

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 North Hobbs Unit Well # 31-431	Facility Type Production

Surface Owner Kress Jones	Mineral Owner	Lease No.
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LOCATION OF RELEASE API # 30025127580000

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	Volume of Release 10 BO X 0 BW	Volume Recovered 0 bbls
Source of Release Well head annulus nipple	Date and Hour of Occurrence 01/16/2008 11:15 AM	Date and Hour of Discovery 01/16/2008 11:15 AM
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 Richards	
By Whom? Steven M. Bishop	Date and Hour 01/16/2008 11:55 AM	
Was a Watercourse Reached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, Volume Impacting the Watercourse N/A	

RECEIVED

JAN 23 2008

If a Watercourse was Impacted, Describe Fully. *N/A

Describe Cause of Problem and Remedial Action Taken.*
North Hobbs Unit #31-431, a kill truck started pumping flush water down annulus when a 2" nipple broke out of an ell. Oil sprayed out of open ell until casing valve could be closed. No standing fluid to recover. All fluid was blown into air and drifted across grass pasture to the south of the well. A 300' X 600' area was covered with a heavy spray and another 300' x 400' area was covered with a lighter mist. Land owner was contacted and will be dealt with on damages. Fluid damage to soil was very minimal due to just a spray sticking to vegetation. Area will be monitored due to land owner request to leave vegetation as is. Nipple will be repaired on annulus, no further work is planned at this site. Hobbs City Fire Department, Lea County Environmental, and New Mexico State Police did respond to this event.

Describe Area Affected and Cleanup Action Taken.*
No standing fluid from this spill site, due to a high wind from the north spread the oil spray across pasture land to the south of the wellsite. Minimal impact to location, backhoe used to scrape location and float sand across spray site with aid of wind. Land owner requested Oxy Permian to leave grass as is and to not drive on or scrape any oil covered vegetation away. Heaviest spray just off location in a 200' x 600' area, and a lighter mist in a 300' x 400' area farther to the south of the well. Area will be monitored and any further action will be taken at land owners request.

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>	<u>OIL CONSERVATION DIVISION</u>	
Printed Name: Steven M. Bishop	Approved by District Supervisor: <i>Chris Williams</i>	
Title: HES Technician	Approval Date: <i>1/25/08</i>	Expiration Date: <i>1/25/08</i>
E-mail Address: Steven_Bishop@oxy.com	Conditions of Approval:	Attached <input type="checkbox"/> <i>API# 17516</i>
Date: 01/17/2006	Phone: (505) 397-8251	

* Attach Additional Sheets If Necessary

Please don't forget to add API # when reporting spills on well sites!
JHX



Occidental Permian Limited Partnership

January 17, 2008

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

Attn: Environmental Engineering

RE: Remediation Plan & Final Closure
North Hobbs Unit Well #31-431
UL 'I', Sec. 31, T-18-S, R-38-E
API 30-025-12758

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JAN 23 2008

HOBBS OCD

Leak occurred on 01/16/2008, at approximately 11:15 AM. North Hobbs Unit 31-431 was being chemical treated. A kill truck had rigged up on the annulus to pump flush water after the chemical had been pumped. A 2" nipple broke out of an ell causing the release. The area affected by this spill is an area measuring approximately 200' wide and 600' to the south of the wellhead where a heavy spray of oil was sprayed on vegetation. There was no standing fluid due to this release. An area approximately 300' x 400' farther to the west also had a lighter spray due to this event. An estimated 10 barrels of crude oil was released during event. Mr. Kress Jones is the surface owner and was notified of the incident by Occidental Permian LTD. Damages to the surface vegetation will be negotiated with land owner. Depth to ground water according to State Engineers Office is an average of 45', for all wells in the area, giving this spill site a ranking of 20. Remediation of the spill site was as follows:

1. Location was scraped with back hoe, no fluid on location.
2. Affected soil will be hauled to Sundance Services, Parabo facility near Eunice, NM.
3. Dust from location was allowed to drift across to cover oil spray on vegetation.
4. Land owner requested no further action to vegetation, asked Oxy not to drive on pasture.
5. Any soils removed will be replaced with clean fresh soils, where needed.
6. No further work is planned for this site.

January 17, 2008

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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, looping initial 'S'.

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

Attachments: Initial C-141