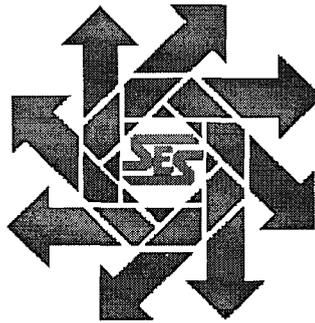


**Oxy USA
Right Hand Canyon #34-2
Sampling Report**

Eddy County, New Mexico

January 28, 2011



Prepared for:

**Oxy USA
1502 West Commerce Street
Carlsbad, New Mexico 88220**

By:

**Safety & Environmental Solutions, Inc.
703 East Clinton Street
Hobbs, New Mexico 88240
(575) 397-0510**

TABLE OF CONTENTS

I. COMPANY CONTACTS	1
II. BACKGROUND	1
III. SURFACE AND GROUND WATER	1
IV. SOILS	1
V. CHARACTERIZATION	1
VI. WORK PERFORMED	2
VII. ACTION PLAN	2
VIII. FIGURES & APPENDICES	2
Figure 1 – Vicinity Map	3
Figure 2 – Site Plan.....	4
Appendix A – Analytical Results.....	5
Appendix B – Site Photographs	6
Appendix C – C-141.....	7

I. Company Contacts

Representative	Company	Telephone	E-mail
Kelton Beard	Oxy USA	575-628-4100	kelton_beard@oxy.com
Bob Allen	SESI	575-397-0510	ballen@sesi-nm.com

II. Background

Safety and Environmental Solutions, Inc. (SESI) was engaged by OXY USA to sample the affected area at the Right Hand Canyon 34-2 located in Section 34, of Township 21 South, Range 24 East, in Eddy County, New Mexico.

According to the initial C-141 dated 12-17-10, approximately 79 barrels of produced water were released due to a fiberglass main water truck line from the Right Hand Canyon wells split, in which 49 barrels were recovered. The initial leak site is west of Right Hand Canyon 34-2. From this site the release ran east along the road side approximately 200 feet to the satellite and split. On split filled the containment around the satellite and ran approximately 22 feet in the pasture (northeast of satellite). The other split continues east along the side of the road and stopped at the bottom of the draw in the middle of the road. A water sample was taken and sent for lab analysis. The chloride concentration for this produced water is 1,420 ppm.

Ms. Terry Gregston representative of the Bureau of Land Management (BLM) and Mr. Mike Bratcher, representative of the New Mexico Conservation Division (NMOCD) were notified.

III. Surface and Ground Water

The nearest depth of groundwater of record listed with the New Mexico Office of the State Engineer website is located in the Section 28 of Township 21 South Range 24 East. The depth of groundwater is 83 feet since August 1963.

IV. Soils

The surface soils in the area are predominantly sand and sandy loam.

V. Characterization

The target cleanup levels are reached by the application of the "Guidelines for Remediation of Leaks, Spills and Releases New Mexico Oil Conservation Division (NMOCD) – August 13, 1993 to this site is 1,000 parts per million (ppm) Total Petroleum Hydrocarbons (TPH).

Application of the New Mexico Oil Conservation Division's ranking criteria for contaminated soils at this site is presented below:

Depth to Ground Water:			
(Vertical distance from contaminants to seasonal high water elevation of groundwater)	Less than 50 feet	20 points	
	50 feet to 99 feet	10 points	X
	>100 feet	0 points	
Wellhead Protection Area:			
(Less than 200 feet from a private domestic water source; or less than 1000 feet from all other water sources)	Yes	20 points	
	No	0 points	X
Distance to Surface Water:			
(Horizontal distance to perennial lakes, ponds, rivers, streams, creeks, irrigation canals and ditches)	Less than 200 feet	20 points	
	200 feet to 1000 feet	10 points	
	>1000 feet	0 points	X
RANKING SCORE (TOTAL POINTS)			10

VI. Work Performed

On December 13, 2010, Safety and Environmental Solutions, Inc. (SESI) was engaged by OXY USA to sample the release area. The crude oil had run from the west side of the road and pooled to the north on the roadway.

Samples were obtained and transported under chain of custody to cardinal labs to be analyzed for Total Petroleum Hydrocarbons (EPA Method 418.1) Chlorides (EPA Method 4500B) and Benzene, Toluene, Ethyl Benzene, and Total Xylenes (BTEX)(EPA Method 8260B):

The results of the analysis are as follows:

Sample ID	Chlorides (mg/kg)	TPH (mg/kg)	Benzene (mg/kg)	Toluene (mg/kg)	Ethyl Benzene (mg/kg)	Total Xylenes (mg/kg)
Analysis Date:	12/14/10	12/20/10	12/15/10	12/15/10	12/15/10	12/15/10
SP #1	2,560	<100	<0.100	<0.100	<0.100	<0.300
SP #2	1,310	<100	<0.050	<0.050	<0.050	<0.150
SP #3	352	<100	<0.050	<0.050	<0.050	<0.150
SP #4	752	<100	<0.050	<0.050	<0.050	<0.150
SP #5	704	<100	<0.050	<0.050	<0.050	<0.150
SP #6	<16.0	<100	<0.050	<0.050	<0.050	<0.150

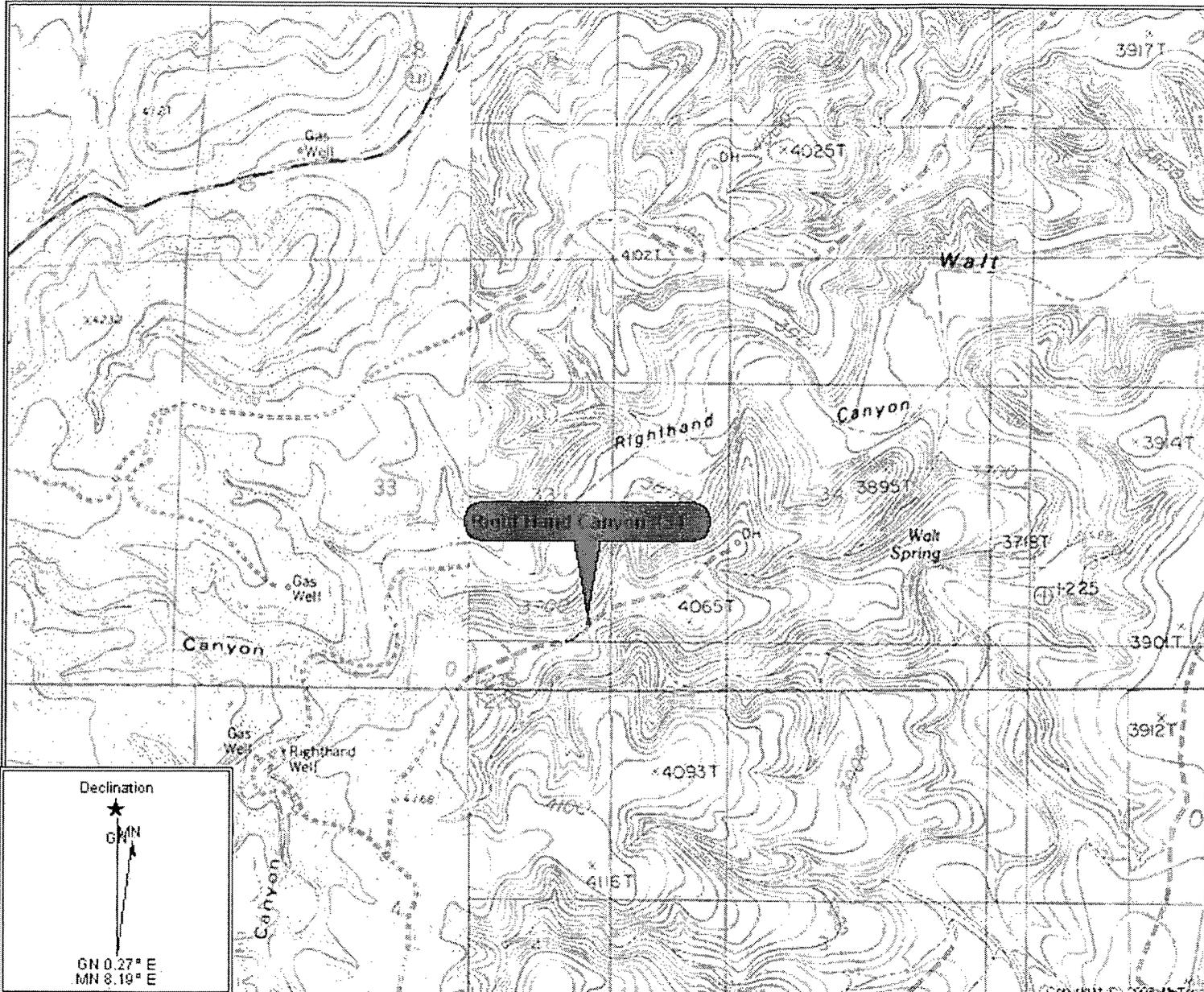
VII. Action Plan

Based on the characterization of the site being 1,000 ppm total petroleum hydrocarbon, it is requested that no further action be required, as a result of the analysis indicating that TPH contamination is below 100 mg/kg.

VIII. Figures & Appendices

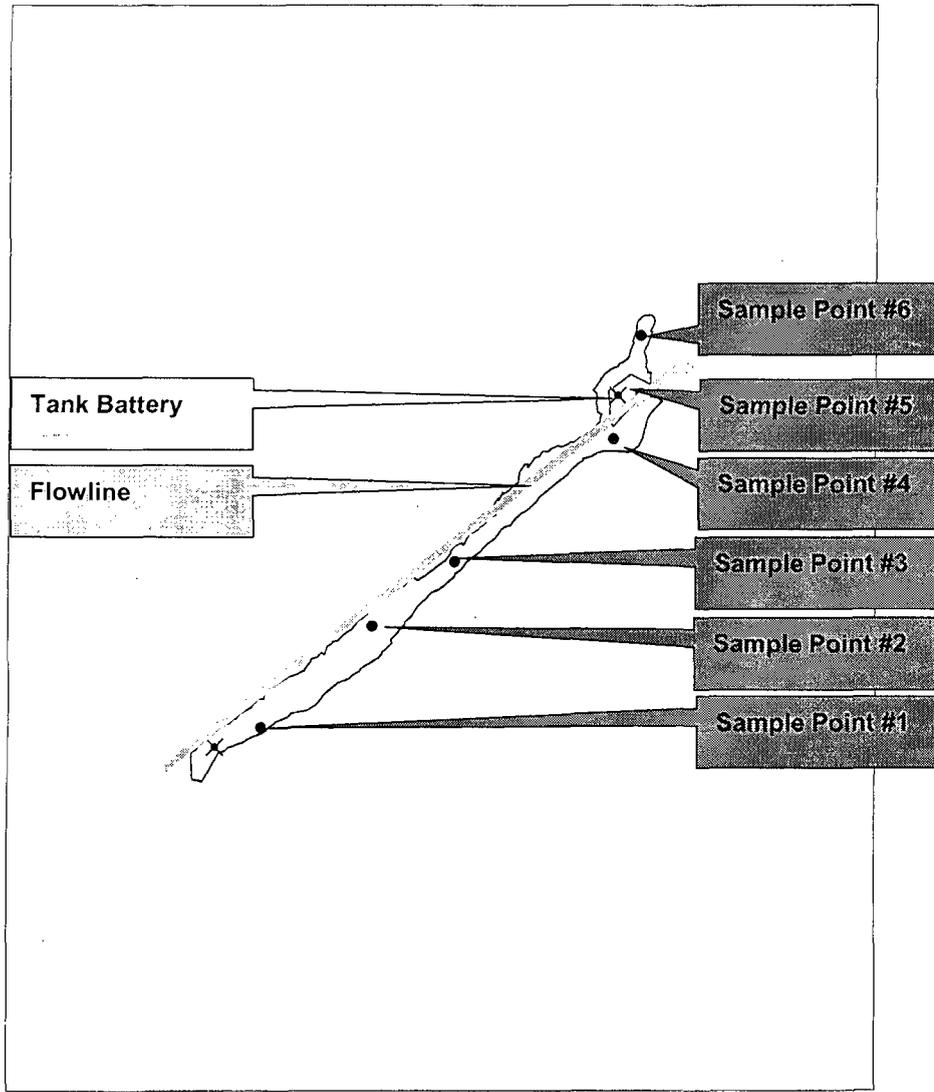
- Figure 1 – Vicinity Map
- Figure 2 – Site Plan
- Appendix A – Analytical Results
- Appendix B – Site Photographs
- Appendix C—C-141

**Figure 1
Vicinity Map**



Map Name: AZOTEA PEAK, Map Center: 032° 26' 04.97" N 104° 29' 41.92" W
 Scale: 1 inch = 2,000 ft. Horizontal Datum: WGS84

**Figure 2
Site Plan**



OXY-10-009 RHC #34

Lat/Long
WGS 1984

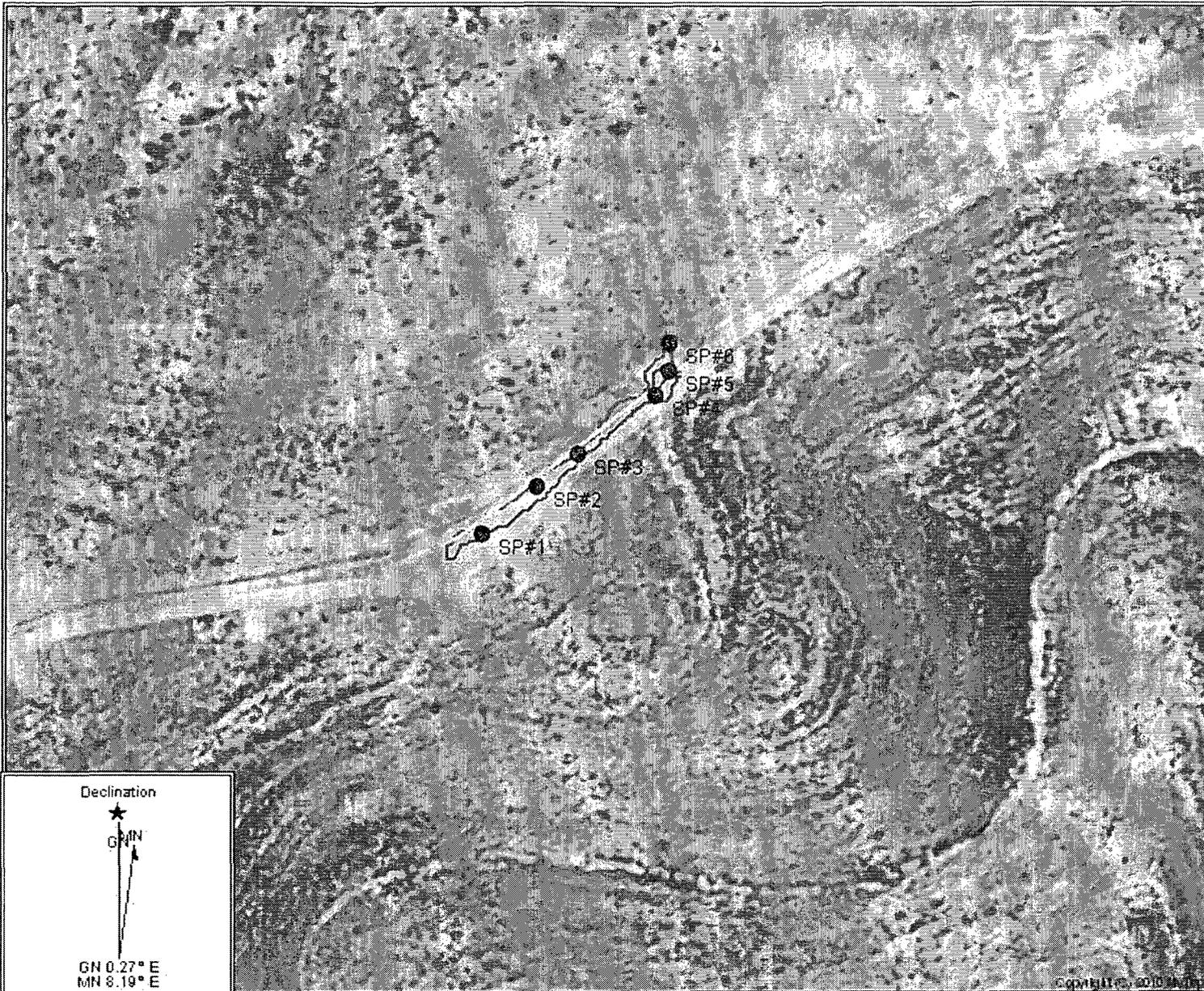


Scale 1 in : 100 ft
0 150.0
Feet

OXY-10-009 RHC 34 site
~7700 sq. ft.

GPS Pathfinder® Office





Map Name: SW AZOTEA PEAK, NM
Scale: 1 inch = 200 ft.

Map Center: 032° 25' 48.29" N 104° 29' 45.16" W
Horizontal Datum: WGS84

Appendix A

Analytical Results

Appendix B
Site Photographs

Appendix C
C-141

Bratcher, Mike, EMNRD

From: Isaac Kincaid [ikincaid@sesi-nm.com]
Sent: Thursday, February 03, 2011 7:36 AM
To: Kelton_Beaird@oxy.com; Bratcher, Mike, EMNRD; tgregsto@blm.gov
Subject: Right Hand Canyon 34 report
Attachments: OXY-10-009 RHC 34-2 sampling report.pdf

Isaac Kincaid
Safety and Environmental Solutions
575-390-8841
ikincaid@sesi-nm.com