

Elke Environmental, Inc.

P.O. Box 14167 Odessa, TX 79768
Phone (432) 366-0043 Fax (432) 366-0884

January 12, 2009

NMOCD

Attn: Mike Bratcher
1301 W. Grand Ave
Artesia, NM 88210

Re: Closure Plan for OXY USA – Cypress 33 Federal #1H

Mr. Bratcher,

Oxy USA has completed the Dig and Haul of the drilling mud and drilling liner to Controlled Recovery Inc. (Permit # R9166). The delineation of the pit bottoms is the next step. When the original permit for closure was approved groundwater data showed less than 50'. Oxy USA drilled a borehole at the Oxy USA – Goodnight 27 Federal #2H. The legals on that well are UL 'L' Sec. 27 T23S R29E Eddy County. The borehole has proven groundwater at 87'.

Due to the ranking of the site changing we request that the levels to be test for also be changed to the following: the levels will not exceed 0.2 mg/kg of Benzene, 50 mg/kg of total BTEX, 2,500 mg/kg of TPH 418.1, 500 mg/kg of combined fraction GRO/DRO, 500 mg/kg of Chlorides.

The remainder of the pit closure plan will be followed as originally approved. Any questions feel free to call me.

Thanks,

A handwritten signature in black ink, appearing to read 'Logan Anderson', written over a horizontal line.

Logan Anderson



WELL RECORD & LOG

OFFICE OF THE STATE ENGINEER

www.ose.state.nm.us

1. GENERAL AND WELL LOCATION	POD NUMBER (WELL NUMBER) GOODNIGHT 27 FEDERAL #2H SB-1				OSE FILE NUMBER(S)			
	WELL OWNER NAME(S) OXY USA				PHONE (OPTIONAL)			
	WELL OWNER MAILING ADDRESS PO BOX 1988				CITY CARLSBAD		STATE NM	ZIP 88221
	WELL LOCATION (FROM GPS)	DEGREES LATITUDE 32	MINUTES 16	SECONDS 41.00 N	* ACCURACY REQUIRED: ONE TENTH OF A SECOND			
		LONGITUDE 103	58	39.00 W	* DATUM REQUIRED: WGS 84			
DESCRIPTION RELATING WELL LOCATION TO STREET ADDRESS AND COMMON LANDMARKS UL "L", EDDY COUNTY, NEW MEXICO								
2. OPTIONAL	1/4 ACRES	1/4 ACRES	1/4 ACRES	1/4 ACRES	SECTION 27	TOWNSHIP 23S	RANGE 29	
	SUBDIVISION NAME				LOT NUMBER	BLOCK NUMBER	UNIT/TRACT	
	HYDROGRAPHIC SURVEY				MAP NUMBER		TRACT NUMBER	
3. DRILLING INFORMATION	LICENSE NUMBER		NAME OF LICENSED DRILLER EDWARD BRYAN			NAME OF WELL DRILLING COMPANY STRAUB CORPORATION		
	DRILLING STARTED 1/8/09		DRILLING ENDED 1/8/09		DEPTH OF COMPLETED WELL (FT) 98	DEPTH WATER FIRST ENCOUNTERED (FT) 87		
	COMPLETED WELL IS: <input type="checkbox"/> ARTESIAN <input type="checkbox"/> DRY HOLE <input type="checkbox"/> SHALLOW UNCONFINED					STABLE WATER LEVEL (FT) COMPLETED WELL (FT)		
	DRILLING FLUID: <input checked="" type="checkbox"/> AIR <input type="checkbox"/> MUD <input type="checkbox"/> ADDITIVES - SPECIFY							
	DRILLING METHOD: <input checked="" type="checkbox"/> ROTARY <input type="checkbox"/> HAMMER <input type="checkbox"/> C-MILL LOG <input type="checkbox"/> OTHER - SPECIFY							
	DEPTH (FT)		BORE HOLE DIA. (IN)	CASING MATERIAL	CONNECTION TYPE (CASING)	INSIDE DIA. CASING (IN)	CASING WALL THICKNESS (IN)	SLOT SIZE (IN)
	FROM	TO						
0		98	6"	N/A	N/A	N/A	N/A	
4. WATER BEARING STRATA	DEPTH (FT)		THICKNESS (FT)	FORMATION DESCRIPTION OF PRINCIPAL WATER-BEARING STRATA (INCLUDE WATER-BEARING CAVITIES OR FRACTURE ZONES)			YIELD (GPM)	
	FROM	TO						
	87		90	3	RED SILTY SAND/SILTY CLAY/GRAY CLAY			
METHOD USED TO ESTIMATE YIELD OF WATER-BEARING STRATA					TOTAL ESTIMATED WELL YIELD (GPM)			

FOR OSE INTERNAL USE

WELL RECORD & LOG (Version 6/9/08)

FILE NUMBER	POD NUMBER	TRN NUMBER
LOCATION	PAGE 1 OF 2	

5. SEAL AND PUMP	TYPE OF PUMP: <input type="checkbox"/> SUBMERSIBLE <input type="checkbox"/> JET <input type="checkbox"/> NO PUMP - WELL NOT EQUIPPED <input type="checkbox"/> TURBINE <input type="checkbox"/> CYLINDER <input type="checkbox"/> OTHER - SPECIFY:						
	ANNULAR SEAL AND GRAVEL PACK	DEPTH (FT)		BORE HOLE DIA. (IN)	MATERIAL TYPE AND SIZE	AMOUNT (CUBIC FT)	METHOD OF PLACEMENT
		FROM	TO				

6. GEOLOGIC LOG OF WELL	DEPTH (FT)		THICKNESS (FT)	COLOR AND TYPE OF MATERIAL ENCOUNTERED (INCLUDE WATER-BEARING CAVITIES OR FRACTURE ZONES)	WATER BEARING?
	FROM	TO			
	0	4	4	TAN FINE SAND/CALICHE	<input type="checkbox"/> YES <input checked="" type="checkbox"/> NO
	4	37	33	TAN FINE SAND/SANDSTONE/CALICHE	<input type="checkbox"/> YES <input checked="" type="checkbox"/> NO
	37	39	2	TAN SILTY SAND WITH CLAY	<input type="checkbox"/> YES <input checked="" type="checkbox"/> NO
	39	43	4	RED SILTY CLAY	<input type="checkbox"/> YES <input checked="" type="checkbox"/> NO
	43	46	3	TAN FINE VERY FINE SAND/SANDSTONE	<input type="checkbox"/> YES <input checked="" type="checkbox"/> NO
	46	58	12	TAN SILTY SAND/CALICHE	<input type="checkbox"/> YES <input checked="" type="checkbox"/> NO
	58	64	6	RED SANDY CLAY	<input type="checkbox"/> YES <input checked="" type="checkbox"/> NO
	64	90	26	RED SILTY SAND/SILTY CLAY/GRAY CLAY	<input type="checkbox"/> YES <input checked="" type="checkbox"/> NO
	90	98	8	GRAY SANDY CLAY	<input type="checkbox"/> YES <input checked="" type="checkbox"/> NO
					<input type="checkbox"/> YES <input type="checkbox"/> NO
					<input type="checkbox"/> YES <input type="checkbox"/> NO
	ATTACH ADDITIONAL PAGES AS NEEDED TO FULLY DESCRIBE THE GEOLOGIC LOG OF THE WELL				

7. TEST & ADDITIONAL INFO	WELL TEST	METHOD: <input type="checkbox"/> BAILER <input type="checkbox"/> PUMP <input type="checkbox"/> AIR LIFT <input type="checkbox"/> OTHER - SPECIFY:	
		TEST RESULTS - ATTACH A COPY OF DATA COLLECTED DURING WELL TESTING, INCLUDING START TIME, END TIME, AND A TABLE SHOWING DISCHARGE AND DRAWDOWN OVER THE TESTING PERIOD.	
	ADDITIONAL STATEMENTS OR EXPLANATIONS SOIL BORING ONLY. PLUGGED WITH PELLETIZED BENTONITE UPON COMPLETION OF SAMPLING.		

8. SIGNATURE	THE UNDERSIGNED HEREBY CERTIFIES THAT, TO THE BEST OF HIS OR HER KNOWLEDGE AND BELIEF, THE FOREGOING IS A TRUE AND CORRECT RECORD OF THE ABOVE DESCRIBED HOLE AND THAT HE OR SHE WILL FILE THIS WELL RECORD WITH THE STATE ENGINEER AND THE PERMIT HOLDER WITHIN 30 DAYS AFTER COMPLETION OF WELL DRILLING.	
	 SIGNATURE OF DRILLER	1/12/09 DATE

FOR OSE INTERNAL USE

WELL RECORD & LOG (Version 6/9/08)

FILE NUMBER	POD NUMBER	TRN NUMBER
LOCATION	PAGE 2 OF 2	

Elke Environmental, Inc.

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Phone (432) 366-0043 Fax (432) 366-0884

January 12, 2009

NMOCD
Attn: Mike Bratcher
1301 W. Grand Ave
Artesia, NM 88210

Re: Closure Plan for OXY USA – Cypress 33 Federal #1H

Mr. Bratcher,

Oxy USA has completed the delineation of the pit bottoms. Attached is a plat map and field analytical of the site. All clean samples have been sent to the lab for third party confirmation for the levels on the pit closure plan. A C-141 has been attached for the leak below the pit liner. Oxy USA proposes the following remediation plan for the leak below the drilling pit.

The pit bottom is 8' below ground surface. The pit partitions will be knocked down and domed and capped with a 20 mil poly liner. The pit will be backfilled using the approved process in the original pit closure plan which is backfilling the site with clean native soil and a minimum of 1' of topsoil over the site to promote revegetation. The site will be reseeded with BLM Seed Mixture #3. A final report will be attached to the Final C-144 once closure is commenced.

Thanks,



Logan Anderson

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 USA	Contact – Kelton Beaird
Address – P O Box 1988 Carlsbad, NM 88221	Telephone No. – 575-887-8337
Facility Name – Cypress 33 Fed #1H	Facility Type – Drilling Pit

Surface Owner – Federal	Mineral Owner – Federal	Lease No.
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LOCATION OF RELEASE

Unit Letter P	Section 33	Township 23S	Range 29E	Feet from the	North/South Line	Feet from the	East/West Line	County Eddy
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Latitude 32° 15.333' N Longitude 103° 58.948' W

NATURE OF RELEASE

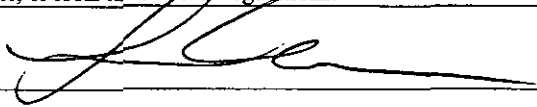
Type of Release – Drilling Fluids	Volume of Release – N/A	Volume Recovered – N/A
Source of Release – Drilling Pit	Date and Hour of Occurrence NA	Date and Hour of Discovery 1-8-09
Was Immediate Notice Given? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Required	If YES, To Whom?	
By Whom?	Date and Hour	
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.* Drilling pit leaked into underlying soil.

Describe Area Affected and Cleanup Action Taken.* Pit bottoms were tested and delineated to the standards in the pit closure plan. Confirmation samples were sent to a third party lab. Remediation plan is to knock down the partitions and dome the site. A 20 mil poly liner will be installed and the site will be backfilled and seeded per the original pit closure plan. A final report will be sent with the Final C-144 once the pit closure is complete.

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.

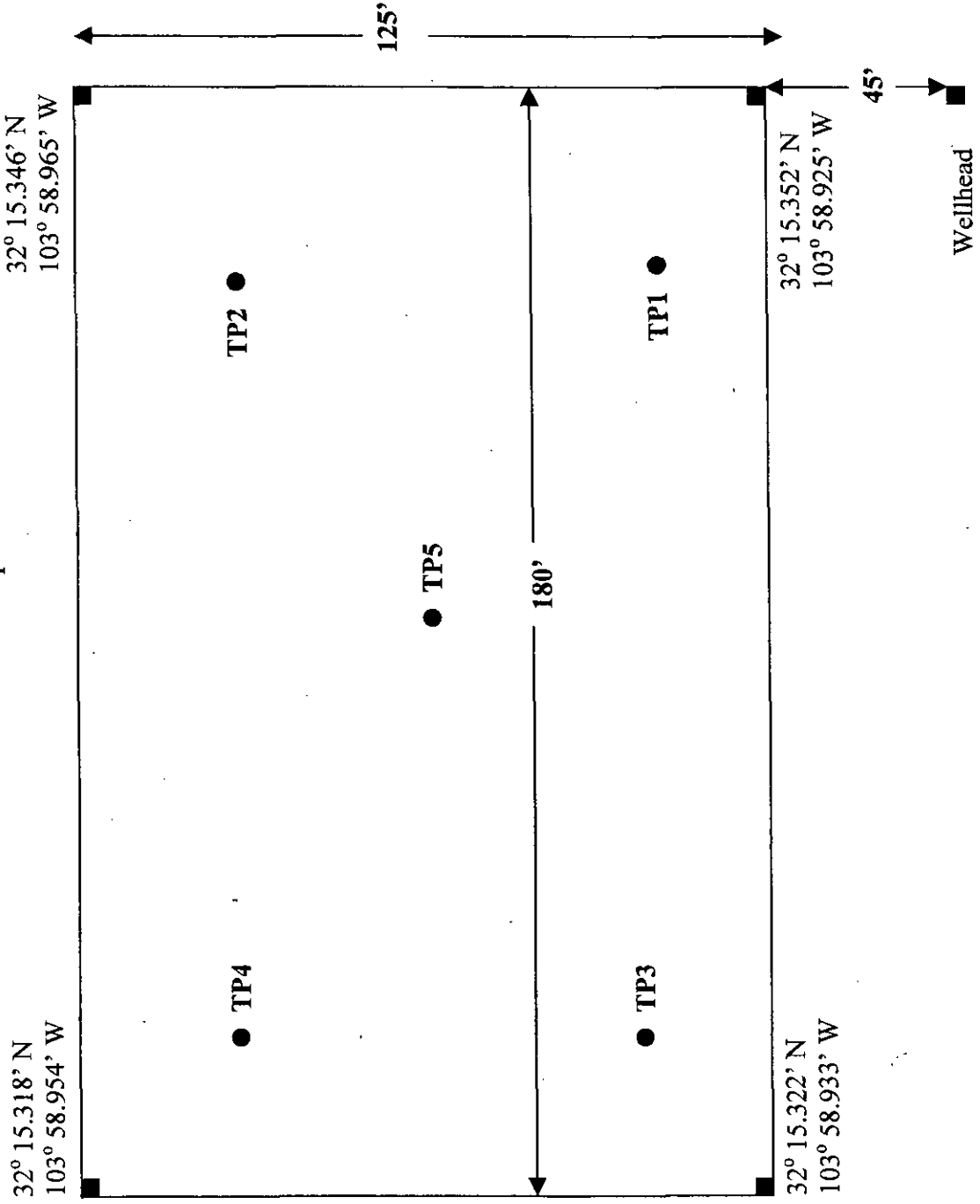
Signature: 		OIL CONSERVATION DIVISION	
Printed Name: Logan Anderson		Approved by District Supervisor:	
Title: Consultant	Approval Date:	Expiration Date:	
E-mail Address: la_elkeenv@yahoo.com	Conditions of Approval:		Attached <input type="checkbox"/>
Date: 1-12-09	Phone: 432-366-0043		

* Attach Additional Sheets If Necessary



OXY USA – Cypress 33 Federal #1H
UL 'P' Sec.33 T23S R29E Eddy County

Initial Plat Map



Elke Environmental, Inc.

P.O. Box 14167 Odessa, TX 79768

Field Analytical Report Form

Client Oxy USA

Analyst Jason Jessup

Site Cypress 33 Federal #1H

Sample ID	Date	Depth	TPH / PPM	CI / PPM	PID / PPM	GPS
TP1		8'		365		32° 15.348' N 103° 58.941' W
TP2		8'		406		32° 15.345' N 103° 58.960' W
TP3		8'		2,900		32° 15.324' N 103° 58.939' W
TP3		10'		1,323		32° 15.324' N 103° 58.939' W
TP3		12'		1,474		32° 15.324' N 103° 58.939' W
TP3		14'		1,676		32° 15.324' N 103° 58.939' W
TP3		16'		3,748		32° 15.324' N 103° 58.939' W
TP3		18'		801		32° 15.324' N 103° 58.939' W
TP3		20'		1,913		32° 15.324' N 103° 58.939' W
TP3		22'		1,453		32° 15.324' N 103° 58.939' W
TP3		24'		1,035		32° 15.324' N 103° 58.939' W
TP3		26'		441		32° 15.324' N 103° 58.939' W
TP4		8'		4,558		32° 15.321' N 103° 58.952' W
TP4		10'		2,168		32° 15.321' N 103° 58.952' W
TP4		12'		878		32° 15.321' N 103° 58.952' W
TP4		14'		411		32° 15.321' N 103° 58.952' W
TP5		8'		13,646		32° 15.333' N 103° 58.948' W

Analyst Notes _____

Elke Environmental, Inc.

P.O. Box 14167 Odessa, TX 79768

Field Analytical Report Form

Client Oxy USA Analyst Jason Jessup

Site Cypress 33 Federal #1H

Sample ID	Date	Depth	TPH / PPM	CI / PPM	PID / PPM	GPS
TP5		10'		16,135		32° 15.333' N 103° 58.948' W
TP5		12'		21,080		32° 15.333' N 103° 58.948' W
TP5		14'		937		32° 15.333' N 103° 58.948' W
TP5		16'		822		32° 15.333' N 103° 58.948' W
TP5		18'		1,699		32° 15.333' N 103° 58.948' W
TP5		20'		1,483		32° 15.333' N 103° 58.948' W
TP5		22'		2,415		32° 15.333' N 103° 58.948' W
TP5		24'		2,667		32° 15.333' N 103° 58.948' W
TP5		26'		483		32° 15.333' N 103° 58.948' W
Background		Surface		241		
Background		15'		293		
Background		20'		448		

Analyst Notes _____



WELL RECORD & LOG

OFFICE OF THE STATE ENGINEER

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1. GENERAL AND WELL LOCATION	POD NUMBER (WELL NUMBER) GOODNIGHT 27 FEDERAL #2H SB-1				OSE FILE NUMBER (TRN)			
	WELL OWNER NAME(S) OXY USA				PHONE (OPTIONAL)			
	WELL OWNER MAILING ADDRESS PO BOX 1988				CITY CARLSBAD		STATE NM	ZIP 86221
	WELL LOCATION (FROM GPS)	DEGREES		MINUTES	SECONDS	* ACCURACY REQUIRED: ONE TENTH OF A SECOND * DATUM REQUIRED: WGS 84		
		LATITUDE		32	16			
LONGITUDE		103	58	39.00 W				
DESCRIPTION RELATING WELL LOCATION TO STREET ADDRESS AND COMMON LANDMARKS UL "L", EDDY COUNTY, NEW MEXICO								
2. OPTIONAL	1/4 ACRES	1/4 ACRES	1/4 ACRES	1/4 ACRES	SECTION 27	TOWNSHIP 23S	RANGE 29E	
	SUBDIVISION NAME				LOT NUMBER	BLOCK NUMBER	TRACT	
	HYDROGRAPHIC SURVEY				MAP NUMBER		TRACT NUMBER	
3. DRILLING INFORMATION	LICENSE NUMBER		NAME OF LICENSED DRILLER EDWARD BRYAN			NAME OF WELL DRILLING COMPANY STRAUB CORPORATION		
	DRILLING STARTED 1/8/09		DRILLING ENDED 1/8/09		DEPTH OF COMPLETED WELL (FT) 98		DEPTH WATER FIRST ENCOUNTERED (FT) 87	
	COMPLETED WELL IS: <input type="checkbox"/> ARTESIAN <input type="checkbox"/> DRY HOLE <input type="checkbox"/> SHALLOW (UNCONFINED)						DEPTH WATER LEVEL IN COMPLETED WELL (FT)	
	DRILLING FLUID: <input checked="" type="checkbox"/> AIR <input type="checkbox"/> MUD <input type="checkbox"/> ADDITIVES - SPECIFY							
	DRILLING METHOD: <input checked="" type="checkbox"/> ROTARY <input type="checkbox"/> HAMMER <input type="checkbox"/> CABLE TOOL <input type="checkbox"/> OTHER - SPECIFY							
	DEPTH (FT)		BORE HOLE DIA. (IN)	CASING MATERIAL	CONNECTION TYPE (CASING)	INSIDE DIA. CASING (IN)	CASING WALL THICKNESS (IN)	SLOT SIZE (IN)
	FROM	TO						
	0		98	6"	N/A	N/A	N/A	N/A
4. WATER BEARING STRATA	DEPTH (FT)		THICKNESS (FT)	FORMATION DESCRIPTION OF PRINCIPAL WATER-BEARING STRATA (INCLUDE WATER-BEARING CAVITIES OR FRACTURE ZONES)			YIELD (GPM)	
	FROM	TO						
	87		90	3	RED SILTY SAND/SILTY CLAY/GRAY CLAY			
METHOD USED TO ESTIMATE YIELD OF WATER-BEARING STRATA						TOTAL ESTIMATED WELL YIELD (GPM)		

FOR OSE INTERNAL USE

WELL RECORD & LOG (Version 6/9/08)

FILE NUMBER	POD NUMBER	TRN NUMBER
LOCATION	PAGE 1 OF 2	

5. SEAL AND PUMP	TYPE OF PUMP: <input type="checkbox"/> SUBMERSIBLE <input type="checkbox"/> JET <input type="checkbox"/> NO PUMP - WELL NOT EQUIPPED <input type="checkbox"/> TURBINE <input type="checkbox"/> CYLINDER <input type="checkbox"/> OTHER - SPECIFY:						
	ANNULAR SEAL AND GRAVEL PACK	DEPTH (FT)		BORE HOLE DIA. (IN)	MATERIAL TYPE AND SIZE	AMOUNT (CUBIC FT)	METHOD OF PLACEMENT
		FROM	TO				

6. GEOLOGIC LOG OF WELL	DEPTH (FT)		THICKNESS (FT)	COLOR AND TYPE OF MATERIAL ENCOUNTERED (INCLUDE WATER-BEARING CAVITIES OR FRACTURE ZONES)	WATER BEARING?	
	FROM	TO				
	0	4	4	TAN FINE SAND/CALICHE	<input type="checkbox"/> YES	<input checked="" type="checkbox"/> NO
	4	37	33	TAN FINE SAND/SANDSTONE/CALICHE	<input type="checkbox"/> YES	<input checked="" type="checkbox"/> NO
	37	39	2	TAN SILTY SAND WITH CLAY	<input type="checkbox"/> YES	<input checked="" type="checkbox"/> NO
	39	43	4	RED SILTY CLAY	<input type="checkbox"/> YES	<input checked="" type="checkbox"/> NO
	43	46	3	TAN FINE VERY FINE SAND/SANDSTONE	<input type="checkbox"/> YES	<input checked="" type="checkbox"/> NO
	46	58	12	TAN SILTY SAND/CALICHE	<input type="checkbox"/> YES	<input checked="" type="checkbox"/> NO
	58	64	6	RED SANDY CLAY	<input type="checkbox"/> YES	<input checked="" type="checkbox"/> NO
	64	90	26	RED SILTY SAND/SILTY CLAY/GRAY CLAY	<input type="checkbox"/> YES	<input checked="" type="checkbox"/> NO
	90	98	8	GRAY SANDY CLAY	<input type="checkbox"/> YES	<input checked="" type="checkbox"/> NO
					<input type="checkbox"/> YES	<input type="checkbox"/> NO
					<input type="checkbox"/> YES	<input type="checkbox"/> NO
					<input type="checkbox"/> YES	<input type="checkbox"/> NO
					<input type="checkbox"/> YES	<input type="checkbox"/> NO
				<input type="checkbox"/> YES	<input type="checkbox"/> NO	
				<input type="checkbox"/> YES	<input type="checkbox"/> NO	
ATTACH ADDITIONAL PAGES AS NEEDED TO FULLY DESCRIBE THE GEOLOGIC LOG OF THE WELL						

7. TEST & ADDITIONAL INFO	WELL TEST	METHOD: <input type="checkbox"/> BAILER <input type="checkbox"/> PUMP <input type="checkbox"/> AIR LIFT <input type="checkbox"/> OTHER - SPECIFY:				
		TEST RESULTS - ATTACH A COPY OF DATA COLLECTED DURING WELL TESTING, INCLUDING START TIME, END TIME, AND A TABLE SHOWING DISCHARGE AND DRAWDOWN OVER THE TESTING PERIOD				
	ADDITIONAL STATEMENTS OR EXPLANATIONS SOIL BORING ONLY. PLUGGED WITH PELLETIZED BENTONITE UPON COMPLETION OF SAMPLING.					

8. SIGNATURE	THE UNDERSIGNED HEREBY CERTIFIES THAT, TO THE BEST OF HIS OR HER KNOWLEDGE AND BELIEF, THE FOREGOING IS A TRUE AND CORRECT RECORD OF THE ABOVE DESCRIBED HOLE AND THAT HE OR SHE WILL FILE THIS WELL RECORD WITH THE STATE ENGINEER AND THE PERMIT HOLDER WITHIN 20 DAYS AFTER COMPLETION OF WELL DRILLING:	
	 SIGNATURE OF DRILLER	1/12/09 DATE

FOR OSE INTERNAL USE

WELL RECORD & LOG (Version 6/9/08)

FILE NUMBER	POD NUMBER	TRN NUMBER
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