



Occidental Permian Limited Partnership

July 23, 2007

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



Attn: Environmental Engineering

RE: 1RP-1238

Final Closure Letter
South Hobbs Unit Satellite #1 Test Vessel
UL 'K', Sec. 5, T-19-S, R-38-E

Leak occurred on 02/28/2007, and was discovered at 12:00 PM. A sight glass on the test vessel at South Hobbs Unit Satellite #1 broke causing spill. Valves were closed behind the sight glass to isolate leak. There was no wells switched to this vessel at time of incident. The area affected by this spill is an area measuring approximately 20' wide and 100' long, total, to the south and east of South Hobbs Unit Satellite #1. An area of approximately 20' X 60' was affected, in grassy pasture, that belongs to the landowner. An estimated 15 barrels of produced water was spilled. Approximately 10 bbls of water was recovered via vacuum truck. Mr. Dee A. Cochran is the surface owner and utilizes the area for grazing. Depth to ground water according to State Engineers Office is an average of 35', for all wells in the area, giving this spill site a ranking of 20. Remediation of the spill site was as follows:

1. Affected area was excavated and soil was disposed of at Sundance Services, Parabo Facility near Eunice, NM. 36 yards of soil was taken to the Parabo Facility.
2. Soil samples were gathered from affected area. See attached map for sample points and depths.
3. NMOCD guidelines were used to insure entire site is in compliance with guidelines.
4. Any soils removed will be replaced with clean fresh soils, where needed.
5. Soil analysis data is submitted with this final closure letter. See attached Cardinal Labs soil analysis data dated 07/17/2007.

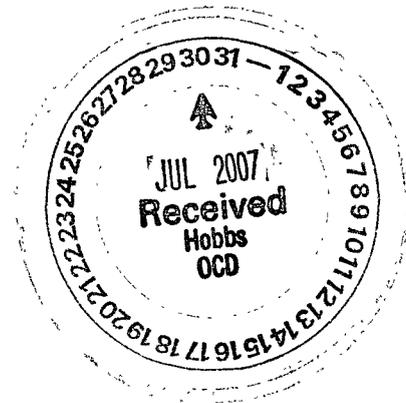
Soil analysis data shows that TPH and BTEX is non-detect. Chloride levels while slightly elevated over background are well beneath the attached water analysis data for the South Hobbs Unit. Due to the minimal amount spilled and low levels measured in the soil analysis, Oxy believes no future damage will occur as result of this spill, and plans no further work at this site.

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



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

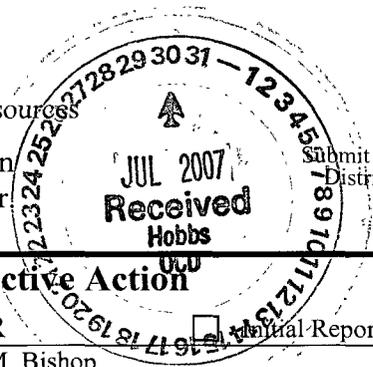
Attachments: Final C-141
Hand drawn map of spill area, showing sample points and depths of samples
Cardinal Lab soil analysis data dated 07/17/2007 (3 pages)
Latest South Hobbs Unit Water Analysis taken at South Hobbs Unit Central T/B



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 Satellite #1	Facility Type Production

Surface Owner Mr. Dee A. Cochran	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'	5	19-S	38-E					LEA

Latitude 32°41'10.03" Longitude 103°10'22.17"

NATURE OF RELEASE

Type of Release Produced water only	Volume of Release 15 bbls water	Volume Recovered 10 bbls water
Source of Release Broken Sight Glass on Test Vessel	Date and Hour of Occurrence 02/28/2007 12:00 PM	Date and Hour of Discovery 02/28/2007 12:00 PM
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.*

Describe Cause of Problem and Remedial Action Taken.*

Operators discovered a broken sight glass on the test vessel at South Hobbs Unit Satellite #1. There was no production switched to this vessel at the time but pressure had allowed water to exit the vessel from the broken sight glass. Valves were closed behind the sight glass to isolate the leak. All fluid possible was picked up via vacuum truck. 10 bbls of water was recovered.

Describe Area Affected and Cleanup Action Taken.*

Spilled fluid ran approximately 50' across the caliche pad of Satellite #1, then into an area of approximately 20' X 60' of grassy pasture belonging to land owner. All fluid possible was recovered via vacuum truck. Land owner was contacted regarding the spill. Area was remediated to NMOCD spill guidelines.

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	
	Approved by District Supervisor:	
Printed Name: Steven M. Bishop	Approval Date: <u>8.2.07</u>	Expiration Date:
Title: HES Technician	Conditions of Approval:	
E-mail Address: Steven Bishop@oxy.com	Attached <input type="checkbox"/>	
Date: 07/23/2007	Phone: (505) 397-8251	

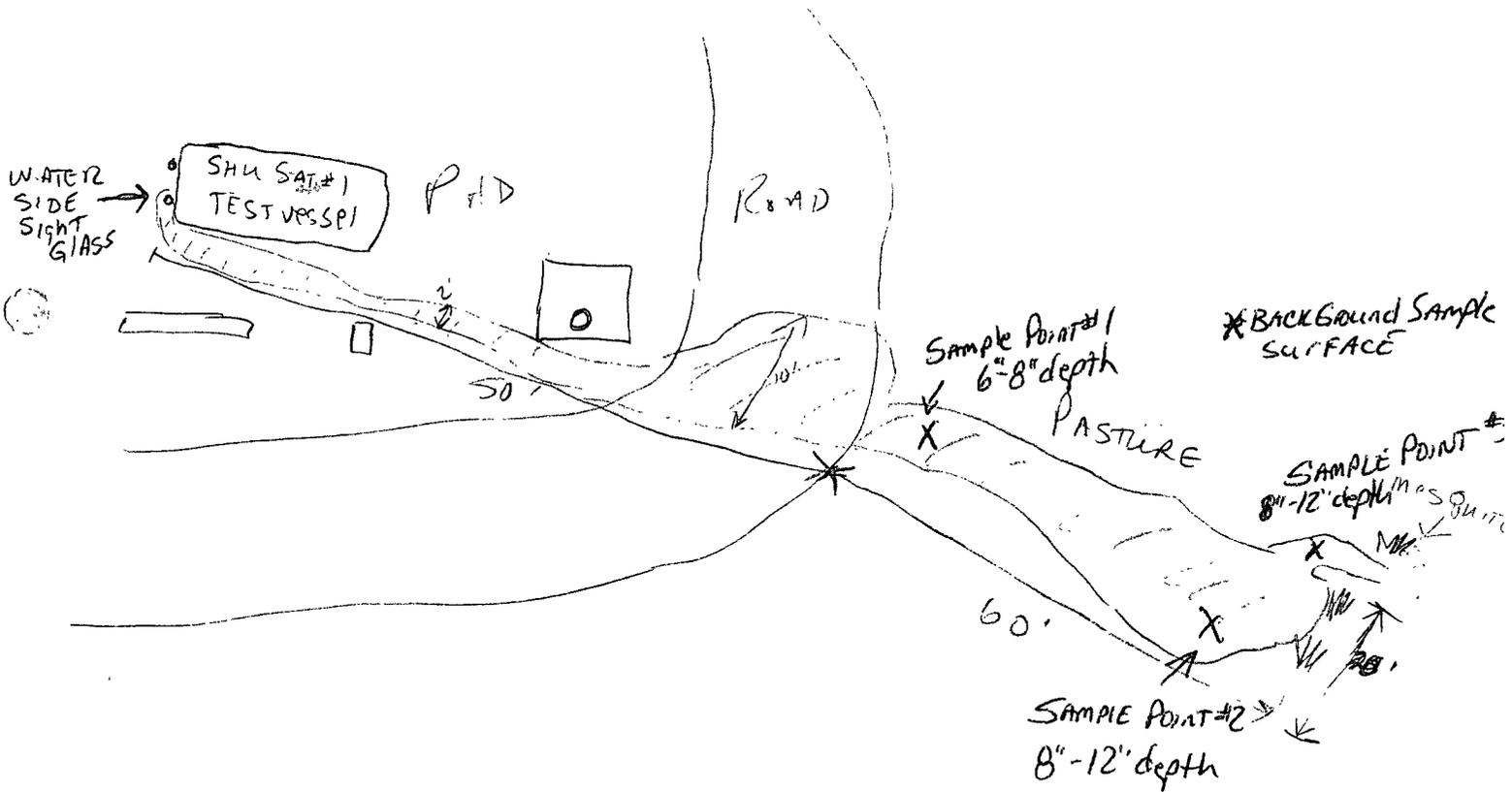
* Attach Additional Sheets If Necessary

RPT# 1238

SPILL MAP

PLEASE DRAW SKETCH OF SPILL AND INDICATE WHERE SPILL ORIGINATED.

02/28/07 ØBO x 15 BW REC ØBO x 10 BW
SHU SAT #1 BROKEN SITE GLASS ON TEST SEPARATOR
UL'K' Sec 5, T-19 S, R-33-E
N 32° 41' 10.03" W 103° 10' 22.17"





PHONE (815) 673-7001 • 2117 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: 07/16/07
 Reporting Date: 07/17/07
 Project Owner: OXY
 Project Name: SHU SATT. #1
 Project Location: HOBBS, NM

Sampling Date: 07/16/07
 Sample Type: SOIL
 Sample Condition: 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		07/16/07	07/16/07	07/16/07	07/16/07
H12895-1	SP 1	<0.002	<0.002	<0.002	<0.006
H12895-2	SP 2	<0.002	<0.002	<0.002	<0.006
H12895-3	SP 3	<0.002	<0.002	<0.002	<0.006
H12895-4	BACKGROUND	<0.002	<0.002	<0.002	<0.006
Quality Control		0.115	0.100	0.104	0.313
True Value QC		0.100	0.100	0.100	0.300
% Recovery		115	100	104	104
Relative Percent Difference		15.1	10.3	12.4	10.7

METHOD: EPA SW-846 8021 B

Bryce J. Cochran
 Chemist

7/17/07
 Date

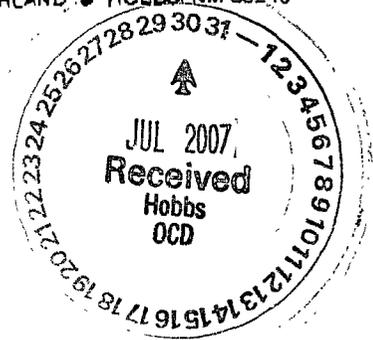
PLEASE NOTE: Liability and Damages. Cardinal's liability and client's exclusive remedy for any claim arising, whether based in contract or tort, shall be limited to the amount paid by client for analyses. All claims, including those for negligence and any other cause whatsoever shall be deemed waived unless made in writing and received by Cardinal within thirty (30) days after completion of the applicable service. Cardinal shall not be liable for incidental or consequential damages, including, without limitation, business interruptions, loss of use or loss of profit incurred by client, its subsidiaries 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 (916) 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 806
HOBBS, NM 88241
FAX TO: (505) 397-0397

Receiving Date: 07/16/07
Reporting Date: 07/17/07
Project Owner: OXY
Project Name: SHU SATT, #1
Project Location: HOBBS, NM

Sampling Date: 07/16/07
Sample Type: SOIL
Sample Condition: INTACT
Sample Received By: AB
Analyzed By: BC/HM

LAB NUMBER	SAMPLE ID	GRO (C ₆ -C ₁₀) (mg/Kg)	DRO (>C ₁₀ -C ₂₈) (mg/Kg)	Cl ⁻ (mg/Kg)
	ANALYSIS DATE	07/16/07	07/16/07	07/16/07
H12895-1	SP 1	<10.0	18.3	416
H12895-2	SP 2	<10.0	<10.0	256
H12895-3	SP 3	<10.0	<10.0	32
H12895-4	BACKGROUND	<10.0	<10.0	<16
	Quality Control	758	751	510
	True Value QC	800	800	500
	% Recovery	94.7	93.9	102
	Relative Percent Difference	6.1	6.4	2.0

METHODS: TPH GRO & DRO: EPA SW-846 8015 M; Cl⁻: Std. Methods 4500-Cl⁻B

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

Brunson, Cliff
Chemist

7/17/07
Date

H12895A 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 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.

CHAIN-OF-CUSTODY AND ANALYSIS REQUEST



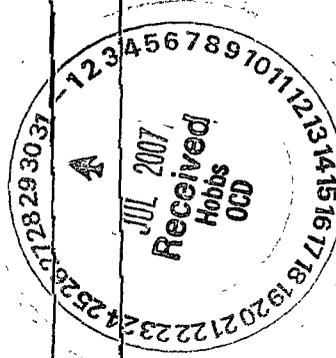
CARDINAL LABORATORIES, INC.

2111 Beechwood, Abilene, TX 79603 101 East Marland, Hobbs, NM 88240
 (915) 673-7001 Fax (915) 673-7020 (505) 393-2326 Fax (505) 393-2476

Page 1 of 1

Company Name: BBC International	BILL TO	ANALYSIS REQUEST	
Project Manager: Cliff Baudson	P.O. #:		
Address: 1324 W. Marland	Company:		
City: Hobbs State: NM Zip: 88240	Addr:		
Phone #: (505) 397-6388 Fax #: (505) 397-0397	Address:		
Project #: _____ Project Owner: OKY	City:		
Project Name: SHU salt #1	State: Zip:		
Project Location: Hobbs New Mexico	Phone #:		
Sampler Name: Roger Hernandez	Fax #:		

Lab I.D.	Sample I.D.	# CONTAINERS	MATRIX							PRESERV.		SAMPLING		DATE	TIME	TRH	BTEX	CL-
			GROUNDWATER	WASTEWATER	SOIL	CRUDE OIL	SLUDGE	OTHER	ACID/BASE	ICE / COOL	OTHER							
H12895-1	SP1	1											7/14	8:40	✓	✓	✓	
-2	SP2	1											7/14	8:45	✓	✓	✓	
-3	SP3	1											7/14	8:50	✓	✓	✓	
-4	Background	1											7/14	8:55	✓	✓	✓	



PLEASE NOTE: Liability and Damages, Cardinal Laboratory and clients assume liability for any claim arising out of use of the sample, and be limited to the amount paid by the client for the analysis. All results are subject to the accuracy of the data provided and the accuracy of the data provided. Cardinal Laboratory and clients assume liability for any claim arising out of use of the sample, and be limited to the amount paid by the client for the analysis. All results are subject to the accuracy of the data provided and the accuracy of the data provided.

Sampler Relinquished: Roger Hernandez	Date: 7/14/07	Received By:	Phone Result: <input type="checkbox"/> Yes <input type="checkbox"/> No	Add'l Phone #:
Relinquished By:	Date:	Received By: (Lab Staff)	Fax Result: <input type="checkbox"/> Yes <input type="checkbox"/> No	Add'l Fax #:
Delivered By: (Circle One)	Sample Condition	Checked By: (Initials)	REMARKS:	
Sampler - UPS - Bus - Other:	Coal Intact <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	AB		

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

