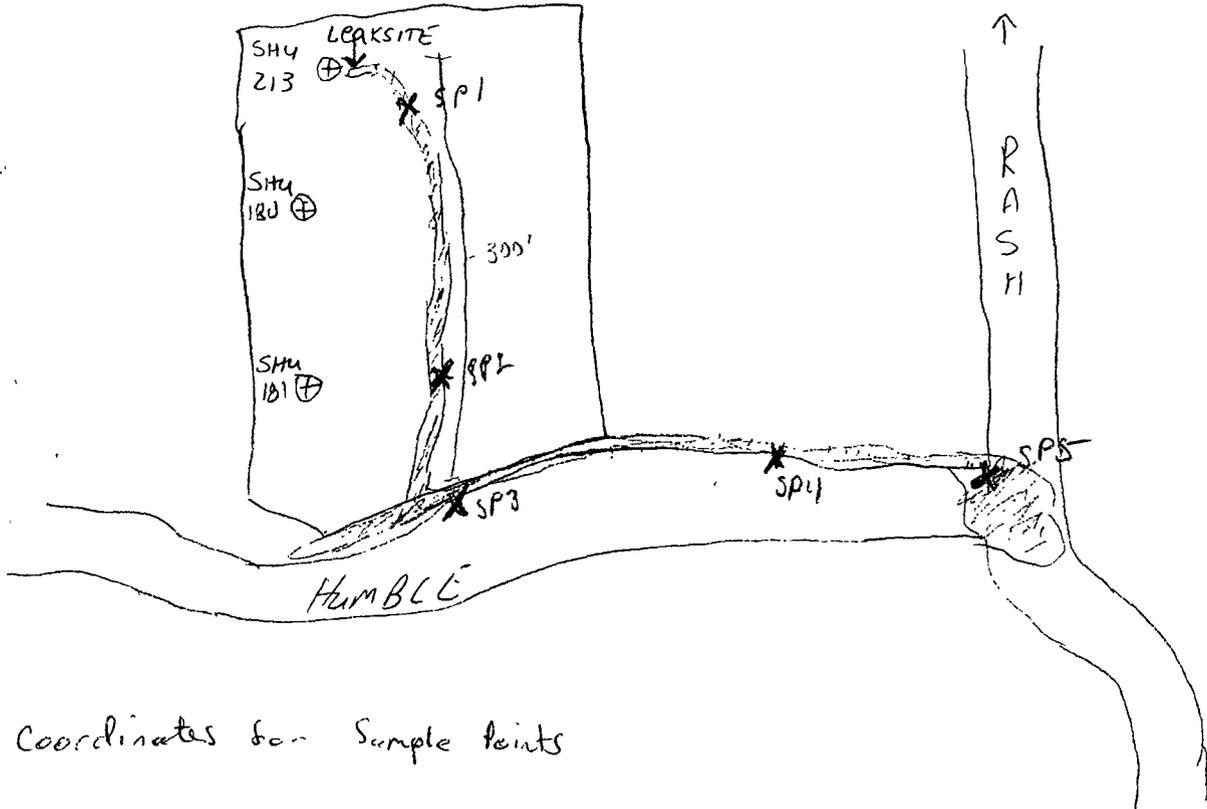
PLEASE DRAW SKETCH OF SPILL AND INDICATE WHERE SPILL ORIGINATED.

9/12/07 12:00 PM 2" STEEL INS. RISER

SHU #213 UL'A, Sec 5, T-19S, R-33E

25 BW Spilled, 20 BW Recovered

N 32° 41' 41.30" W 103° 09' 57.80"



GPS Coordinates for Sample Points

SP1 - N 32.69409°
W 103.16602°

SP2 - N 32.69353°
W 103.16599°

SP3 - N 32.69337°
W 103.16594°

SP4 - N 32.69342°
W 103.16531°

SP5 - N 32.69342°
W 103.16470°

All SAMPLE DEPTHS
2" to 6"



**ARDINAL
LABORATORIES**

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

PHONE (505) 393-2326 • 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: 10/09/07
Reporting Date: 10/10/07
Project Owner: OXY
Project Name: SHU #213
Project Location: HOBBS, NM

Analysis Date: 10/09/07
Sampling Date: 10/08/07
Sample Type: SOIL
Sample Condition: COOL & INTACT
Sample Received By: SB
Analyzed By: KS

LAB NUMBER	SAMPLE ID	Cl ⁻ (mg/Kg)
H13466-1	SP1	1,230
H13466-2	SP2	384
H13466-3	SP3	48
H13466-4	SP4	48
H13466-5	SP5	80
Quality Control		500
True Value QC		500
% Recovery		100
Relative Percent Difference		< 0.1
METHOD: Standard Methods		4500-ClB

Krista Dupont
Chemist

10/10/07
Date

H13466 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.



CARDINAL LABORATORIES

101 East Marland, Hobbs, NM 88240 2111 Beechwood, Abilene, TX 79603
(505) 393-2326 FAX (505) 393-2476 (325) 673-7001 FAX (325) 673-7020

CHAIN-OF-CUSTODY AND ANALYSIS REQUEST

Company Name: <u>RBC International, Inc.</u>		BILL TO		ANALYSIS REQUEST											
Project Manager: <u>Cliff Bowman</u>		P.O. #:													
Address: <u>1324 W. Marland</u>		Company: <u>SAM</u>													
City: <u>Hobbs</u> State: <u>N.M.</u> Zip: <u>88240</u>		Attn:													
Phone #: <u>(505) 397-6388</u> Fax #: <u>(505) 397-0397</u>		Address:													
Project #: <u>NA</u> Project Owner: <u>Oxy</u>		City:													
Project Name: <u>SHU # 213</u>		State: Zip:													
Project Location: <u>Hobbs N.M.</u>		Phone #:													
Sampler Name: <u>Ken Swinney</u>		Fax #:													

FOR LAB USE ONLY	Lab I.D.	Sample I.D.	GRAVOR (C) JUMP # CONTAINERS	MATRIX						PRESERV.			SAMPLING		Chloride	
				GROUNDWATER	WASTEWATER	SOIL	OIL	SLUDGE	OTHER:	ACID/BASE:	ICE/COOL	OTHER:	DATE	TIME		
	H13466-1	SP1	G	1			✓				✓			10-8-07	8:39	✓
	2	SP2	G	1			✓				✓			10-8-07	8:43	✓
	3	SP3	G	1			✓				✓			10-8-07	8:48	✓
	4	SP4	G	1			✓				✓			10-8-07	8:54	✓
	5	SP5	G	1			✓				✓			10-8-07	8:59	✓

PLEASE NOTE: Liability and Damages. Cardinal's liability and client's exclusive remedy for any claims arising whether based in contract or tort, shall be limited to the amount paid by the client for the 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 30 days after completion of the applicable service. In no event shall Cardinal be liable for incidental or consequential damages, including without limitation, business interruption, 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.

Relinquished By: <u>Ken Swinney</u>	Date: <u>10-9-07</u>	Received By: <u>Subramanian</u>	Phone Result: <input type="checkbox"/> Yes <input type="checkbox"/> No	Add'l Phone #:
	Time: <u>11:04</u>	Date: <u>10/19/07</u>	Fax Result: <input type="checkbox"/> Yes <input type="checkbox"/> No	Add'l Fax #:
Relinquished By:	Date:	Received By:	REMARKS:	
	Time:			
Delivered By: (Circle One) Sampler - <u>SPS</u> - Bus - Other:	Sample Condition Cool <input checked="" type="checkbox"/> Intact <input checked="" type="checkbox"/> <input type="checkbox"/> Yes <input type="checkbox"/> No	CHECKED BY: (Initials) <u>SB</u>		

† Cardinal cannot accept verbal changes. Please fax written changes to 505-393-2476

