OXY USA, Inc.
West Dollarhide Devonian Unit #121
Closure Report
Section 33, T24S, R38E
Lea County, New Mexico

December 8, 2014

Prepared for:

OXY USA, Inc.
1017 W Stanolind Road
Hobbs, New Mexico 88240

By:

Safety & Environmental Solutions, Inc.
703 East Clinton Street
Hobbs, New Mexico 88240
(575) 397-0510

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I. Company Contacts

Representative	Company	Telephone	E-mail
Austin Tramell	OXY USA, INC.	575-499-4919	Austin_Tramell@oxy.com
Bob Allen	SESI	575-397-0510	ballen@sesi-nm.com

II. Background

Safety and Environmental Solutions, Inc. (SESI) was engaged by OXY USA, INC to perform site assessment of a release area at the West Dollarhide Devonian Unit #121 located in Section 33 of Township 24 South, Range 38 East, Lea County, New Mexico.

According to the C-141 the cause of release was a tank spill over.

III. Surface and Ground Water

The nearest groundwater of record is approximately 4.0 miles South Southwest of the site. The New Mexico Office of State Engineer record is in Section 20 Range 38 East and Township 25 South. The reported depth was 75 feet below ground surface (BGS).

IV. Characterization

The target cleanup levels are determined using the *Guidelines for Remediation of Leaks, Spills and Releases* published by the NMOCD (August 13, 1993). Based on the ranking criteria presented below, the applicable Recommended Remediation Action Levels (RRAL) are 10 parts per million (ppm) Benzene, 50 ppm combined benzene, toluene, ethylbenzene, and total xylenes (BTEX), and 5,000 ppm Total Petroleum Hydrocarbons (TPH).

Depth to Ground Water:			
(Vertical distance from contaminants to seasonal high water elevation of groundwater)	Less than 50 feet	20 points	
	50 feet to 99 feet	10 points	**X**
	>100 feet	0 points	
Wellhead Protection Area:			
(Less than 200 feet from a private domestic water source; or less than 1000 feet from all other water sources)	Yes	20 points	
	No	0 points	**X**
Distance to Surface Water:			
(Horizontal distance to perennial lakes, ponds, rivers, streams, creeks, irrigation canals and ditches)	Less than 200 feet	20 points	
	200 feet to 1000 feet	10 points	
	>1000 feet	0 points	**X**
RANKING SCORE (TOTAL POINTS)			**10**

V. Work Performed

On February 13, 2014, BBC International Inc. was onsite to determine vertical extent of contamination. Samples SP1 was taken at the surface and at a depth of 1' ft., 2.5' ft., 3' ft. and 5' ft. Samples SP2 were taken at 1' ft., 3' ft. and 5 ft. All samples were properly packaged, preserved and transported to the Laboratory, Hobbs New Mexico and analyzed for Benzene, Toluene, Ethylbenzene, Xylenes, Total BTEX and Chloride (Cl^-) (Method SM4500Cl-B). The results of the analysis are presented in the table below:

Sample Date 2/13/2014	Sample ID	Benzene (mg/kg)	Toluene (mg/kg)	Ethylbenzene (mg/kg)	Xylenes (mg/kg)	Total BTEX
Depth	Method					
SP1 at 1'	BTEX 8021B	<0.050	<0.050	<0.056	<0.150	<0.300
SP1 at 2.5'	BTEX 8021B	<0.050	<0.050	<0.050	<0.150	<0.300
SP1 at 3'	BTEX 8021B	<0.050	<0.050	<0.050	<0.150	<0.300
SP1 at 5'	BTEX 8021B	<0.050	<0.050	<0.050	<0.150	<0.300
SP2 at 1'	BTEX 8021B	<0.050	<0.050	<0.050	<0.150	<0.300
SP2 at 3'	BTEX 8021B	<0.050	<0.050	<0.050	<0.150	<0.300
SP2 at 5'	BTEX 8021B	<0.050	<0.050	<0.050	<0.150	<0.300

Sample Date 05/03/2014	Sample ID	Chloride (Cl)	Sample ID	GRO (C_6-C_{10}) (mg/kg)	DRO (>C_{10}-C_{28}) (mg/kg)
Depth	**Method**		**Method**		
SP1 at 1'	SM4500Cl-B	3080	TPH 8015M	<10.0	264
SP1 at 2.5'	SM4500Cl-B	384	TPH 8015M	<10.0	<10.0
SP1 at 3'	SM4500Cl-B	256	TPH 8015M	<10.0	12.7
SP1 at 5'	SM4500Cl-B	96	TPH 8015M	<10.0	<10.0
SP2 at 1'	SM4500Cl-B	2720	TPH 8015M	<10.0	<10.0
SP2 at 3'	SM4500Cl-B	336	TPH 8015M	<10.0	<10.0
SP2 at 5'	SM4500Cl-B	96	TPH 8015M	<10.0	<10.0

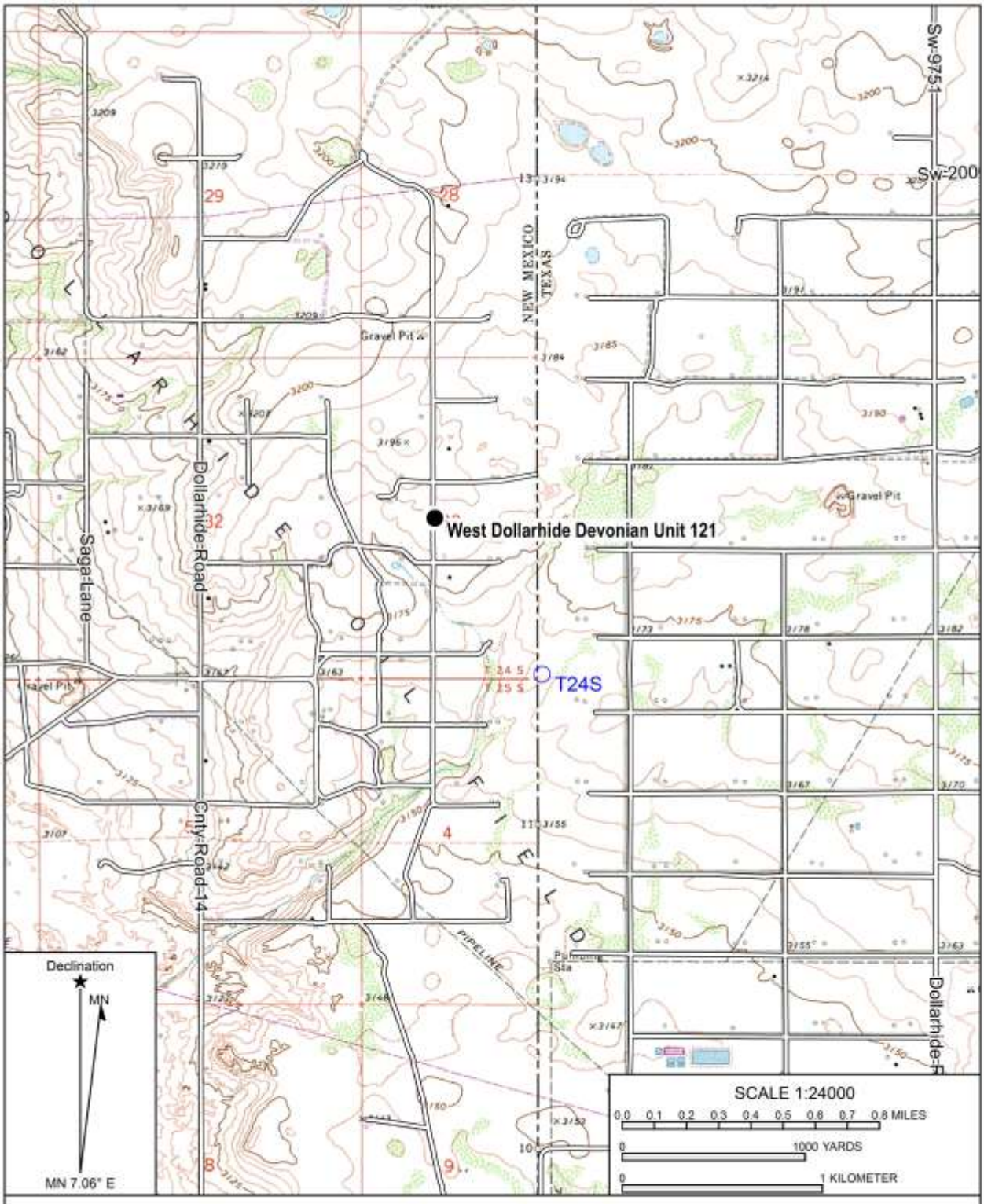
VI. Closure

Excavated approximately 1' and removed all the contaminated soil from the spill area, transported to Sundance. The excavated has been backfilled with native soil and returned to natural grade.

VII. Figures & Appendices

Figure 1 – Vicinity Map
Figure 2 – Site Plan
Figure 3 – NMOCD Trend Map
Appendix A – Analytical Results
Appendix B – C-141

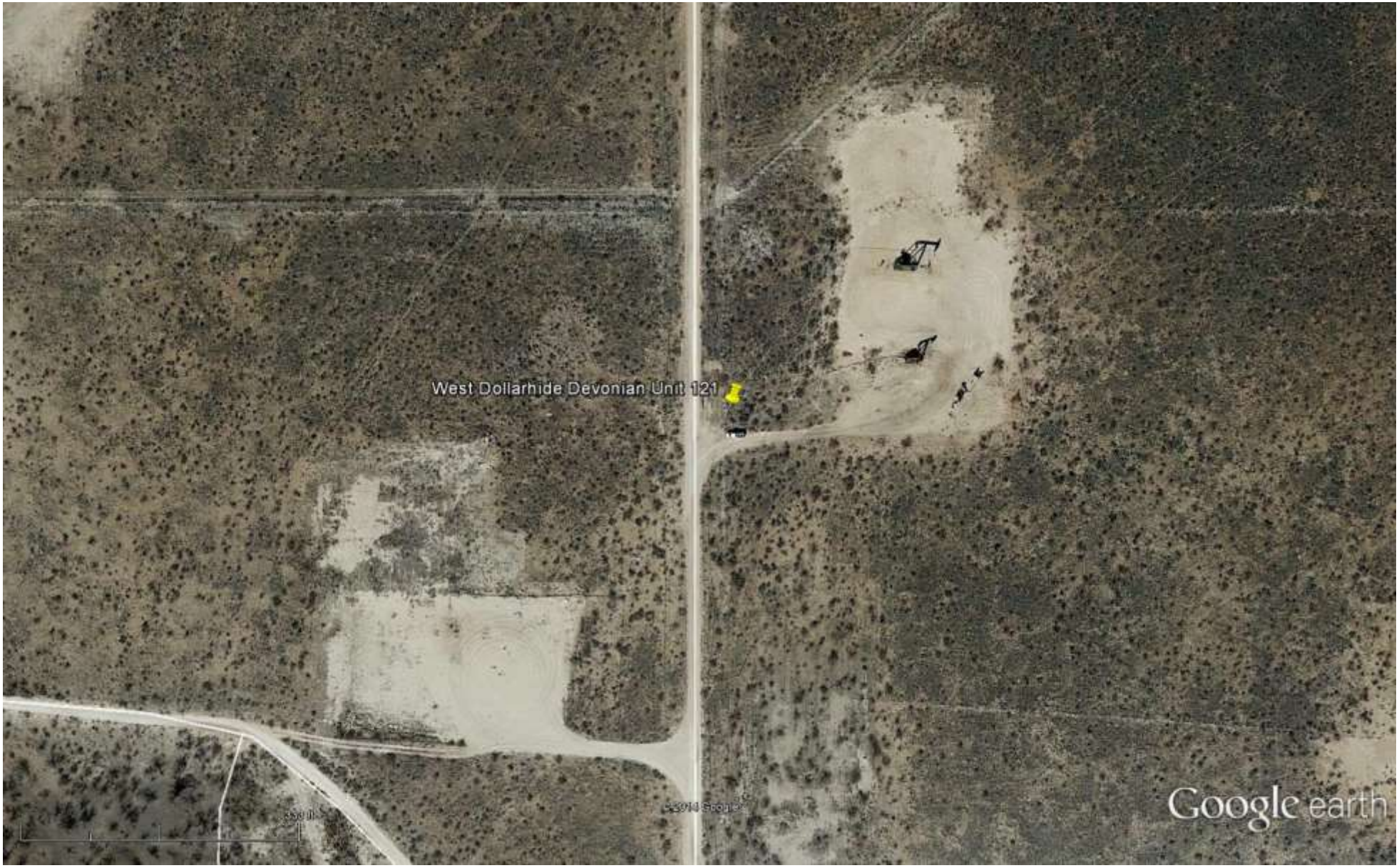
Figure 1
Vicinity Map



Name: JAL NE
Date: 08/19/14
Scale: 1 inch = 2,000 ft.

Location: 032.1701115° N, 103.0671145° W
West Dollarhide Devonian Unit 121

Figure 2
Site Plan



West Dollarhide Devonian Unit 121

Appendix A
Analytical Results

CARDINAL Laboratories

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

August 27, 2014

Bob Allen

Safety & Environmental Solutions

703 East Clinton

Hobbs, NM 88240

RE: DOLLARHIDE UNIT 121

Enclosed are the results of analyses for samples received by the laboratory on 08/26/14 8:00.

Cardinal Laboratories is accredited through Texas NELAP under certificate number T104704398-13-5. Accreditation applies to drinking water, non-potable water and solid and chemical materials. All accredited analytes are denoted by an asterisk (*). For a complete list of accredited analytes and matrices visit the TCEQ website at www.tceq.texas.gov/field/qa/lab_accred_certif.html.

Cardinal Laboratories is accreditated 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 524.4	Regulated VOCs (V1, V2, V3)

Accreditation applies to public drinking water matrices.

This report meets NELAP requirements and is made up of a cover page, analytical results, and a copy of the original chain-of-custody. If you have any questions concerning this report, please feel free to contact me.

Sincerely,

Celey D. Keene

Celey D. Keene

Lab Director/Quality Manager

CARDINAL Laboratories

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

Analytical Results For:

Safety & Environmental Solutions
Bob Allen
703 East Clinton
Hobbs NM, 88240
Fax To: (575) 393-4388

Received:	08/26/2014	Sampling Date:	08/25/2014
Reported:	08/27/2014	Sampling Type:	Soil
Project Name:	DOLLARHIDE UNIT 121	Sampling Condition:	Cool & Intact
Project Number:	OXY-14-	Sample Received By:	Jodi Henson
Project Location:	JAL, NM		

Sample ID: AH-1 1.5' BGS (H402609-01)

Chloride, SM4500Cl-B mg/kg **Analyzed By: AP**

Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Chloride	<16.0	16.0	08/27/2014	ND	432	108	400	7.69	

Sample ID: AH-2 1.5' BGS (H402609-02)

Chloride, SM4500Cl-B mg/kg **Analyzed By: AP**

Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Chloride	**112**	16.0	08/27/2014	ND	432	108	400	7.69	

Sample ID: AH-3 1.5' BGS (H402609-03)

Chloride, SM4500Cl-B mg/kg **Analyzed By: AP**

Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Chloride	**160**	16.0	08/27/2014	ND	432	108	400	7.69	

Cardinal Laboratories *=Accredited Analyte

Celey D. Keene, Lab Director/Quality Manager

CARDINAL Laboratories

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

Notes and Definitions

ND	Analyte NOT DETECTED at or above the reporting limit
RPD	Relative Percent Difference
**	Samples not received at proper temperature of 6°C or below.
***	Insufficient time to reach temperature.
-	Chloride by SM4500Cl-B does not require samples be received at or below 6°C
	Samples reported on an as received basis (wet) unless otherwise noted on report

Cardinal Laboratories

*=Accredited Analyte

Celey D. Keene, Lab Director/Quality Manager

CARDINAL LABORATORIES

101 East Marland, Hobbs, NM 88240
(505) 393-2326 Fax (505) 393-2476

CHAIN-OF-CUSTODY AND ANALYSIS REQUEST

Page ___ of ___

Company Name: Safety & Environmental Solutions, Inc.
Project Manager: Bob Allen
Address: 703 East Clinton
City: Hobbs State: NM Zip: 88240
Phone #: 575-397-0510 Fax #: 575-393-4388
Project #: OXY-14- Project Owner: OXY
Project Name: Dollarhide Unit (21
Project Location: Lea County Jal N.M
Sampler Name: Sosa, Jerry

BILL TO
P.O. #:
Company: OXY
Attn: Bacon, Jordan
Address: 6 Desta Drive Ste 6000
City: Midland
State: TX Zip: 79710
Phone #: 432-250-2716
Fax #:

ANALYSIS REQUEST: Chlorides

Lab I.D.	Sample I.D.	(G)RAB OR (C)OMP	# CONTAINERS	GROUNDWATER	WASTEWATER	SOIL	OIL	SLUDGE	OTHER	ACID/BASE	ICE / COOL	OTHER	DATE	TIME	Chlorides
H402609															
1	AH-1 1.5 ft BGS.	G	1			X					X		08/25	1245	X
2	AH-2 1.5 ft BGS	G	1			X					X		08/25	1315	X
3	AH-3 1.5 ft BGS	G	1			X					X		08/25	1405	X

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. [illegible]

Terms and Conditions: Interest will be charged on all accounts more than 30 days past due at the rate of 24% per annum from the original date of invoice, and all costs of collections, including attorney's fees.

Sampler Relinquished: Jerry Sosa Date: 08/26/14 Time: 0800
Received By: Jodi Henson
Relinquished By: Date: Time:
Received By:

Phone Result: ☐ Yes ☐ No Add'l Phone #:
Fax Result: ☐ Yes ☐ No Add'l Fax #:
REMARKS:

Delivered By: (Circle One)
Sampler - UPS - Bus - Other:
Temp. 5.4°c
Sample Condition: Cool ☑ Yes ☐ No; Intact ☑ Yes ☐ No
CHECKED BY: (Initials)

† Cardinal cannot accept verbal changes. Please fax written changes to 575-393-2476

#54

Appendix B
C-141

District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 S. First St., 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 August 8, 2011

Submit 1 Copy to appropriate District Office in accordance with 19.15.29 NMAC.

Release Notification and Corrective Action

OPERATOR

☒ Initial Report ☐ Final Report

Name of Company Oxy Permian Ltd.	Contact Austin Tramell
Address 1017 W. Stanolind Rd, Hobbs, NM 88240	Telephone No. (575) 499-4919
Facility Name West Dollarhide Devonian Unit #121	Facility Type Well location

Surface Owner	Mineral Owner	API No. 30-025-28771

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
C	33	24S	38E	1285	North	1650	West	Lea

Latitude N 32.17727° **Longitude** W 103.06815°

NATURE OF RELEASE

Type of Release Oil and Produced water	Volume of Release 5 bbls oil, 5 bbls produced water	Volume Recovered 3 bbls oil, 3 bbls produced water
Source of Release Tank spilled over	Date and Hour of Occurrence 01/08/2014	Date and Hour of Discovery
Was Immediate Notice Given? ☒ Yes ☐ No ☐ Not Required	If YES, To Whom? Geoffrey Leking-NMOCD	
By Whom? Austin Tramell	Date and Hour 01/09/2014 @ 10:54 am	
Was a Watercourse Reached? ☐ Yes ☒ No	If YES, Volume Impacting the Watercourse.	

If a Watercourse was Impacted, Describe Fully.*0

Describe Cause of Problem and Remedial Action Taken.*

A tank spilled over and leak 5 bbls of oil and 5 bbls of produced water onto the ground. 3 bbls of oil and 3 bbls of produced water were recovered via vacuum truck and the cause of the tank spill was corrected.

Describe Area Affected and Cleanup Action Taken.*

The affected area is approximately 10' x 30' on location. Remediation will be completed in accordance with an approved remediation plan from NMOCD.

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: Austin Tramell	Approved by Environmental Specialist:	
Title: HES Coordinator	Approval Date:	Expiration Date:
E-mail Address: Austin_Tramell@oxy.com	Conditions of Approval:	Attached ☐
Date: Phone: (575) 499-4919		

* Attach Additional Sheets If Necessary

District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 S. First St., Artesia, NM 88210
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1000 Rio Brazos Road, Aztec, NM 87410
District IV
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Form C-141
Revised August 8, 2011

Submit 1 Copy to appropriate District Office in accordance with 19.15.29 NMAC.

Release Notification and Corrective Action

OPERATOR

☐ Initial Report ☒ Final Report

Name of Company: Oxy USA Inc.	Contact: Austin Tramell
Address: 1017 W Stanolind Road	Telephone No. 575-499-4919
Facility Name: West Dollarhide Devonian Unit # 121	Facility Type: Gathering

Surface Owner:	Mineral Owner	API No.30-025-28771

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
C	33	24S	38E	1285'	N	1650'	W	Lea

Latitude 32.17727 **Longitude** -103.06815

NATURE OF RELEASE

Type of Release: Oil and Produced Water	Volume of Release: 5 BBLS Oil 5bbls Produced Water	Volume Recovered: 3 BBLS Oil, 3 bbls Produced Water
Source of Release: Tank spilled over	Date and Hour of Occurrence: 01/08/2014	Date and Hour of Discovery:
Was Immediate Notice Given? ☒ Yes ☐ No ☐ Not Required	If YES, To Whom? Geoff Leking NMOCD	
By Whom? Austin Tramell	Date and Hour: 01/09/2014 @ 10:54 AM	
Was a Watercourse Reached? ☐ Yes ☒ No	If YES, Volume Impacting the Watercourse.	

If a Watercourse was Impacted, Describe Fully.*

Describe Cause of Problem and Remedial Action Taken.*

A tank spilled over and leak 5 bbls of oil and 5 bbls of produced water onto the ground. 3 bbls of oil and 3 bbls of produced water were recovered via vacuum truck and the cause of the tank spill was corrected.

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Signature:	OIL CONSERVATION DIVISION	
Printed Name: Austin Tramell	Approved by Environmental Specialist:	
Title: HES Specialist	Approval Date:	Expiration Date:
E-mail Address: Austin_tramell@oxy.com	Conditions of Approval:	Attached ☐
Date: 12/2/2014 Phone:575-499-4919		

* Attach Additional Sheets If Necessary

Final C-141

Appendix C
Site Photographs

Looking south from leak following removal of stained surficial soil

Soil staining remaining near leak location

Looking northeast from lease road. Leak was from rear pipe

Looking north toward leak release point

Clamp on pipe which leaked