



RECEIVED
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NMOCD ARTESIA

Closing Report

Nagooltee Peak 5-3

Release Date: 1-9-10

API No. 3001529900

Eddy County, NM

**Submitted by
Kelton Beard
HES Specialist
Oxy MidCon SW
Carlsbad, NM**

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Final-C141

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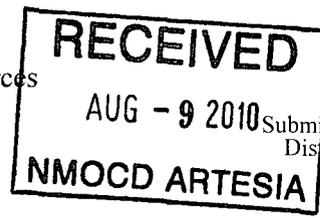
Summary

On 1-9-10 at approx. 1:00 pm, a spill was discovered at the Nagooltee Peak 5-3. Notification was made to Mike Bratcher with the NMOCD at approx 2:00 pm. The volume of this spill was approx. 30 barrels of produced water, and 10 barrels of oil, in which 5 barrels were recovered. A plat map is attached to this document with approx. measurements of the affected area. This site was delineated and samples were taken and tested for Chloride, TPH, and BTEX levels. As approved by Mike Bratcher Oxy removed 3 feet at TP1, 2 feet at TP2, 4 feet at TP 3, and 2 feet at TP5. Attached to this document is the lab analytical verifying the levels at these depths. Also attached to this document is the final C-141, initial pictures of when the spill occurred, and final pictures after the clean-up was complete.

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 USA | Contact Kelton Beard |
| Address 1502 W. Commerce Carlsbad, NM 88220 | Telephone No. (O) 575-628-4100 |
| Facility Name Nagooltee peak 5-3 | Facility Type Satellite |
| Surface Owner BLM | Mineral Owner BLM |
| Lease No. 3001529900 | |

LOCATION OF RELEASE

| Unit Letter | Section | Township | Range | Feet from the | North/South Line | Feet from the | East/West Line | County |
|-------------|---------|----------|-------|---------------|------------------|---------------|----------------|--------|
| M | 5 | 22S | 24E | | | | | EDDY |

Latitude _____ Longitude _____

NATURE OF RELEASE

| | | |
|---|--|--|
| Type of Release Crude Oil & Produced Water | Volume of Release 10 bbls oil/ 30 bbls water | Volume Recovered 5 |
| Source of Release Bypass line | Date and Hour of Occurrence | Date and Hour of Discovery 1-9-10 1:00pm |
| Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required | If YES, To Whom? Mike Bratcher-NMOCD | |
| By Whom? Kelton Beard - HES Specialist - 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.* Victaulic clamp broke | | |
| Describe Area Affected and Cleanup Action Taken.* Affected area was on location. Ranking Criteria for this location is 0 points. As approved by Mike Bratcher Oxy removed 3 feet @ TP1, 2 feet @ TP2, 4 feet @ TP3, and 2 feet @ TP5. The area was then backfilled with clean like material. Pics and Analytical in closing report | | |

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.

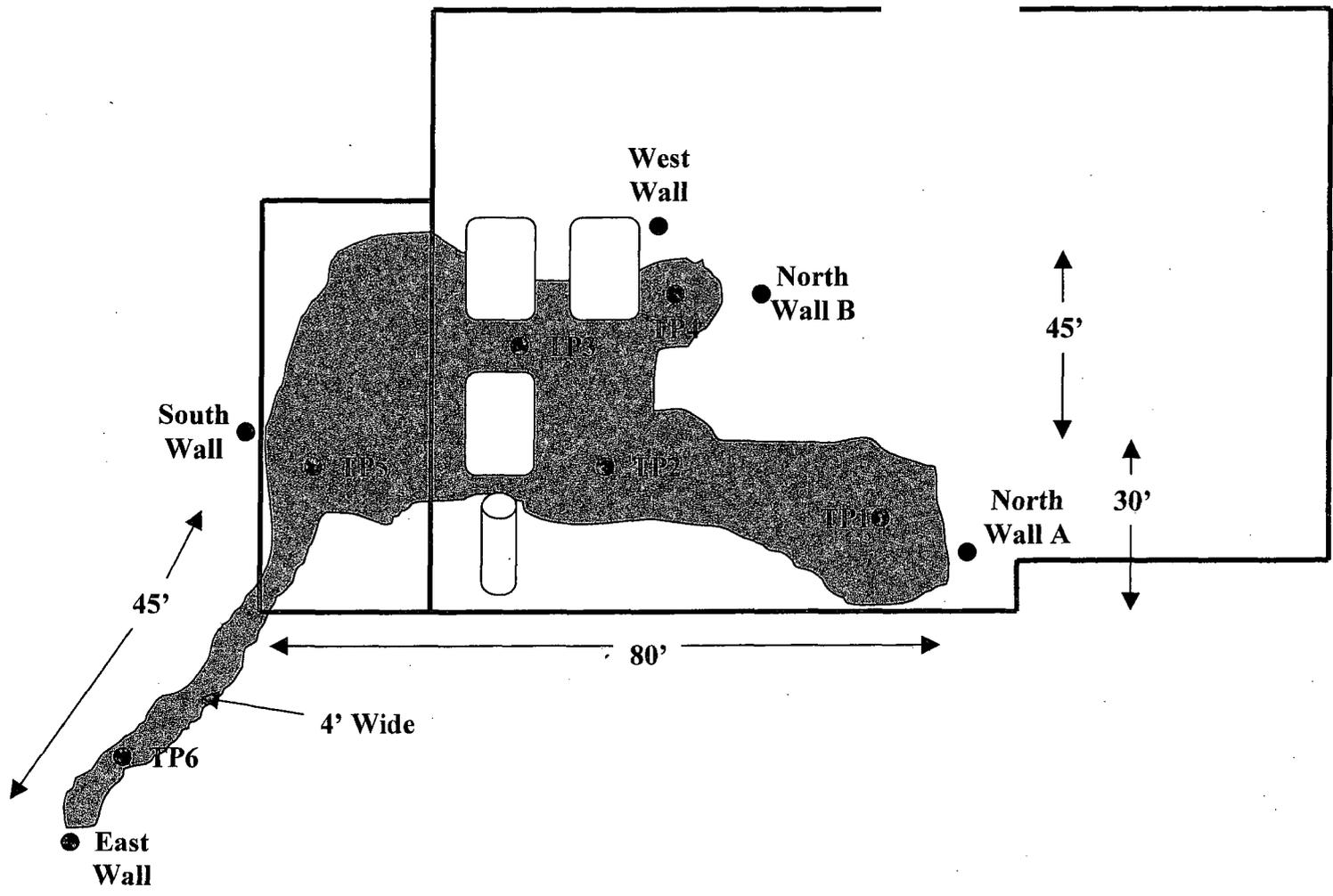
| | | |
|--------------------------------------|----------------------------------|-----------------------------------|
| Signature: | OIL CONSERVATION DIVISION | |
| Printed Name: Kelton Beard | Approved by District Supervisor: | |
| Title: HES Specialist | Approval Date: | Expiration Date: |
| E-mail Address: kelton_beard@oxy.com | Conditions of Approval: | Attached <input type="checkbox"/> |
| Date: 8-5-10 | | |

* Attach Additional Sheets If Necessary

Oxy USA
Nagooltee Peak 5 Fed #3



Plat Map



Elke Environmental, Inc.

P.O. Box 14167 Odessa, TX 79768

Field Analytical Report Form

Client Oxy USA Analyst Bobby Steadham

Site Nagooltee Peak 5 Fed #3

| Sample ID | Date | Depth | 418.1 TPH / PPM | CI / PPM | PID / PPM | GPS |
|-----------|---------|-------|-----------------|----------|-----------|---------------------------------|
| TP1 | 2-9-10 | 3" | 12,110 | 539 | 433 | 32° 24.956' N 104° 31.577' W |
| TP1 | 2-10-10 | 1' | 4,390 | 625 | 130 | 32° 24.956' N 104° 31.577' W |
| TP1 | 2-10-10 | 2' | | 2,039 | 23.1 | 32° 24.956' N 104° 31.577' W |
| TP1 | 2-12-10 | 3' | 20 | 121 | 7.0 | 32° 24.956' N 104° 31.577' W |
| TP2 | 2-9-10 | 3" | 11,410 | 511 | 321 | 32° 24.950' N 104° 31.577' W |
| TP2 | 2-10-10 | 1' | 7,987 | 150 | 64.5 | 32° 24.950' N 104° 31.577' W |
| TP2 | 2-10-10 | 2' | 142 | 112 | 49.6 | 32° 24.950' N 104° 31.577' W |
| TP3 | 2-9-10 | 3" | 8,990 | 382 | 321 | 32° 24.950' N 104° 31.581' W |
| TP3 | 2-10-10 | 1' | 2,340 | 629 | 340 | 32° 24.950' N 104° 31.581' W |
| TP3 | 2-10-10 | 2' | | 884 | 210 | 32° 24.950' N 104° 31.581' W |
| TP3 | 2-10-10 | 3' | | 754 | 122 | 32° 24.950' N 104° 31.581' W |
| TP3 | 2-10-10 | 4' | 46 | 287 | 16.7 | 32° 24.950' N 104° 31.581' W |
| TP4 | 2-9-10 | 3" | 11,890 | 532 | 231 | 32° 24.953' N 104° 31.583' W |
| TP4 | 2-10-10 | 1' | 3,430 | 613 | 255 | 32° 24.953' N 104° 31.583' W |
| TP4 | 2-12-10 | 2' | 968 | 216 | 264 | 32° 24.953' N 104° 31.583' W |
| TP4 | 2-12-10 | 3' | | | 188 | 32° 24.953' N 104° 31.583' W |
| TP4 | 2-12-10 | 4' | | | 155 | 32° 24.953' N 104° 31.583' W |

Analyst Notes _____

OXY USA WTP LIMITED PARTNERSHIP

NAIGOOOLTEE PEAK 5 FED. NO. 3

1231' FSL & 800' FWL

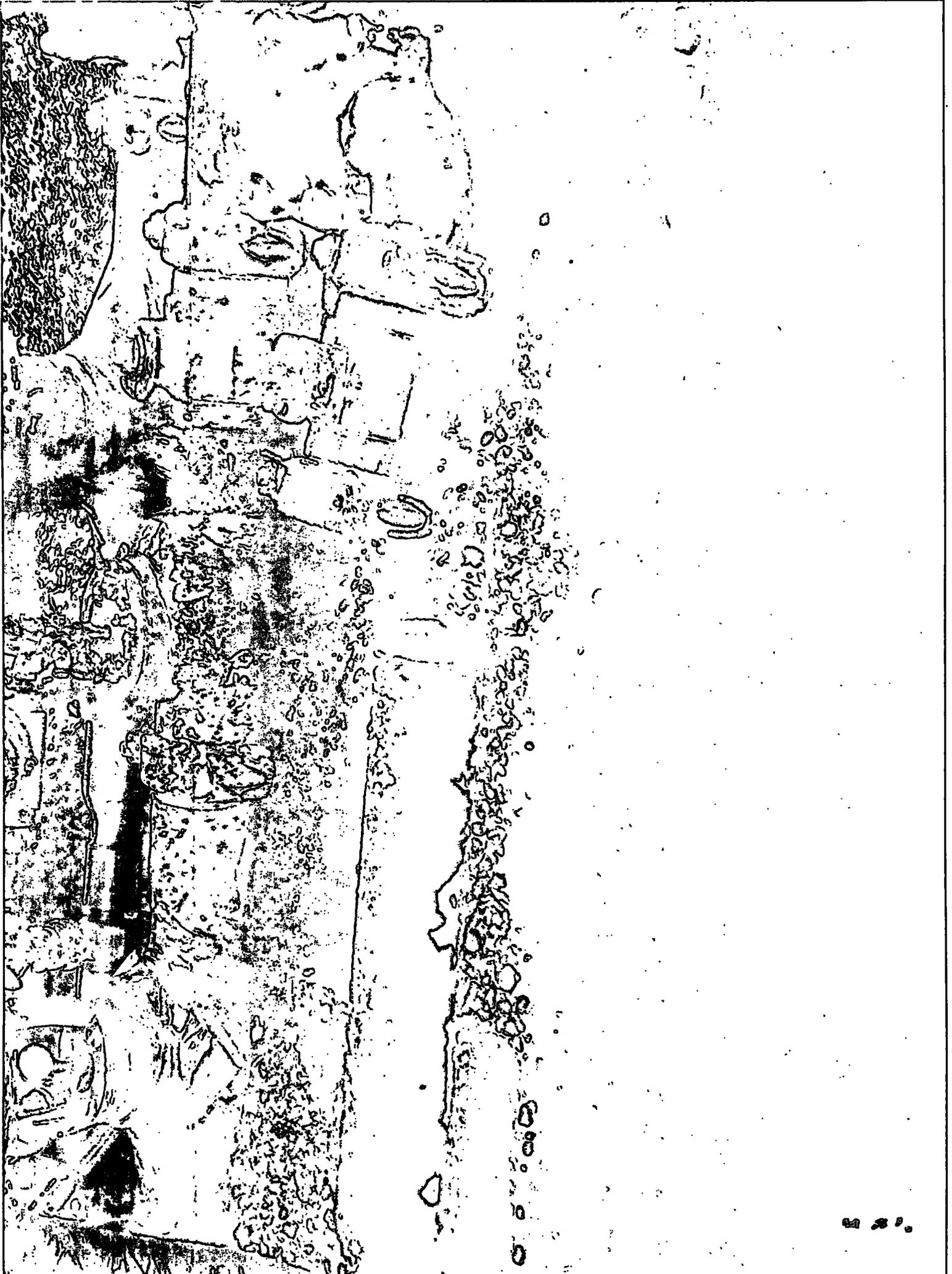
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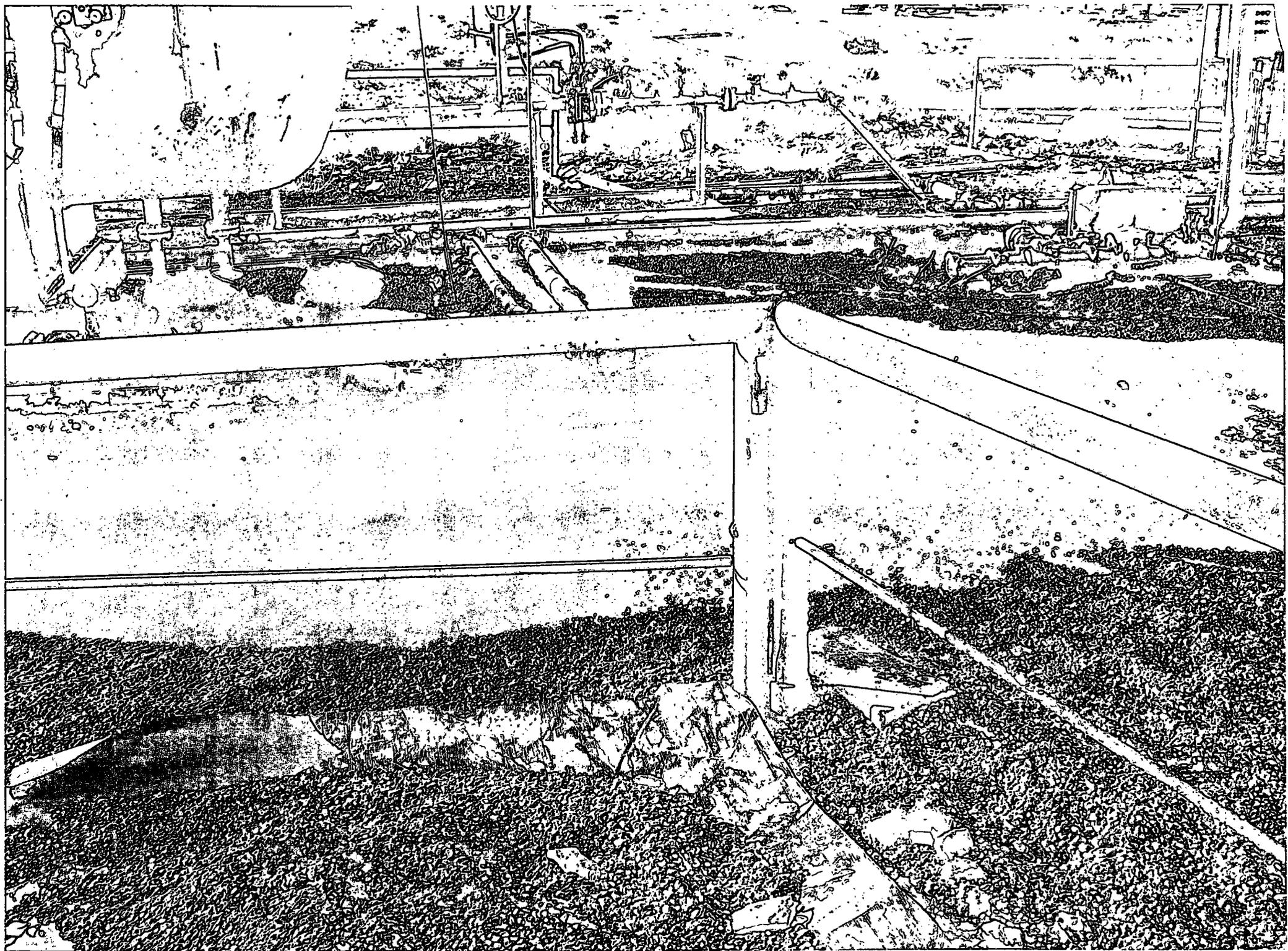
EDDY COUNTY, NM

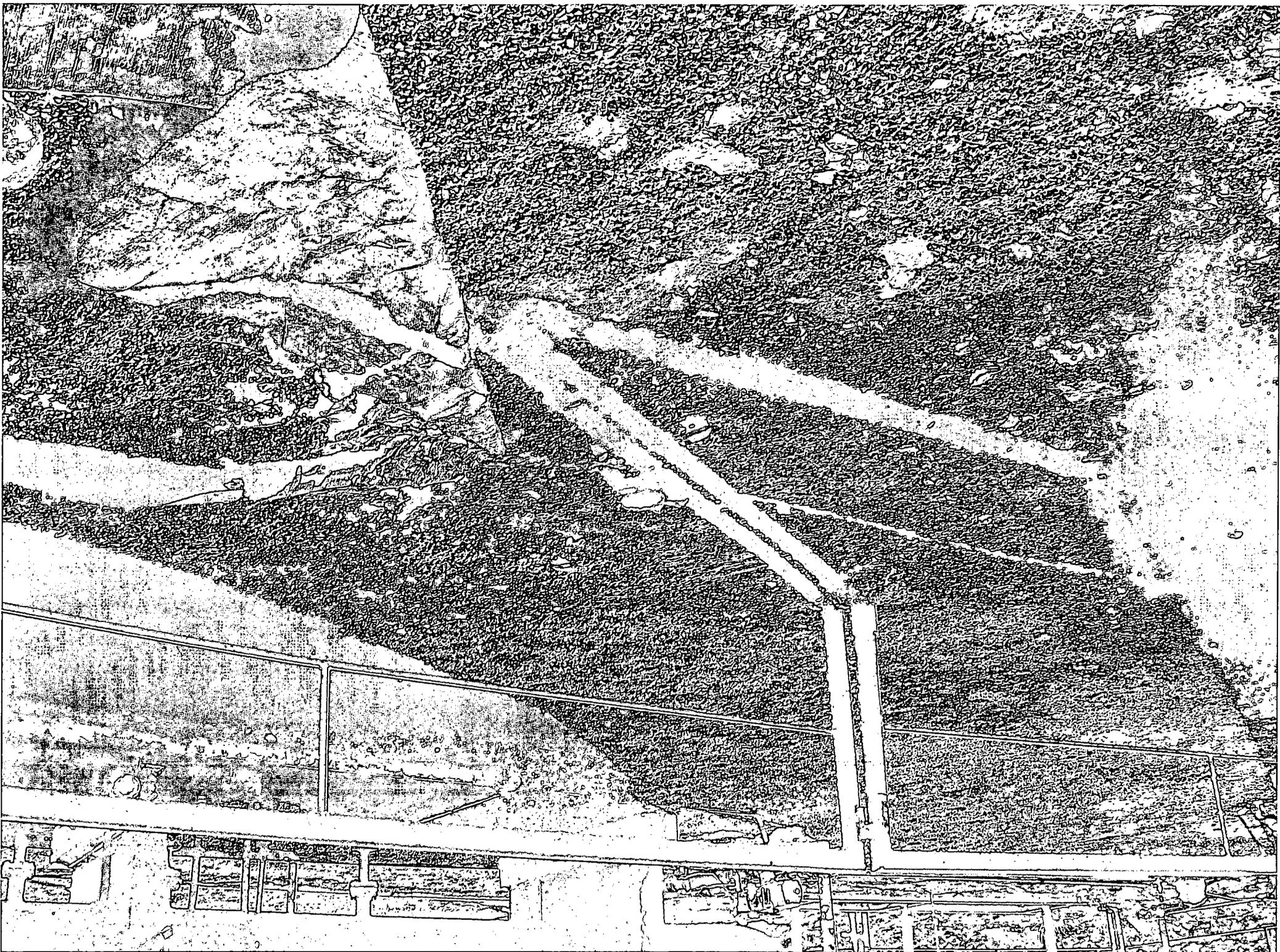
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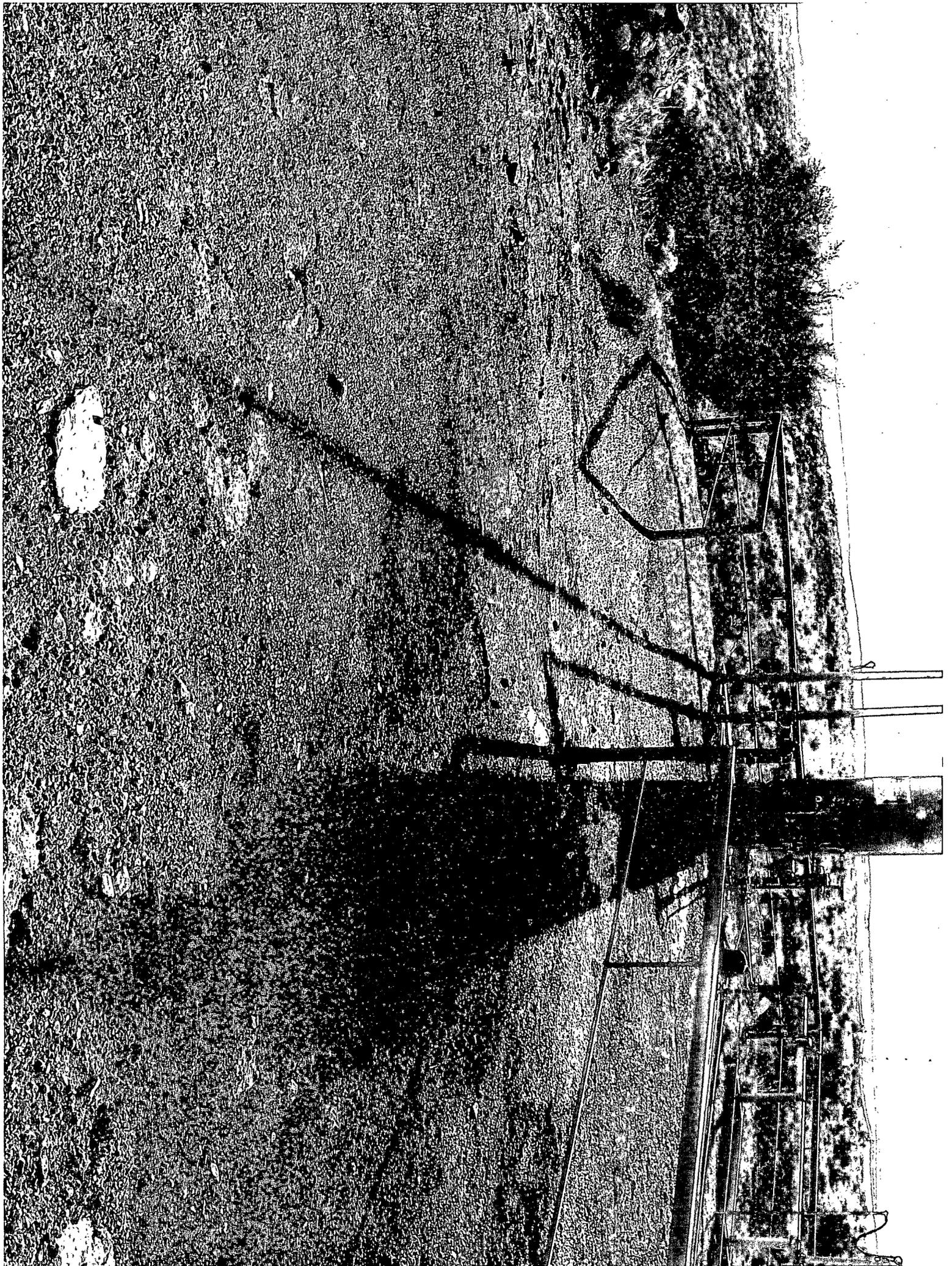
DANGER

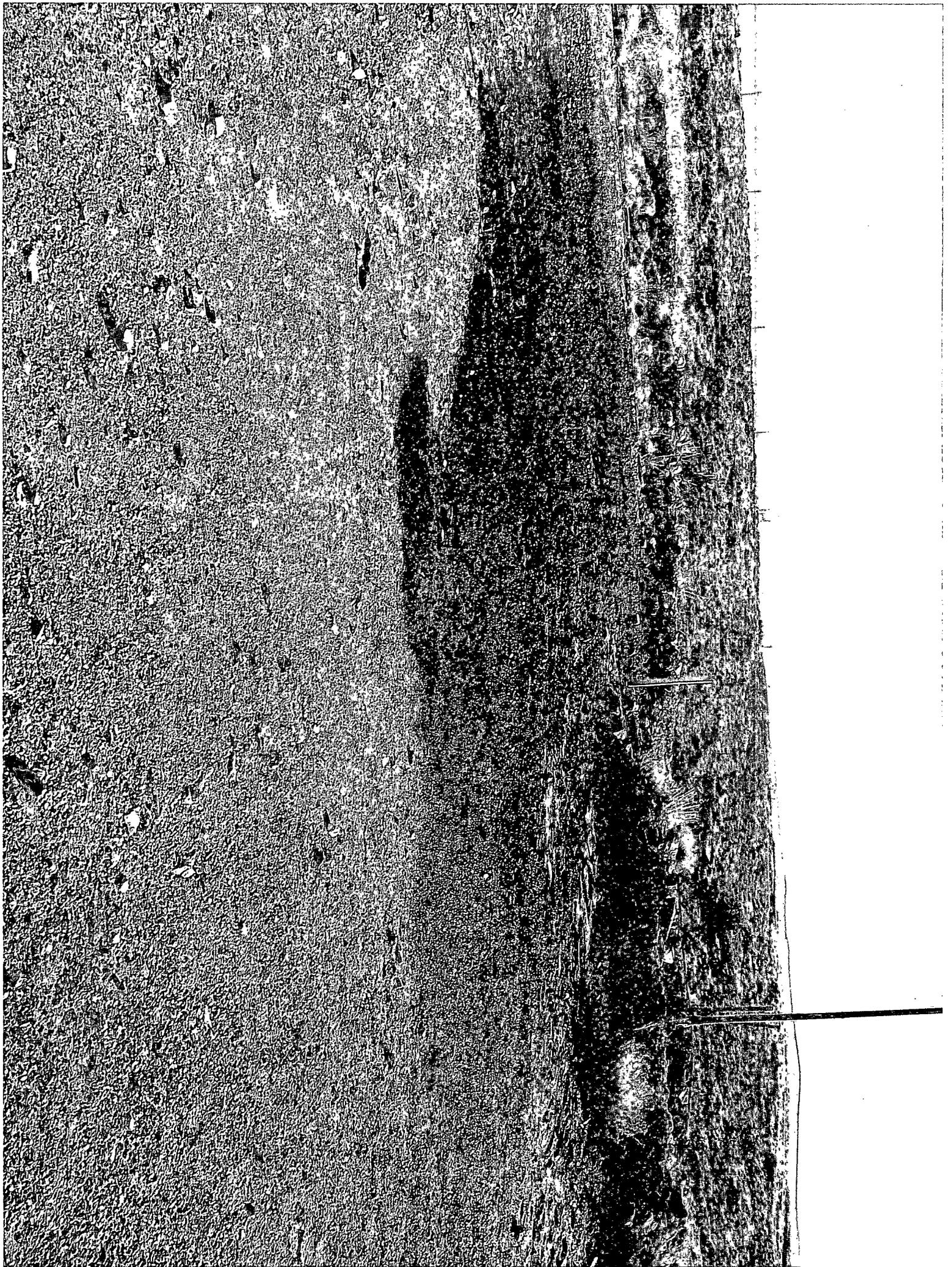
POTENTIAL
H₂S GAS











Elke Environmental, Inc.

P.O. Box 14167 Odessa, TX 79768

Field Analytical Report Form

Client Oxy USA Analyst Bobby Steadham

Site Nagooltee Peak 5 Fed #3

| Sample ID | Date | Depth | 418.1 TPH / PPM | Cl / PPM | PID / PPM | GPS |
|--------------|---------|-------|-----------------|----------|-----------|---------------------------------|
| TP4 | 2-15-10 | 5' | 1,044 | 189 | 27.1 | 32° 24.953' N 104° 31.583' W |
| TP5 | 2-9-10 | 3" | 6,120 | 297 | 267 | 32° 24.944' N 104° 31.577' W |
| TP5 | 2-10-10 | 1' | 198 | 382 | 288 | 32° 24.944' N 104° 31.577' W |
| TP5 | 2-10-10 | 2' | | 149 | 142 | 32° 24.944' N 104° 31.577' W |
| TP5 | 2-15-10 | 3' | 90 | 129 | 23.5 | 32° 24.944' N 104° 31.577' W |
| TP6 | 2-15-10 | 6" | 139 | 119 | 6.4 | 32° 24.939' N 104° 31.572' W |
| North Wall A | 2-15-10 | 2' | 4 | 168 | 4.3 | 32° 24.957' N 104° 31.573' W |
| North Wall B | 2-15-10 | 2.5' | 2 | 129 | 2.1 | 32° 24.954' N 104° 31.589' W |
| East Wall | 2-15-10 | 6" | 1 | 179 | 9.7 | 32° 24.938' N 104° 31.571' W |
| South Wall | 2-15-10 | 1' | 1 | 129 | 6.9 | 32° 24.941' N 104° 31.587' W |
| West Wall | 2-15-10 | 2.5' | 25 | 151 | 4.8 | 32° 24.953' N 104° 31.585' W |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |

Analyst Notes _____



Certificate of Analysis Summary 363052

Elke Environmental, Inc., Odessa, TX

Project Name: Oxy USA

Project Id: Nagooltee Peak 5-003

Contact: Logan Anderson

Project Location: Nagooltee Peak 5-003

Date Received in Lab: Mon Feb-22-10 09:11 am

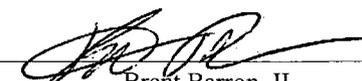
Report Date: 26-FEB-10

Project Manager: Brent Barron, II

| | | | | | | |
|------------------------------------|--|--|--|--|--|--|
| Analysis Requested | Lab Id: 363052-001 Field Id: TP4 @ 5' Depth: 5 ft Matrix: SOIL Sampled: Feb-15-10 12:45 | | | | | |
| Anions by E300 | Extracted: Analyzed: Feb-24-10 14:12 Units/RL: mg/kg RL | | | | | |
| Chloride | 259 10.3 | | | | | |
| Percent Moisture | Extracted: Analyzed: Feb-23-10 12:25 Units/RL: % RL | | | | | |
| Percent Moisture | 18.6 1.00 | | | | | |
| TPH By SW8015 Mod | Extracted: Feb-25-10 09:45 Analyzed: Feb-26-10 08:51 Units/RL: mg/kg RL | | | | | |
| C6-C12 Gasoline Range Hydrocarbons | ND 18.4 | | | | | |
| C12-C28 Diesel Range Hydrocarbons | ND 18.4 | | | | | |
| C28-C35 Oil Range Hydrocarbons | ND 18.4 | | | | | |
| Total TPH | ND 18.4 | | | | | |

This analytical report, and the entire data package it represents, has been made for your exclusive and confidential use. The interpretations and results expressed throughout this analytical report represent the best judgment of XENCO Laboratories. XENCO Laboratories assumes no responsibility and makes no warranty to the end use of the data hereby presented. Our liability is limited to the amount invoiced for this work order unless otherwise agreed to in writing.

Since 1990 Houston - Dallas - San Antonio - Austin - Tampa - Miami - Latin America - Atlanta - Corpus Christi



Brent Barron, II
Odessa Laboratory Manager



Certificate of Analysis Summary 362217

Elke Environmental, Inc., Odessa, TX

Project Name: Oxy USA



Project Id: Nagooltee Peak 5 Federal # 3

Contact: Logan Anderson

Project Location: Nagooltee Peak 5 Federal # 3

Date Received in Lab: Fri Feb-12-10 05:00 pm

Report Date: 16-FEB-10

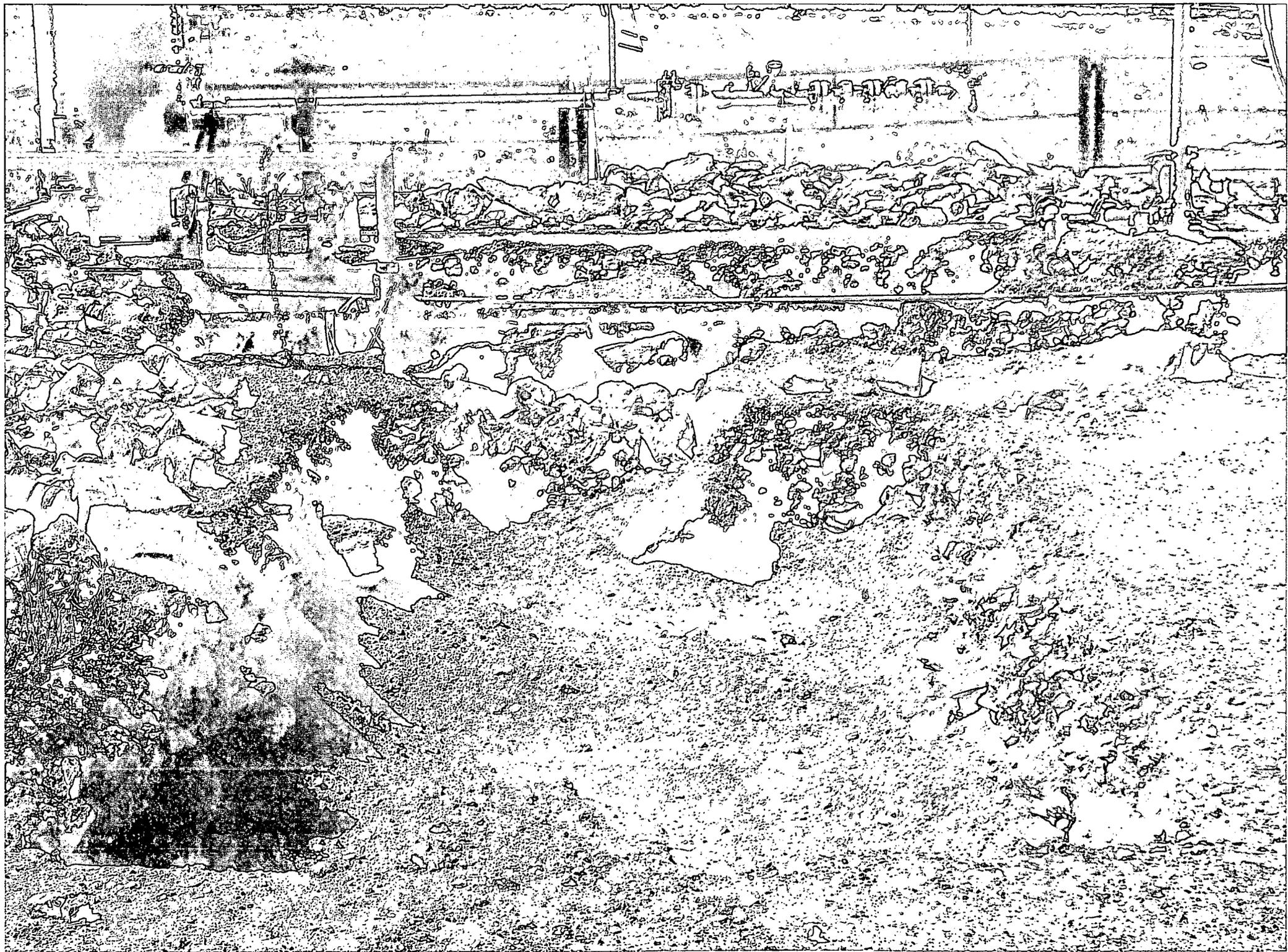
Project Manager: Brent Barron, II

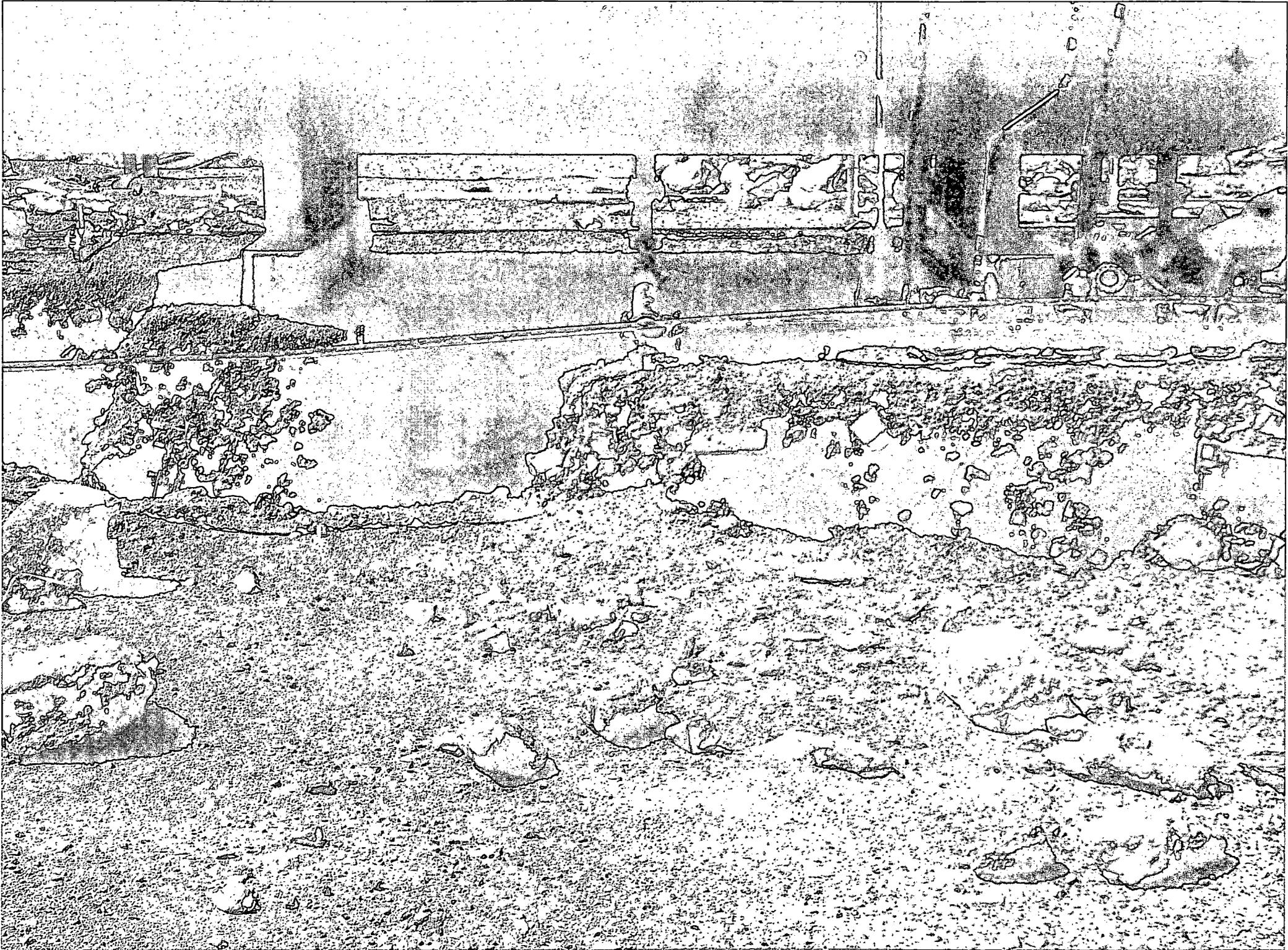
| <i>Analysis Requested</i> | <i>Lab Id:</i> | 362217-001 | 362217-002 | 362217-003 | 362217-004 | | |
|------------------------------------|-------------------|-----------------|-----------------|-----------------|-----------------|--|--|
| | <i>Field Id:</i> | TP 1 @ 3' | TP 2 @ 2' | TP 3 @ 4' | TP 5 @ 3' | | |
| | <i>Depth:</i> | 3 ft | 2 ft | 4 ft | 3 ft | | |
| | <i>Matrix:</i> | SOIL | SOIL | SOIL | SOIL | | |
| | <i>Sampled:</i> | Feb-10-10 16:30 | Feb-10-10 17:30 | Feb-10-10 17:00 | Feb-10-10 18:00 | | |
| Anions by E300 | <i>Extracted:</i> | | | | | | |
| | <i>Analyzed:</i> | Feb-15-10 08:40 | Feb-15-10 08:40 | Feb-15-10 08:40 | Feb-15-10 08:40 | | |
| | <i>Units/RL:</i> | mg/kg RL | mg/kg RL | mg/kg RL | mg/kg RL | | |
| Chloride | | 56.3 9.40 | 61.4 9.53 | 255 52.2 | 66.7 10.3 | | |
| Percent Moisture | <i>Extracted:</i> | | | | | | |
| | <i>Analyzed:</i> | Feb-15-10 08:00 | Feb-15-10 08:00 | Feb-15-10 08:00 | Feb-15-10 08:00 | | |
| | <i>Units/RL:</i> | % RL | % RL | % RL | % RL | | |
| Percent Moisture | | 10.6 1.00 | 11.9 1.00 | 19.5 1.00 | 18.2 1.00 | | |
| TPH By SW8015 Mod | <i>Extracted:</i> | Feb-15-10 09:00 | Feb-15-10 09:00 | Feb-15-10 09:00 | Feb-15-10 09:00 | | |
| | <i>Analyzed:</i> | Feb-15-10 15:31 | Feb-15-10 15:57 | Feb-15-10 16:24 | Feb-15-10 16:51 | | |
| | <i>Units/RL:</i> | mg/kg RL | mg/kg RL | mg/kg RL | mg/kg RL | | |
| C6-C12 Gasoline Range Hydrocarbons | | ND 16.8 | 17.8 17.0 | ND 18.6 | ND 18.3 | | |
| C12-C28 Diesel Range Hydrocarbons | | ND 16.8 | 103 17.0 | 18.9 18.6 | 49.2 18.3 | | |
| C28-C35 Oil Range Hydrocarbons | | ND 16.8 | ND 17.0 | ND 18.6 | ND 18.3 | | |
| Total TPH | | ND 16.8 | 121 17.0 | 18.9 18.6 | 49.2 18.3 | | |

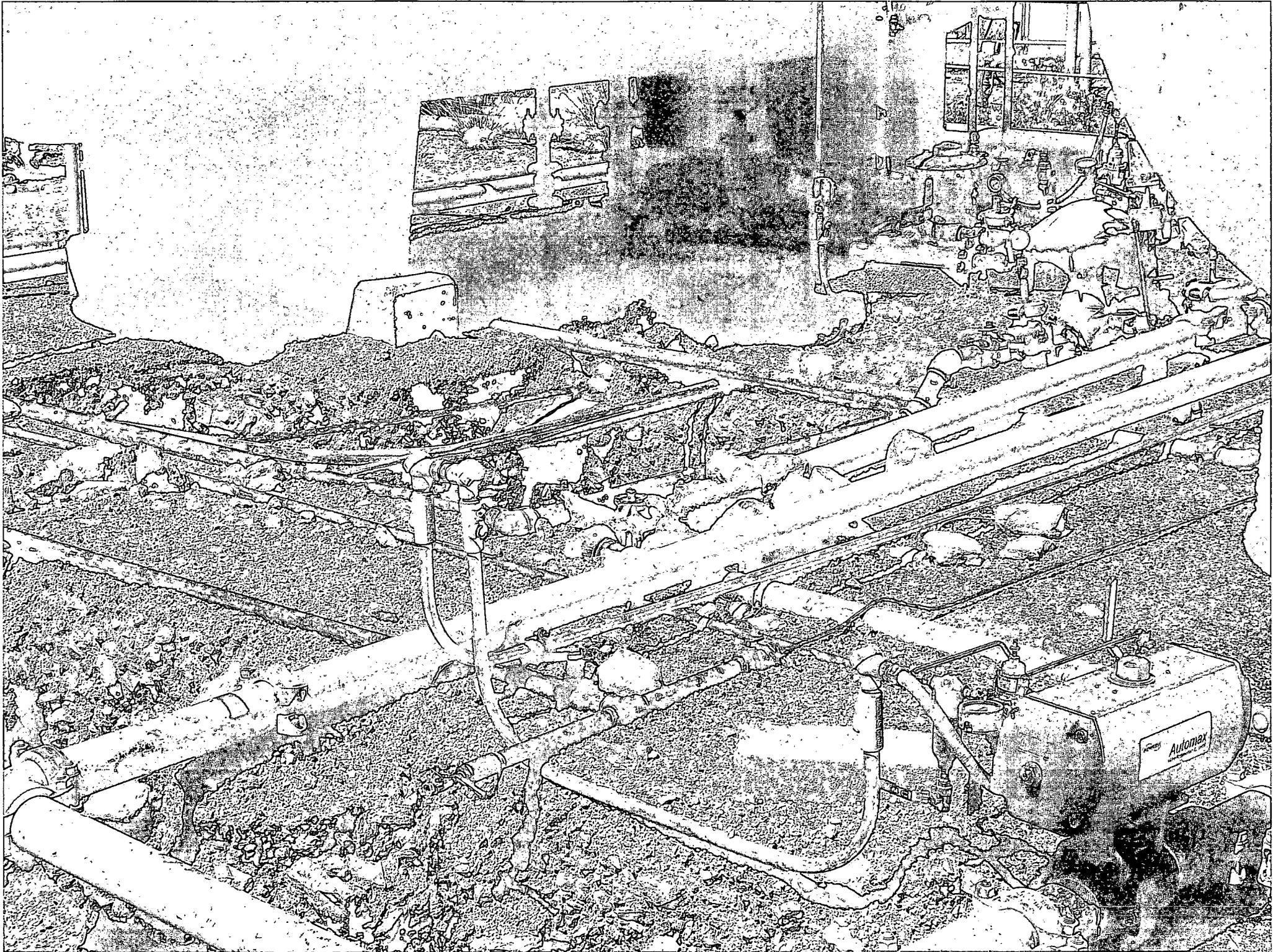
This analytical report, and the entire data package it represents, has been made for your exclusive and confidential use. The interpretations and results expressed throughout this analytical report represent the best judgment of XENCO Laboratories. XENCO Laboratories assumes no responsibility and makes no warranty to the end use of the data hereby presented. Our liability is limited to the amount invoiced for this work order unless otherwise agreed to in writing.

Since 1990 Houston - Dallas - San Antonio - Austin - Tampa - Miami - Latin America - Atlanta - Corpus Christi

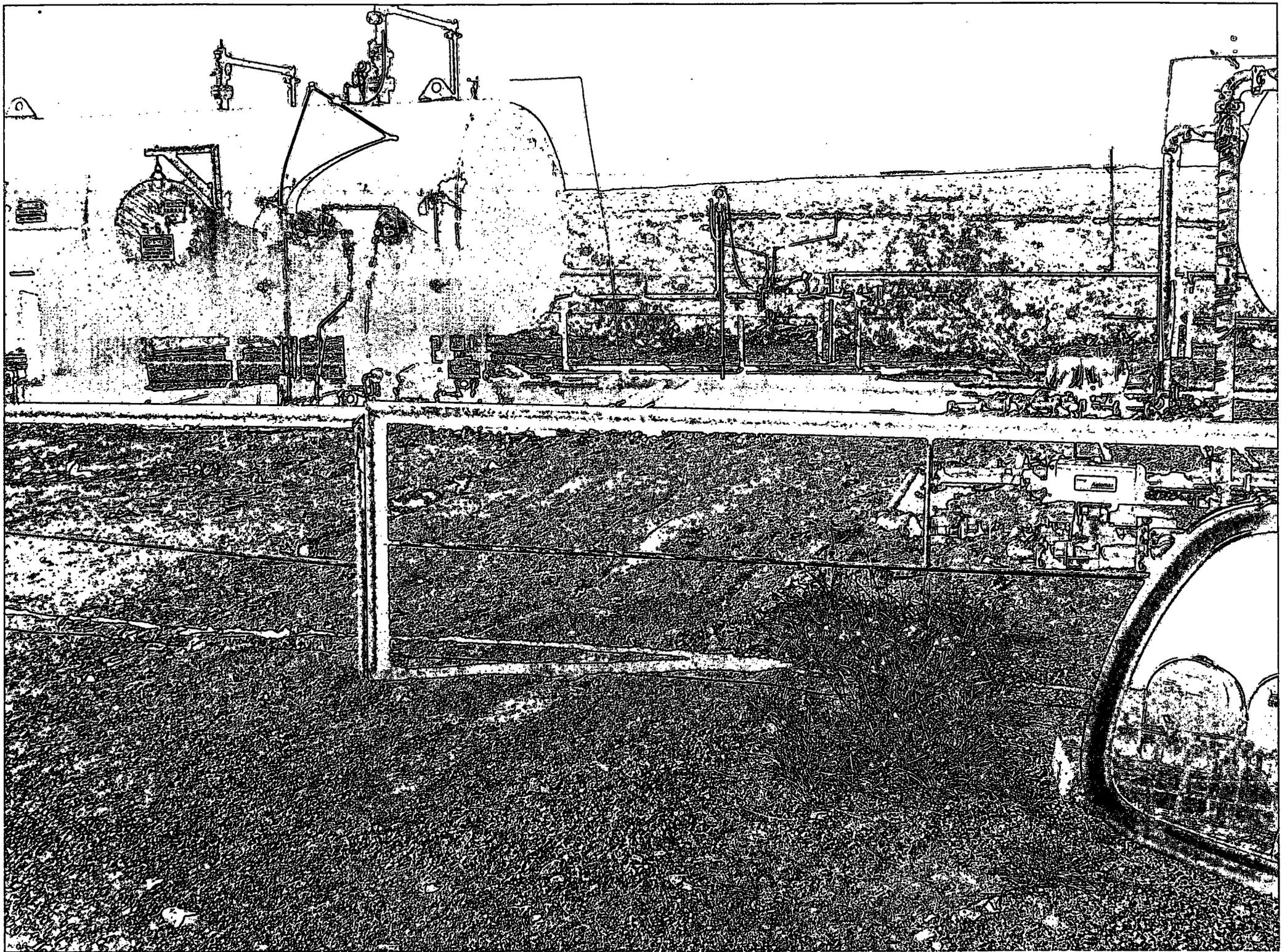

Brent Barron, II
Odessa Laboratory Manager











Elke Environmental, Inc.
 PO Box 14167
 Odessa, TX 79768

Invoice

| | |
|----------|-----------|
| Date | Invoice # |
| 3/2/2010 | 10688 |

| |
|--|
| Bill To |
| Oxy USA, Inc Attn: Kelton Beard 1502 W. Commerce Dr. Carlsbad, NM 88220 |

| Project No. | | Job Site | Terms | Due Date |
|---|---------------------------------------|---------------------------|--------|----------|
| | | Nagoalter Peak 5 Fed #3 | Net 30 | 4/1/2010 |
| Quantity | Description | Rate | Amount | |
| | Delineation of spill 02/09/10 | | | |
| 5 | On-site TPH 418.1 Test | 45.00 | | 225.00T |
| 4 | Backhoe 420 4X4 Extindahoe w/operator | 75.00 | | 300.00T |
| 4 | Labor Hand | 25.00 | | 100.00T |
| 4 | On-Site Supervisor | 45.00 | | 180.00T |
| 5 | On-site Chloride Test | 45.00 | | 225.00T |
| 5 | On-site PID Meter | 20.00 | | 100.00T |
| 3 | Per Diem 02/10/10 | 100.00 | | 300.00T |
| 12 | Backhoe 420 4X4 Extindahoe w/operator | 75.00 | | 900.00T |
| 12 | Labor Hand | 25.00 | | 300.00T |
| 12 | On-Site Supervisor | 45.00 | | 540.00T |
| 11 | On-site Chloride Test | 45.00 | | 495.00T |
| 7 | On-site TPH 418.1 Test | 45.00 | | 315.00T |
| 11 | On-site PID Meter | 20.00 | | 220.00T |
| 3 | Per Diem 02/11/10 | 100.00 | | 300.00T |
| 4 | On-Site Supervisor | 45.00 | | 180.00T |
| 4 | Backhoe 420 4X4 Extindahoe w/operator | 75.00 | | 300.00T |
| 4 | Labor Hand 02/12/10 | 25.00 | | 100.00T |
| 6 | On-Site Supervisor | 45.00 | | 270.00T |
| 4 | On-site PID Meter | 20.00 | | 80.00T |
| 2 | On-site Chloride Test | 45.00 | | 90.00T |
| 2 | On-site TPH 418.1 Test 02/15/10 | 45.00 | | 90.00T |
| 8 | Backhoe 420 4X4 Extindahoe w/operator | 75.00 | | 600.00T |
| 8 | Labor Hand | 25.00 | | 200.00T |
| 8 | On-Site Supervisor | 45.00 | | 360.00T |
| 8 | On-site TPH 418.1 Test | 45.00 | | 360.00T |
| | | Subtotal | 45.00 | 360.00T |
| | | Sales Tax (5.625%) | | |
| ALL INVOICES DUE AND PAYABLE IN ODESSA, ECTOR COUNTY, TEXAS. 1.5 % PER MONTH (30 DAYS) SERVICE CHARGE WILL BE CHARGED ON PAST DUE ACCOUNTS. | | Total | | |

Elke Environmental, Inc.
 PO Box 14167
 Odessa, TX 79768

Invoice

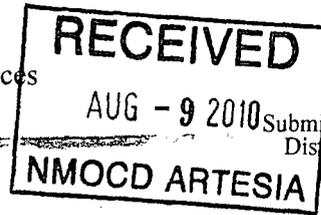
| Date | Invoice # |
|----------|-----------|
| 3/2/2010 | 10688 |

| |
|--|
| Bill To |
| Oxy USA, Inc Attn: Kelton Beard 1502 W. Commerce Dr. Carlsbad, NM 88220 |

| Project No. | | Job Site | Terms | Due Date |
|---|--------------------------|-------------------------|---------------------------|------------|
| | | Nagoalter Peak 5 Fed #3 | Net 30 | 4/1/2010 |
| Quantity | Description | Rate | Amount | |
| | 02/15/10 con't | | | |
| 8 | On-site Chloride Test | 45.00 | | 360.00T |
| 8 | On-site PID Meter | 20.00 | | 160.00T |
| 5 | Lab Analysis (TPH 8015m) | 70.00 | | 350.00T |
| 5 | Lab Analysis (Chloride) | 30.00 | | 150.00T |
| | 03/02/10 | | | |
| 4 | Project Manager | 75.00 | | 300.00T |
| | | | Subtotal | \$8,450.00 |
| | | | Sales Tax (5.625%) | \$475.31 |
| ALL INVOICES DUE AND PAYABLE IN ODESSA, ECTOR COUNTY, TEXAS. 1.5 % PER MONTH (30 DAYS) SERVICE CHARGE WILL BE CHARGED ON PAST DUE ACCOUNTS. | | | Total | \$8,925.31 |

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 USA | Contact: Kelton Beard |
| Address: 1502 W. Commerce Carlsbad, NM 88220 | Telephone No. (O) 575-628-4100 |
| Facility Name: Nagooltee peak 5-3 | Facility Type: Satellite |
| Surface Owner: BLM | Mineral Owner: BLM |
| Lease No. 3001529900 | |

LOCATION OF RELEASE

| Unit Letter | Section | Township | Range | Feet from the | North/South Line | Feet from the | East/West Line | County |
|-------------|---------|----------|-------|---------------|------------------|---------------|----------------|--------|
| M | 5 | 22S | 24E | | | | | EDDY |

Latitude _____ Longitude _____

NATURE OF RELEASE

| | | |
|--|---|---|
| Type of Release: Crude Oil & Produced Water | Volume of Release: 10 bbls oil/ 30 bbls water | Volume Recovered: 5 |
| Source of Release: Bypass line | Date and Hour of Occurrence | Date and Hour of Discovery: 1-9-10 1:00pm |
| Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required | If YES, To Whom? Mike Bratcher-NMOCD | |
| By Whom? Kelton Beard - HES Specialist - 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.*
Victaulic clamp broke

Describe Area Affected and Cleanup Action Taken.*
Affected area was on location. Ranking Criteria for this location is 0 points. As approved by Mike Bratcher Oxy removed 3 feet @ TP1, 2 feet @ TP2, 4 feet @ TP3, and 2 feet @ TP5. The area was then backfilled with clean like material. Pics and Analytical in closing report

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: | |
| Title: HES Specialist | Approval Date: 4/20/15 | Expiration Date: N/A |
| E-mail Address: kelton_beard@oxy.com | Conditions of Approval: Final | Attached <input type="checkbox"/> |
| Date: 8-5-10 | | |

* Attach Additional Sheets If Necessary

2RP-554