



Occidental Permian Limited Partnership

July 16, 2007

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

Attn: Environmental Engineering

RE: Final Closure 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 was as follows:

1. Affected area was excavated and soil was disposed of at Sundance Services, Parabo Facility near Eunice, NM. Disposed of 192 yards of soil.
2. Soil samples were gathered from affected area. See hand drawn map of sample points attached.
3. NMOCD guidelines were 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. See attached Cardinal Lab soil analysis dated 7/12/2007.

Samples show TPH and BTEX as non-detect. Chlorides samples are slightly elevated over background but well below injection water analysis. Latest South Hobbs Unit water analysis also attached. Oxy feels no damage to surface or sub-surface will occur as result of this spill. Natural vegetation was already growing in this spill site area before remediation work began. No further work is planned for this site.

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 written in a cursive style with a large, sweeping initial 'S'.

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

Attachments: Final C-141
Cardinal Labs soil analysis data dated 7/12/2007 (2 pages)
Hand drawn map showing sample points
Latest 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.

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
'A'	9	19-S	38-E					LEA

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.*

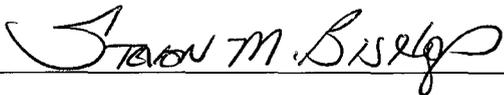
Describe Cause of Problem and Remedial Action Taken.*

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 was 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: 	OIL CONSERVATION DIVISION	
Printed Name: Steven M. Bishop	Approved by District Supervisor 	
Title: HES Technician	Approval Date: <u>7.18.07</u>	Expiration Date:
E-mail Address: Steven_Bishop@oxy.com	Conditions of Approval:	Attached <input type="checkbox"/>
Date: <u>07/16/2007</u> Phone: (505) 397-8251		

* Attach Additional Sheets If Necessary

RP# 1254



**ARDINAL
LABORATORIES**

PHONE (325) 673-7001 • 2111 BEECHWOOD • ABILENE, TX 79603

PHONE (505) 303-2328 • 101 E. MARLAND • HOBBS, NM 88240

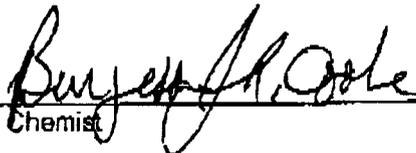
**ANALYTICAL RESULTS FOR
BBC INTERNATIONAL, INC.
ATTN: CLIFF BRUNSON
P.O. BOX 805
HOBBS, NM 88241
FAX TO: (505) 397-0397**

Receiving Date: 07/11/07
Reporting Date: 07/12/07
Project Owner: OXY
Project Name: SHU CTB
Project Location: HOBBS, NEW MEXICO

Sampling Date: 07/11/07
Sample Type: SOIL
Sample Condition: COOL & INTACT
Sample Received By: BC
Analyzed By: BC/HM

LAB NUMBER	SAMPLE ID	GRO (C ₆ -C ₁₀) (mg/Kg)	DRO (>C ₁₀ -C ₂₈) (mg/Kg)	Cl* (mg/Kg)
	ANALYSIS DATE	07/11/07	07/11/07	07/11/07
H12879-1	SP 1	<10.0	<10.0	16
H12879-2	SP 2	<10.0	<10.0	480
H12879-3	SP 3	<10.0	<10.0	512
H12879-4	SP 4	<10.0	<10.0	624
H12879-5	SP 5	<10.0	<10.0	752
H12879-6	BACKGROUND	<10.0	<10.0	<16
	Quality Control	732	743	490
	True Value QC	800	800	500
	% Recovery	91.5	92.8	98.0
	Relative Percent Difference	<0.1	1.3	<0.1

METHODS: TPH GRO & DRO: EPA SW-846 8015 M; Cl*: Std. Methods 4500-Cl*B
*Analyses performed on 1:4 w:v aqueous extracts.



Chemist

7/12/07

Date

H12879A BBC

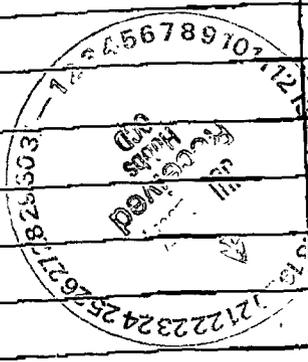
PLEASE NOTE: Liability and Damages. Cardinal's liability and client's exclusive remedy for any claim arising, whether based in contract or tort, shall be limited to the amount paid by client for analyses. All claims, including those for negligence and any other cause whatsoever shall be deemed waived unless made in writing and received by Cardinal within thirty (30) days after completion of the applicable service. In no event shall Cardinal be liable for incidental or consequential damages, including, without limitation, business interruptions, loss of use or loss of profits incurred by client, its subsidiaries, affiliates or successors arising out of or related to the performance of services hereunder by Cardinal, regardless of whether such claim is based upon any of the above-stated reasons or otherwise.

CHAIN-OF-CUSTODY AND ANALYSIS REQUEST

Page 1 of 1

A12879

Lab I.D.	Sample I.D.	CL	TPH BCISM	BTEX
112879-1	SP1			
-2SP2				
-3SP3				
-4SP4				
-5SP5				
-6 Background				



Company Name: **BBC International**

Project Manager: **Cliff Brunson**

Address: **1324 W. Marlard**

City: **Hobbs** State: **NM** Zip: **88240**

Phone #: **(505) 397-6388** Fax #: **(505) 393-2326**

Project #: **01Y** Project Owner: **OKY**

Project Name: **SQU CTB**

Project Location: **HOBBS NEW MEXICO**

Sampler Name: **Roger Hernandez**

Lab I.D.	Sample I.D.	MATRIX			PRESERV			DATE	TIME
		GROUNWATER	WASTEWATER	SOIL	ACID/BASE	IDE/COOL	OTHER		
112879-1	SP1							7/11	8:40
-2SP2								7/11	8:44
-3SP3								7/11	8:10
-4SP4								7/11	8:52
-5SP5								7/11	8:59
-6 Background								7/11	9:04

Public Note: Facility and Company. Correctly supply and label. Do not include in the amount paid to the client for the analysis. All other testing fees for samples and for other services must be determined prior to sampling and provided by the client. All other testing fees for samples and for other services must be determined prior to sampling and provided by the client. All other testing fees for samples and for other services must be determined prior to sampling and provided by the client.

Sampler Relinquished: **Roger Hernandez** Date: **7/11/01** Time: **8:50**

Received By: **[Signature]** Date: **7/11/01** Time: **9:00**

Relinquished By: **[Signature]** Date: **7/11/01** Time: **9:00**

Delivered By: **(Circle One)**

Sampler - Yes - No - Other

Checked By: **[Signature]**

Sample Condition: Cool Intact Yes No No

Phone Result: Yes No No No

Fax Result: Yes No No No

ADD'l Phone #: **[Blank]**

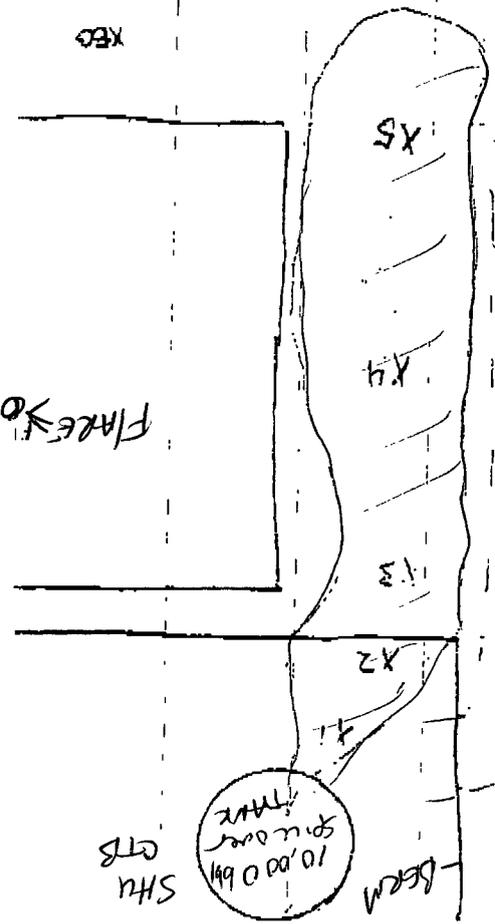
ADD'l Fax #: **[Blank]**

REMARKS: **[Blank]**

† Cardinal cannot accept verbal changes. Please fax written changes to 805-393-2476.

SP1 @ 8.40
 SP2 8.44
 SP3 8.50
 SP4 8.55
 SP5 8.59
 BD 9.04

D
A
O
R
E
M
A
L
C



Location: Hills RM
 Project/Client: SHU CIB / Oxy
 Date: 7/4/07

