



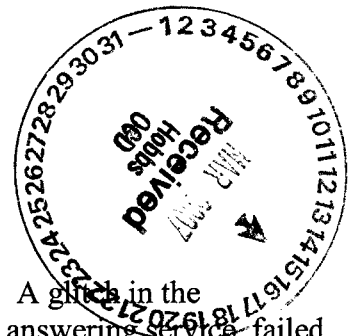
Occidental Permian Limited Partnership

March 12, 2007

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

Attn: Environmental Engineering

RE: Remediation Plan
South Hobbs Unit Central Tank Battery
UL 'A', Sec. 9, T-19-S, R-38-E

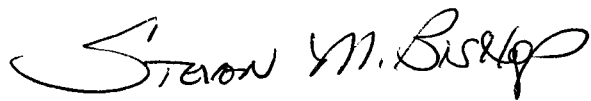


Leak occurred on 03/11/2007, and was discovered at 06:00 PM. A glitch in the communication system that sends alarms to Occidental Permian LTD's answering service, failed to alert field personnel to alarms at the South Hobbs Unit Central T/B. Operators were unaware that the water injection pumps had stopped and water was filling the 10,000 bbl spill over tank. The spill over tank ran over spilling water out of an overflow. The spilled fluid ran across the battery location to the southeast corner where it breached a berm. Water continued down a lease road for about 100 yards to a well location where it stopped in the pasture in an area measuring approximately 20' X 30'. An estimated 150 barrels of produced water was spilled, and 80 bbls of water was recovered via vacuum truck. Occidental Permian LTD. is the surface owner and utilizes the area for oil and gas production only. Depth to ground water according to State Engineers Office is an average of 53', for all wells in the area, giving this spill site a ranking of 10. Remediation of the spill site will be as follows:

1. Affected area will be excavated and soil will be disposed of at Sundance Services, Parabo Faciltiy near Eunice, NM.
2. Soil samples will be gathered from affected area.
3. NMOCD guidelines will be used to insure entire site is in compliance with guidelines.
4. Any soils removed will be replaced with clean fresh soils, where needed.
5. Soil analysis data will be submitted with final closure letter.

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

A handwritten signature in black ink that reads "Steven M. Bishop". The signature is fluid and cursive, with the first name "Steven" being more prominent than the last name "Bishop".

Steven M. Bishop
HES Tech/WSAH RMT
Steven_Bishop@oxy.com
(505) 397-8251

Attachments: Initial C-141
South Hobbs Unit Water Analysis taken at South Hobbs Unit Central T/B

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 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 Central T/B	Facility Type Production

Surface Owner Oxy Permian LTD.	Mineral Owner	Lease No.
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LOCATION OF RELEASE

Unit Letter 'A'	Section 9	Township 19-S	Range 38-E	Feet from the	North/South Line	Feet from the	East/West Line	County LEA
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Latitude 32°40'48.69" Longitude 103°08'52.64"

NATURE OF RELEASE

Type of Release Produced water only	Volume of Release 150 bbls water	Volume Recovered 80 bbls water
Source of Release 10,000 bbl Spill Over Tank	Date and Hour of Occurrence 03/11/2007 06:00 PM	Date and Hour of Discovery 03/11/2007 06:00 PM
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? Patricia Caperton (Left Message on Voice Mail)	
By Whom? Steven M. Bishop	Date and Hour 3/11/2007 7:15 PM	
Was a Watercourse Reached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, Volume Impacting the Watercourse. N/A	

If a Watercourse was Impacted, Describe Fully.*

Describe Cause of Problem and Remedial Action Taken.*

There was a glitch in communications system that sends reports alarms to Occidental Permian LTD's answering service, causing some alarms not to be sent to field operators. The water injection pumps at the South Hobbs Unit Central T/B had gone down allowing water tanks to fill and send water to the spill over tank. The communication problem also did not allow the automatic shut downs to work off of the spill over tank resulting in the tank running over. Approximately 150 bbls of produced water was spilled out of the overflow on the spill over tank. The water injection pumps were put back into service stopping the overflow. All fluid possible was recovered via vacuum truck, recovering about 80 bbls of water.

Describe Area Affected and Cleanup Action Taken.*

Spilled fluid ran to the SE corner of the Central T/B and breached a berm. Water then ran approximately 100 yds down a caliche road to a well pad and into an area approximately 20' X 30' in the pasture. All fluid possible was recovered via vacuum truck. Occidental Permian LTD is surface owner and utilizes area for oil and gas production only. Affected area will be remediated to NMOCD spill 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: <u>STEVEN M. BISHOP</u>	OIL CONSERVATION DIVISION	
Printed Name: Steven M. Bishop	Approved by District Supervisor: <u>[Signature]</u>	
Title: HES Technician	Approval Date: <u>3-20-07</u>	Expiration Date: <u>5-20-07</u>
E-mail Address: Steven_Bishop@oxy.com	Conditions of Approval: <u>SUBMIT FINAL C-141 w/ DISPOSITION OF AFFECTED SITES</u>	Attached <input type="checkbox"/>
Date: 03/12/2007	Phone: (505) 397-8251	

* Attach Additional Sheets If Necessary

Facility - PPAC 0708027000
Incident - NPAC 0708027068

1 RIVE CHLORIDE CONTENT OF
application with SPILLSD
PPAC 0708027174

RP#1254

MITCHELL ANALYTICAL LABORATORY

2638 Faudree
XOdessa, Texas 79765-8538
561-5579

Company: **Nalco Energy Services**

Well Number: SHU Water Sta. H-Pump
Lease: OXY
Location:
Date Run: 2/2/2007
Lab Ref #: 07-feb-n32937

Sample Temp: 70
Date Sampled: 1/29/2007
Sampled by: Kevin Chiles
Employee #:
Analyzed by: DOM

Dissolved Gases

		Mg/L	Eq. Wt.	MEq/L
Hydrogen Sulfide (H ₂ S)		206.00	16.00	12.88
Carbon Dioxide (CO ₂)	NOT ANALYZED			
Dissolved Oxygen (O ₂)	NOT ANALYZED			

Cations

Calcium (Ca ⁺⁺)		538.68	20.10	26.80
Magnesium (Mg ⁺⁺)		43.92	12.20	3.60
Sodium (Na ⁺)		3,059.39	23.00	133.02
Barium (Ba ⁺⁺)				
	NOT ANALYZED			
Manganese (Mn ⁺)		.03	27.50	.00

Anions

Hydroxyl (OH ⁻)		.00	17.00	.00
Carbonate (CO ₃ ⁼)		96.00	30.00	3.20
BiCarbonate (HCO ₃ ⁻)		1,246.44	61.10	20.40
Sulfate (SO ₄ ⁼)		690.00	48.80	14.14
Chloride (Cl ⁻)		4,461.90	35.50	125.69
Total Iron (Fe)		0.16	18.60	.01
Total Dissolved Solids		10,342.53		
Total Hardness as CaCO ₃		1,526.77		
Conductivity MICROMHOS/CM		13,000		

pH 8.310 Specific Gravity 60/60 F. 1.007

CaSO₄ Solubility @ 80 F. 14.68 MEq/L, CaSO₄ scale is unlikely

CaCO₃ Scale Index

70.0	1.993	100.0	2.343	130.0	2.853
80.0	2.123	110.0	2.583	140.0	2.853
90.0	2.343	120.0	2.583	150.0	3.083

Nalco Energy Services