

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

SEP - 9 2008

OCD-ARTESIA

Form C-141
Revised October 10, 2003

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Submit 2 Copies to appropriate
District Office in accordance
with Rule 116 on back
side of form

Release Notification and Corrective Action

SB082-6852549
NSE082-6852231

OPERATOR

Initial Report Final Report

Name of Company OXY USA	192-463	Contact Kelton Beard
Address 102 S Main Carlsbad, NM 88220		Telephone No. (O) 505-887-8337 C) 575-390-1903
Facility Name Righthand Canyon 34-1 sat.		Facility Type Active Well w/ Tank Battery

Surface Owner BLM	Mineral Owner	Lease No.
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30-015-27046

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
	34	21S	24E					Eddy

Latitude _____ Longitude _____

NATURE OF RELEASE

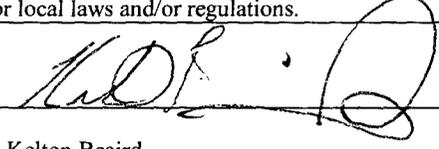
Type of Release Produced water /oil	Volume of Release 14 bbls	Volume Recovered 10bbls
Source of Release Pop-off on treater	Date and Hour of Occurrence 9-7-08	Date and Hour of Discovery 9-7-08/ 2:00 am
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? Jim Amos- BLM Mike Bratcher- NMOCD	
By Whom? Kelton Beard Hes Oxy	Date and Hour See above	
Was a Watercourse Reached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, Volume Impacting the Watercourse.	

If a Watercourse was Impacted, Describe Fully.*

Describe Cause of Problem and Remedial Action Taken.*
.Air Compressor failed causing all ESD's to shut except the one on the 34-1, causing water to overflow from the pop-off. Vac-truck was called to vacuum up all standing fluids.

Describe Area Affected and Cleanup Action Taken.*
.Most contamination stayed inside the berms, approx 1 barrel of water released outside the berm. 10 bbls of water was reported released with 4 bbls of oil. All fluids were picked up. A clean up plan will be submitted for approval..

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: Kelton Beard	Approved by District Supervisor: <i>T Cumby</i> SB	Remediation Actions to be completed and Final C-141 submitted with confirmation analyses/documentation on or before the Expiration Date.
Title: HES Specialist	Approval Date: 9-24-08	Expiration Date: 11-28-08
E-mail Address: kelton_beard@oxy.com	Conditions of Approval: SEE ATTACHED STIPULATIONS	Attached <input checked="" type="checkbox"/> 289-227
Date: 9-7-08		

Attach Additional Sheets If Necessary

SB082-6852627

Notify OCD 48 hours prior to obtaining samples where analyses are to be presented to OCD



New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson

Governor

Joanna Prukop
Cabinet Secretary
Reese Fullerton
Deputy Cabinet Secretary

Mark Fesmire
Division Director
Oil Conservation Division



September 24, 2008

OXY USA
102 S Main
Carlsbad, NM 88220

ATTN: Kelton Beard

RE: Righthand Canyon 34 Federal 001 30-015-27046
E-34-21S-24E Eddy County, New Mexico
2RP-227

Dear Operator:

This office is in receipt of your C-141 regarding the oil and produced water release at this facility.

NMOCD Rule 19.15.3.116 states in part, "...The responsible person must complete **division approved corrective action** for releases which endanger public health or the environment. Releases will be addressed in accordance with a **remediation plan** submitted to and approved by the division or with an abatement plan submitted in accordance with Section 19 of 19.15.1 NMAC."

Information and tools for proper corrective action may be found in the Environmental Handbook on our web site at the following link:

http://www.emnrd.state.nm.us/ocd/documents/7C_spill1.pdf

The following actions are **required** to be addressed in the **remediation plan**:

- Determine the horizontal and vertical delineation of the spill by sampling. Constituents of concern (TPH, BTEX, and Chlorides) are to be addressed in the delineation and remediation plan.
- Prepare a sketch of the site indicating where and at what depths the samples were taken.
- Submit laboratory results of sampling as well as the proposed remediation with the plan.



Notify the OCD 48 hours prior to obtaining samples where analyses of samples obtained are to be submitted to the OCD.

Remediation requirements may be subject to other federal, state, and local laws or regulations.

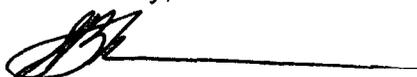
Within 30 days, **on or before October 27, 2008**, completion of a remediation work plan should be finalized and submitted to the Division summarizing all actions taken or to be taken to mitigate environmental damage related to the leak, spill or release for approval.

In the event that a satisfactory response is not received to this letter, further enforcement may occur. Such enforcement may include this office applying to the Division for an order summoning you to a hearing before a Division Examiner in Santa Fe. Such a hearing may result in imposition of civil penalties for your violation of OCD rules.

Please be advised that NMOCD acceptance and/or approval of documents or work plans 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 and/or approval of documents or work plans do not relieve the operator of responsibility for compliance with any other federal, state, local laws and/or regulations.

If I may be of further assistance with this matter or should you have any questions, please feel free to contact me.

Sincerely,



Sherry Bonham
NMOCD District II, Artesia
(505) 748-1283 ext 109
E-mail: sherry.bonham@state.nm.us