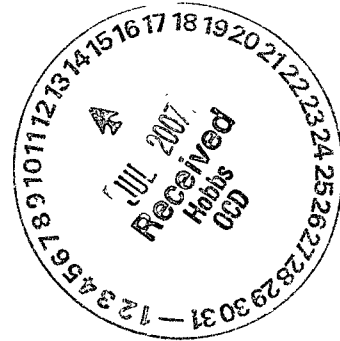




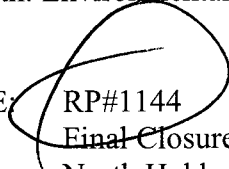
Occidental Permian Limited Partnership

July 10, 2006

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



Attn: Environmental Engineering

RE:  RP#1144
Final Closure Letter
North Hobbs Unit Satellite #32W-C 3" Steel Injection Line
UL 'K', Sec. 32, T-18-S, R-38-E

Leak occurred on 11/27/2006, at approximately 09:00 AM. A 3" Steel Zaploc injection line used to transfer water from North Hobbs Unit Satellite #32W-C to the North Hobbs Unit Remote Header #32B developed a pin hole causing spill. Valves on both ends of the line, at the headers, were shut to isolate leak. The normal rate for the North Hobbs Unit Remote Header #32B 5000-7000 bbls/day at a pressure of about 1450 psig. The area affected by this spill is an area measuring approximately 60' wide and 180' long on the north side of North Hobbs Unit Satellite #32 W-C fence. The actual leak was at the east end of the Duke Meter Run outside the satellite fence. An estimated 20 barrels of produced water was spilled. 5 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:

20 MW/OCD
7-18-07

1. Piping was excavated and repaired.
2. Affected area was excavated and soil was disposed of at Sundance Services, Parabo Facility near Eunice, NM. Approximately 36 yards of dirt removed and disposed of.
3. Soil samples were gathered from affected area. Area sampled on 06/28/2007, see map for sample points.
4. NMOCD guidelines were used to insure entire site is in compliance with guidelines.

November 28, 2006

Page 2

5. Any soils removed will be replaced with clean fresh soils, where needed.
6. Soil analysis data will be submitted with final closure letter. See attached Cardinal Lab analysis data dated 6/29/07 and 7/3/07.

Sample analysis indicate that BTEX and TPH is non-detect and chlorides are well below guideline levels. No further work is planned for this site. 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 fluid and cursive, with the first name "Steven" being more prominent than the last name "Bishop".

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

Attachments: Final C-141

Cardinal Labs soil analysis data dated 6/29/07 and 7/3/07

Hand drawn map of spill site showing sample points

North Hobbs Unit Water Analysis taken at North Hobbs Unit North Inj. Btty

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 Inj. Line	Facility Type Production

Surface Owner Oxy Permian	Mineral Owner	Lease No.
---------------------------	---------------	-----------

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°42'05.70" Longitude W103°10'23.39"

NATURE OF RELEASE

Type of Release Injection Water	Volume of Release 20 bbls water	Volume Recovered 5 bbls water
Source of Release 3" steel injection line	Date and Hour of Occurrence 11/27/2006 09:00 AM	Date and Hour of Discovery 11/27/2006 09:00 AM
Was Immediate Notice Given? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? N/A	
By Whom? N/A	Date and Hour N/A	
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

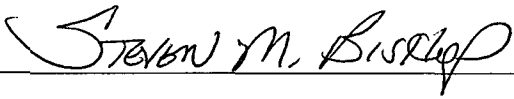

Describe Cause of Problem and Remedial Action Taken.*

A 3" steel zaploc injection line from the injection header at NHU Satellite 32W-C to Remote Header #32B developed a pin hole causing leak. Valves were shut at both ends of the line, at the headers, to stop the leak. All fluid possible was picked up via vacuum truck. Line was excavated and repaired.

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 60' wide and approximately 180' along the north fence of the North Hobbs Unit Satellite #32W-C location. Affected area is along a caliche lease road with a small amount of vegetation along the lease road. Affected area was remediated to NMOCD Guidelines for leak and spills. (RP#1144)

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: Steven M. Bishop	Approved by District Supervisor: 	
Title: HES Technician	Approval Date: 7-18-07	Expiration Date: —
E-mail Address: Steven_Bishop@oxy.com	Conditions of Approval	Attached <input type="checkbox"/>
Date: 07/10/2007	Phone: (505) 397-8251	

* Attach Additional Sheets If Necessary

RP# 1144



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: 06/28/07
Reporting Date: 06/29/07
Project Owner: OXY
Project Name: NHU SAT 32 W
Project Location: HOBBS, NM

Sampling Date: 06/28/07
Sample Type: SOIL
Sample Condition: COOL & INTACT
Sample Received By: AB
Analyzed By: AB

LAB NUMBER	SAMPLE ID	BENZENE (mg/Kg)	TOLUENE (mg/Kg)	ETHYL BENZENE (mg/Kg)	TOTAL XYLENES (mg/Kg)
ANALYSIS DATE		06/29/07	06/29/07	06/29/07	06/29/07
H12833-1	SAMPLE POINT 1	<0.002	<0.002	<0.002	<0.006
H12833-2	SAMPLE POINT 2	<0.002	<0.002	<0.002	<0.006
H12833-3	SAMPLE POINT 3	<0.002	<0.002	<0.002	<0.006
H12833-4	BACKGROUND	<0.002	<0.002	<0.002	<0.006
Quality Control		0.112	0.105	0.105	0.322
True Value QC		0.100	0.100	0.100	0.300
% Recovery		112	105	105	107
Relative Percent Difference		1.2	2.8	3.0	3.1

METHOD: EPA SW-846 8021B

Dwight A. Cook
Chemist

6/29/07
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 analytical services. 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 or 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: 06/28/07
Reporting Date: 07/03/07
Project Owner: OXY
Project Name: NHU SAT 32 W
Project Location: HOBBS, NM

Sampling Date: 06/28/07
Sample Type: SOIL
Sample Condition: COOL & INTACT
Sample Received By: AB
Analyzed By: LB/HM

LAB NUMBER	SAMPLE ID	GRO (C ₈ -C ₁₂) (mg/Kg)	DRO (>C ₁₂ -C ₂₈) (mg/Kg)	CI* (mg/Kg)
		06/29/07	06/29/07	06/29/07
H12833-1	SAMPLE POINT 1	<25.0	<25.0	96
H12833-2	SAMPLE POINT 2	<25.0	<25.0	80
H12833-3	SAMPLE POINT 3	<25.0	<25.0	80
H12833-4	BACKGROUND	<25.0	<25.0	<16
Quality Control		1130	870	500
True Value QC		1000	1000	500
% Recovery		113	87.0	100
Relative Percent Difference		11.4	9.9	<0.1

METHODS: TPH GRO & DRO: EPA SW-846 8015 M; CI: Std. Methods 4500-CIB

*Analyses performed on 1:4 w/v aqueous extracts.


Chemist

7/3/07
Date

H12833A BBC

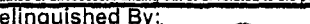

PLEASE NOTE: Liability and Damages: Cardinal's liability and client's exclusive remedy for any claim arising, whether based in contract or tort, shall be limited to the amount paid by client for analysis. All claims, including those for negligence and any other cause whatsoever shall be deemed waived 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.



CHAIN-OF-CUSTODY AND ANALYSIS REQUEST

1 of 1

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>6/8</u>	Received By:	Phone Result: <input type="checkbox"/> Yes <input type="checkbox"/> No	Add'l Phone #:
		Time: <u>12:30</u>		Fax Result: <input type="checkbox"/> Yes <input type="checkbox"/> No	Add'l Fax #:
Relinquished By:		Date:	Received By: 	REMARKS:	
		Time: <u>3:45</u>			
Delivered By: (Circle One)			Sample Condition	CHECKED BY: (Initials)	
Sampler - UPS - Bus - Other:			Cool <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Intact <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		

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

SPILL MAP

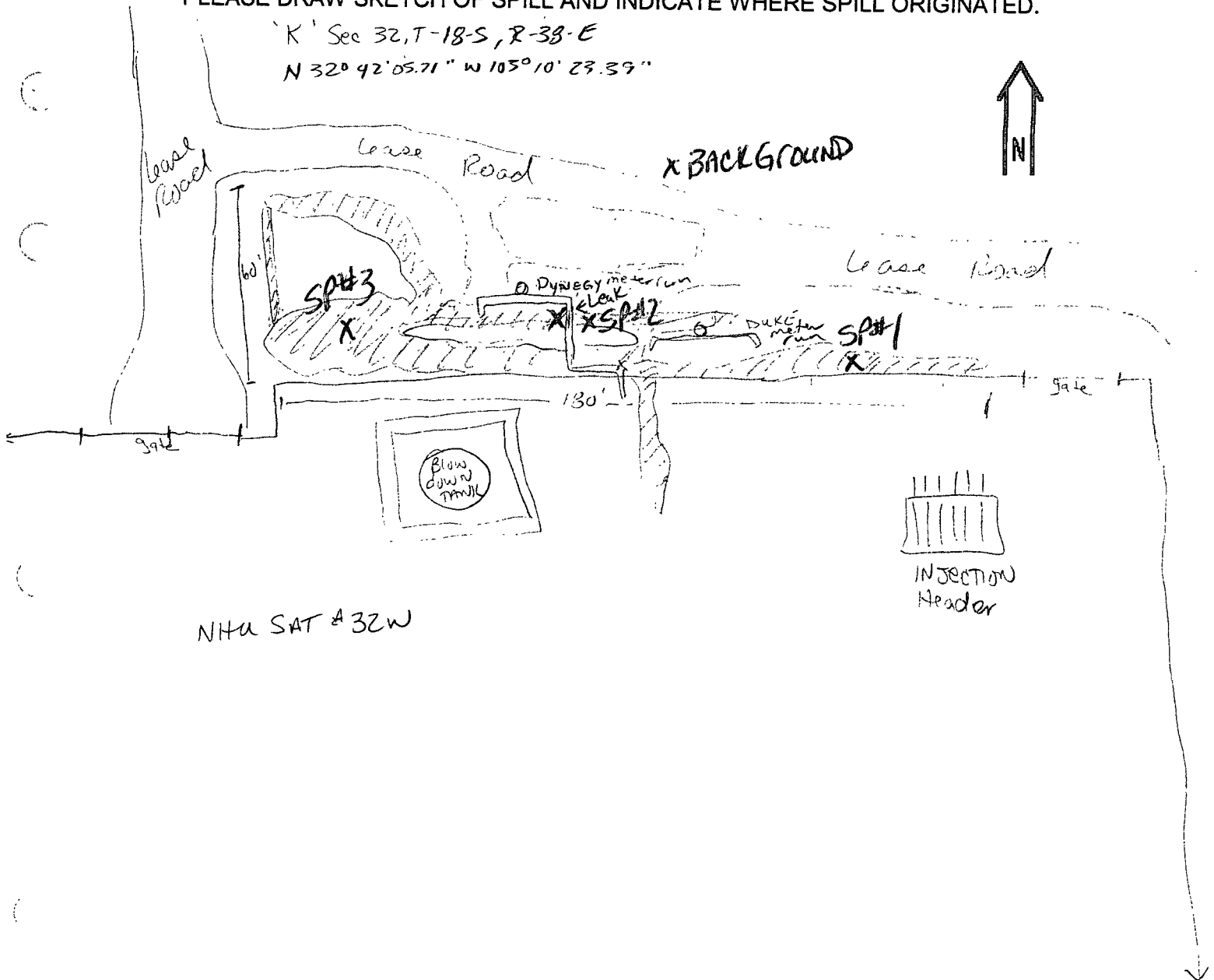
11/27/06 SAT 32W Ø B.O. X 20 BW - Rec 5 BW

32 B Remote Header 3" 2" back line

PLEASE DRAW SKETCH OF SPILL AND INDICATE WHERE SPILL ORIGINATED.

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

N 32° 42' 05.71" W 105° 10' 29.39"



MITCHELL ANALYTICAL LABORATORY

2638 Faudree
Odessa, Texas 79765-8538
561-5579

Company: **Nalco Energy Services**

Well Number: NHU NIB Pump #2
Lease: OXY
Location:
Date Run: 5/18/2007
Lab Ref #: 07-may-n34698

Sample Temp: 70
Date Sampled: 5/14/2007
Sampled by: Kevin Chiles
Employee #:
Analyzed by: DOM

Dissolved Gases

		Mg/L	Eq. Wt.	MEq/L
Hydrogen Sulfide (H2S)		85.00	16.00	5.31
Carbon Dioxide (CO2)	NOT ANALYZED			
Dissolved Oxygen (O2)	NOT ANALYZED			

Cations

		Mg/L	Eq. Wt.	MEq/L
Calcium (Ca++)		804.00	20.10	40.00
Magnesium (Mg++)		200.08	12.20	16.40
Sodium (Na+)		3,372.01	23.00	146.61
Barium (Ba++)	NOT ANALYZED			
Manganese (Mn+)		.08	27.50	.00

Anions

		Mg/L	Eq. Wt.	MEq/L
Hydroxyl (OH-)		.00	17.00	.00
Carbonate (CO3=)		.00	30.00	.00
BiCarbonate (HCO3-)		2,224.04	61.10	36.40
Sulfate (SO4=)		700.00	48.80	14.34
Chloride (Cl-)		5,405.94	35.50	152.28
Total Iron (Fe)		0.23	18.60	.01
Total Dissolved Solids		12,791.38		
Total Hardness as CaCO3		2,830.33		
Conductivity MICROMHOS/CM		17,910		

pH 7.280 Specific Gravity 60/60 F. 1.009

CaSO4 Solubility @ 80 F. 10.94 MEq/L, CaSo4 scale is likely

CaCO3 Scale Index

70.0	1.045	100.0	1.385	130.0	1.945
80.0	1.165	110.0	1.645	140.0	1.945
90.0	1.385	120.0	1.645	150.0	2.225

Nalco Energy Services