

Occidental Permian Limited Partnership

January 17, 2006

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



Attn: Environmental Engineering

RE: Final Closure Letter

South Hobbs Unit 215 3" Fiberglass Injection Line

UL 'F', Sec. 4, T-19-S, R-38-E

Leak occurred on 12/13/2005, at approximately 09:00 AM. A 3" fiberglass injection line used to transfer injection water from South Hobbs Unit Injection Building #8 to South Hobbs Unit Injection Well #215 developed a leak causing spill. Valves on both ends of the line were shut to isolate leak. The normal rate for this line is 1200 bbls/day at a pressure of about 800 psig. The leak was discovered quick and shut in. The area affected by this spill is an area measuring approximately 50' X 100', in the pasture south and west of the spill site. An estimated 20 barrels of injection water was spilled, no oil was spilled. Mr. Hester is the surface owner. Depth to ground water according to State Engineers Office is an average of 48', for all wells in the area, giving this spill site a ranking of 20. Remediation of the spill site will be as follows:

- 1. Piping was excavated and repaired.
- 2. Soil samples were gathered from affected area in pasture.
- 3. NMOCD guidelines were used to insure site is in compliance with guidelines.
- 4. No soils were removed.
- 5. Soil analysis data is being submitted with this closure letter.

Injection water from the leak ran down hill on a caliche pad and caliche lease road and gathered in the pasture south and west of the leak site. The affected area in the pasture was sampled on 01-11-2006, please see attached Cardinal Laboratories analytical data dated 01/12/2006. The attached hand drawn map shows location of samples points taken for the composite sample of the site. Due to minimal impact of the injection water no further work is anticipated for this site.

incident - nfACO606649522

Application - ppaCO606649797

Hobbs RMT, 1017 W. Stanolind Rd, Hobbs, New Mexico 88240

ppaCO606649797

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

Steven M. Bishop

HES Technician/Hobbs RMT Steven_Bishop@oxy.com (505) 397-8251

Attachments: Final C-141

Hand drawn map of spill site

TEVEN M. SISTLY

Analytical data from Cardinal Laboratories dated 01/12/2006

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

Attached

Release Notification and Corrective Action OPERATOR Initial 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 215 Injection Line Facility Type Production Production Mineral Owner Lease No. Surface Owner Hester API# 3002529753 0000 LOCATION OF RELEASE Unit Letter Township Feet from the North/South Line East/West Line Section Range Feet from the County 19-S 38-E LEA Latitude_N32°41'33.80"____ Longitude W103°09'19.90"_ **NATURE OF RELEASE** Type of Release Injection Water Volume of Release 20 Bbls Volume Recovered 0 Bbls Source of Release 3" Injection line Date and Hour of Occurrence Date and Hour of Discovery 12/13/2005 09:00 AM 12/13/2005 09:00 AM Was Immediate Notice Given? If YES, To Whom? ☐ Yes ☒ No ☐ Not Required N/A By Whom? N/A Date and Hour N/A Was a Watercourse Reached? If YES, Volume Impacting the Watercourse. ☐ Yes ☒ No N/A If a Watercourse was Impacted, Describe Fully.* N/A Describe Cause of Problem and Remedial Action Taken. * A 3" fiberglass injection line from South Hobbs Unit Injection Building #8 to South Hobbs Unit Well # 215 ruptured causing spill. Valves on both ends of the line were shut to contain leak. No fluid was recovered. Describe Area Affected and Cleanup Action Taken. *The leak is approximately 20 feet west of the South Hobbs Unit Injection Building #8. The area affected is approximately 50' X 100' south and west of the leak site, in pature. Pipe was excavated and repaired and NMOCD guidelines for spill were used to insure remediation of the area. 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. OIL CONSERVATION DIVISION Signature: Approved by District Supervisor: Printed Name: Steven M. Bishop Title: HES Technician Approval Date: **Expiration Date:**

Conditions of Approval:

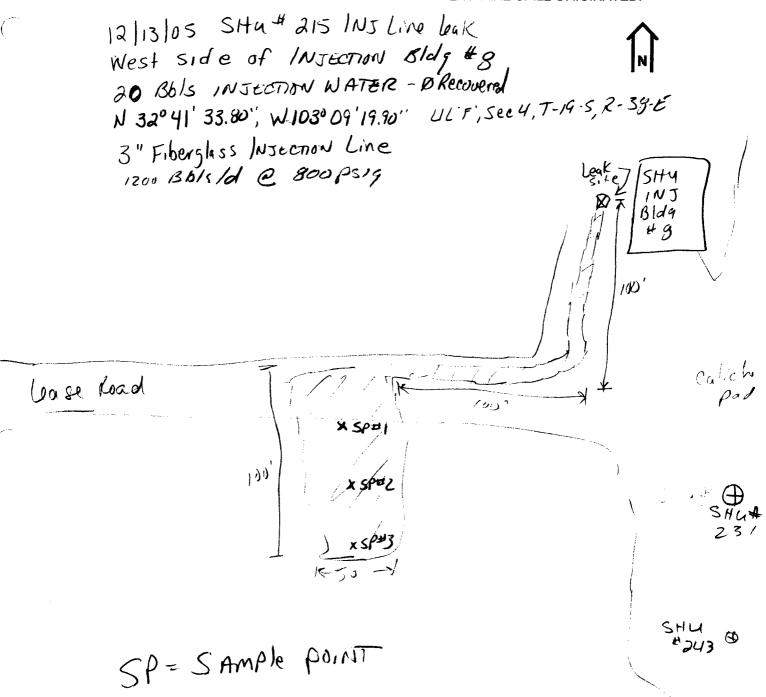
E-mail Address: Steven_Bishop@oxy.com

Date: 01/17/2006 Phone: (505) 397-8251

* Attach Additional Sheets If Necessary

SPILL MAP

PLEASE DRAW SKETCH OF SPILL AND INDICATE WHERE SPILL ORIGINATED.







PHONE (505) 393-2326 + 101 E. MARLAND + HOBBS, NM 88240

ANALYTICAL RESULTS FOR

OCCIDENTAL PERMIAN LTD. PARTNERSHIP

ATTN: STEVE BISHOP 1017 W. STANOLIND ROAD

HOBBS, NM 88240 FAX TO: (505) 397-8204

Receiving Date: 01/11/06 Reporting Date: 01/12/06

Project Owner: OXY

Project Name: SHU #215 INJ. LINE

Project Location: NOT GIVEN

Analysis Date: 01/11/06 Sampling Date: 01/11/06

Sample Type: SOIL

Sample Condition: COOL & INTACT

Sample Received By: HM

Analyzed By: HM

CI

LAB NUMBER SAMPLE ID (mg/Kg)

H10584-1 SHU #215 INJ. LINE 816

Quality Control 510

True Value QC 500

% Recovery 102

Relative Percent Difference 2.0

METHOD: Standard Methods 4500-CFB

NOTE: Analysis performed on a 1:4 w:v aqueous extract.

Chemist

01-12-06 Date

H10584