



December 16, 2013

Mr. Mike Bratcher
NMOCD District 2
811 S. 1st Street
Artesia, NM 88210

AMARILLO
921 North Bivins
Amarillo, Texas 79107
Phone 806.467.0607
Fax 806.467.0622

ARTESIA
408 West Texas Ave.
Artesia, New Mexico 88210
Phone 575.746.8768
Fax 575.746.8905

HOBBS
318 East Taylor Street
Hobbs, New Mexico 88240
Phone 575.393.4261
Fax 575.393.4658

MIDLAND
2901 State Hwy 349
Midland, Texas 79706
Phone 432.522.2133
Fax 432.522.2180

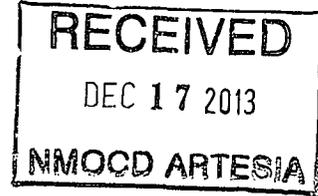
OKLAHOMA CITY
7700 North Hudson Avenue
Suite 10
Oklahoma City, Oklahoma 73116
Phone 405.486.7030
Fax 806.467.0622

SAN ANTONIO
11 Commercial Place
Schertz, Texas 78154
Phone 210.265.8025
Fax 210.568.2191

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Toll Free: 866.742.0742
www.talonlpe.com

Subject: **Remediation and Closure Report**
Oxy Permian LTD
Indian Basin Gas Plant Release
IBGP-PC-51-0100



Dear Mr. Bratcher,

Oxy Permian LTD contracted Talon/LPE (Talon) to perform soil assessment and remediation services at the referenced Indian Basin Gas Plant release. The results of our soil assessment, completed remediation activities and closure request are submitted herein.

Incident Date

The release was discovered September 12, 2013.

Background Information

The Indian Basin Gas Plant is located approximately forty (40) miles southwest of Artesia, New Mexico. The legal location for the site is Section 23, Township 21 South and Range 23 East in Eddy County, New Mexico.

According to the soil survey provided by the United States Department of Agriculture National Resources Conservation Services, the soil in this area is a Paleozoic Age sedimentary deposit, the Guadalupian Queen and Grayburg formation, consisting of gypsum, sandstone, anhydrite and dolomite underlain by siltstone material and hard caliches. The New Mexico State Engineer web site indicates the nearest ground water data to be in S2-T21S-R23E. The ground water in Section 2 is reported to be a depth of 180' below ground surface (bgs). The referenced groundwater data is presented in Appendix I.

The ranking for this site is 0 based on the as following:

Depth to ground water >100'
Wellhead Protection Area >1000'
Distance to surface water body >1000'

Incident Description

A 3-inch steel flow line was found to be leaking due to corrosion causing a release of 5 barrels of produced water. A vac truck was immediately called to the location and recovered 4.5 barrels. The flow line was isolated, drained of all fluids, replaced and returned to service. Oxy conducted some initial remediation. The impacted area was approximately 15'x15' and excavated to a depth of 3.5 feet deep in order to repair the line.

Remedial Actions Taken

An additional 0.5-foot excavation of the impacted area was completed to a total depth of 4-feet deep. The impacted soil was transported to CRI, an approved disposal facility. On December 3, 2013 Talon/LPE mobilized personnel to perform confirmation soil sampling activities. Grab soil samples were collected at a depth of 4-feet deep. A site map illustrating the sample location is attached. Permission to backfill the excavation was granted verbally by Mike Bratcher of the NMOCD. The excavation was backfilled and contoured to match the surrounding terrain.

Analytical Results

Analytical results received from Cardinal Laboratories are summarized below:

December 10, 2013

Sample ID	Depth (feet)	BTEX (mg/kg)	Chlorides (mg/kg)	TPH (mg/kg) GRO	TPH (mg/kg) DRO
S-4	4	<0.300	--	<50	2710
S-5	4	--	480	--	--

--Analyte Not Tested

Soils samples were collected by Talon personnel wearing clean nitrile gloves. The samples were placed in laboratory provided glassware, iced and transported to Cardinal Laboratories in Hobbs, New Mexico for analysis. The samples were tested for volatile organics pursuant to EPA Method 8021B, Total Petroleum Hydrocarbons (TPH) per EPA Method 8015M and Total Chlorides via Method SM4500Cl-B. The complete laboratory report is attached as Appendix II.

Closure

On behalf of Oxy Permian LTD Corporation, we respectfully request that no further actions be required and that closure with respect to this release be granted.

If we can provide additional information or be of further assistance please contact our office at 575.746.8768.

Respectfully submitted,

TALON/LPE

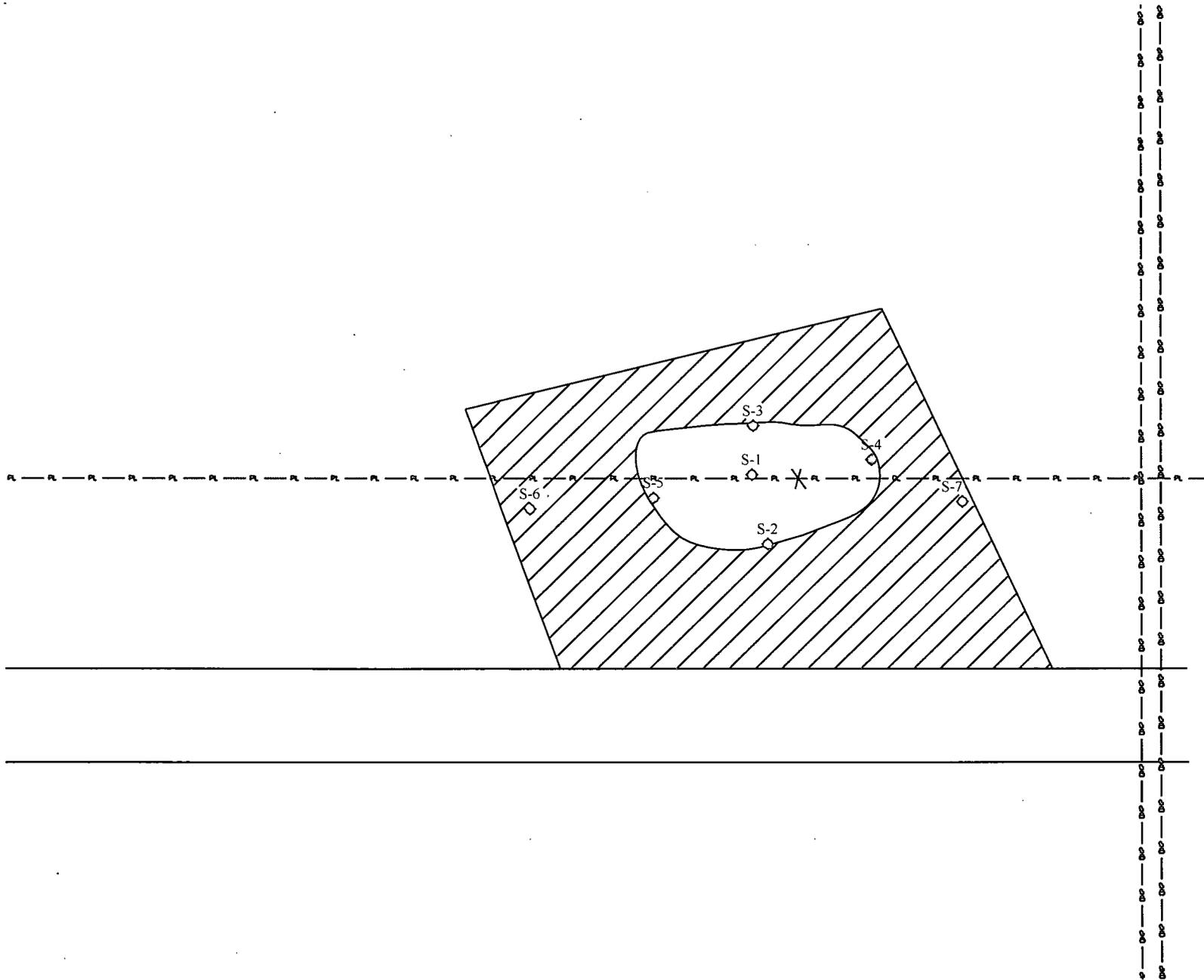


Kimberly M. Wilson
Project Manager



David J. Adkins
District Manager

SITE MAP



Legend

- ◆ - Sample Location
- - - Pipeline
- - - Overhead Power Lines
- ▨ - Impacted Area



Date: 09/26/2013
Scale: NTS
Drawn By: TJS

IBGP Release
Oxy - NM - North
Eddy County, New Mexico
Figure 1 - Site Plan

APPENDIX I
GROUNDWATER DATA



New Mexico Office of the State Engineer

Water Column/Average Depth to Water

(A CLW##### in the POD suffix indicates the POD has been replaced & no longer serves a water right file.)

(R=POD has been replaced,
O=orphaned,
C=the file is closed)

(quarters are 1=NW 2=NE 3=SW 4=SE)

(quarters are smallest to largest) (NAD83 UTM in meters)

(In feet)

POD Number	POD Sub-Code	basin	County	Q 64	Q 16	Q 4	Sec	Tws	Rng	X	Y	Distance	Depth Well	Depth Water	Water Column
<u>RA 05131</u>			ED	2	3	2	23	21S	23E	540424	3592266*	140	255		
<u>RA 05131 S</u>			ED	2	3	2	23	21S	23E	540424	3592266*	140	292	180	112
<u>RA 05060</u>			ED	3	3	1	23	21S	23E	539419	3592064*	911	250		
<u>RA 09565</u>			ED	3	1	1	23	21S	23E	539416	3592466*	956	250		

Average Depth to Water: **180 feet**

Minimum Depth: **180 feet**

Maximum Depth: **180 feet**

Record Count: 4

Basin/County Search:

County: Eddy

UTMNAD83 Radius Search (in meters):

Easting (X): 540325

Northing (Y): 3592167

Radius: 1000

*UTM location was derived from PLSS - see Help

The data is furnished by the NMOSE/ISC and is accepted by the recipient with the expressed understanding that the OSE/ISC make no warranties, expressed or implied, concerning the accuracy, completeness, reliability, usability, or suitability for any particular purpose of the data.

APPENDIX II
LABORATORY RESULTS



December 10, 2013

DAVID ADKINS

TALON LPE

408 W. TEXAS AVE.

ARTESIA, NM 88210

RE: IBGP RELEASE

Enclosed are the results of analyses for samples received by the laboratory on 12/04/13 11:05.

Cardinal Laboratories is accredited through Texas NELAP under certificate number T104704398-13-5. Accreditation applies to drinking water, non-potable water and solid and chemical materials. All accredited analytes are denoted by an asterisk (*). For a complete list of accredited analytes and matrices visit the TCEQ website at www.tceq.texas.gov/field/qa/lab_accred_certif.html.

Cardinal Laboratories is accredited through the State of Colorado Department of Public Health and Environment for:

Method EPA 552.2	Haloacetic Acids (HAA-5)
Method EPA 524.2	Total Trihalomethanes (TTHM)
Method EPA 524.4	Regulated VOCs (V1, V2, V3)

Accreditation applies to public drinking water matrices.

This report meets NELAP requirements and is made up of a cover page, analytical results, and a copy of the original chain-of-custody. If you have any questions concerning this report, please feel free to contact me.

Sincerely,

A handwritten signature in black ink that reads "Celey D. Keene". The signature is written in a cursive style with a large, prominent initial "C".

Celey D. Keene

Lab Director/Quality Manager

Analytical Results For:

 TALON LPE
 DAVID ADKINS
 408 W. TEXAS AVE.
 ARTESIA NM, 88210
 Fax To: (575) 745-8905

Received:	12/04/2013	Sampling Date:	12/03/2013
Reported:	12/10/2013	Sampling Type:	Soil
Project Name:	IBGP RELEASE	Sampling Condition:	Cool & Intact
Project Number:	700608337.01	Sample Received By:	Kathy Perez
Project Location:	EDDY COUNTY, NM		

Sample ID: S-4 4' (H302937-01)

BTEX 8021B		mg/kg		Analyzed By: CK					
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Benzene*	<0.050	0.050	12/05/2013	ND	2.37	119	2.00	0.0493	
Toluene*	<0.050	0.050	12/05/2013	ND	2.38	119	2.00	0.812	
Ethylbenzene*	<0.050	0.050	12/05/2013	ND	2.36	118	2.00	0.924	
Total Xylenes*	<0.150	0.150	12/05/2013	ND	6.91	115	6.00	0.971	
Total BTEX	<0.300	0.300	12/05/2013	ND					

Surrogate: 4-Bromofluorobenzene (PID) 124 % 89.4-126

TPH 8015M		mg/kg		Analyzed By: ck					
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
GRO C6-C10	<50.0	50.0	12/05/2013	ND	188	93.8	200	1.52	
DRO >C10-C28	2710	50.0	12/05/2013	ND	184	92.1	200	1.31	

Surrogate: 1-Chlorooctane 114 % 65.2-140

Surrogate: 1-Chlorooctadecane 118 % 63.6-154

Sample ID: S-5 4' (H302937-02)

Chloride, SM4500Cl-B		mg/kg		Analyzed By: AP					
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Chloride	480	16.0	12/09/2013	ND	432	108	400	3.64	

Cardinal Laboratories

* = Accredited Analyte

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Celey D. Keene, Lab Director/Quality Manager

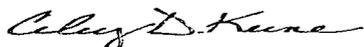
Notes and Definitions

ND	Analyte NOT DETECTED at or above the reporting limit
RPD	Relative Percent Difference
**	Samples not received at proper temperature of 6°C or below.
***	Insufficient time to reach temperature.
-	Chloride by SM4500Cl-B does not require samples be received at or below 6°C Samples reported on an as received basis (wet) unless otherwise noted on report

Cardinal Laboratories

*=Accredited Analyte

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Celey D. Keene, Lab Director/Quality Manager



CARDINAL Laboratories

CHAIN-OF-CUSTODY AND ANALYSIS REQUEST

101 East Marland, Hobbs, NM 88240
(575) 393-2326 FAX (575) 393-2476

Company Name: <u>Jalon/LPE</u>		BILL TO		ANALYSIS REQUEST																	
Project Manager:		P.O. #:		<div style="font-size: 2em; font-family: cursive;">Chloride</div> <div style="font-size: 2em; font-family: cursive;">TPH</div> <div style="font-size: 2em; font-family: cursive;">BTEX</div>																	
Address: <u>408 W. Texas</u>		Company: <u>Jalon</u>																			
City: <u>Artesia</u> State: <u>NM</u> Zip: <u>88210</u>		Attn:																			
Phone #: <u>575-746-8768</u> Fax #: <u>575-746-8905</u>		Address:																			
Project #: <u>760608337.01</u> Project Owner: <u>Oky</u>		City:																			
Project Name: <u>IBGP release</u>		State: Zip:																			
Project Location: <u>Eddy</u>		Phone #:																			
Sampler Name: <u>G. Baeza</u>		Fax #:																			
FOR LAB USE ONLY																					
Lab I.D.	Sample I.D.	GRAB OR (COMP. # CONTAINERS	MATRIX											PRESERV.		SAMPLING		DATE	TIME		
			GROUNDWATER	WASTEWATER	SOIL	OIL	SLUDGE	OTHER:	ACID/BASE:	ICE/COOL	OTHER:										
<u>H302937</u>																					
<u>1 S-4 4'</u>		<u>G</u>			<u>/</u>				<u>/</u>			<u>12/13</u>	<u>10:43</u>								
<u>2 S-35 4'</u>		<u>G</u>			<u>/</u>				<u>/</u>			<u>11</u>	<u>10:02</u>								

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 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 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.

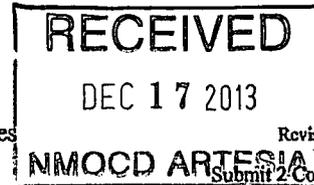
Relinquished By:	Date: <u>12/1/13</u>	Received By: <u>Dorothy Perry</u>	Phone Result: <input type="checkbox"/> Yes <input type="checkbox"/> No	Add'l Phone #:	
	Time: <u>11:05</u>		Fax Result: <input type="checkbox"/> Yes <input type="checkbox"/> No	Add'l Fax #:	
Relinquished By:	Date:	Received By:	REMARKS:		
	Time:				
Delivered By: (Circle One)		Sample Condition	CHECKED BY:		
Sampler - UPS - Bus - Other: <u>41^o #31</u>		Cool <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Intact <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<u>KP</u>		

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

FINAL C-141

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 : Oxy Permian LTD (192463)	Contact : Rodney Campbell
Address : 1502 W. Commerce, Carlsbad, NM 88220	Telephone No. : 575-725-7822
Facility Name : IBGP-PC-51-0100	Facility Type: Gas Plant

Surface Owner : Federal	Mineral Owner	API#: Lease #:
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LOCATION OF RELEASE

Unit Letter	Section 23	Township 21S	Range 23E	Feet from the	North/South Line North	Feet from the	East/West Line	County: Eddy
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Latitude _____ Longitude _____

NATURE OF RELEASE

Type of Release : Produced Water	Volume of Release : 5 bbls	Volume Recovered: 4.5 bbls
Source of Release : 3" Water Line	Date and Hour of Occurrence: 9/12/2013	Date and Hour of Discovery: 9/12/2013 5:15 pm
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? OCD/Mike Bratcher & BLM/Jim Amos	
By Whom: Pat Bowen	Date and Hour : 9/13/2013	
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.* A 3-inch steel flow line was found to be leaking due to corrosion causing a release of 5 barrels of produced water. A vac truck was immediately called to the location and recovered 4.5 barrels. The flow line was isolated, drained of all fluids, replaced and returned to service.

Describe Area Affected and Cleanup Action Taken.* Talon/LPE was contracted for the correction of this release. The impacted area from this release was excavated to a depth of 4-foot deep. The impacted soil was transported to CRI, an approved NMOCD disposal facility. Analytical testing was completed and following NMOCD approval of the confirmation sample, the excavation was backfilled to grade using new material. The area was contoured to match the surrounding location.

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: Rodney Campbell	Approved by District Supervisor:	
Title: HES Specialist	Approval Date:	Expiration Date:
E-mail Address: Rodney.Campbell@oxy.com	Conditions of Approval:	Attached <input type="checkbox"/>
Date: 12/15/2013 Phone: 575-725-7822		

* Attach Additional Sheets If Necessary