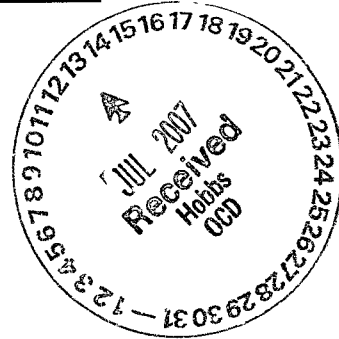




Occidental Permian Limited Partnership

July 10, 2007

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



Attn: Environmental Engineering

RE: Remediation Plan
South Hobbs Unit #33 3" Steel Injection Line
UL 'G', Sec. 4, T-19-S, R-38-E

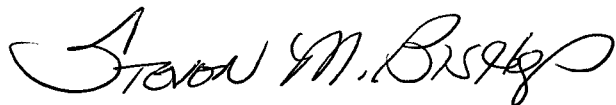
Leak occurred on 02/26/2007, at approximately 12:00 PM. A 3" steel injection line used to transfer water from South Hobbs Unit Injection Building #1 to the South Hobbs Unit Well #33 developed a hole causing spill. Valves on both ends of the line were shut to isolate leak. The normal rate for the South Hobbs Unit well #33 is approximately 1600 bbls/day at a pressure of about 1000 psig. The area affected by this spill is an area measuring approximately 60' wide and 300' long, at the widest points, to the south of South Hobbs Unit #33. An estimated 35 barrels of injection water was spilled. Approximately 21 bbls of water was recovered via vacuum truck. Occidental Permian LTD. is the surface owner and utilizes for the sole purpose of oil and gas production. The area consists of sand, rocks and normal vegetation. Depth to ground water according to State Engineers Office is an average of 48', for all wells in the area, giving this spill site a ranking of 20. Remediation of the spill site was as follows:

1. Piping was excavated and is awaiting replacement.
2. Affected area was excavated and soil removed was disposed of at Sundance Services, Parabo Faciltiy near Eunice, NM. Approximately 228 yards were disposed of.
3. Soil samples were gathered from affected area. Area was sampled on 06/28/2007 see attached map for sample points.
4. NMOCD guidelines were used to insure entire site is in compliance with guidelines.
5. Any soils removed will be replaced with clean fresh soils, where needed.

6. Soil analysis data is attached with this final closure letter. See attached Cardinal Lab soil analysis data dated 6/29/2007 and 7/03/2007.

Soil analysis shows BTEX and TPH is non- detect. Chloride levels show slight elevation over background, but there is excellent growth of native vegetation over the entire area. We feel there will be no further impact of this area due to this spill and no further work is planned for this site. The flow line was not repaired and will be replaced at a later date.

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 and the last name "Bishop" following in a similar style.

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

Attachments: Final C-141
Cardinal Lab soil analysis data dated 6/29/07 and 7/03/07
Hand drawn map of spill area showing sample points
Latest South Hobbs Unit Water Analysis taken at South Hobbs Unit Central T/B

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	South Hobbs Unit #33	Facility Type	Production

Surface Owner	Occidental Permian LTD.	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
'G'	4	19-S	38-E					LEA

Latitude 32°41'15.90" Longitude 103°10'49.40"

NATURE OF RELEASE

Type of Release Injection water	Volume of Release 35 bbls water	Volume Recovered 21 bbls water
Source of Release 3" steel injection line	Date and Hour of Occurrence 02/26/2007 12:00 PM	Date and Hour of Discovery 02/26/2007 12:00 PM
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? Patricia Caperton via Voice Mail	
By Whom? Steven M Bishop	Date and Hour 02/26/2007 02:53 PM	
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.*

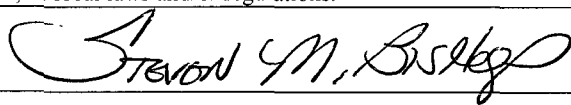
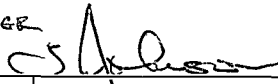
Describe Cause of Problem and Remedial Action Taken.*

Operators discovered a leak just south of South Hobbs Unit Injection Well #33. Shut valves on injection header inside building #1 going to South Hobbs Unit Injection Well #33, and wellhead valves to stop leak. Recovered 21 bbls of injection water via vacuum truck.

Describe Area Affected and Cleanup Action Taken.*

Spilled fluid ran approximately 300' to the south of South Hobbs Unit Well #33. Fluid ran across sandy pasture and accumulated in a corner of the Nolan H Brunson yard southwest of the spill site. Area affected outside of NHB yard is owned by Occidental Permian LTD and is used primarily for oil and gas production. Area was remediated to NMOCD spill guidelines. Flowline was not repaired and will be replaced at a later date.

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: <u>7.18.07</u>	Expiration Date: <u> </u>
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

API# 30025076000000

RP# 1239



ARDINAL LABORATORIES

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

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

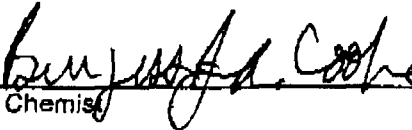
ANALYTICAL RESULTS FOR
BBC INTERNATIONAL, INC.
ATTN: CLIFF BRUNSON
P.O. BOX 805
HOBBS, NM 88241
FAX TO: (505) 397-0397

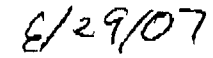
Receiving Date: 06/28/07
Reporting Date: 06/29/07
Project Owner: OXY
Project Name: SOUTH HOBBS UNIT WELL #33
Project Location: HOBBS, NM

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
H12832-1	SAMPLE POINT 1	<0.002	<0.002	<0.002	<0.006
H12832-2	SAMPLE POINT 2	<0.002	<0.002	<0.002	<0.006
H12832-3	SAMPLE POINT 3	<0.002	<0.002	<0.002	<0.006
H12832-4	SAMPLE POINT 4	<0.002	<0.002	<0.002	<0.006
H12832-5	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	2.6	3.0	3.1

METHOD: EPA SW-846 8021B


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 analysis. All claims, including those in negligence and any other cause whatsoever shall be deemed waived unless made in writing and received by Cardinal within ninety (90) 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) 393-7326 • 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: SOUTH HOBBS UNIT WELL #33
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 ₆ -C ₁₂) (mg/Kg)	DRO (>C ₁₂ -C ₂₈) (mg/Kg)	CI* (mg/Kg)
		06/29/07	06/29/07	06/29/07
H12832-1	SAMPLE POINT 1	<25.0	<25.0	320
H12832-2	SAMPLE POINT 2	<25.0	<25.0	528
H12832-3	SAMPLE POINT 3	<25.0	<25.0	400
H12832-4	SAMPLE POINT 4	<25.0	28.7	464
H12832-5	BACKGROUND	<25.0	<25.0	48
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

H12832A BBC

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CHAIN-OF-CUSTODY AND ANALYSIS REQUEST

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.

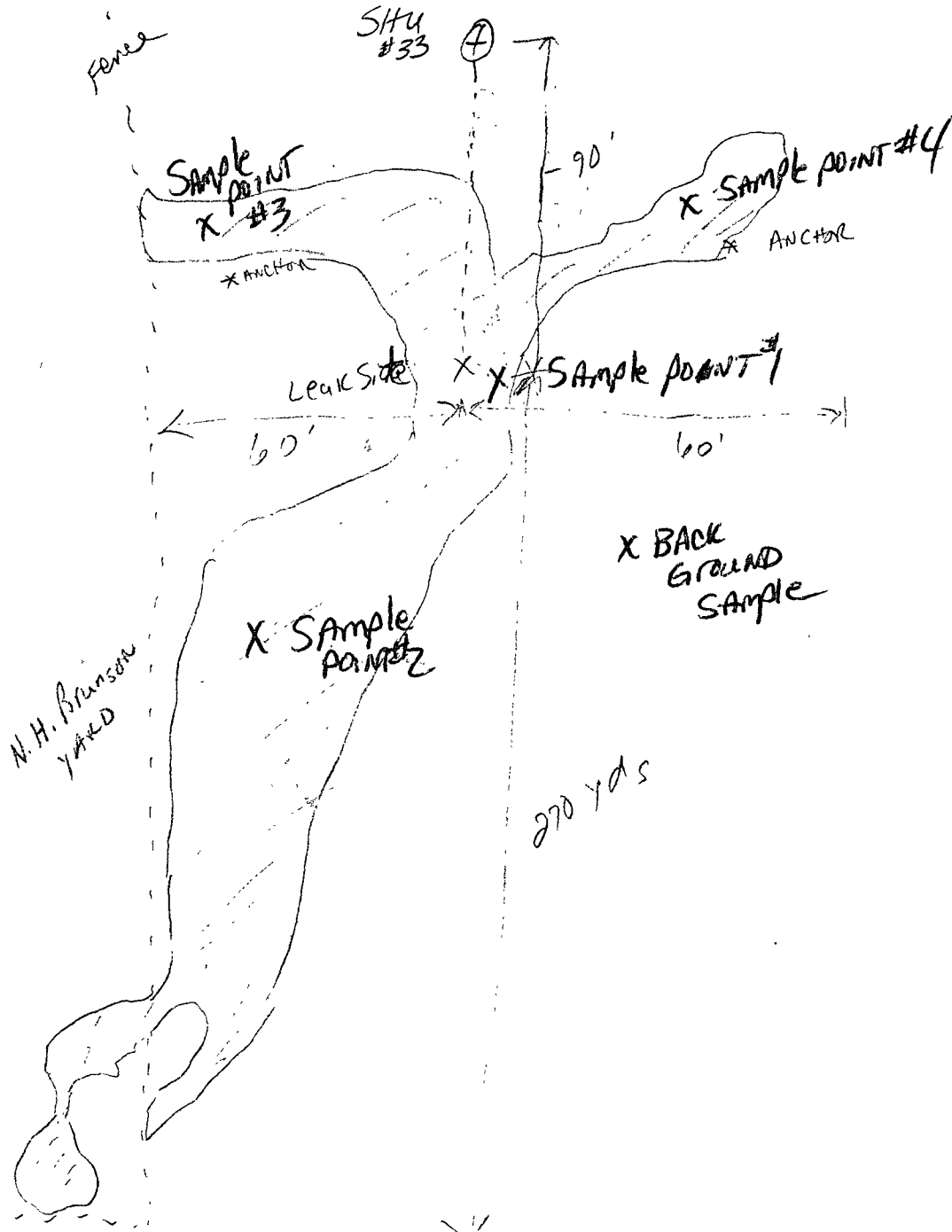
† Cardinal cannot accept verbal changes. Please fax written changes to 505-393-2476

Pat Cooper, Inc. 2:53 PM

SPILL MAP

2/26/07 PLEASE DRAW SKETCH OF SPILL AND INDICATE WHERE SPILL ORIGINATED.
12:00 Noon

416 G' Sec 4 T-19-S R-38-E INSECTION W11272 Spill
STN #33 INSECTION LEAK Spill 0 x 35 SW
N 32° 41' 24.10" W 103° 01' 00.90" Rec 0 x 21 SW



MITCHELL ANALYTICAL LABORATORY

2638 Faudree
Odessa, Texas 79765-8538
561-5579

Company: **Nalco Energy Services**

Well Number: SHU T-Pump
Lease: OXY
Location:
Date Run: 5/18/2007
Lab Ref #: 07-may-n34696

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	(H ₂ S)	259.00	16.00	16.19
Carbon Dioxide	(CO ₂)	NOT ANALYZED		
Dissolved Oxygen	(O ₂)	NOT ANALYZED		

Cations

Calcium	(Ca++)	450.24	20.10	22.40
Magnesium	(Mg++)	156.16	12.20	12.80
Sodium	(Na+)	2,752.45	23.00	119.67
Barium	(Ba++)	NOT ANALYZED		
Manganese	(Mn+)	.06	27.50	.00

Anions

Hydroxyl	(OH-)	.00	17.00	.00
Carbonate	(CO ₃ =)	.00	30.00	.00
BiCarbonate	(HCO ₃ -)	1,490.84	61.10	24.40
Sulfate	(SO ₄ =)	450.00	48.80	9.22
Chloride	(Cl-)	4,304.73	35.50	121.26
Total Iron	(Fe)	0.14	18.60	.01
Total Dissolved Solids		9,863.62		
Total Hardness as CaCO ₃		1,765.86		
Conductivity MICROMHOS/CM		13,180		

pH 7.790 Specific Gravity 60/60 F. 1.007

CaSO₄ Solubility @ 80 F. 14.48 MEq/L, CaSO₄ scale is unlikely

CaCO₃ Scale Index

70.0	1.440	100.0	1.790	130.0	2.300
80.0	1.570	110.0	2.030	140.0	2.300
90.0	1.790	120.0	2.030	150.0	2.530

Nalco Energy Services