



Highlander Environmental Corp.

Midland, Texas

March 14, 2008

Mr. Rick Kerby
HES Specialist - Frontier RMT
OXY USA WTP LP
102 S. Main Street
P.O. Box 1988
Carlsbad, New Mexico 888221-1988

Re: Assessment Report and Closure Plan for the Pogo Producing Company (Now OXY, USA, Inc.), Lost Tank 33 Federal #10 Well, Unit Letter A, Section 33, Township 21 South, Range 31 East, Eddy County, New Mexico.

Dear Mr. Kerby:

Highlander Environmental Corp. (Highlander) was contacted by Pogo Producing Company (Now Oxy, USA, Inc.), to assess a spill at the Lost Tank 33 Federal #10 well site located in Unit Letter A, Section 33, Township 21 South, Range 31 East, Eddy County, New Mexico (Site).

Background

According to the New Mexico Oil Conservation Division (OCD) Form C-141 (Initial) the spill occurred on January 27, 2008 from a flowline leak. An unknown quantity of oil and produced water was released, with 310 barrels of fluid recovered with a vacuum truck. A copy of the State of New Mexico C-141 (Initial) is included in Appendix A. The Site is shown on Figure 1.

Groundwater

According to Ground Water Report 3, "Geology and Ground-Water Resources of Eddy County, New Mexico", there are no water wells in Township 21 South, Range 31 East. The closest water well was listed in the New Mexico Office of the State Engineer, WATERS database in Section 16, T-21-S, R-31-E, with a reported depth to water of 630' bgs. Copies of the water level data are enclosed in Appendix B.

A risk-based evaluation was performed for the Site in accordance with the New Mexico Oil Conservation Division (NMOCD) Guidelines for Remediation of Leaks, Spills and Releases, dated August 13, 1993. The guidelines require a risk-based evaluation of the site to determine recommended remedial action levels (RRAL) for benzene, toluene, ethylbenzene and xylene (collectively referred to as BTEX) and total petroleum hydrocarbons (TPH) in soil. The proposed RRAL for benzene was determined to be 10 parts per million (ppm) or milligrams per kilogram (mg/kg) and 50 ppm for total BTEX (sum of benzene, toluene, ethylbenzene, and xylene). Based upon the depth to groundwater, the proposed RRAL for TPH is 5,000 mg/kg.

Assessment and Results

Prior to Highlander's inspection of the site, visually impacted soils had been worked in place. On January 28, 2008, Highlander personnel were onsite to collect soil samples from the spill area. The spill area measured approximately 180' long at a width varying from 40' to 85'. A total of five (5) auger holes (AH-1, AH-2, AH-3, AH-4 and AH-5) were installed using a stainless steel hand auger to assess the impacted soils. Samples were analyzed for TPH analysis by EPA method 8015 modified and chloride by EPA method 300.0. Selected samples were analyzed for BTEX by EPA Method 8021B. Copies of the laboratory analysis and chain-of-custody documentation are included in Appendix B. The auger hole locations are shown on Figure 2. The results of the sampling are summarized in Table 1.

Referring to Table 1, TPH concentrations exceeded the RRAL in AH-1 to a depth of 7.0', AH-4 to a depth of 3.0' and AH-5 to a depth of 7.0' below surface. In addition, benzene and the total BTEX concentrations exceeded the RRAL in AH-4 to a depth of 3.0' and decline below reporting limit at 4-5' below surface. AH-5 also showed total BTEX exceeding the RRAL to a depth of 7.0' below surface and decline at 8-9' below surface. Chloride concentrations were below 100 mg/kg in all samples except AH-3 (0-1') AH-4 (0-1') and AH-5. The deepest chloride impact was encountered in AH-5 with chloride concentrations decreasing from 11,000 mg/kg at 0-1' to 1,520 mg/kg at 8'-9' below surface.

Work Plan

With the exception of AH-5, the areas exceeding the RRAL TPH and BTEX will be removed, stockpiled and remediated onsite. Based on the limited chloride impact in these areas, the stockpiles will be worked onsite and periodic sampled for TPH and BTEX. Once below the RRAL, the stockpiles will be placed back into the excavated areas. If elevated chlorides are present, the soil stockpiles will be hauled to disposal.

In the area of AH-5, elevated chloride concentrations were detected the subsurface soils. This area will segregated from other stockpiles and hauled to proper disposal. With the removal, the majority of chloride impacted soil will be eliminated. The remaining chloride concentrations decline with depth. Based on the depth to groundwater, the limited aerial extent and chloride concentration decline, the residual chloride concentrations do not appear to be an imminent threat to groundwater.



Once the remedial activities are performed, closure of this site will be requested. If you require any additional information or have any questions or comments concerning the assessment/closure plan, please call at (432) 682-4559.

Respectfully submitted,
Highlander Environmental Corp.



Timothy M. Reed, P.G.
Vice President

cc: Mike Bratcher - NMOCD



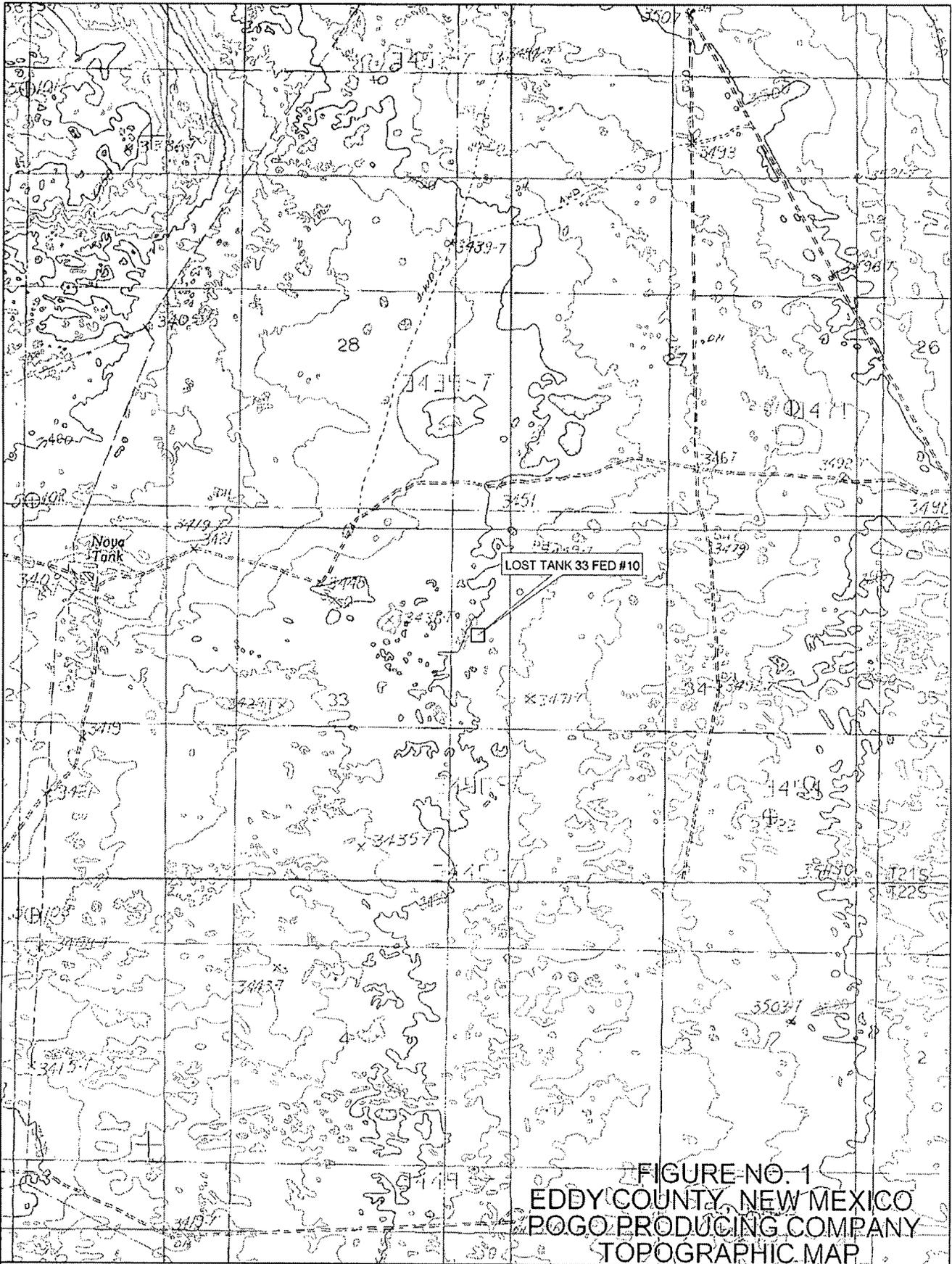
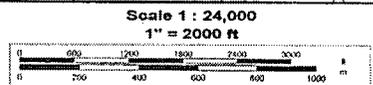
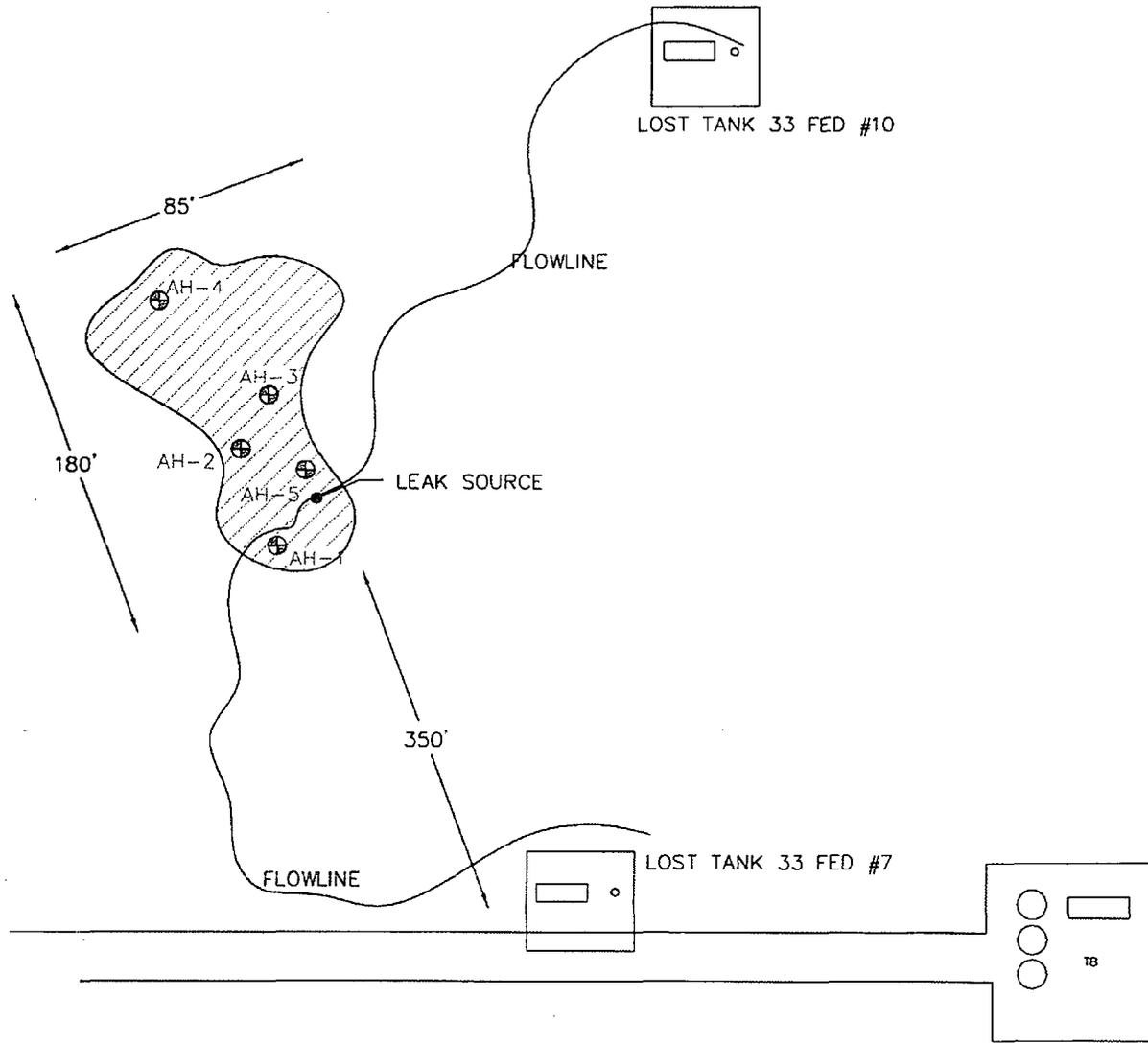


FIGURE NO. 1
 EDDY COUNTY, NEW MEXICO
 BOGO PRODUCING COMPANY
 TOPOGRAPHIC MAP

DELORME
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 www.delorme.com



TN
 N 89° E



☐ SPILL AREA
⊕ AUGER HOLE

DATE:
2/14/08
DWN. BY:
RC
FILE:
C:\POGO\3381\1
LOST TANK 33

NOT TO SCALE

FIGURE NO. 2
EDDY COUNTY, NEW MEXICO
POGO PRODUCING COMPANY
LOST TANK 33 FED #10
HIGHLANDER ENVIRONMENTAL CORP.
MIDLAND, TEXAS

*Voluntary soil sampling
in lieu of location
of location*

Table 1
OXY USA (Former Pogo Producing Company)
Lost Tank 33 Federal #10
Eddy County, New Mexico

Sample ID	Date Sampled	Sample Depth (ft)	TPH (mg/kg)			Benzene (mg/kg)	Toluene (mg/kg)	Ethylbenzene (mg/kg)	Xylene (mg/kg)	Chloride (mg/kg)
			GRO	DRO	Total					
AH-1	1/28/2008	(0-1')	87.7	2360	2,448	-	-	-	-	<100
	1/28/2008	(2-3')	155	2680	2,835	-	-	-	-	<100
	1/28/2008	(4-5')	556	4660	5,216	-	-	-	-	<100
	1/28/2008	(6-7')	718	7290	8,008	<0.100	0.41	1.27	9.50	<100
	1/28/2008	(8-9')	194	1410	1,604	-	-	-	-	<100
AH-2	1/28/2008	(0-1')	<1.00	65.8	65.8	-	-	-	-	<100
	1/28/2008	(2-3')	<1.00	<50.0	<50.0	-	-	-	-	<100
	1/28/2008	(4-5')	<1.00	<50.0	<50.0	-	-	-	-	<100
AH-3	1/28/2008	(0-1')	1.12	<50.0	1.12	-	-	-	-	3,450
	1/28/2008	(2-3')	<1.00	<50.0	<50.0	-	-	-	-	<100
	1/28/2008	(4-5')	<1.00	<50.0	<50.0	-	-	-	-	<100
AH-4	1/28/2008	(0-1')	3800	10300	14,100	-	-	-	-	860
	1/28/2008	(2-3')	4500	16300	20,100	8.20	78.6	39.4	167	<100
	1/28/2008	(4-5')	2.43	<50.0	2.43	<0.0100	<0.0100	<0.0100	<0.0100	<100
AH-5	1/28/2008	(0-1')	831	11000	11,831	-	-	-	-	11,000
	1/28/2008	(2-3')	4060	4740	8,800	1.64	25.6	15.3	65.0	10,700
	1/28/2008	(4-5')	1910	4590	6,500	-	-	-	-	8,650
	1/28/2008	(6-7')	1440	8190	9,630	0.552	27.1	20.6	90.5	3,990
	1/28/2008	(8-9')	<50.0	24.7	24.7	<0.005	0.111	0.0642	0.184	1,520

If this area not addressed this this not stop. wish it to be left in pieces? Proposes this site to be remediated - if billing involved. Blending will occur.

BTEX = 29.

BTEX = 107.54

BTEX = 138.75

Proposes to excavate + name

(-) not analyzed

*DRO Levels
TREATMENT TECHNIQUE
MONITORING*

Federal Surplus - where are soils to be piled? BLM permission?

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 June 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: Pogo Producing Company	Contact: Highlander Environmental Corp. as agent for PXP
Address: P.O. Box 10340 Midland, Texas 79702	Telephone No. (432) 682-4559
Facility Name: Lost Tank 33 Federal #10	Facility Type: Well Site

Surface Owner BLM	Mineral Owner BLM	Lease No. NM-96231
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LOCATION OF RELEASE

Unit Letter A	Section\ 33	Township 21S	Range 31E	Feet from the 660'	North/South Line North	Feet from the 330'	East/West Line East	County Eddy
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Latitude _____ Longitude _____

NATURE OF RELEASE

Type of Release Oil/Water	Volume of Release unknown	Volume Recovered 310 bbls
Source of Release Flowline leak	Date and Hour of Occurrence 01/26/08	Date and Hour of Discovery 01/27/08
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? Mike Bratcher (Voice Mail), OCD and Jim Amos of BLM	
By Whom? Jody Bennett	Date and Hour 01/27/08	
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.*
Flowline leaked oil and water with an unknown volume released. Of the unknown amount, 310 barrels of oil and water were recovered on January 27, 2008.

Describe Area Affected and Cleanup Action Taken.*
Flowline leaked to pasture land. A vacuum truck was utilized to remove 310 barrels of oil and water. The remaining impacted soils were worked and impacted areas will be assessed and remediated to NMOCD 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: <i>Tim Reed</i>	<u>OIL CONSERVATION DIVISION</u>	
Printed Name: Tim Reed, P.G.	Approved by District Supervisor:	
Title: Vice President	Approval Date:	Expiration Date:
E-mail Address treed@hec-enviro.com	Conditions of Approval:	
Date: 1/28/08 Phone: (432) 682-4559	Attached <input type="checkbox"/>	

* Attach Additional Sheets If Necessary

Water Well Data
Average Depth to Groundwater (ft)
OXY - Lost Tank 33 #10, Eddy County, New Mexico

20 South			31 East		
6	5	4	3	2	1
7	8	9	10	11	12
18	17	16	15	14	13
19	20	21	22	23	24
30	29	28	27	26	25
31	32	33	34	35	36
					80

20 South			32 East		
6	5	4	3	2	1
7	8	9	10	11	12
18	17	16	15	14	13
19	20	21	22	23	24
30	29	28	27	26	25
31	32	33	34	35	36

20 South			33 East		
6	5	4	3	2	1
7	325	9	10	11	12
18	17	16	15	14	13
19	20	21	22	23	24
30	29	28	27	26	25
31	32	33	34	35	36

21 South			30 East		
6	5	4	3	2	1
7	8	9	10	11	12
18	17	16	15	14	13
19	20	21	22	23	24
30	29	28	27	26	25
31	32	33	34	35	36

21 South			31 East		
6	5	4	3	2	1
7	8	9	10	11	12
18	17	16	15	14	13
19	20	21	22	23	24
30	29	28	27	26	25
31	32	33	34	35	36
					SITE

21 South			32 East		
6	5	4	3	2	1
7	8	9	10	11	12
18	17	16	15	14	13
19	20	21	22	23	24
30	29	28	27	26	25
31	32	33	34	35	36

22 South			30 East		
6	5	4	3	2	1
7	8	9	10	11	12
18	17	16	15	14	13
19	20	21	22	23	24
30	29	28	27	26	25
31	32	33	34	35	36
					155

22 South			31 East		
6	5	4	3	2	1
7	8	9	10	11	12
18	17	16	15	14	13
19	20	21	22	23	24
30	29	28	27	26	25
31	32	33	34	35	36
					448
					47
					413
					444

22 South			32 East		
6	5	4	3	2	1
7	8	9	10	11	12
18	17	16	15	14	13
19	20	21	22	23	24
30	29	28	27	26	25
31	32	33	34	35	36
					350
					280
					19 (S)

- 88 New Mexico State Engineers Well Reports
- 105 USGS Well Reports
- 90 Geology and Groundwater Conditions in Southern Lea, County, NM (Report 6)
- Geology and Groundwater Resources of Eddy County, NM (Report 3)
- 34 NMOCD - Groundwater Data

New Mexico Office of the State Engineer
POD Reports and Downloads

Township: 21S Range: 31E Sections:

NAD27 X: Y: Zone: Search Radius:

County: Basin: Number: Suffix:

Owner Name: (First) (Last) Non-Domestic Domestic
 All

AVERAGE DEPTH OF WATER REPORT 03/17/2008

Bsn	Tws	Rng	Sec	Zone	X	Y	Wells	(Depth Water in Feet)		
								Min	Max	Avg
C	21S	31E	16				1	630	630	630

Record Count: 1

New Mexico Office of the State Engineer
POD Reports and Downloads

Township: 20S Range: 31E Sections:

NAD27 X: Y: Zone: Search Radius:

County: Basin: Number: Suffix:

Owner Name: (First) (Last) Non-Domestic Domestic
 All

POD / Surface Data Report Avg Depth to Water Report
Water Column Report
Clear Form iWATERS Menu Help

AVERAGE DEPTH OF WATER REPORT 03/17/2008

Bsn	Tws	Rng	Sec	Zone	X	Y	Wells	(Depth Water in Feet)		
								Min	Max	Avg
CP	20S	31E	10				1	130	130	130
CP	20S	31E	36				1	80	80	80

Record Count: 2

New Mexico Office of the State Engineer
POD Reports and Downloads

Township: 20S Range: 33E Sections:

NAD27 X: Y: Zone: Search Radius:

County: Basin: Number: Suffix:

Owner Name: (First) (Last) Non-Domestic Domestic

All

POD / Surface Data Report Avg Depth to Water Report

Water Column Report

Clear Form iWATERS Menu Help

AVERAGE DEPTH OF WATER REPORT 03/17/2008

Bsn	Tws	Rng	Sec	Zone	X	Y	Wells	(Depth Water in Feet)		
								Min	Max	Avg
CP	20S	33E	05				1	325	325	325

Record Count: 1

New Mexico Office of the State Engineer
POD Reports and Downloads

Township: 22S Range: 30E Sections:

NAD27 X: Y: Zone: Search Radius:

County: Basin: Number: Suffix:

Owner Name: (First) (Last) Non-Domestic Domestic
 All

POD / Surface Data Report Avg Depth to Water Report
Water Column Report
Clear Form iWATERS Menu Help

AVERAGE DEPTH OF WATER REPORT 03/17/2008

Bsn	Tws	Rng	Sec	Zone	X	Y	Wells	(Depth Water in Feet)		
								Min	Max	Avg
C	22S	30E	22				1	262	262	262
C	22S	30E	33				1	155	155	155

Record Count: 2

New Mexico Office of the State Engineer
POD Reports and Downloads

Township: 22S Range: 31E Sections:

NAD 83 XX: YY: Zone: Search Radius:

County: Basin: Number: Suffix:

Owner Name: (First) (Last) Non-Domestic Domestic
 All

AVERAGE DEPTH OF WATER REPORT TO 3/17/2008

Basin	Twp	Range	Sec	Zone	XX	YY	Wells	(Depth Water in Feet)		
								Min	Max	Avg
01	22S	31E	16				11	448.0	448.0	448.0
01	22S	31E	23				33	435.0	435.0	435.0
01	22S	31E	29				80	431.1	450.0	444.1
01	22S	31E	29				10	413.0	413.0	413.0

Records Count: 13

**New Mexico Office of the State Engineer
POD Reports and Downloads**

Township: 22S Range: 32E Sections:

NAD27 X: Y: Zone: Search Radius:

County: Basin: Number: Suffix:

Owner Name: (First) _____ (Last) _____ Non-Domestic Domestic
 All

AVERAGE DEPTH OF WATER REPORT 03/17/2008

Bsn	Tws	Rng	Sec	Zone	X	Y	Wells	(Depth Water in Feet)		
								Min	Max	Avg
C	22S	32E	14				2	340	360	350
C	22S	32E	19				1	280	280	280

Record Count: 3

Summary Report

Ike Tavarez
Highlander Environmental Services
1910 N. Big Spring Street
Midland, TX, 79705

Report Date: February 13, 2008

Work Order: 8012932



Project Name: Pogo/Lost Tank 33 Fed #10
Project Number: 3381

Sample	Description	Matrix	Date Taken	Time Taken	Date Received
149138	AH-1 (0-1')	soil	2008-01-28	00:00	2008-01-29
149139	AH-1 (2-3')	soil	2008-01-28	00:00	2008-01-29
149140	AH-1 (4-5')	soil	2008-01-28	00:00	2008-01-29
149141	AH-1 (6-7')	soil	2008-01-28	00:00	2008-01-29
149142	AH-1 (8-9')	soil	2008-01-28	00:00	2008-01-29
149143	AH-2 (0-1')	soil	2008-01-28	00:00	2008-01-29
149144	AH-2 (2-3')	soil	2008-01-28	00:00	2008-01-29
149145	AH-2 (4-5')	soil	2008-01-28	00:00	2008-01-29
149146	AH-3 (0-1')	soil	2008-01-28	00:00	2008-01-29
149147	AH-3 (2-3')	soil	2008-01-28	00:00	2008-01-29
149148	AH-3 (4-5')	soil	2008-01-28	00:00	2008-01-29
149149	AH-4 (0-1')	soil	2008-01-28	00:00	2008-01-29
149150	AH-4 (2-3')	soil	2008-01-28	00:00	2008-01-29
149151	AH-4 (4-5')	soil	2008-01-28	00:00	2008-01-29
149152	AH-5 (0-1')	soil	2008-01-28	00:00	2008-01-29
149153	AH-5 (2-3')	soil	2008-01-28	00:00	2008-01-29
149154	AH-5 (4-5')	soil	2008-01-28	00:00	2008-01-29
149155	AH-5 (6-7')	soil	2008-01-28	00:00	2008-01-29
149156	AH-5 (8-9')	soil	2008-01-28	00:00	2008-01-29

Sample - Field Code	BTEX				TPH DRO	TPH GRO
	Benzene (mg/Kg)	Toluene (mg/Kg)	Ethylbenzene (mg/Kg)	Xylene (mg/Kg)	DRO (mg/Kg)	GRO (mg/Kg)
149138 - AH-1 (0-1')					2360	87.7
149139 - AH-1 (2-3')					2680	155
149140 - AH-1 (4-5')					4660	556
149141 - AH-1 (6-7')	<0.100	0.410	1.27	9.50	7290	718
149142 - AH-1 (8-9')					1410	194
149143 - AH-2 (0-1')					65.8	<1.00
149144 - AH-2 (2-3')					<50.0	<1.00
149145 - AH-2 (4-5')					<50.0	<1.00
149146 - AH-3 (0-1')					<50.0	1.12
149147 - AH-3 (2-3')					<50.0	<1.00
149148 - AH-3 (4-5')					<50.0	<1.00
149149 - AH-4 (0-1')					10300	3800
149150 - AH-4 (2-3')	8.20	78.6	39.4	167	16300	4500

continued ...

... continued

Sample - Field Code	BTEX				TPH DRO	TPH GRO
	Benzene (mg/Kg)	Toluene (mg/Kg)	Ethylbenzene (mg/Kg)	Xylene (mg/Kg)	DRO (mg/Kg)	GRO (mg/Kg)
149151 - AH-4 (4-5')	<0.0100	<0.0100	<0.0100	<0.0100	<50.0	2.43
149152 - AH-5 (0-1')					11000	831
149153 - AH-5 (2-3')	1.64	25.6	15.3	65.0	4740	4060
149154 - AH-5 (4-5')					4590	1910
149155 - AH-5 (6-7')	0.552	27.1	20.6	90.5	8190	1440
149156 - AH-5 (8-9')	<0.0500	0.111	0.0642	0.184	<50.0	24.7

Sample: 149138 - AH-1 (0-1')

Param	Flag	Result	Units	RL
Chloride		<100	mg/Kg	2.00

Sample: 149139 - AH-1 (2-3')

Param	Flag	Result	Units	RL
Chloride		<100	mg/Kg	2.00

Sample: 149140 - AH-1 (4-5')

Param	Flag	Result	Units	RL
Chloride		<100	mg/Kg	2.00

Sample: 149141 - AH-1 (6-7')

Param	Flag	Result	Units	RL
Chloride		<100	mg/Kg	2.00

Sample: 149142 - AH-1 (8-9')

Param	Flag	Result	Units	RL
Chloride		<100	mg/Kg	2.00

Sample: 149143 - AH-2 (0-1')

Param	Flag	Result	Units	RL
Chloride		<100	mg/Kg	2.00

Sample: 149144 - AH-2 (2-3')

Param	Flag	Result	Units	RL
Chloride		<100	mg/Kg	2.00

Sample: 149145 - AH-2 (4-5')

Param	Flag	Result	Units	RL
Chloride		<100	mg/Kg	2.00

Sample: 149146 - AH-3 (0-1')

Param	Flag	Result	Units	RL
Chloride		3450	mg/Kg	2.00

Sample: 149147 - AH-3 (2-3')

Param	Flag	Result	Units	RL
Chloride		<100	mg/Kg	2.00

Sample: 149148 - AH-3 (4-5')

Param	Flag	Result	Units	RL
Chloride		<100	mg/Kg	2.00

Sample: 149149 - AH-4 (0-1')

Param	Flag	Result	Units	RL
Chloride		860	mg/Kg	2.00

Sample: 149150 - AH-4 (2-3')

Param	Flag	Result	Units	RL
Chloride		<100	mg/Kg	2.00

Sample: 149151 - AH-4 (4-5')

Param	Flag	Result	Units	RL
Chloride		<100	mg/Kg	2.00

Sample: 149152 - AH-5 (0-1')

Param	Flag	Result	Units	RL
Chloride		11000	mg/Kg	2.00

Sample: 149153 - AH-5 (2-3')

continued ...

sample 149153 continued ...

Param	Flag	Result	Units	RL
Param	Flag	Result	Units	RL
Chloride		10700	mg/Kg	2.00

Sample: 149154 - AH-5 (4-5')

Param	Flag	Result	Units	RL
Chloride		8650	mg/Kg	2.00

Sample: 149155 - AH-5 (6-7')

Param	Flag	Result	Units	RL
Chloride		3990	mg/Kg	2.00

Sample: 149156 - AH-5 (8-9')

Param	Flag	Result	Units	RL
Chloride		1520	mg/Kg	2.00

Summary Report

Ike Tavares
Highlander Environmental Services
1910 N. Big Spring Street
Midland, TX, 79705

Report Date: February 13, 2008

Work Order: 8012932



Project Name: Pogo/Lost Tank 33 Fed #10
Project Number: 3381

Sample	Description	Matrix	Date Taken	Time Taken	Date Received
149142	AH-1 (8-9')	soil	2008-01-28	00:00	2008-01-29
149156	AH-5 (8-9')	soil	2008-01-28	00:00	2008-01-29

Sample - Field Code	BTEX				TPH DRO DRO (mg/Kg)	TPH GRO GRO (mg/Kg)
	Benzene (mg/Kg)	Toluene (mg/Kg)	Ethylbenzene (mg/Kg)	Xylenc (mg/Kg)		
149142 - AH-1 (8-9')					1410	194
149156 - AH-5 (8-9')	<0.0500	0.111	0.0642	0.184	<50.0	24.7

Bonham, Sherry, EMNRD

From: Bonham, Sherry, EMNRD
Sent: Tuesday, March 04, 2008 9:26 AM
To: Rick_Kerby@oxy.com
Subject: RE: Lost Tank 33 Fed 10 Work Plan Extension Request 30 015 29744 2RP-121

Rick,
When an Initial Report C-141 is received in this office, a request for a work plan within a thirty day period following receipt of the Initial C-141 is issued--hopefully allowing time for preliminary delineation/sampling and to formulate that work plan based on the soil samples analytical report. Given your circumstances of change of operators, an extension until April 30, 2008 can be approved. If this date cannot be achieved given reasonable and good cause, we can look at an additional extension.

Thanks for your attention to this matter. Should you have any questions or concerns, please don't hesitate to contact me.

Sherry

-----Original Message-----

From: Rick_Kerby@oxy.com [mailto:Rick_Kerby@oxy.com]
Sent: Monday, March 03, 2008 2:46 PM
To: Bonham, Sherry, EMNRD
Subject: Lost Tank 33 Fed 10

Sherry: This morning I received notification of need of work plan for above mentioned well, previously owned by POGO producing. On March 1, OXY Permian officially became the owners of this well. I received this today and you are awaiting a work plan due tomorrow. Could you please grant an extension for work plan till May 15, 2008? I will get on this ASAP, but do need a little time.

Thanks,

Rick Kerby
HES Specialist
Frontier RMT NM
Carlsbad, NM 88220
O) 575-887-8337
C) 575-631-4972
rick_kerby@oxy.com

This inbound email has been scanned by the MessageLabs Email Security System.

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log on to get into e-permitting₁



Bonham, Sherry, EMNRD

From: Bonham, Sherry, EMNRD
Sent: Monday, February 04, 2008 1:51 PM
To: treed@hec-enviro.com
Subject: Lost Tank 33 Federal 10 Request for Work Plan
Importance: High

February 4, 2008

Reference: Lost Tank 33 Federal #10 33-21S-31E API: 30-015-29744 Eddy County New Mexico
2RP-121

Operator,

The New Mexico Oil Conservation Division District 2 Office (OCD) is in receipt of an Initial Report Form C-141 reporting a release of produced fluids that occurred on or about January 26, 2008 at the above referenced well site. Please submit a work plan proposal (plan) for remediation, removal and/or clean up of contaminants that may be present at this site. The plan is to be formulated based on vertical and horizontal delineation of contamination, site ranking, and OCD Rules and Guidelines.

A publication outlining OCD guidelines and requirements for site ranking and spill remediation can be found on the OCD website as follows: <http://www.emnrd.state.nm.us/ocd> Click on each of the following items as they appear:

- Publications
- Environmental Handbook
- Miscellaneous Guidelines
- Remediation of Leaks, Spills and Releases

Please submit this plan to the OCD District 2 office no later than March 4, 2008. Please include any remedial or clean up actions that have already been performed.

Remediation requirements may be subject to other federal, state, local laws and/or regulations.

If I can be of assistance in this matter, please don't hesitate to contact me at the contact information listed below.

Respectfully,

Sherry Bonham

Sherry Bonham
NMOCD District 2
1301 W. Grand Ave.
Artesia, NM 88210
(505) 748-1283 Ext.109
sherry.bonham@state.nm.us

2/4/2008

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 June 10, 2003

Submit 2 Copies to appropriate
District Office in accordance
with Rule 116 on back
side of form

017891 Release Notification and Corrective Action

30-015-29744 OPERATOR Initial Report Final Report

Name of Company: Pogo Producing Company	Contact: Highlander Environmental Corp. as agent for PXP
Address: P.O. Box 10340 Midland, Texas 79702	Telephone No. (432) 682-4559
Facility Name: Lost Tank 33 Federal #10	Facility Type: Well Site

Surface Owner BLM	Mineral Owner BLM	Lease No. NM-96231
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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
A	33	21S	31E	660'	North	330'	East	Eddy

Latitude _____ Longitude _____

NATURE OF RELEASE

Type of Release Oil/Water	Volume of Release unknown	Volume Recovered 310 bbls
Source of Release Flowline leak	Date and Hour of Occurrence 01/26/08	Date and Hour of Discovery 01/27/08
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? Mike Bratcher (Voice Mail), OCD and Jim Amos of BLM	
By Whom? Jody Bennett	Date and Hour 01/27/08	
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.* Flowline leaked oil and water with an unknown volume released. Of the unknown amount, 310 barrels of oil and water were recovered on January 27, 2008.		
Describe Area Affected and Cleanup Action Taken.* Flowline leaked to pasture land. A vacuum truck was utilized to remove 310 barrels of oil and water. The remaining impacted soils were worked and impacted areas will be assessed and remediated to NMOCD 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: <i>Tim Reed</i>	OIL CONSERVATION DIVISION	
Printed Name: Tim Reed, P.G.	Approved by District Supervisor: <i>T. Gum by SB</i>	
Title: Vice President	Approval Date: <i>2-4-08</i>	Expiration Date:
E-mail Address: treed@hec-enviro.com	Conditions of Approval: REMEDIATION <i>PLAN DUE 3-4-08</i>	
Date: 1/28/08 Phone: (432) 682-4559	Attached <input type="checkbox"/>	

* Attach Additional Sheets If Necessary

nSEB0803533134
SEB0806435242

2 RP-121





Highlander Environmental Corp.

Midland, Texas

FAX

DATE: January 28, 2007

COMPANY NAME: NMBCD

CONTACT NAME: Mike Bratches

FAX NUMBER: 1-575-748-9720

SENT BY: Jeff Kindley

DESCRIPTION: PXP (Pogo Producing)
C-141

Number of pages (including cover sheet):