



December 9, 2014

Mr. Mike Bratcher
NMOCD District 2
811 S. 1st Street
Artesia, NM 88210

AMARILLO
921 North Bivins
Amarillo, Texas 79107
Phone 806.467.0607
Fax 806.467.0622

ARTESIA
408 West Texas Ave.
Artesia, New Mexico 88210
Phone 575.746.8768
Fax 575.746.8905

Subject: **Remediation and Closure Report**
Oxy Permian LTD
McMillan 24 State #2 Battery
30-015-32336 2RP-2503

Dear Mr. Bratcher,

HOBBS
318 East Taylor Street
Hobbs, New Mexico 88240
Phone 575.393.4261
Fax 575.393.4658

Oxy Permian LTD (Oxy) had contracted Talon/LPE (Talon) to perform soil assessment and remediation services at the above referenced location. The results of our soil assessment and proposed remediation activities consist of the following.

Incident Date

MIDLAND
2901 State Hwy 349
Midland, Texas 79706
Phone 432.522.2133
Fax 432.522.2180

September 10, 2014

Background Information

OKLAHOMA CITY
7700 North Hudson Avenue
Suite 10
Oklahoma City, Oklahoma 73116
Phone 405.486.7030
Fax 806.467.0622

The McMillan 24 State #2 Battery is located approximately thirty-one (31) miles Southeast of Artesia, New Mexico. The legal location for this site is Section 24, Township 20 South, and Range 26 East. More specifically the latitude and longitude for the release are 32.557125 North and -104.332237 West. A site plan is presented in [Appendix I](#).

SAN ANTONIO
13111 Lookout Way
San Antonio, Texas 78233
Phone 210.265.8025
Fax 210.568.2191

According to the soil survey provided by the United States Department of Agriculture Natural Resources Conservation Service, the soil in this area is made up of the Gypsum land-Cottonwood complex with 0 to 3 percent slopes. Per the New Mexico Bureau of Geology and Mineral Resources, the local surface and shallow geology is comprised of alluvium that is Holocene to upper Pleistocene in age. Drainage courses in this area are normally dry. Groundwater in the project vicinity is approximately 105-feet below ground surface (bgs) according to the New Mexico Office of the State Engineer. See [Appendix II](#) for the referenced groundwater data.

The ranking for this site is **0** based on the following:

ENVIRONMENTAL CONSULTING	Depth to ground water	>100'
ENGINEERING	Wellhead Protection Area	>1000'
DRILLING	Distance to surface water body	>1000'
CONSTRUCTION		
SPILL MANAGEMENT		
GENERAL CONTRACTING		

Incident Description

A valve malfunctioned causing the tanks to overflow releasing 400 barrels of oil and 20 barrels of produced water inside the containment of the facility. The release then breached the walls of the containment and flowed south across the location. A vac truck was immediately called to the location and 110 barrels of fluids were recovered. The well was shut-in, the valve was repaired and the facility was put back into service. The area affected was within the facility location pad. The flow path south of the facility on the location measured approximately 165-feet long by 6 to 30 feet at initial breach point. The flow path to the north of the facility measured approximately 20-feet long by 2 to 4 feet wide. See attached site plan in [Appendix I](#).

Remedial Actions Taken

On October 21, 2014 Mike Bratcher and Heather Patterson with the NMOCD, Chris Jones of Oxy and Talon personnel had a meeting on the location to discuss the proper course of action and approval of the work plan was granted.

The impacted area from the south berm, in the vicinity of S-2, down to the lease road was excavated to a depth of 0.5-deep and the impacted soil in the vicinity of S-3 was excavated to a depth of 1.5-feet. The excavated material was hauled to Lea Land, an approved solid waste disposal facility.

The excavated areas were backfilled with new caliche from Lea Land, LLC and the excavated area was re-contoured to match the surrounding location.

The pea gravel inside of the tank battery was removed and excavated to a depth of 0.5-feet deep. The impacted berm behind the center tank (westside) and the north berm of the tank battery was removed and reconstructed with clean caliche backhauled from Lea Land.

The area west of location and lease road was leveled and the boulders removed.

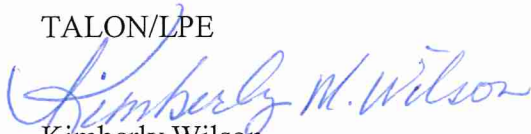
Closure

On behalf of Oxy, we respectfully request that no further actions be required and that closure with respect to these releases be granted. A Final C-141 is also attached in [Appendix III](#).

If we can provide additional information or be of further assistance please contact our office at 575.746.8768.

Respectfully submitted,

TALON/LPE



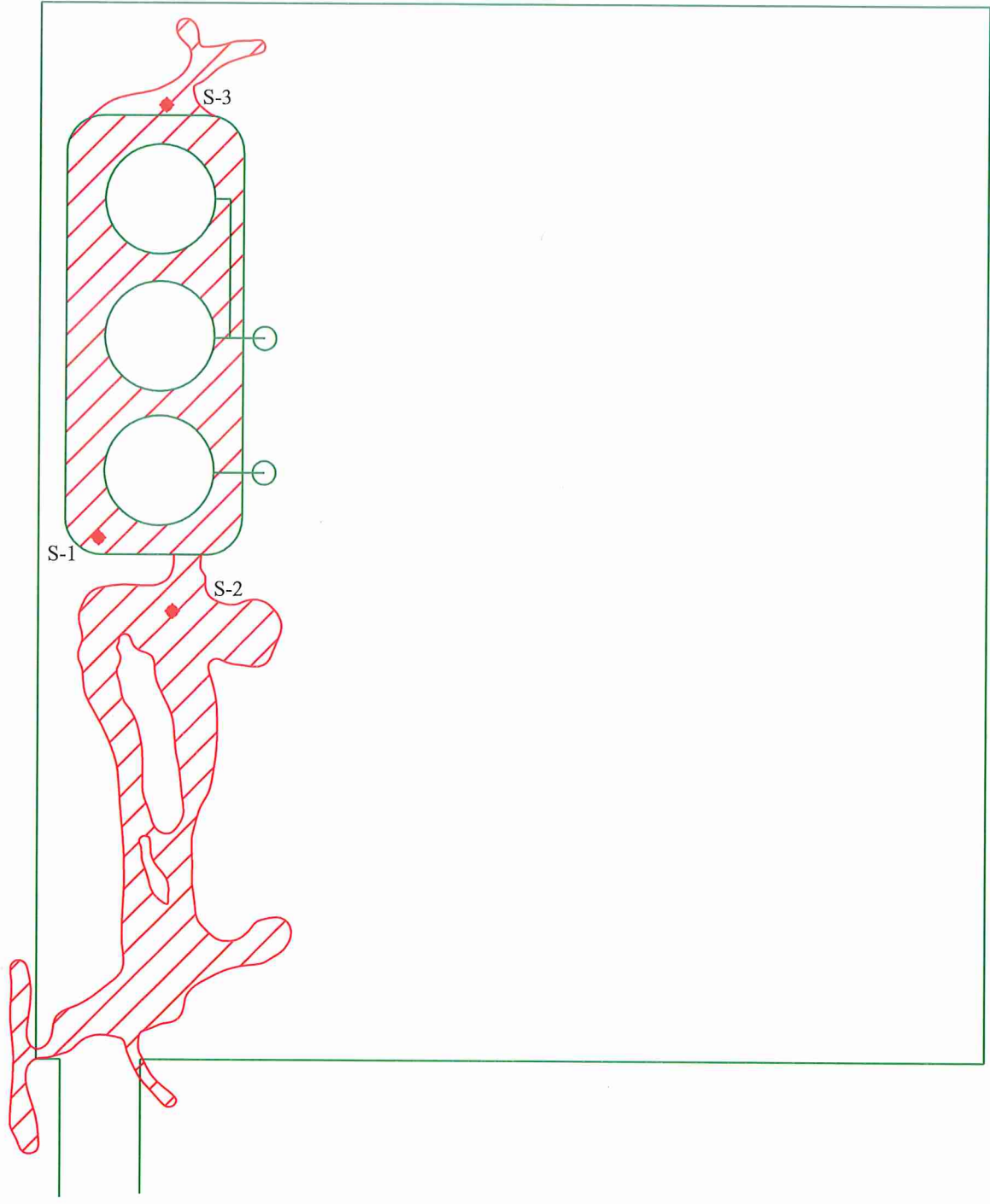
Kimberly Wilson
Project Manager



David J. Adkins
District Manager

APPENDIX I

SITE MAP



Legend
◆ - Sample Location



Date: 09/17/2014
Scale: NTS
Drawn By: SMM

McMillan 24 State 2 Battery
Oxy - NM - South
Eddy County, New Mexico
Figure 1 - Site Plan

APPENDIX II
GROUNDWATER DATA



New Mexico Office of the State Engineer

Water Column/Average Depth to Water

(A CLW##### in the POD suffix indicates the POD has been replaced & no longer serves a water right file.)

(R=POD has been replaced, O=orphaned, C=the file is closed)

(quarters are 1=NW 2=NE 3=SW 4=SE)

(quarters are smallest to largest) (NAD83 UTM in meters)

(In feet)

POD Number	POD Sub-Code	basin	County	Q 64	Q 16	Q 4	Sec	Tws	Rng	X	Y	Distance	Depth Well	Depth Water	Water Column
C 00419	C	C	ED	3	3	4	19	20S	27E	563904	3601904*	1020	1813		
RA 04908			ED		4	1	23	20S	26E	560461	3602785*	2536	210	105	105
RA 10603			ED	1	1	1	18	20S	27E	563076	3604910*	2831	135		
C 01182		C	ED	1	1	4	36	20S	26E	562296	3599260*	2887	150	135	15
RA 04912			ED		3	1	23	20S	26E	560084	3602785*	2900	58	22	36

Average Depth to Water: **87 feet**

Minimum Depth: **22 feet**

Maximum Depth: **135 feet**

Record Count: 5

UTMNAD83 Radius Search (in meters):

Easting (X): 562899

Northing (Y): 3602084

Radius: 3000

*UTM location was derived from PLSS - see Help

The data is furnished by the NMOSE/ISC and is accepted by the recipient with the expressed understanding that the OSE/ISC make no warranties, expressed or implied, concerning the accuracy, completeness, reliability, usability, or suitability for any particular purpose of the data.

APPENDIX III

FINAL C-141

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 : Oxy Permian LTD (192463)	Contact : Chris Jones
Address : 1502 W. Commerce, Carlsbad, NM 88220	Telephone No. : 575-628-4121
Facility Name : McMillan 24 State #2 Battery	Facility Type: Battery

Surface Owner : State	Mineral Owner: State	API#: 30-015-32336 2RP-2503
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LOCATION OF RELEASE

Unit Letter I	Section 24	Township 20S	Range 26E	Feet from the 1980'	North/South Line South	Feet from the 990'	East/West Line East	County: EDDY, NM
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Latitude 32.55749 Longitude -104.332237

NATURE OF RELEASE

Type of Release : Produced Water & Oil	Volume of Release : 400 bbls Oil & 20 bbls PW	Volume Recovered: 110 bbls Oil
Source of Release : Valve malfunctioned	Date and Hour of Occurrence: 9/10/2014	Date and Hour of Discovery: 9/11/2014
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? OCD	
By Whom? Chris Jones	Date and Hour : 9/11/2014	
Was a Watercourse Reached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, Volume Impacting the Watercourse.	

If a Watercourse was Impacted, Describe Fully

Describe Cause of Problem and Remedial Action Taken.* **The valve malfunctioned causing the tanks to overflow releasing 400 barrels of oil and 20 barrels of produced water inside the containment of the facility. The release breached the walls of the containment and flowed south across the location. A vac truck was immediately called to the location and 110 barrels of Oil was recovered. The valve was repaired and put back into service. The area affected was inside the facility. The impacted area on location measures approximately 165-feet long by between 6-feet to 30-feet at initial breach point.**

Describe Area Affected and Cleanup Action Taken.***Talon/LPE was contracted for the correction of this release per the NMOCD approved work plan. The impacted area from the south berm, in the vicinity of S-2 down to the lease road was excavated to a depth of 0.5-deep and the impacted soil in the vicinity of S-3 was excavated to a depth of 1.5-feet. The excavated material was hauled to Lea Land, an approved solid waste disposal facility. The excavated areas were backfilled with new caliche from Lea Land, LLC and the location was re-contoured to match the surrounding location. The pea gravel inside of the tank battery was removed and excavated to a depth of 0.5-feet deep. The impacted berms were removed and reconstructed with clean caliche backhauled from Lea Land. The area west of location and lease road was leveled and the boulders removed. No further actions are required.**

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: Chris Jones <small>Digitally signed by Chris Jones DN: cn=Chris Jones, o=oxy, email=cjones88@yahoo.com, c=US Date: 2014.12.10 15:24:04 -0600'</small>	OIL CONSERVATION DIVISION	
Printed Name: Chris Jones	Approved by District Supervisor:	
Title: HES Specialist	Approval Date:	Expiration Date:
E-mail Address: Christopher_Jones@oxy.com	Conditions of Approval:	Attached <input type="checkbox"/>
Date: 12/9/2014 Phone: 575-628-4121		

* Attach Additional Sheets If Necessary