E-mail Address: tony_summers@oxy.com

x Final Report

Submit 2 Copies to appropriate District Office in accordance with Rule 116 on back side of form

Initial Report

| Oil Conservation Division |
|----------------------------|
| 1220 South St. Francis Dr. |
| Santa Fe, NM 87505 |

Release Notification and Corrective Action

OPERATOR

| Name of Company: Occidental Permian Limited Partnership | Contact: Tony Summers |
|---|--|
| Address: 1017 West Stanolind Road, Hobbs, N.M. 88240 | Telephone No: 505.397.8236 or 505.390.9228 |
| Facility Name Warren McKee Unit Salt Water Disposal | Facility Type Production |
| | |

| Surface Owner Mineral Owner Oxy Lease No. | | | | | e No. | | | | |
|---|--|--|---|--|------------------------------------|--|--|---|---|
| | | | | IOC | 4 TT T () 1 | | | | |
| Unit Letter | Section | Taurahin | Danas | Feet from the | | N OF RE | Feet from the | East/West Lin | 1213147570 |
| F | 7 | Township 20-S | Range 38E | | North | South Line | Feet from the | East west Lin | |
| | | | | <u> </u> | | | <u> </u> | | |
| | | | | Latitude N 32° | ° 35.329 | ' Longitud | e W 103° 11.33 | 1' | SLZ |
| | | | | NA7 | FURE | OF REL | EASE | | N D N |
| Type of Rele | | | _ | | | | Release 350 bbls | | ne Recovered 180 bbls |
| | | tank ran over | r | | | 03/12/07 1 | | 10:30 | nd Hour of Discovery 03/12107 am 6287.129 |
| Was Immedi | ate Notice | | Yes 🗌 | No 🔲 Not Re | quired | If YES, To | Whom? Chris W | /illiams | |
| By Whom? | Fony Summ | ners | | | | Date and I | Hour 03/12/07 2:0 | 0pm | |
| Was a Water | | | _ | | | If YES, V | olume Impacting | the Watercourse | ······································ |
| | | |] Yes x | No | | | | | |
| If a Waterco | urse was In | npacted, Desci | ribe Fully. | * | | | | | <u></u> |
| | | | | | | | | | |
| | | | | | | | icity and alarm co ked area. Vacuur | | ausing pumps to go down and no p 180 bbls. |
| | | | | | | | | | |
| states averag Dug out effe digging out t | e depth to vected area to to 16". Did | water of 80 fe o suggested by and tested soi | et giving a y Chris Wi l (see Carc | ranking of 10. Illiams 12" and to linal Lab results 4 | ested soi 4/17/07). | l for chloride Chris sugges | s. (see Cardinal L | ab results 04/03 y. Did the week | all free standing fluid. NMSEO /07). Chris Williams suggested of 5/13/07. Covered/backfilled the |
| regulations a public health should their or the enviro | Il operators or the envious operations | s are required ironment. The have failed to | to report a e acceptan adequately OCD accept | nd/or file certain ce of a C-141 rep y investigate and | release n ort by th remediat | notifications a ne NMOCD n te contaminat | nd perform corre narked as "Final F ion that pose a th | ctive actions for Report" does not reat to ground w | pursuant to NMOCD rules and releases which may endanger relieve the operator of liability rater, surface water, human health or compliance with any other |
| | | 1 | | | | | OIL CON | SERVATIO | ON DIVISION |
| Signature: Printed Nam | e: Tony Su | mmers | ************* | | | Approved by | District Supervis | sor: Chu | Milliam |
| Title: HES T | | | | | | Approval Da | ite: 7/20/ | 07 Expirati | on Date: 7/20/07 |
| T2 molt 4 J J | | | | | | 0 1111 | | | Attached |

Conditions of Approval:

| Date: $(b/2.2/0^{-1})$ Phone: 505.397.8236 | |
|--|--|
| * Attach Additional Sheets If Necessary | |

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 x Initial Report Name of Company: Occidental Permian Limited Partnership Contact: Tony Summers Final Report Address: 1017 West Stanolind Road, Hobbs, N.M. 88240 Telephone No: 505.397.8236 or 505.390.9228 Facility Name Warren McKee Unit Salt Water Disposal Facility Type Production Surface Owner Mineral Owner Oxy Lease No.

LOCATION OF RELEASE

| TInit Tatton | Castian | Tarrahin | Danas | East from the | North (Courth I to a | Track Constant | T + /NV + T ' | |
|--------------|---------|----------|-------|---------------|----------------------|----------------|----------------|------------|
| Unit Letter | Section | Township | Range | Feet from the | North/South Line | Feet from the | East/West Line | County Lea |
| IF | 17 | 20-5 | 38E | [| l | l | l | |
| 1. | | 200 | 501 | | 1 | | | |
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| | | L | | | 1 | | | |

Latitude N 32° 35.329' Longitude W 103° 11.331'

NATURE OF RELEASE

| | OF RELEASE | | | | |
|--|--|--|--|--|--|
| Type of Release Produced Water | Volume of Release 350 bbls | Volume Recovered 180 bbls | | | |
| Source of Release SWD tank ran over | Date and Hour of Occurrence | Date and Hour of Discovery 03/12/07 | | | |
| | 03/12/07 1:00am | 10:30 am | | | |
| Was Immediate Notice Given? | If YES, To Whom? Chris William | s | | | |
| x Yes 🔲 No 🔲 Not Required | | | | | |
| By Whom? Tony Summers | Date and Hour 03/12/07 2:00pm | | | | |
| Was a Watercourse Reached? | If YES, Volume Impacting the Wa | atercourse. | | | |
| Yes x No | | | | | |
| · | | | | | |
| If a Watercourse was Impacted, Describe Fully.* | | | | | |
| ······································ | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| Describe Cause of Problem and Remedial Action Taken.* Storm knocked | d down electricity and alarm commun | ications causing pumps to go down and no | | | |
| alarms sent. SWD tanks ran over approximately 350 barrels of produced | | | | | |
| | | * * | | | |
| | | | | | |
| | | | | | |
| | 1. dilad an af CNVD. Manuar taxala | island up all free stor ding fluid NMSEO | | | |
| Describe Area Affected and Cleanup Action Taken.* Spill area was insid | le diked are of SWD. Vacuum truck p | icked up all free standing fluid. NMSEO | | | |
| states average depth to water of 80 feet giving a ranking of 10. | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| I hereby certify that the information given above is true and complete to | the best of my knowledge and unders | tand that pursuant to NMOCD rules and | | | |
| regulations all operators are required to report and/or file certain release | | | | | |
| public health or the environment. The acceptance of a C-141 report by the | | | | | |
| should their operations have failed to adequately investigate and remedia | | | | | |
| | | | | | |
| or the environment. In addition, NMOCD acceptance of a C-141 report | does not reneve the operator of respon | isionity for comphance with any other | | | |
| federal, state, or local laws and/or regulations. | | | | | |
| | OIL CONSERVATION DIVISION | | | | |
| | | _ | | | |
| Signature: | | <i><i>Л</i></i> | | | |
| | Approved by District Supervisor: | 11 41 11 | | | |
| Printed Name: Tony Summers | (| Mus Williams | | | |
| | | | | | |
| Title: HES Technician | Approval Date: 3/20/07 | Expiration Date: 3/20/08 | | | |
| | approvar Date. Jagof | Depination Date. Of Cop Of | | | |
| | | | | | |
| E-mail Address: tony_summers@oxy.com | Conditions of Approval: | Attached \Box | | | |
| | | | | | |
| Date: Phone: 505.397.8236 | | | | | |
| * Attach Additional Sheets If Necessary | | O Ditt : 0 | | | |
| \$ | | D, D + L | | | |
| | | [] [] [] [] [] [] [] [] [] [] | | | |
| | | | | | |



March 16, 2007

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

Attn: Environmental Engineering

RE: Remediation Plan Warren McKee Unit SWD UL 'F, Sec. 7, T-20S, R-38E

At 10:30 am on 03/12/07 tanks from Warren McKee SWD were found running over. Storm from night before had knocked down electricity, pumps, and alarm communications at around 1:00 am. Approx. 350 barrels of produced water were spilled into diked area. Vacuum truck picked up 180 barrels of free standing fluid. Average chlorides for this produced water are 78,000 ppm. No fluid got into pasture. The NMSEO states the average depth to water is 80' giving area a ranking of 10. Remediation of spill site will be as follows:

19

- 1. 3" to b" of caliche in dike will be removed and area tested for chlorides along with background samples.
- 2. Caliche will be disposed of to JL Land farm.
- 3. NMOCD will be notified as to sample contents and asked for guidance for further action.
- 4. NMOCD guidelines will be used to insure entire site is in compliance with guidelines.

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

Tony Summers

HES Technician/Seminole RMT Tony_summers@oxy.com (505) 397-8236

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Attachments: Initial C-141 Hand drawn map of spill site.

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

ANALYTICAL RESULTS FOR OXY ATTN: TONY SUMMERS 1017 W. STANOLIND RD HOBBS, NM 88240 FAX TO: (505) 397-8205

Receiving Date: 04/02/07 Reporting Date: 04/03/07 Project Number: NOT GIVEN Project Name: NOT GIVEN Project Location: NOT GIVEN

Analysis Date: 04/03/07 Sampling Date: 04/02/07 Sample Type: SOIL Sample Condition: COOL & INTACT Sample Received By: BC Analyzed By: HM

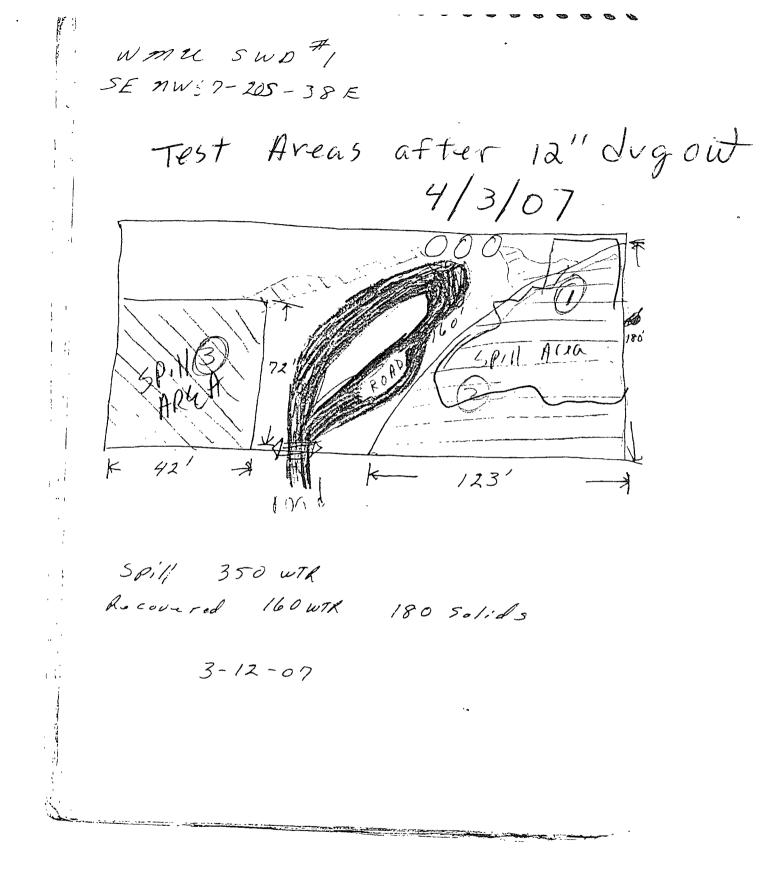
| LAB NO. SAMPLE ID H12413-1 WMU SWD #1 H12413-2 WMU SWD #2 H12413-3 WMU SWD #3 | (mg/Kg) 3071 9117 256 | 3 | see Next Page |
|--|--------------------------------|---|---------------------|
| H12413-2 WMU SWD #2 | 9117 | 5 | see Next Page |
| | | 5 | Next Page |
| H12413-3 WMU SWD #3 | 256 | | page |
| | | | page |
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| | | 1 | |
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| | | | |
| | | 1 | |
| | | 1 | |
| Quality Control | 490 | 1 | |
| True Value QC | 500 | 1 | |
| % Recovery | 98 | | |
| Relative Percent Difference | 0.0 |] | |

METHOD: Standard Methods 4500-CI⁻B NOTE: Analyses performed on 1:4 w:v aqueous extracts.

-03-0

H12413

PLEASE NOTE: Liability and Damages. Cardinal's liability and client's exclusive remedy for any claim ansing, 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 ansing 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





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

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

ANALYTICAL RESULTS FOR OXY PERMIAN ATTN: TONY SUMMERS 1017 W. STANOLIND RD. HOBBS, NM 88240 FAX TO: (505) 397-8205

Receiving Date: 04/16/07 Reporting Date: 04/17/07 Project Number: NOT GIVEN Project Name: WMU SWD Project Location: WMU SWD Analysis Date: 04/17/07 Sampling Date: 04/16/07 Sample Type: SOIL Sample Condition: COOL & INTACT Sample Received By: NF Analyzed By: AB

Next,

| LAB NUMBER | SAMPLE ID | CI [—] (mg/Kg) | | |
|----------------------|--------------------------|----------------------------|---------------|----------|
| H12467-1 | WMU SWD 1A | 800 | $\frac{1}{2}$ | Se Pc |
| H12467-2 H12467-3 | WMU SWD 2A WMU SWD 3A | 1264 4479 | 5 | PC |
| | | | | |
| Quality Control | | 500 | | |
| True Value QC | | 500 | 1 | |
| % Recovery | | 100 | | |
| Relative Percent I | Difference | 1.0 | | |

METHOD: Standard Methods

Note: Analyses performed on 1:4 w:v ageuous extracts.

hernist

<u>24-17-07</u> Date

4500-CI⁻B

H12467

PLEASE NOTE Liability and Damages Cardinal's liability and client's exclusive remedy for any claim ansing, 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

WMEL SWD #1 SE nW57-205-38E Test areas after 16" dug out 4/17/07 180 6. P.1 (2)(10 72 42 K -7 123' 106 d Spill 350 wTR Recovered 160 WTX 180 Solids 3-12-07

