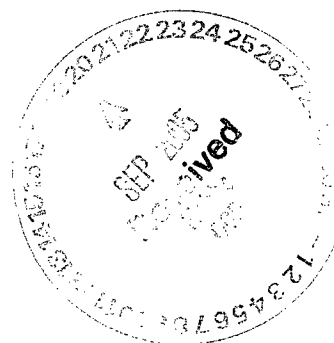
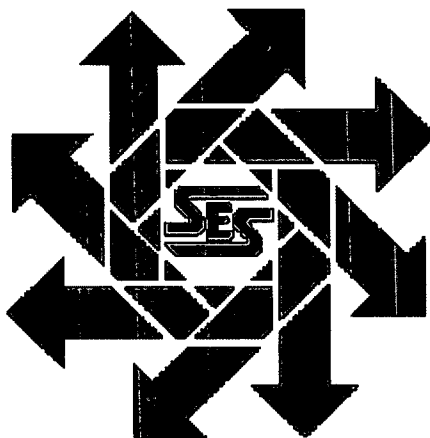


**Oxy USA
Myers Langlie Mattix
Well 265 Flowline Leak
Closure Report
Unit N, Section 31, Township 23S, Range 37E
Lea County, New Mexico**

April 1, 2005

IRP-61
9/28/05



Prepared for:

**Oxy USA
1017 W. Stanolind Road
Hobbs, New Mexico 88240**

By:

***Safety & Environmental Solutions, Inc.
703 E. Clinton Suite 102
Hobbs, New Mexico 88240
(505) 397-0510***

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I. **Company Contacts**

Rick Kerby	Oxy USA	505-393-2174	rick_kerby@oxy.com
Bob Allen	SESI	505-397-0510	ballen@sesi-nm.com

II. **Background**

Safety & Environmental Solutions, Inc. (SESI) was contracted by Oxy USA to perform assessment and cleanup services on an area identified as the Myers Langlie Mattix Well 265 Flowline Leak. The subject site is a flowline leak area located in Section 31, Township 23S, Range 37E, Lea County, New Mexico.

III. **Contaminant and Size of Area**

The suspected contaminate was produced water from corrosion in a flowline. Approximately 25 barrels of fluid was released, approximately two (2) barrel of oil and twenty-three (23) barrels of brine. Twenty (20) barrels of fluid were recovered. The suspected contaminant was classified as an exempt oilfield waste. No evidence of other contaminants was observed.

IV. **Surface and Ground Water**

According to the database provided by the New Mexico State Engineer's Office the nearest groundwater of record is in Section 32 of the same range and township. The depth of water in the well was 106 feet on June 23, 1996.

V. **Soils**

The soils in the area are predominantly sand and sandy loam.

VI. **Work Performed**

The cleanup level reached by the application of the "**Guidelines for Remediation of Leaks, Spill and Releases**" *New Mexico Oil Conservation Division* – August 13, 1993 to this site is 5000 ppm Total Petroleum Hydrocarbon (TPH). Application of the New Mexico Oil Conservation Division's ranking criteria for contaminated soils at this site is presented below.

Depth to Ground Water:	0 points
Distance to Well Head or Water Source:	0 points
Distance to Surface Water/Waterways:	0 points
Total Score:	0 points

On November 28, 2004 Oxy USA excavated approximately 100 yards of contaminated soil. The contaminated soil was transported to Sundance Services for disposal. A like amount of clean soil was purchased from the landowner and used to backfill the excavation.

On February 8, 2005 SESI drilled four (4) boreholes to a depth of 3'. Grab samples were retrieved at the 3' depth. All samples were sent under Chain of Custody to Cardinal Laboratories. The samples were analyzed for Chlorides (EPA Method 4500-Cl⁻B), TPH

(EPA Method 418) and Benzene, Toluene, Ethyl Benzene, and Total Xylenes (BTEX) (EPA Method 8260). The results of the analysis are as follows:

Date	Sample ID	Cl ⁻	TPH	Benzene	Toluene	Ethyl Benzene	Total Xylenes
2/8/05	BH #1 3'	640	<10	<0.005	<0.005	<0.005	<0.015
2/8/05	BH #2 3'	1120	<10	<0.005	<0.005	<0.005	<0.015
2/8/05	BH #3 3'	880	<10	<0.005	<0.005	<0.005	<0.015
2/8/05	BH #4 3'	800	<10	<0.005	<0.005	<0.005	<0.015

VII. Request for Closure

The Chloride levels are all under 1,000 ppm at the 3' depth with the exception of Borehole #2, which is 1120 ppm.

Due to the proximity of the groundwater SESI requests no further action be required at this site.

VIII. Figures & Appendices

Figure 1 - Vicinity Map

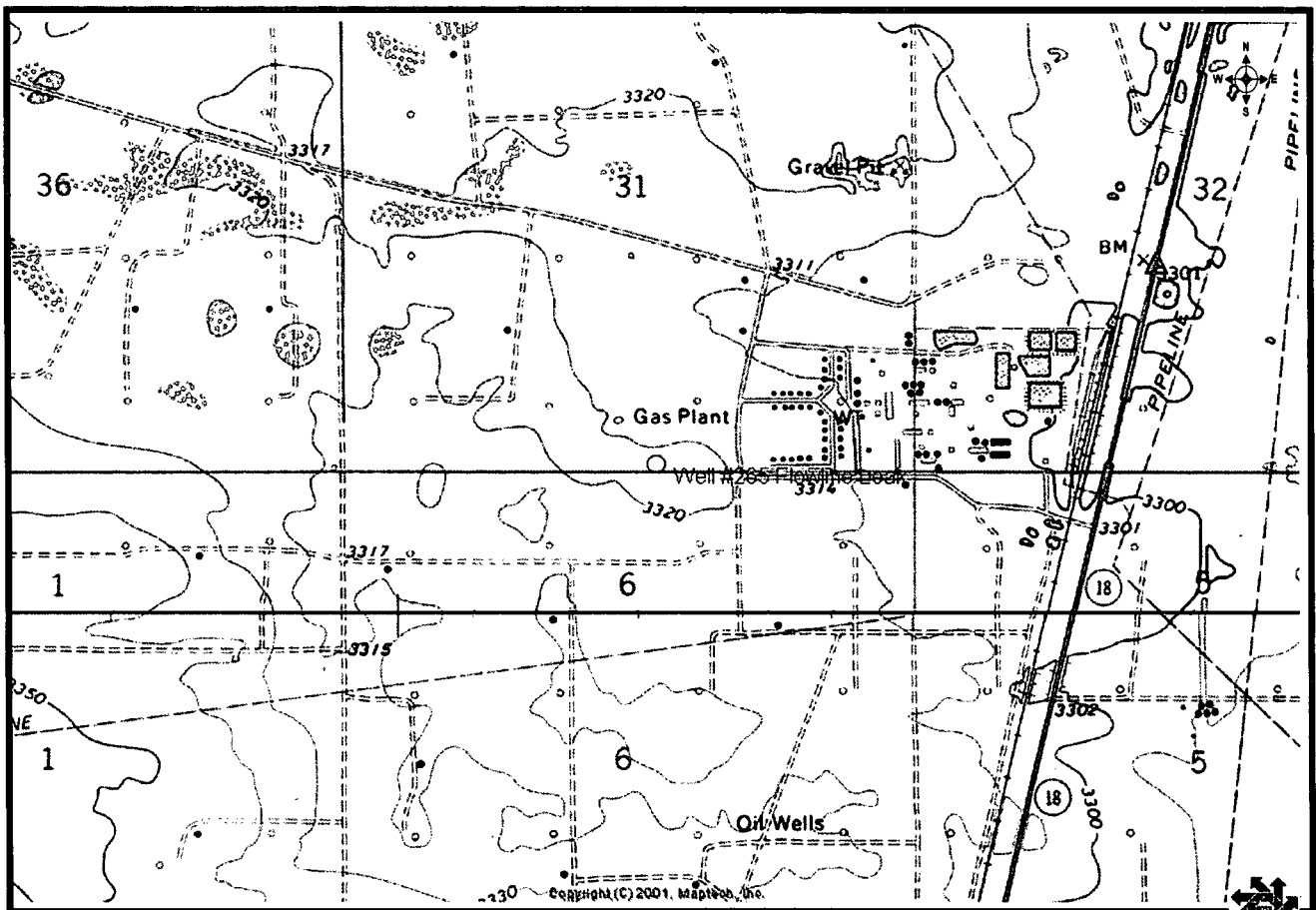
Figure 2 - Site Plan

Appendix A - C-141

Appendix B - Analytical Results

Appendix C - Site Photos

Figure 1
Vicinity Map



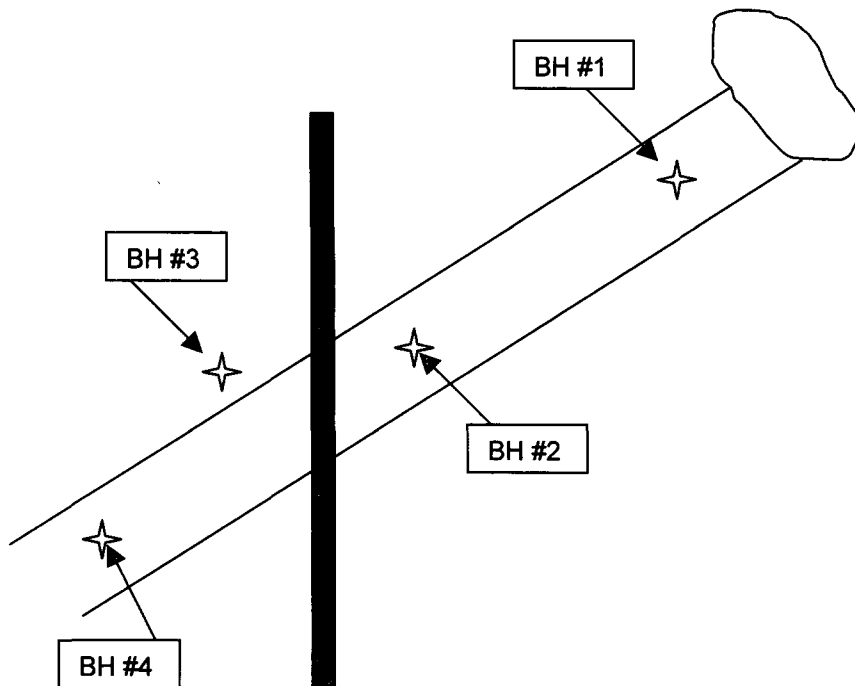
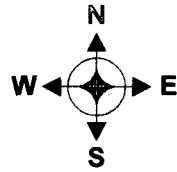
OXY USA

Well #265 Flowline Leak
S 31, T23S, R37E
Lea County, New Mexico

Safety & Environmental Solutions, Inc.

Figure 2

Site Plan



Not to Scale



Oxy USA
Site Plan

Well #265 Flowline Leak
S 31, T23S, R37E
Lea County, New Mexico

Safety & Environmental
Solutions, Inc.

Appendix A

C-141

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 Rick Kerby
Address 4008 N Grimes PMB 269 Hobbs, NM 88240	Telephone No. (O) 393-2174 C) 631-4972
Facility Name Myers Langlie Matrix	Facility Type Well #265
Surface Owner Kelly Myers	Mineral Owner State of NM
Lease No.	

LOCATION OF RELEASE

Unit Letter K	Section 32	Township 23S	Range 37E	Feet from the 1460	North/South Line South	Feet from the 1340	East/West Line West	County Lca
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Latitude _____ Longitude _____

NATURE OF RELEASE

Type of Release Produced Fluid	Volume of Release 25 Bbl	Volume Recovered 20 Bbl
Source of Release Flow Line leak	Date and Hour of Occurrence 10-12-04 Unknown	Date and Hour of Discovery 10-13-04 2:00 PM
Was Immediate Notice Given? Required <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not	If YES, To Whom? Sylvia Dickey 11:00 AM 10-14-04	
By Whom? John Erickson	Date and Hour 11:00 AM 10-14-04	
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.*

Flow line leak caused by internal corrosion. Fluid was picked up by vacuum truck and hauled to disposal. Ground allowed to dry.

Describe Area Affected and Cleanup Action Taken.*

All fluid was in old road right of way. Sandy soil. One Call has been submitted and cleanup scheduled to commence on 11-28-04. Back-hoe will pick up contaminated soil and haul to Sundance disposal. Soil samples will be submitted to Cardinal Labs and results sent to NMOCDD with closure paper-work. Sampling will be conducted on 11-29-04.

I hereby certify that the information given above is true and complete to the best of my knowledge and understand that pursuant to NMOCDD 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 NMOCDD 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, NMOCDD 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: <i>Rick Kerby</i>	OIL CONSERVATION DIVISION	
Printed Name: Rick Kerby	Approved by District Supervisor:	
Title: HES Tech	Approval Date:	Expiration Date:
E-mail Address: rick_kerby@oxv.com	Conditions of Approval:	Attached <input type="checkbox"/>
Date: Phone: 631-4972		

* Attach Additional Sheets If Necessary

Appendix B

Analytical Results



ARDINAL LABORATORIES

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

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

ANALYTICAL RESULTS FOR SAFETY & ENVIRONMENTAL SOLUTIONS, INC.

ATTN: BOB ALLEN
703 E. CLINTON, #102
HOBBS, NM 88240
FAX TO: (505) 393-4388

Receiving Date: 02/08/05
Reporting Date: 02/09/05
Project Number: OXY-05-003
Project Name: MYERS LANGLE MATTIX *246*
Project Location: NOT GIVEN

Sampling Date: 02/08/05
Sample Type: SOIL
Sample Condition: COOL & INTACT
Sample Received By: BC
Analyzed By: BC/AH

LAB NUMBER	SAMPLE ID	TPH (mg/Kg)	CI* (mg/Kg)	BENZENE (mg/Kg)	TOLUENE (mg/Kg)	ETHYL BENZENE (mg/Kg)	TOTAL XYLENES (mg/Kg)
ANALYSIS DATE:		02/08/05	02/09/05	02/09/05	02/09/05	02/09/05	02/09/05
H9535-1	BH #1 3'	<10	640	<0.005	<0.005	<0.005	<0.015
H9535-2	BH #2 3'	<10	1120	<0.005	<0.005	<0.005	<0.015
H9535-3	BH #3 3'	<10	880	<0.005	<0.005	<0.005	<0.015
H9535-4	BH #4 3'	<10	800	<0.005	<0.005	<0.005	<0.015
Quality Control		253	960	0.097	0.097	0.095	0.288
True Value QC		240	1000	0.100	0.100	0.100	0.300
% Recovery		105	96.0	96.8	97.2	95.4	96.0
Relative Percent Difference		7.6	3.0	3.3	2.9	4.8	4.2

METHODS: TRPHC-EPA 600/4-79-020 418.1; CI-Std. Methods 4500-CI-B; BTEX-EPA SW-846 8260

*Analyses performed on 1:4 w/v aqueous extracts. Matrix interference (color) observed.

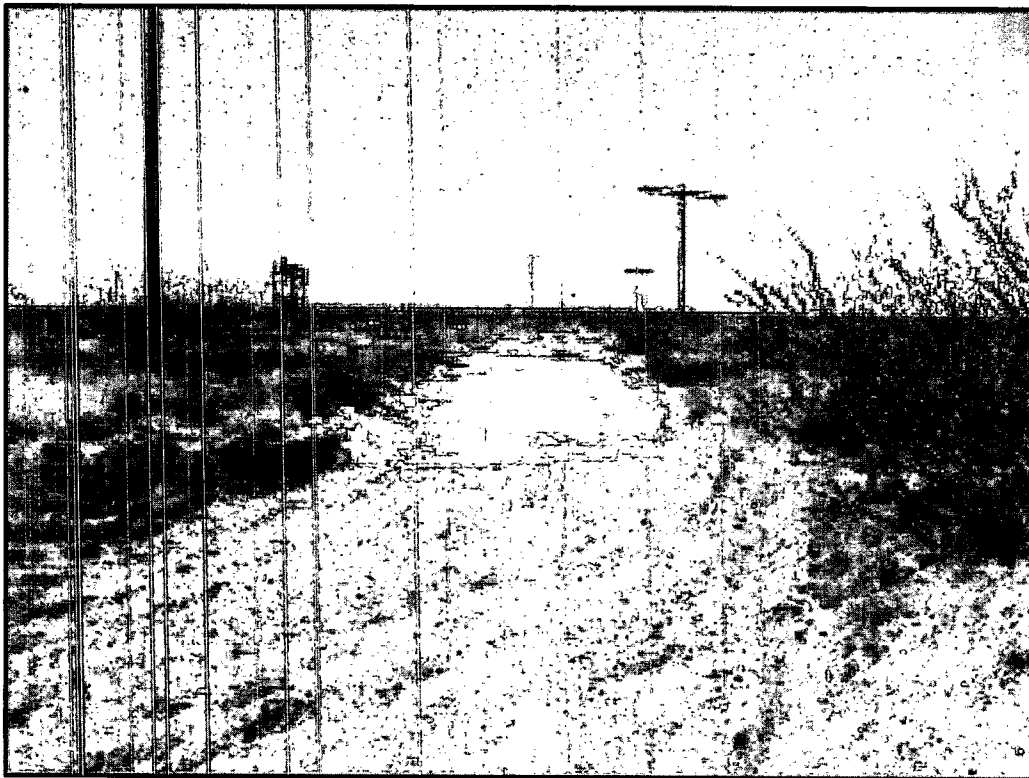
Burgess J. A. Cooke
Burgess J. A. Cooke, Ph. D.

2/9/05
Date

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.

Appendix C

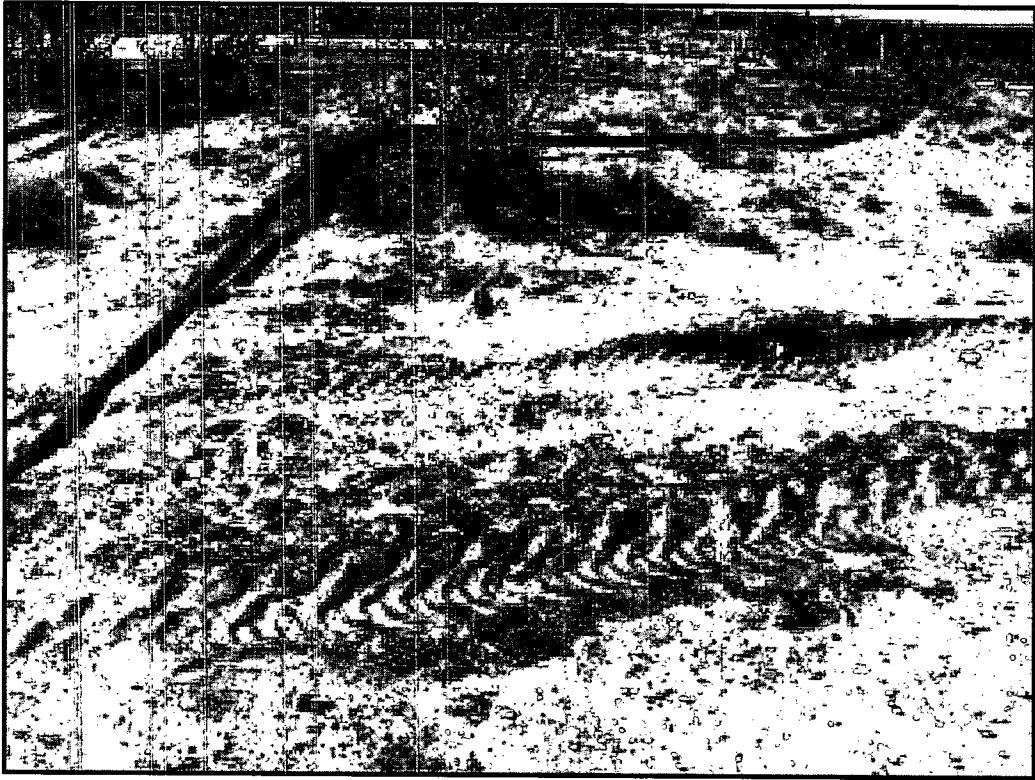
Site Photos



Subject Site facing West



Subject Site Facing East



Release Site