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
District IV

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

1220 S St Francis Dr, Santa Fe, NM 87505 Santa Fe, NM 87505 **Release Notification and Corrective Action** Initial Report **OPERATOR** 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 Test Site #502 Facility Type Production Lease No Surface Owner Mr. Malcolm Coombes Mineral Owner API 30 025 29411 LOCATION OF RELEASE Township Feet from the North/South Line Feet from the East/West Line County Unit Letter Section Range 19-S 38-E **LEA** 'M' Latitude N32°41'06.80" Longitude W103°07`38.50" NATURE OF RELEASE Volume of Release Volume Recovered Type of Release 10 bbls water Produced water only 0 bbls water Source of Release Date and Hour of Occurrence Date and Hour of Discovery Header 01/15/2008 2:00 PM 01/15/2008 2:00 PM Was Immediate Notice Given? If YES, To Whom? ☐ Yes ☐ No ☐ Not Required Date and Hour By Whom? N/A Was a Watercourse Reached? If YES, Volume Impacting the Watercourse MAR 3 1 2008 ☐ Yes ☒ No N/A If a Watercourse was Impacted, Describe Fully * Describe Cause of Problem and Remedial Action Taken.* Gang was changing a three way ball valve on header at the South Hobbs Unit Test Site #502. When the valve was broke loose it was discovered a valve on the header was not holding and fluid was released. Gang held valve shut while a new three was valve was installed, and new valve was installed on both sides of three way valve. Most fluid was around header and in a caliche lease road. A 2' x 120' stream ran to the south down a track in the lease road. An area about 10' X 60' did enter the pasture to the south of the header. Land owner was informed about water in pasture. Describe Area Affected and Cleanup Action Taken * Spilled fluid ran around header and approximately 120' to the south down a caliche lease road. A small area of pasture approximately 10' x 60' to the south of the location was also affected. Was unable to recover any fluid. Land owner was contacted regarding the spill. Area was remediated to NMOCD spill guidelines. Area was delineated, affected soils hauled to Parabo facility, new soil brought in as needed. No further work is planned for this worksite. 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: Approved by District PAPPINSONMENTAL ENGINEER Printed Name. Steven M. Bishop Approval Date: 4.4.03 Title: HES Technician Expiration Date E-mail Address: Steven_Bishop@oxy com Conditions of Approval: Attached [

* Attach Additional Sheets If Necessary

Date: 03/27/2008

FCOHO809831182

Phone (505) 397-8251



PHONE (575) 393-2326 • 101 E. MARLAND • HOBBS, NM B8240

ANALYTICAL RESULTS FOR BBC INTERNATIONAL, INC. ATTN: CLIFF BRUNSON P.O. BOX 805 HOBBS, NM 88241 FAX TO: (575) 397-0397

Receiving Date: 03/25/08 Reporting Date: 03/26/08 Project Owner: OXY

Project Name: SHU TEST SITE 502
Project Location: SOUTH HOBBS, NM

Analysis Date: 03/26/08 Sampling Date: 03/25/08 Sample Type: SOIL

Sample Condition: COOI. & INTACT

Sample Received By: ML

Analyzed By: HM

		CIT
LAB NUMBER	SAMPLE ID	(mg/kg)
H14507-1	SP1 @ SURFACE	< 16
H14507-2	SP2 @ SURFACE	< 16
H14507-3	BG	< 16
Quality Control		500
True Value QC	500	
	- 	
% Recovery Relative Percent		100

METHOD: Standard Methods 4500-CIB

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

Chemist

03-16-08

Date

H14507 BBC

5053970397

ARDINAL LABORATORIES

CHAIN-OF-CUSTODY AND ANALYSIS REQUEST

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[†] Cardinal cannot accept verbal changes. Please fax written changes to 506-393-2478



March 27, 2008

RECEIVED

New Mexico Oil Conservation Division District I 1625 N. French Drive Hobbs, New Mexico 88240 MAR 3 1 2008 HOBBS OCD

Attn: Environmental Engineering

RE: Final Closure RP# - Unknown South Hobbs Unit Test Site #502 UL 'M', Sec. 5, T-19-S, R-38-E

Leak occurred on 01/15/2008, at approximately 2:00 PM. A gang was working at South Hobbs Unit Test Site 502 changing out a 3 way ball valve. When the ball valve was removed it was discovered a valve on the header was not holding and caused the release. Valves were held shut manually while the ball valve was reinstalled. The area affected by this spill is an area around the header, and water ran south down a caliche lease road approximately 2' wide and 120' long. A small amount of produced water measuring approximately 10' wide and 60' long, ran to the south into the pasture. An estimated 10 barrels of produced water was spilled, no oil was spilled. There was no fluid recovered. Mr. Malcolm Coombes is the surface owner and utilizes the area for grazing and storage. 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 Faciltiy near Eunice, NM.
- 2. Soil samples were gathered from affected area.
- 3. NMOCD guidelines were used to insure entire site is in compliance with guidelines.
- 4. All soils removed were replaced with clean fresh soils, where needed.
- 5. Soil analysis data is being submitted with this final closure letter. See Cardinal Laboratories data analysis dated 03/26/2008, 2 pages

Remediation plan was submitted January 17, 2008 for this spill site. At time of this closure letter a RP number had not been issued to this site. According to soil analysis data chlorides are consistent with the background sample taken at this site. 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.

Steven M. Bishop

HES Spec/Central Operating Area

Steven_Bishop@oxy.com

(505) 397-8251

Attachments: Final C-141

Cardinal Laboratories analysis data, 2 pages