

RECEIVED

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

Table with 2 columns: Name of Company, Address, Facility Name and Contact Steven M. Bishop, Telephone No., Facility Type Production.

Table with 3 columns: Surface Owner, Mineral Owner, Lease No.

LOCATION OF RELEASE

NEARBY WELL S-HOBBS Q/SAU UNIT 064
API # 30-025-07609-00-00

Table with 9 columns: Unit Letter, Section, Township, Range, Feet from the, North/South Line, Feet from the, East/West Line, County.

Latitude North 32.68092° Longitude West 103.15221°

NATURE OF RELEASE

Table with 3 columns: Type of Release, Volume of Release, Volume Recovered, Source of Release, Date and Hour of Occurrence, Date and Hour of Discovery, Was Immediate Notice Given?, If YES, To Whom?, By Whom?, Date and Hour N/A, Was a Watercourse Reached?, If YES, Volume Impacting the Watercourse.

WATER = 25'

Describe Cause of Problem and Remedial Action Taken. * A 6" steel production trunk line used to transfer produced fluid from South Hobbs Unit Production Header #4 to South Hobbs Unit Satellite #2 developed a hole causing spill. Isolated the line by shutting valves at both ends. Describe Area Affected and Cleanup Action Taken. * Spill is approximately 100 yds NE of South Hobbs Unit Satellite #2. Area affected is approximately 30' X 100', in the pasture, at the leak site. An estimated 10 bbls of produced water and a trace of oil was spilled. No fluid was recovered. Piping will be excavated and repaired, samples will be taken in affected area in compliance with NMOCD guidelines for spills.

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.

Table with 2 main columns: Signature, Printed Name, Title, E-mail Address, Date and Oil Conservation Division, Approved by District Supervisor, Approval Date, Expiration Date, Conditions of Approval, Attached.

* Attach Additional Sheets If Necessary



Occidental Permian Limited Partnership

March 10, 2010

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

RECEIVED

MAR 12 2010

HOBBSOCD

Attn: Environmental Engineering

RE: Remediation Plan
South Hobbs Unit Satellite #2 6" Trunk Line
100 Yards NE of South Hobbs Unit Satellite #2
UL 'B', Sec. 9, T-19-S, R-38-E

Leak occurred on 03/05/2010, at approximately 11:30 AM. A 6" steel production trunk line used to transfer fluid from South Hobbs Unit Production Header #4 to South Hobbs Unit Satellite #2 developed a leak causing spill. Valves on both ends of the line were shut to isolate leak. The line operates at approximately 40 pounds. The area affected by this spill is an area measuring approximately 30' X 100' at the leak site in the pasture. An estimated 10 barrels of produced water and a trace of oil was spilled. The fluid soaked into the soil, no fluid was recovered. Occidental Permian Limited Partnership is the surface owner and utilizes the area for oil and gas production exclusively. Depth to ground water according to State Engineers Office is an average of 53', for all wells in the area, giving this spill site a ranking of 10. Remediation of the spill site will be as follows:

1. Piping will be excavated and repaired.
2. Affected area will be excavated and affected soil will be disposed of at Sundance Services, Parabo facility near Eunice, NM.
3. Soil samples will be gathered from affected area.
3. NMOCD guidelines will be used to insure entire site is in compliance with guidelines.
4. Soils removed will be replaced with clean fresh soils, where needed.
5. Soil analysis data will be submitted with final closure letter.

March 10, 2010

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If you have any questions, or if I can be of further assistance, please contact me at (575) 397-8251.

A handwritten signature in black ink that reads "STEVEN M. BISHOP". The letters are cursive and somewhat stylized, with the first letter 'S' being particularly large and looping.

Steven M. Bishop
HES Specialist/Central Operating Area
Steven_Bishop@oxy.com
(575) 397-8251

Attachments: Initial C-141