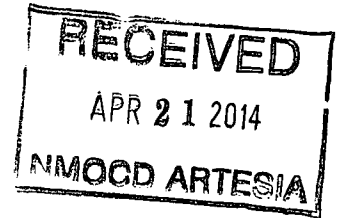




April 9, 2014

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

Subject: **Remediation and Closure Report**
Oxy Permian
Government S Com No. 9
30-015-28996



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 575.748.8905

HOBBS
318 East Taylor Street
Hobbs, New Mexico 88241
Phone 505.393.4261
Fax 505.393.4658

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

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

SAN ANTONIO
13111 Lookout Way
San Antonio, TX 78233
Phone 210.265.8025
Fax 210.568.2191

Dear Mr. Bratcher,

Oxy Permian has contracted Talon/LPE (Talon) to perform soil assessment and remediation services at the referenced Government S Com No. 9 release. The results of our soil assessment, completed remediation activities and closure request are submitted herein.

Incident Date

December 29, 2013

Background Information

The Government S Com No. 9 release is located approximately thirty-two (32) miles southeast of Artesia, New Mexico. The legal location for the site is Section 3, Township 20 South and Range 28 East in Eddy County, New Mexico. More specifically, the latitude and longitude for the release are 32.60794 North and - 104.15824 West.

According to the soil survey provided by the United States Department of Agriculture National Resources Conservation Services, the soil in this area is made up of Pajarito loamy fine sands with 0 to 3 percent slopes, eroded. Per the New Mexico Bureau of Geology and Mineral Resources, the local surface and shallow geology, Quaternary in age, is comprised of eolian sands and piedmont deposits which include silty soils underlain with hard caliche. Drainage courses in this area are normally dry. The New Mexico State Engineer web site indicates the nearest ground water data to be in S36-T19S-R28E. The ground water in Section 36 is reported to be a depth of 75' below ground surface (bgs). The referenced groundwater data is presented in Appendix I.

The ranking for this site is 10 based on the as following:

Depth to ground water	50-100'
Wellhead Protection Area	>1000'
Distance to surface water body	>1000'

ENVIRONMENTAL CONSULTING
ENGINEERING
DRILLING
CONSTRUCTION
SPILL MANAGEMENT
GENERAL CONTRACTING

Toll Free: 866.742.0742
www.talonlpe.com

Incident Description

A leak was found on a 4-inch poly flow line causing a release of 70 barrels of produced water. The well was shut-in, the line repaired and brought back into service. A vacuum truck was immediately called to the location and 2 barrels of fluids were recovered.

Remedial Actions Taken

In February, 2014 Talon personnel mobilized to the site to begin excavation of the impacted areas in accordance with the New Mexico Oil Conservation Division (NMOCD) approved work plan.

The impacted areas in the vicinity of sample points S-1 and S-2 were excavated to a depth of 1.5 feet deep. The areas in the vicinity of S-3, S-6 and S-8 were excavated to a depth of 0.5-feet deep. The impacted area the vicinity of sample point S-7 was excavated to a depth of 1-foot deep. The impacted soil was transported to NMOCD approved solid waste disposal facility Lea Land, LLC.

The excavated areas were backfilled using clean material backhauled from Lea Land. The work area was contoured to match the surrounding terrain and seeded using the recommended BLM seed mixture for the area.


Closure

On behalf of Oxy USA WTP Limited Partnership, 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

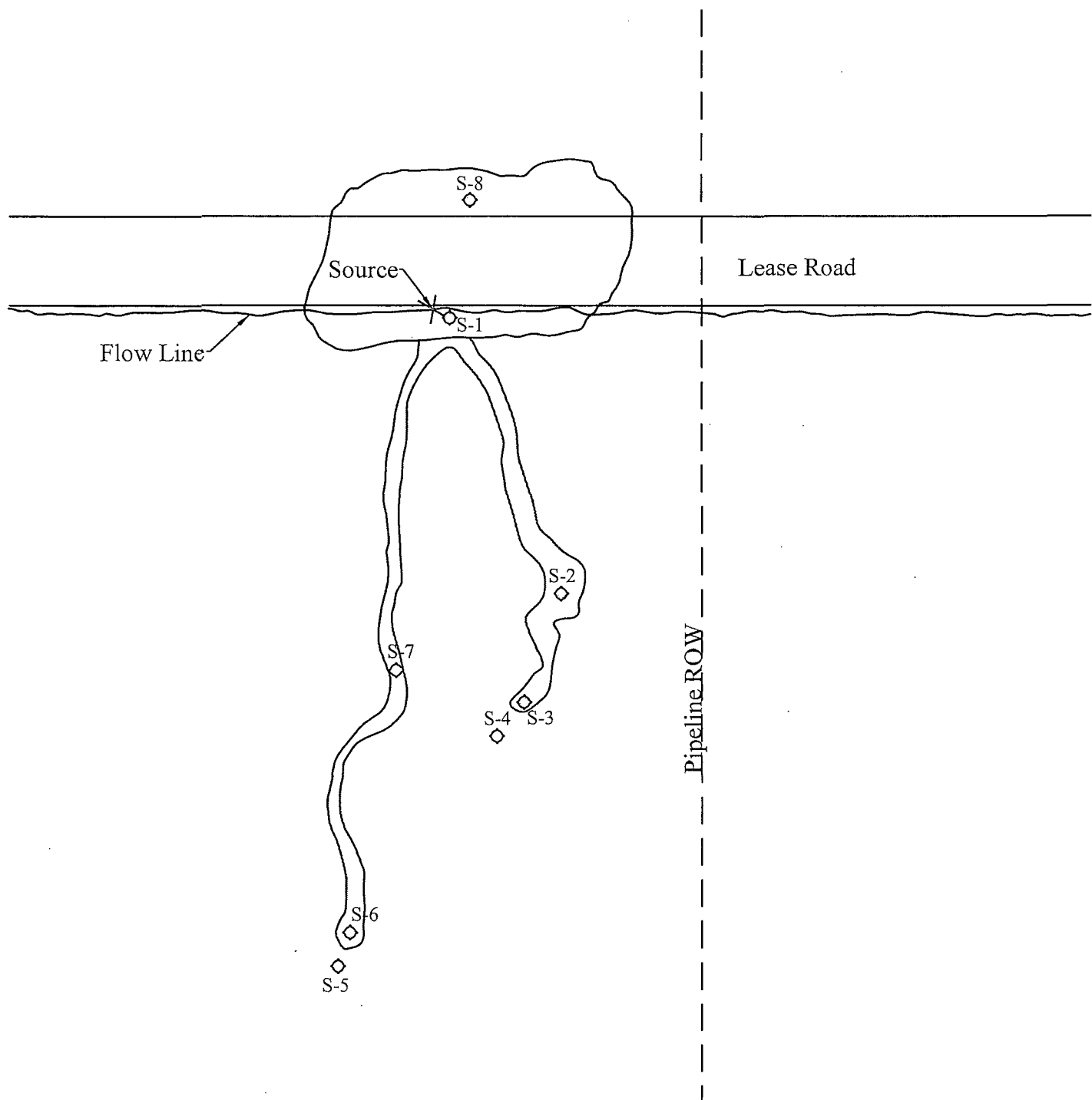


Kimberly M. Wilson
Project Manager



David J. Adkins
District Manager

SITE MAP



NTS
Scale in Feet

Legend	
◇	- Sample Location
—	- Pipeline



Date: 01/13/2014

Scale: NTS

Drawn By: TJS

Government S Com #9
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
CP 00926			ED	4	1	1	01	20S	28E	580818	3607979	1789	300		
CP 01231 POD1			ED	4	4	2	36	19S	28E	582311	3609372	3441	300	75	225
CP 00525			ED	3	2	1	14	20S	28E	579656	3604847*	3472	171	140	31

Average Depth to Water: **107 feet**

Minimum Depth: **75 feet**

Maximum Depth: **140 feet**

Record Count: 3

UTM NAD83 Radius Search (in meters):

Easting (X): 579052

Northing (Y): 3608267

Radius: 4000

*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.

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 : Chris Jones	
Address : 102 S. Main St., Carlsbad, NM 88220	Telephone No. : 575-628-4121	
Facility Name : Government S Com #9	Facility Type: Gas Well	
Surface Owner : Federal	Mineral Owner	API#: 30-015-28996

LOCATION OF RELEASE

Unit Letter A	Section 3	Township 20S	Range 28E	Feet from the 660'	North/South Line North	Feet from the 660'	East/West Line East	County EDDY
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Latitude 32.60794 N Longitude 104.15824 W

NATURE OF RELEASE

Type of Release : Produced Water	Volume of Release : 70 bbls	Volume Recovered: 2 bbls
Source of Release : Flow line	Date and Hour of Occurrence: 12/29/2013	Date and Hour of Discovery: 12/30/2013
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? Voicemail: OCD/Mike Bratcher email & BLM/Jim Amos email	
By Whom? CJ Summers (Oxy)	Date and Hour : 3/25/2013 1:58 pm	
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

RECEIVED
APR 21 2014

Describe Cause of Problem and Remedial Action Taken.*

A leak was found on a 4-inch poly flow line causing a release of 70 barrels of produced water. The well was shut-in, the line repaired and brought back into service. A vacuum truck was immediately called to the location and 2 barrels of fluids were recovered.

Describe Area Affected and Cleanup Action Taken.* Talon/LPE was contracted to complete the site assessment to determine appropriate clean up actions. In February, 2014 Talon personnel mobilized to the site to begin excavation of the impacted areas in accordance with the New Mexico Oil Conservation Division (NMOCD) approved work plan. The impacted areas in the vicinity of sample points S-1 and S-2 were excavated to a depth of 1.5 feet deep. The areas in the vicinity of S-3, S-6 and S-8 were excavated to a depth of 0.5-feet deep. The impacted area the vicinity of sample point S-7 was excavated to a depth of 1-foot deep. The impacted soil was transported to NMOCD approved solid waste disposal facility Lea Land, LLC. The excavated areas were backfilled using clean material, backhauled from Lea Land and seeded using the recommended BLM seed mixture for the area. We request that no further actions are required.

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: Chris Jones		Approved by District Supervisor:	
Title: HES Specialist		Approval Date:	Expiration Date:
E-mail Address: Christopher_Jones@oxy.com		Conditions of Approval:	Attached <input type="checkbox"/>
Date: 4/9/2014 Phone: 575-628-4121			

* Attach Additional Sheets If Necessary

District I
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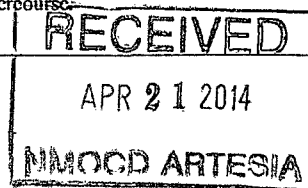
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OIL CONSERVATION DIVISION

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Printed Name: Chris Jones			
Title: HES Specialist	Approval Date:	Expiration Date:	
E-mail Address: Christopher_Jones@oxy.com	Conditions of Approval:		Attached <input type="checkbox"/>
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