

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 Test Site #502 <i>well 204</i>	Facility Type Production

Surface Owner Mr. Malcolm Coombes	Mineral Owner	Lease No.
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LOCATION OF RELEASE

API 30 025 29411

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

Latitude N32°41'06.80" Longitude W103°07'38.50"

NATURE OF RELEASE

Type of Release Produced water only	Volume of Release 10 bbls water	Volume Recovered 0 bbls water
Source of Release Header	Date and Hour of Occurrence 01/15/2008 2:00 PM	Date and Hour of Discovery 01/15/2008 2:00 PM
Was Immediate Notice Given? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? N/A	RECEIVED
By Whom? N/A	Date and Hour N/A	
Was a Watercourse Reached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, Volume Impacting the Watercourse N/A	MAR 31 2008

If a Watercourse was Impacted, Describe Fully *

HOBBS OCD

Describe Cause of Problem and Remedial Action Taken.* Gang was changing a three way ball valve on header at the South Hobbs Unit Test Site #502. When the valve was broke loose it was discovered a valve on the header was not holding and fluid was released. Gang held valve shut while a new three was valve was installed, and new valve was installed on both sides of three way valve. Most fluid was around header and in a caliche lease road. A 2' x 120' stream ran to the south down a track in the lease road. An area about 10' X 60' did enter the pasture to the south of the header. Land owner was informed about water in pasture.

Describe Area Affected and Cleanup Action Taken *

Spilled fluid ran around header and approximately 120' to the south down a caliche lease road. A small area of pasture approximately 10' x 60' to the south of the location was also affected. Was unable to recover any fluid. Land owner was contacted regarding the spill. Area was remediated to NMOCD spill guidelines. Area was delineated, affected soils hauled to Parabo facility, new soil brought in as needed. No further work is planned for this worksite.

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	Approved by District Supervisor <i>[Signature]</i>	ENVIRONMENTAL ENGINEER
Title: HES Technician	Approval Date: <i>4.4.08</i>	Expiration Date: _____
E-mail Address: Steven_Bishop@oxy.com	Conditions of Approval: _____	Attached <input type="checkbox"/>
Date: 03/27/2008 Phone (505) 397-8251		<i>1 RP# 1833</i>

* Attach Additional Sheets If Necessary

fco140809831182



Occidental Permian Limited Partnership

March 27, 2008

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

RECEIVED

MAR 31 2008

HOBBS OCD

Attn: Environmental Engineering

RE: Final Closure RP# - Unknown
South Hobbs Unit Test Site #502
UL 'M', Sec. 5, T-19-S, R-38-E

Leak occurred on 01/15/2008, at approximately 2:00 PM. A gang was working at South Hobbs Unit Test Site 502 changing out a 3 way ball valve. When the ball valve was removed it was discovered a valve on the header was not holding and caused the release. Valves were held shut manually while the ball valve was reinstalled. The area affected by this spill is an area around the header, and water ran south down a caliche lease road approximately 2' wide and 120' long. A small amount of produced water measuring approximately 10' wide and 60' long, ran to the south into the pasture. An estimated 10 barrels of produced water was spilled, no oil was spilled. There was no fluid recovered. Mr. Malcolm Coombes is the surface owner and utilizes the area for grazing and storage. 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. Affected area was excavated and soil was disposed of at Sundance Services, Parabo Facility near Eunice, NM.
2. Soil samples were gathered from affected area.
3. NMOCD guidelines were used to insure entire site is in compliance with guidelines.
4. All soils removed were replaced with clean fresh soils, where needed.
5. Soil analysis data is being submitted with this final closure letter. See Cardinal Laboratories data analysis dated 03/26/2008, 2 pages

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Remediation plan was submitted January 17, 2008 for this spill site. At time of this closure letter a RP number had not been issued to this site. According to soil analysis data chlorides are consistent with the background sample taken at this site. 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.

A handwritten signature in black ink that reads "Steven M. Bishop". The signature is written in a cursive, flowing style.

Steven M. Bishop
HES Spec/Central Operating Area
Steven_Bishop@oxy.com
(505) 397-8251

Attachments: Final C-141
Cardinal Laboratories analysis data, 2 pages