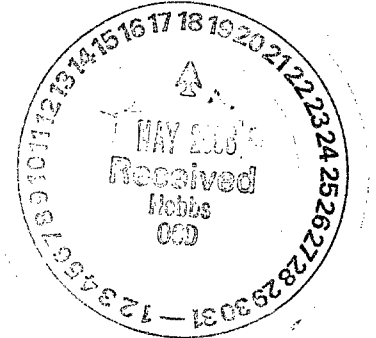




## **Occidental Permian Limited Partnership**

May 16, 2006

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



Attn: Environmental Engineering

RE: Final Closure Letter  
North Hobbs Unit Satellite #32W-C 6" Fiberglass Trunk Line  
UL 'K', Sec. 32, T-18-S, R-38-E

Leak occurred on 04/28/2006, at approximately 09:40 AM. A 6" fiberglass trunk line used to transfer produced liquids from North Hobbs Unit Satellite #32W-C to the North Hobbs Unit Central Tank Battery was struck by a contractor's backhoe causing spill. Valves on both ends of the line were shut to isolate leak. The normal rate for the North Hobbs Unit Satellites #32 W-C and #32E-C is 25000 bbls/day at a pressure of about 65 psig. This line is looped together with other trunk lines and does not carry the entire volume. The leak was discovered quick and shut in. The area affected by this spill is an area measuring approximately 20' wide and 400' to the south of the spill site. An estimated 50 barrels of crude oil and 250 barrels of produced water was spilled. 40 barrels of crude oil and 130 barrels of produced water were recovered via vacuum trucks. Occidental Permian LTD. is the surface owner and utilizes the surface for the production of oil and gas only. Depth to ground water according to State Engineers Office is an average of 50', for all wells in the area, giving this spill site a ranking of 10. Remediation of the spill site was as follows:

1. Piping was excavated and repaired.
2. Affected area was excavated and removed soil was hauled to Sundance Services, Parabola Facility near Eunice, NM.
3. Soil samples were gathered from affected area, see attached map for sample points.
4. NMOCD spill guidelines were used to insure site is in compliance.

RP# 874

Application - PPACD 613237997

Hobbs RMT, 1017 W. Stanolind Rd, Hobbs, New Mexico 88240

May 16, 2006  
Page 2

5. All soils removed were replaced with clean fresh soils, where needed.
6. Soil analysis data is submitted with this final closure letter, please see attached analysis data from Cardinal Laboratories dated May 11, 2006.

Contract Excavation Company will continue ditching efforts that were taking place at the time of this incident. Two new 3" stainless steel flow lines will be installed and the area of the leak site will be backfilled by the contract company. Occidental Permian feels that this site will have no future impact to the environment, and no further work is planned for this site, due to this incident.

If you have any questions, or if I can be of further assistance, please contact me at (505) 397-8251.

A handwritten signature in black ink that reads "Steven M. Bishop". The signature is written in a cursive, flowing style.

Steven M. Bishop  
HES Technician/Hobbs RMT  
Steven\_Bishop@oxy.com  
(505) 397-8251

Attachments: Final C-141  
Cardinal Laboratories analysis data dated 5/11/06  
Hand drawn map of spill site



PHONE (325) 673-7001 • 2111 BEECHWOOD • ABILENE, TX 79603

PHONE (505) 393-2326 • 101 E. MARLAND • HOBBS, NM 88240

ANALYTICAL RESULTS FOR  
BBC INTERNATIONAL, INC.  
ATTN: CLIFF BRUNSON  
P.O. BOX 805  
HOBBS, NM 88241  
FAX TO: (505) 397-0397

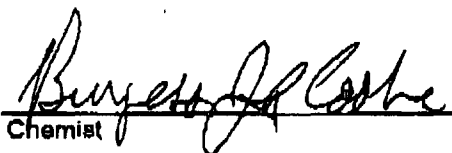
Receiving Date: 05/10/06  
Reporting Date: 05/11/06  
Project Owner: OXY  
Project Name: NHU SATELLITE 32-W  
Project Location: HOBBS, NM

Sampling Date: 05/10/06  
Sample Type: SOIL  
Sample Condition: COOL & INTACT  
Sample Received By: NF  
Analyzed By: BC/AB

LAB NUMBER	SAMPLE ID	GRO (C <sub>8</sub> -C <sub>10</sub> ) (mg/Kg)	DRO (>C <sub>10</sub> -C <sub>28</sub> ) (mg/Kg)	CI <sup>a</sup> (mg/Kg)
		05/10/06	05/10/06	05/10/06
H11102-1	SP1 @ 1'	<10.0	<10.0	16
H11102-2	SP2 @ 1'	<10.0	<10.0	96
H11102-3	SP3 @ 1'	<10.0	<10.0	144
H11102-4	SP4 @ 1'	<10.0	<10.0	32
H11102-5	BKGND @ 1'	<10.0	<10.0	16
Quality Control		767	798	500
True Value QC		800	800	500
% Recovery		95.9	99.7	100
Relative Percent Difference		1.2	2.4	0.0

METHODS: TPH GRO & DRO: EPA SW-846 8015 M; CI: Std. Methods 4500-CI<sup>b</sup>

<sup>a</sup>Analyses performed on 1:4 w:v aqueous extracts.

  
Chemist

5/11/06  
Date

H11102A

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 client for 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 thirty (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.



# ARDINAL LABORATORIES

PHONE (325) 673-7001 • 2111 BEECHWOOD • ABILENE, TX 79603

PHONE (505) 393-2326 • 101 E. MARLAND • HOBBS, NM 88240

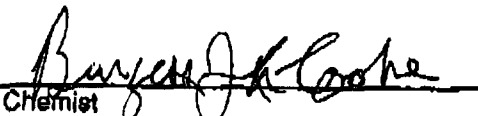
ANALYTICAL RESULTS FOR  
BBC INTERNATIONAL, INC.  
ATTN: CLIFF BRUNSON  
P.O. BOX 805  
HOBBS, NM 88241  
FAX TO: (505) 397-0397

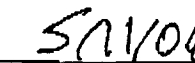
Receiving Date: 05/10/06  
Reporting Date: 05/11/06  
Project Owner: OXY  
Project Name: NHU SATELLITE 32-W  
Project Location: HOBBS, NM

Sampling Date: 05/10/06  
Sample Type: SOIL  
Sample Condition: COOL & INTACT  
Sample Received By: NF  
Analyzed By: BC

LAB NUMBER	SAMPLE ID	BENZENE (mg/Kg)	TOLUENE (mg/Kg)	ETHYL BENZENE (mg/Kg)	TOTAL XYLENES (mg/Kg)
ANALYSIS DATE		05/10/06	05/10/06	05/10/06	05/10/06
H11102-1	SP1 @ 1'	<0.005	<0.005	<0.005	<0.015
H11102-2	SP2 @ 1'	<0.005	<0.005	<0.005	<0.015
H11102-3	SP3 @ 1'	<0.005	<0.005	<0.005	<0.015
H11102-4	SP4 @ 1'	<0.005	<0.005	<0.005	<0.015
H11102-5	BKGND @ 1'	<0.005	<0.005	<0.005	<0.015
Quality Control		0.093	0.093	0.091	0.283
True Value QC		0.100	0.100	0.100	0.300
% Recovery		93.2	92.6	90.8	94.3
Relative Percent Difference		3.1	2.1	0.6	<0.1

METHOD: EPA SW-846 8260

  
Chemist

  
Date

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 client for 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 thirty (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.

# SPILL MAP

PLEASE DRAW SKETCH OF SPILL AND INDICATE WHERE SPILL ORIGINATED.

4/28/06

6" FIBERGLASS TRUNKLINE

65-70 PSI G

32WC / 5000 Rate

32EC 10000 Rate

'K' 32, T-18-S, R-38-E

N 32° 42' 07.50"

W 103° 10' 22.70"

Spill 50' x 250'

Rec 40' x 130'

Sample Point  
GPS Coordinates:

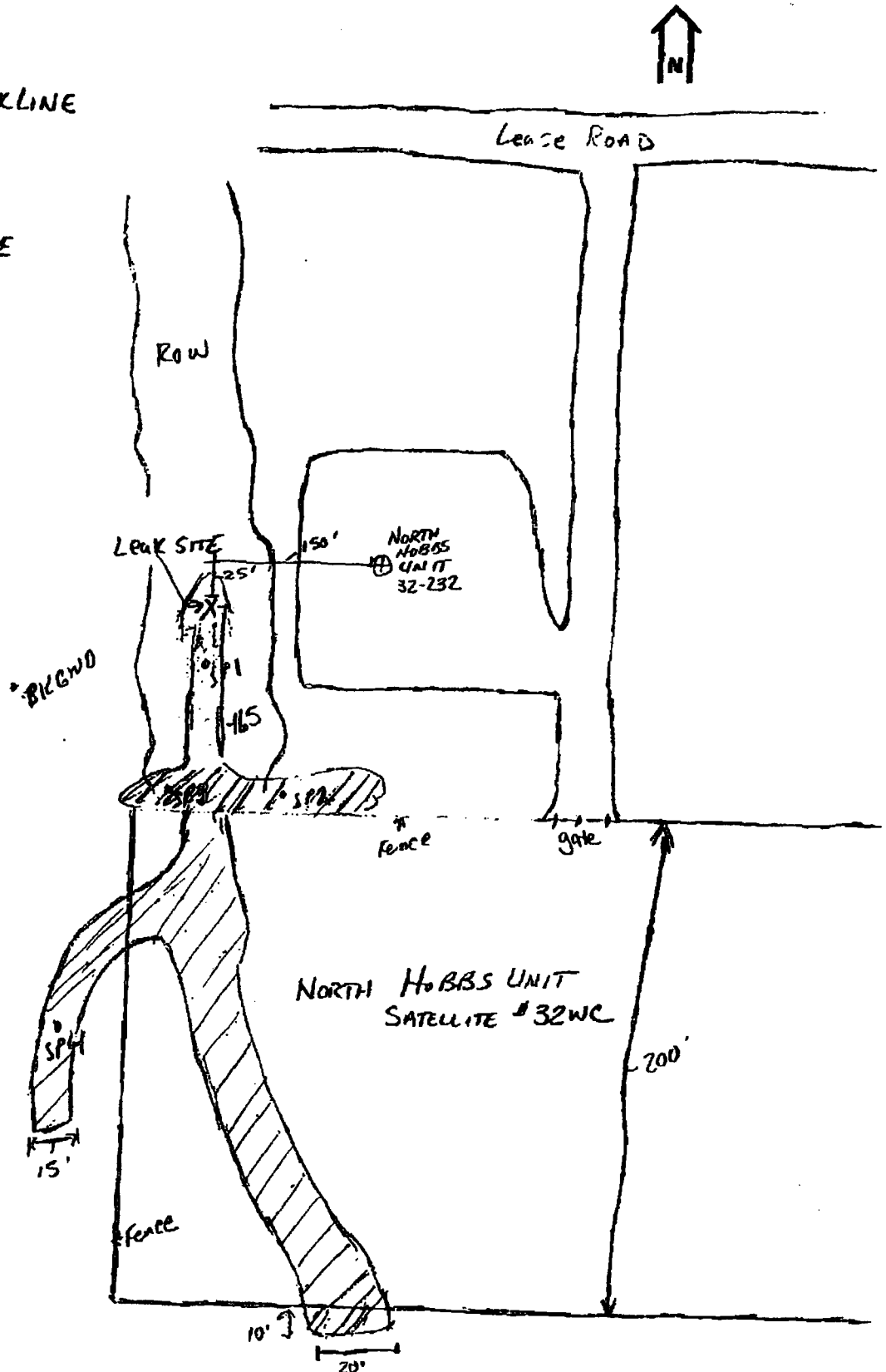
SP1 N 32° 42.108'  
W 103° 10.376'

SP2 N 32° 42.101'  
W 103° 10.365'

SP3 N 32° 42.097'  
W 103° 10.384'

SP4 N 32° 42.070'  
W 103° 10.393'

PKGND N 32° 42.107'  
W 103° 10.399'



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 Occidental Permian Limited Partnership	Contact Steven M. Bishop
Address 1017 West Stanolind Road, Hobbs, N.M. 88240	Telephone No. (505) 397-8251
Facility Name North Hobbs Unit Satellite #32WC Trunk Line	Facility Type Production

Surface Owner Oxy Permian	Mineral Owner	Lease No.
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#### LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
'K'	32	18-S	38-E					LEA

Latitude N32°42'07.50" Longitude W103°10'22.70"

IRP. 874

#### NATURE OF RELEASE

Type of Release Crude oil and Produced Water	Volume of Release 50 Bbbls oil, 250 bbls water	Volume Recovered 40 bbls oil and 130 bbls water
Source of Release 6" fiberglass trunk line struck by contractor backhoe	Date and Hour of Occurrence 04/28/2006 09:40 AM	Date and Hour of Discovery 04/28/2006 09:40 AM
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? Larry Johnson	
By Whom? Steven M. Bishop	Date and Hour 04/28/2006 10:40 AM	
Was a Watercourse Reached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, Volume Impacting the Watercourse. N/A	

If a Watercourse was Impacted, Describe Fully. \*N/A

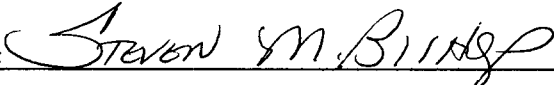

#### Describe Cause of Problem and Remedial Action Taken.\*

Ferguson Construction backhoe was digging to locate lines on the north side of Occidental Permian LTD. North Hobbs Unit Satellite #32W-C. Backhoe struck and broke a 6" fiberglass trunk line that transports fluid from the Satellite to the Central Tank Battery. Operations personnel were on site quickly and begin shutting in both North Hobbs Unit Satellites #32E-C and #32W-C. ESD's were shut at both satellites and wells shut down to isolate leak.

#### Describe Area Affected and Cleanup Action Taken.\*

Oxy Permian is surface owner and utilizes area for the production of oil and gas only. Affected area measures approximately 15' to 25' wide and approximately 400' to the south of the leak site across the North Hobbs Unit Satellite #32W-C location. Area was immediately scraped with backhoe and affected soil stacked into a pile. Affected area was remediated to NMOCD Guidelines for leak and 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.

Signature: 		<b>OIL CONSERVATION DIVISION</b>	
Printed Name: Steven M. Bishop		Approved by District Supervisor: 	
Title: HES Technician		Approval Date: 5.24.06	Expiration Date:
E-mail Address: Steven_Bishop@oxy.com		Conditions of Approval:	
Date: 0516/2006 Phone: (505) 397-8251		Attached <input type="checkbox"/>	

\* Attach Additional Sheets If Necessary