

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

RECEIVED

OCT 16 2009

HOBBSOCD

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

X Initial Report XX Final Report

Name of Company Oxy USA WTP	Contact Dusty Wilson
Address 1017 W. Stanolind Rd	Telephone No. (575) 397-8247
Facility Name MLMU # 98	Facility Type Production Well

Surface Owner Kelly Meyers	Mineral Owner BLM, Oxy	Lease No.
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API # 30-025-16906-00-00

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
NW/SW 1/4	31	23s	37e					Lea

Latitude _____ Longitude _____

NATURE OF RELEASE

Type of Release Produce Water	Volume of Release 20 bbls	Volume Recovered 10 bbls
Source of Release Stuffing box	Date and Hour of Occurrence 08/03/2009 0800 hrs	Date and Hour of Discovery 08/03/2009 1045 hrs
Was Immediate Notice Given? X Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? Jeff Leking	
By Whom? Dusty Wilson	Date and Hour 08/04/2009 1300 hrs	
Was a Watercourse Reached? <input type="checkbox"/> Yes X No	If YES, Volume Impacting the Watercourse. n/a	

If a Watercourse was Impacted, Describe Fully.*

N/A

WATER @ 120'

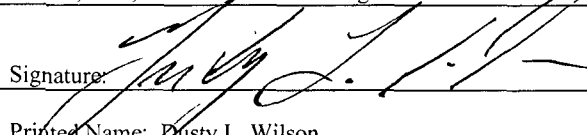
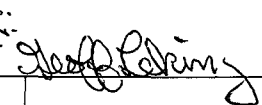
Describe Cause of Problem and Remedial Action Taken.*

Stuffing box packing failure. 20 bbls of brine was released onto location. 10 bbls was recovered by Vac Truck. Soil samples were taken and provided to NMOCD. Remediation efforts were agreed to by Jeff Leking as follows; Remove soils to 2 foot depth at sample points 1 and 2. Remove surface soils at sample point 3. Spoils were hauled to Sundance Services for disposal, and site was backfilled with clean like soils. This spill site is closed.

Describe Area Affected and Cleanup Action Taken.*

Remediated to NMOCD Requirements.

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: Dusty L. Wilson		Approved by ENV. ENGINEER:  District Supervisor	
Title: HES Specialist		Approval Date: 01/12/10	Expiration Date: _____
E-mail Address: dusty_wilson@oxy.com		Conditions of Approval.	
Date: 10/12/2009 Phone: (575) 397-8210		Attached <input type="checkbox"/> IRP-10-2-2439	

- Attach Additional Sheets If Necessary

FGRL1005553628

116 RELEASE NOTIFICATION AND CORRECTIVE ACTION [1-1-50...2-1-96; A, 3-15-97]

116.A. NOTIFICATION

(1) The Division shall be notified of any unauthorized release occurring during the drilling, producing, storing, disposing, injecting, transporting, servicing or processing of crude oil, natural gases, produced water, condensate or oil field waste including Regulated NORM, or other oil field related chemicals, contaminants or mixture thereof, in the State of New Mexico in accordance with the requirements of this Rule. [1-1-50...2-1-96; A, 3-15-97]

(2) The Division shall be notified in accordance with this Rule with respect to any release from any facility of oil or other water contaminant, in such quantity as may with reasonable probability be detrimental to water or cause an exceedance of the standards in 19 NMAC 15.A.19. B(1), B(2) or B(3). [3-15-97]

116.B. REPORTING REQUIREMENTS: Notification of the above releases shall be made by the person operating or controlling either the release or the location of the release in accordance with the following requirements: [5-22-73...2-1-96; A, 3-15-97]

(1) A **Major Release** shall be reported by giving **both** immediate verbal notice and timely written notice pursuant to Paragraphs C(1) and C(2) of this Rule. A Major Release is:

- (a) an unauthorized release of a volume, excluding natural gases, in excess of 25 barrels;
- (b) an unauthorized release of any volume which:
 - (i) results in a fire;
 - (ii) will reach a water course;
 - (iii) may with reasonable probability endanger public health; or
 - (iv) results in substantial damage to property or the environment;
- (c) an unauthorized release of natural gases in excess of 500 mcf; or
- (d) a release of any volume which may with reasonable probability be detrimental to water or cause an exceedance of the standards in 19 NMAC 15.A.19. B(1), B(2) or B(3). [3/15/97]

(2) A **Minor Release** shall be reported by giving timely written notice pursuant to Paragraph C(2) of this Rule. A Minor Release is an unauthorized release of a volume, greater than 5 barrels but not more than 25 barrels; or greater than 50 mcf but less than 500 mcf of natural gases. [3-15-97]

116.C. CONTENTS OF NOTIFICATION

(1) **Immediate verbal notification** required pursuant to Paragraph B shall be reported within twenty-four (24) hours of discovery to the Division District Office for the area within which the release takes place. In addition, immediate verbal notification pursuant to Subparagraph B.(1).(d). shall be reported to the Division's Environmental Bureau Chief. This notification shall provide the information required on Division Form C-141. [5-22-73 . 2-1-96; A, 3-15-97]

(2) **Timely written notification** is required to be reported pursuant to Paragraph B within fifteen (15) days to the Division District Office for the area within which the release takes place by completing and filing Division Form C-141. In addition, timely written notification required pursuant to Subparagraph B.(1).(d). shall also be reported to the Division's Environmental Bureau Chief within fifteen (15) days after the release is discovered. The written notification shall verify the prior verbal notification and provide any appropriate additions or corrections to the information contained in the prior verbal notification. [5-22-73...2-1-96; A, 3-15-97]

116.D. CORRECTIVE ACTION: The responsible person must complete Division approved corrective action for releases which endanger public health or the environment. Releases will be addressed in accordance with a remediation plan submitted to and approved by the Division or with an abatement plan submitted in accordance with Rule 19 (19 NMAC 15.A. 19). [3-15-97]



PHONE (575) 393-2326 • 101 E. MARLAND • HOBBS, NM 88240

September 1, 2009

Cliff Brunson
BBC International, Inc.
P.O. Box 805
Hobbs, NM 88241

Re: MLMU #98

Enclosed are the results of analyses for sample number H18104, received by the laboratory on 08/27/09 at 1:31 pm.

Cardinal Laboratories is accredited through Texas NELAP for:

Method SW-846 8021	Benzene, Toluene, Ethyl Benzene, and Total Xylenes
Method SW-846 8260	Benzene, Toluene, Ethyl Benzene, and Total Xylenes
Method TX 1005	Total Petroleum Hydrocarbons

Certificate number T104704398-08-TX. Accreditation applies to solid and chemical materials and non-potable water matrices.

Cardinal Laboratories is accredited through the State of Colorado Department of Public Health and Environment for:

Method EPA 552.2	Haloacetic Acids (HAA-5)
Method EPA 524.2	Total Trihalomethanes (TTHM)
Method EPA 524.2	Regulated VOCs (V2, V3)

Accreditation applies to public drinking water matrices.

Total Number of Pages of Report: 3 (includes Chain of Custody)

Sincerely,

Celey D. Keene
Laboratory Director

This report conforms with NELAP requirements.



PHONE (575) 393-2326 • 101 E. MARLAND • HOBBS, NM 88240

ANALYTICAL RESULTS FOR
BBC INTERNATIONAL, INC.
ATTN: CLIFF BRUNSON
P.O. BOX 805
HOBBS, NM 88241
FAX TO (575) 397-0397

Receiving Date: 08/27/09
Reporting Date: 08/31/09
Project Owner: NOT GIVEN
Project Name: MLMU #98
Project Location: NOT GIVEN

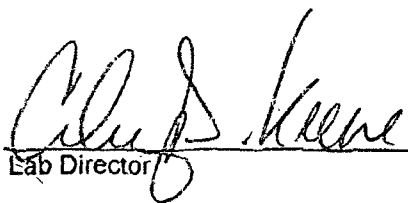
Sampling Date: 08/18/09
Sample Type: SOIL
Sample Condition: INTACT @ 16°C
Sample Received By: ML
Analyzed By: AB/ZL/HM

LAB NO.	SAMPLE ID	GRO (C ₆ -C ₁₀) (mg/kg)	DRO (>C ₁₀ -C ₂₈) (mg/kg)	BENZENE (mg/kg)	TOLUENE (mg/kg)	ETHYL BENZENE (mg/kg)	TOTAL XYLENES (mg/kg)	CI* (mg/kg)
ANALYSIS DATE:		08/28/09	08/28/09	08/29/09	08/29/09	08/29/09	08/29/09	08/29/09
H18104-1	SP1 @ SURFACE	<50.0	3,880	<0.050	<0.050	<0.050	<0.300	14,800
H18104-2	SP1 @ 3'	<10.0	<10.0	<0.050	<0.050	<0.050	<0.300	672
H18104-3	SP1 @ 5'	<10.0	<10.0	<0.050	<0.050	<0.050	<0.300	336
H18104-4	SP2 @ SURFACE	<50.0	2,810	<0.050	<0.050	<0.050	<0.300	12,400
H18104-5	SP2 @ 3'	<10.0	<10.0	<0.050	<0.050	<0.050	<0.300	768
H18104-6	SP2 @ 5'	<10.0	<10.0	<0.050	<0.050	<0.050	<0.300	800
H18104-7	SP2 @ 10'	<10.0	<10.0	<0.050	<0.050	<0.050	<0.300	128
H18104-8	SP3 @ SURFACE	<10.0	<10.0	<0.050	<0.050	<0.050	<0.300	432
Quality Control		510	453	0.056	0.055	0.052	0.156	500
True Value QC		500	500	0.050	0.050	0.050	0.150	500
% Recovery		102	90.6	112	110	104	104	100
Relative Percent Difference		1.1	3.8	7.0	5.3	5.6	6.4	< 0.1

METHODS: TPH GRO & DRO - EPA SW-846 8015 M; BTEX - SW-846 8021B; CI-: Std. Methods 4500-CI-B

*Analyses performed on 1:4 w/v aqueous extracts. Reported on wet weight.

TEXAS NELAP ACCREDITATION T104704398-08-TX FOR BENZENE, TOLUENE, ETHYL BENZENE, AND TOTAL XYLENES. Not accredited for GRO/DRO and Chloride.


Lab Director


Date

H18104 TBCL 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. Results relate only to the samples identified above. This report shall not be reproduced except in full with written approval of Cardinal Laboratories.

**CARDINAL LABORATORIES**

101 East Marland, Hobbs, NM 88240

(505) 393-2326 FAX (505) 393-2476

CHAIN-OF-CUSTODY AND ANALYSIS REQUEST

Company Name: BBC International, Inc.				BILL TO				ANALYSIS REQUEST											
Project Manager: Cliff Brunson				P.O. #:				<div style="display: flex; flex-direction: column; align-items: center;"> <div>Chloride</div> <div>BTEX</div> <div>TPH 8015</div> </div>											
Address: P.O. Box 805				Company:															
City: Hobbs		State: NM Zip: 88241		Attn:															
Phone #: 575-397-6388		Fax #: 575-397-0397		Address:															
Project #:		Project Owner:		City:															
Project Name: <i>MLMU #98</i>				State: Zip:															
Project Location:				Phone #:															
Sampler Name: <i>Jeff Cornelius</i>				Fax #:															
FOR LAB USE ONLY																			
Lab I.D.	Sample I.D.	(G)RAB OR (C)OMP.	# CONTAINERS	MATRIX					PRESERV		SAMPLING								
				GROUNDWATER	WASTEWATER	SOIL	OIL	SLUDGE	OTHER:	ACID/BASE:	ICE/COOL	OTHER:	DATE	TIME					
<i>H18104-1</i>	<i>SP1 @ Surface</i>	<i>1</i>	<i>1</i>			<i>/</i>					<i>/</i>		<i>8-18-09</i>	<i>10:10 a</i>					
<i>-2</i>	<i>SP1 @ 3'</i>	<i>1</i>	<i>1</i>			<i>/</i>					<i>/</i>		<i>8-18-09</i>	<i>11:06 a</i>					
<i>-3</i>	<i>SP1 @ 5'</i>	<i>1</i>	<i>1</i>			<i>/</i>					<i>/</i>		<i>8-18-09</i>	<i>11:40 a</i>					
<i>-4</i>	<i>SP2 @ Surface</i>	<i>1</i>	<i>1</i>			<i>/</i>					<i>/</i>		<i>8-18-09</i>	<i>1:11 p</i>					
<i>-5</i>	<i>SP2 @ 3'</i>	<i>1</i>	<i>1</i>			<i>/</i>					<i>/</i>		<i>8-18-09</i>	<i>1:45 p</i>					
<i>-6</i>	<i>SP2 @ 5'</i>	<i>1</i>	<i>1</i>			<i>/</i>					<i>/</i>		<i>8-18-09</i>	<i>2:15 p</i>					
<i>-7</i>	<i>SP2 @ 10'</i>	<i>1</i>	<i>1</i>			<i>/</i>					<i>/</i>		<i>8-18-09</i>	<i>3:40 p</i>					
<i>-8</i>	<i>SP3 @ Surface</i>	<i>1</i>	<i>1</i>			<i>/</i>					<i>/</i>		<i>8-18-09</i>	<i>4:00 p</i>					

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 the client for the 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 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.

Relinquished By:	Date: <i>8-19-09</i>	Received By:	Phone Result: <input type="checkbox"/> Yes <input type="checkbox"/> No	Add'l Phone #:
<i>[Signature]</i>	Time: <i>5:00</i>	<i>Jennifer Gilkey</i>	Fax Result: <input type="checkbox"/> Yes <input type="checkbox"/> No	Add'l Fax #:
Relinquished By:	Date: <i>8-27-09</i>	Received By:	REMARKS:	
<i>Jennifer Gilkey</i>	Time: <i>1:31</i>	<i>Walter H. But</i>		
Delivered By: (Circle One)	Sample Condition	CHECKED BY:		
Sampler - UPS - Bus - Other:	Cool <input type="checkbox"/> Intact <input type="checkbox"/>	(Initials)		
<i>16°C</i>	Yes <input type="checkbox"/> No <input type="checkbox"/>	<i>MCAB</i>		

† Cardinal cannot accept verbal changes. Please fax written changes to 505-393-2476

#26