REVIEWED
By Kellie Jones at 11:35 am, Jan 14, 2016

APPROVED
By Kellie Jones at 11:35 am, Jan 14, 2016

OXY USA, Inc.
South Unit Hobbs Injection Trunk Line
Closure Report

Section 06, T19S, R38E
Lea County, New Mexico

January 8, 2016

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

TABLE OF CONTENTS

I. Company Contacts

Representative	Company	Telephone	E-mail
Chancey Summers	OXY USA, INC.	575-397-8216	Chancey_Summers@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 South Unit Hobbs Remote Injection Header Building #5 located in Section 06 of Township 19 South, Range 38 East, Lea County, New Mexico.

According to the C-141 dated March 22, 2014 the cause of release was internal corrosion in the injection trunk line.

III. Surface and Ground Water

The nearest groundwater of record is approximately 0.15 miles northeast of the site. The New Mexico Office of State Engineer record is in Section 06 Range 38 East and Township 19 South. The reported depth was 90 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 1,000 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 March 26, 2014, SESI was onsite to perform a site assessment. The release area was mapped utilizing a Trimble Juno 3D and site photos were taken.

On April 03, 2014, SESI was onsite to take surface samples and install (2) test trenches to determine vertical extent of contamination. The test trenches were installed in the two pooling areas of the release. The total depth of TT-1 was only 1.5' where a hard caliche layer was encountered that the backhoe was unable to penetrate. Samples were taken from the surface and at 1' ft. and 18 inches. The total depth of TT-2 was only 1 ft. where the same hard caliche layer was encountered and the backhoe was unable to penetrate. Samples were taken only from the surface at the location of TT-2. All samples were properly packaged, preserved and transported to Cardinal Laboratories, Hobbs New Mexico and analyzed for Chloride (Cl^-) (Method SM4500Cl-B). The results of the analysis are presented in the table below:

Lab ID	Sample ID	Cl (mg/kg)
Analysis Date:	**-**	**04/03/2014**
H400991-01	TT-1 Surface	448
H400991-02	TT-1 1'	320
H400991-03	TT-1 18'	352
H400991-04	TT-2 Surface	64.0

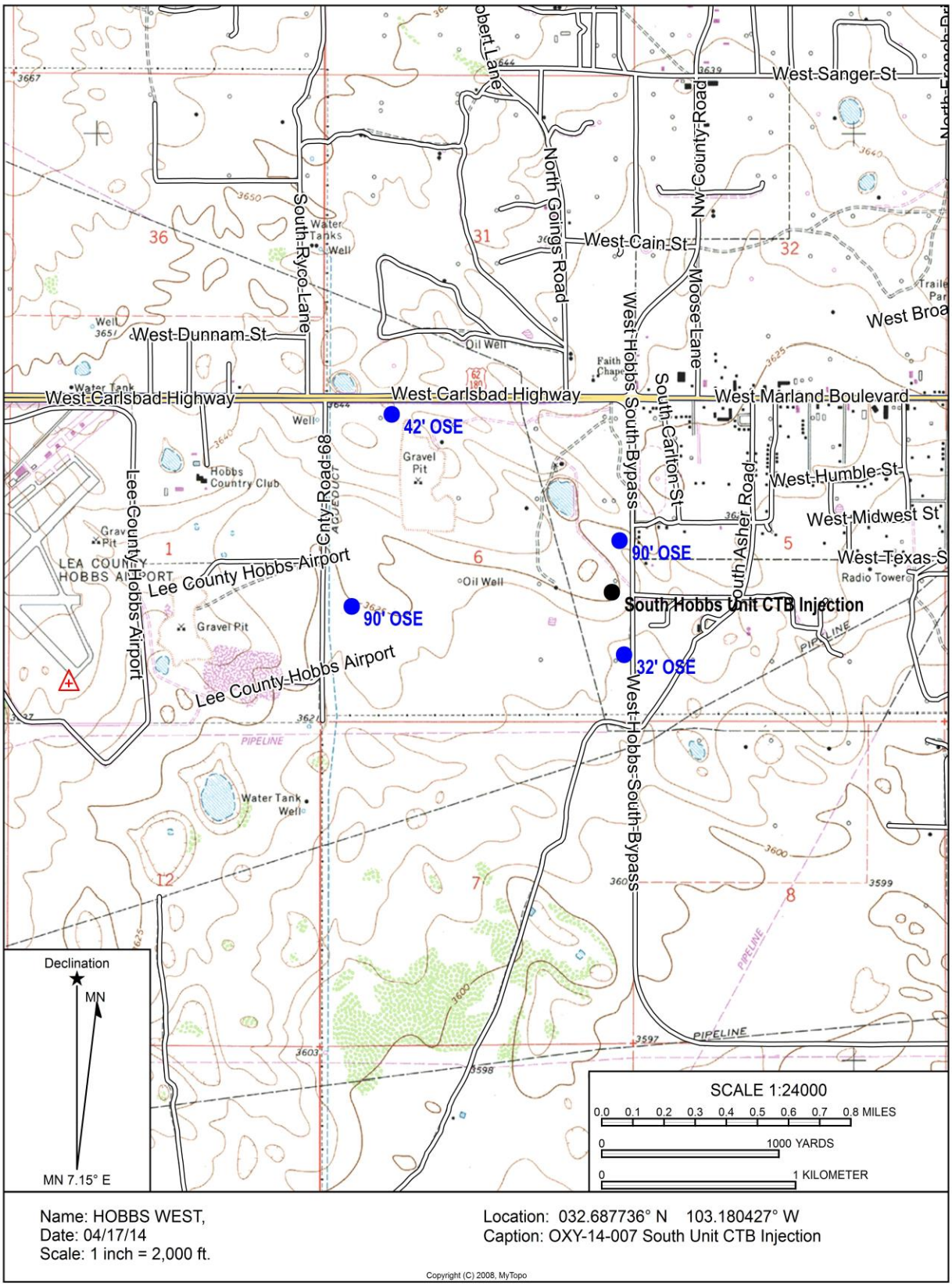
VI. Closure

Due to the results above, Geoff Leking approved no further action not withstanding a back-drag of the road in the spill area. Pasture area was blended to accommodate re-vegetation that would remove any residual chloride constituency in remaining soil.

VII. Figures & Appendices

Figure 1 – Vicinity Map
Figure 2 – Site Plan
Appendix A – Analytical Results
Appendix B – C-141
Appendix C – Photo Documentation
Appendix D - Groundwater

Figure 1
Vicinity Map

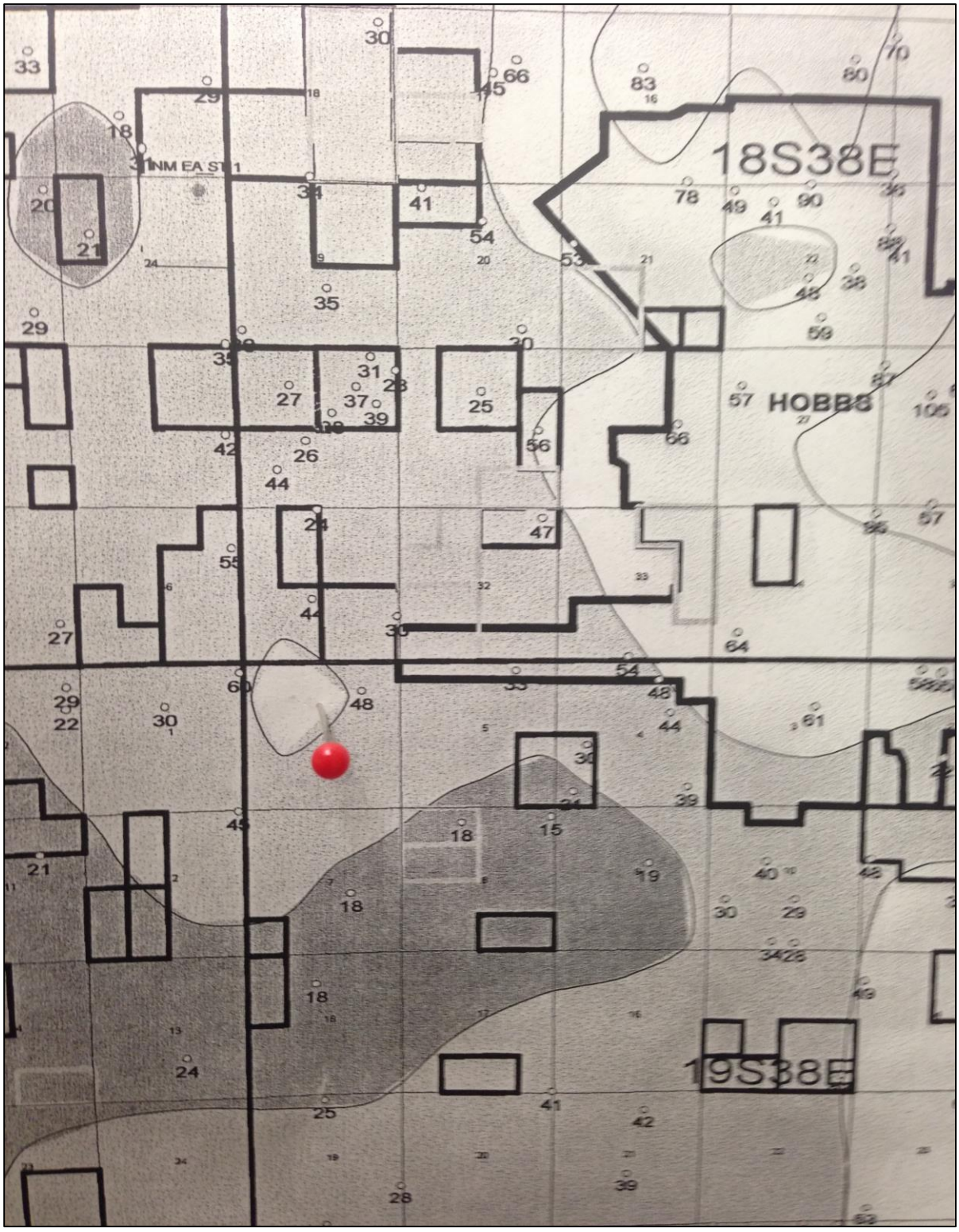


Name: HOBBS WEST,
Date: 04/17/14
Scale: 1 inch = 2,000 ft.

Location: 032.687736° N 103.180427° W
Caption: OXY-14-007 South Unit CTB Injection

Figure 2
Site Plan

OXY-14-007 South Hobbs Unit Injection Trunk Line


18S38E
19S38E
HOBBS
NM EA ST 1

Appendix A
Analytical Results

CARDINAL Laboratories

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

April 08, 2014

Bob Allen

Safety & Environmental Solutions

703 East Clinton

Hobbs, NM 88240

RE: SOUTH HOBBS UNIT

Enclosed are the results of analyses for samples received by the laboratory on 04/03/14 10:05.

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:	04/03/2014	Sampling Date:	04/03/2014
Reported:	04/08/2014	Sampling Type:	Soil
Project Name:	SOUTH HOBBS UNIT	Sampling Condition:	Cool & Intact
Project Number:	CTB TRUNKLINE 14-007	Sample Received By:	Jodi Henson
Project Location:	NOT GIvEN		

Sample ID: TT-1 SURFACE (H400991-01)

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

Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True value QC	RPD	Qualifier
Chloride	**448**	16.0	04/07/2014	ND	416	104	400	3.92	

Sample ID: TT-1 1' (H400991-02)

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

Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True value QC	RPD	Qualifier
Chloride	**320**	16.0	04/07/2014	ND	416	104	400	3.92	

Sample ID: TT-1 18" (H400991-03)

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

Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True value QC	RPD	Qualifier
Chloride	**352**	16.0	04/07/2014	ND	416	104	400	3.92	

Sample ID: TT-2 SURFACE (H400991-04)

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

Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True value QC	RPD	Qualifier
Chloride	**64.0**	16.0	04/07/2014	ND	416	104	400	3.92	

Cardinal *=Accredited

Celey D. Keene

Celey D. Keene, Lab

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:	04/03/2014	Sampling Date:	04/03/2014
Reported:	04/08/2014	Sampling Type:	Soil
Project Name:	SOUTH HOBBS UNIT	Sampling Condition:	Cool & Intact
Project Number:	CTB TRUNKLINE 14-007	Sample Received By:	Jodi Henson
Project Location:	NOT GIvEN		

Sample ID: TT-2 1' (H400991-05)

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

Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True value QC	RPD	Qualifier
Chloride	**192**	16.0	04/07/2014	ND	416	104	400	3.92	

Cardinal *=Accredited

Celey D. Keene

Celey D. Keene, Lab

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 *=Accredited

Celey D. Keene

Celey D. Keene, Lab

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

CHAIN-OF-CUSTODY AND ANALYSIS REQUEST

Page 1 of 1

Company Name:	Safety & Environmental Solutions, Inc.	**BILL TO**	
Project Manager:	Bob Allen	P.O. #:	
Address:	703 East Clinton	Company:	Same
City:	Hobbs State: NM Zip: 88240	Attn:	
Phone #:	575-397-0510 Fax #: 575-393-4388	Address:	
Project #:	South Hobbs Unit Project Owner:	City:	
Project Name:	CTB TrunkLine 14-007	State: Zip:	
Project Location:		Phone #:	
Sampler Name:	Bob Allen	Fax #:	

FOR LAB USE ONLY

Lab I.D.	Sample I.D.	(G)RAB OR (C)OMP.	# CONTAINERS	MATRIX: GROUNDWATER	MATRIX: WASTEWATER	MATRIX: SOIL	MATRIX: OIL	MATRIX: SLUDGE	MATRIX: OTHER	PRESERV: ACID/BASE	PRESERV: ICE / COOL	PRESERV: OTHER	SAMPLING: DATE	SAMPLING: TIME	ANALYSIS REQUEST: Cl
H400991 1	TT-1 Surface	G	1			✓					✓		4-3-14	8:40	✓
2	TT-1 1'	G	1			✓					✓		}	8:50	}
3	TT-1 18"	G	1			✓					✓		}	9:00	}
4	TT-2 Surface	G	1			✓					✓		}	9:05	}
5	TT-2 1'	G	1			✓					✓		}	9:10	}

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.

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: [signature]	Date: 4-3-14 Time: 10:05	Received By: Jodi Henson	Phone Result: ☐ Yes ☐ No Add'l Phone #:
Relinquished By: [signature]	Date: 4-3-14 Time:	Received By:	Fax Result: ☐ Yes ☐ No Add'l Fax #:
Delivered By: (Circle One) Sampler - UPS - Bus - Other:	Temp. 6°C	Sample Condition: Cool ☑ Yes ☐ No; Intact ☑ Yes ☐ No	CHECKED BY: (Initials) [initials]

REMARKS:
Email Results
ballen@sesi-nm.co
office2@sesi-nm.com
scontreras@sesi-nm.com

† 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	Contact C.J. Summers
Address 1017 W STANOLIND RD	Telephone No. (575) 631-9436 CELL
Facility Name South Hobbs Unit CTB Battery	Facility Type

Surface Owner State	Mineral Owner	API No.

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
	06	19S	38E					Lea

Latitude 32.687736 **Longitude** -103.180427

NATURE OF RELEASE

Type of Release Produced Water	Volume of Release 300 BBLS	Volume Recovered Unknown
Source of Release Injection Trunk Line	Date and Hour of Occurrence 3/22/14	Date and Hour of Discovery 3/22/14
Was Immediate Notice Given? ☒ Yes ☐ No ☐ Not Required	If YES, To Whom? Linda Reynolds (806)229-9549	
By Whom? Heath Haynes	Date and Hour 3/22/14 1:30 PM	
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.

Cause of leak is internal corrosion. Leak is outside of Header Building 5.

Describe Area Affected and Cleanup Action Taken.

SESI was contacted for assessment. Area will be delineated and an appropriate work plan submitted upon results.

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: Chancey Summers	Approved by Environmental Specialist:	
Title: HES Advisor	Approval Date:	Expiration Date:
E-mail Address: Chancey_Summers@oxy.com	Conditions of Approval:	Attached ☐
Date: 3-27-14 Phone: (575)631-9436		

* Attach Additional Sheets If Necessary

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
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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	Contact C.J. Summers
Address 1017 W STANOLIND RD	Telephone No. (575) 631-9436 CELL
Facility Name South Hobbs Unit CTB Battery	Facility Type

Surface Owner State	Mineral Owner	API No. RP-3769

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
A	06	19S	38E					Lea

Latitude 32.687736 **Longitude** -103.180427

NATURE OF RELEASE

Type of Release Produced Water	Volume of Release 300 BBLS	Volume Recovered Unknown
Source of Release Injection Trunk Line	Date and Hour of Occurrence 3/22/14	Date and Hour of Discovery 3/22/14
Was Immediate Notice Given? ☒ Yes ☐ No ☐ Not Required	If YES, To Whom? Linda Reynolds (806)229-9549	
By Whom? Heath Haynes	Date and Hour 3/22/14 1:30 PM	
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.

Cause of leak is internal corrosion. Leak is outside of Header Building 5.
Spill exited pad area and traversed the lease road. There was approximately 8,413 sq. ft. of impacted area.

Describe Area Affected and Cleanup Action Taken.

SESI remediated the area according to the approved work plan. SESI has submitted all regulatory documentation and respectfully requests closure of the regulatory file for this incident.

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: Tony Aguilar 1-8-16	OIL CONSERVATION DIVISION
Printed Name: Chancey Summers or Tony Aguilar	Approved by Environmental Specialist:
Title: HES Advisor	Approval Date: / Expiration Date:
E-mail Address: Chancey_Summers@oxy.com	Conditions of Approval: / Attached ☐
Date: 07/29/2015 Phone: (575)631-9436	

* Attach Additional Sheets If Necessary

Appendix C
Site Photographs

Spill-Facing North

Facing Northeast

Facing Southeast

Facing Southeast

Facing West

Spill down road-Facing Northeast

Spill down road in pasture-Facing Southwest

Spill in pasture-Facing South

Spill in pasture-Facing Southeast

Spill in pasture-Facing Southwest

Spill in pasture-Facing Northeast

Spill in pasture-Facing Southwest

Pasture Area-Facing Southwest

Pasture-Facing West

Pasture-Facing North

Appendix D
NMOSE Water Column/Depth to Water

New Mexico Office of the State Engineer
Water Column/Average Depth to Water

(A CLW##### in the POD suffix indicates the POD has been replaced & no longer serves a water right file.)

(R=POD has been replaced, O=orphaned, C=the file is closed)

(quarters are 1=NW 2=NE 3=SW 4=SE)
(quarters are smallest to largest)

(NAD83 UTM in meters)

(In feet)

POD Number	POD Code	Sub-basin	County	Q 64	Q 16	Q 4	Sec	Tws	Rng	X	Y	Depth Well	Depth Water	Water Column
L 04033		L	LE	2	1	1	06	19S	38E	669387	3618988*	110	42	68
L 04868	R	L	LE	4	4	2	06	19S	38E	670589	3618406*	106	88	18
L 04868 POD2		L	LE	4	4	2	06	19S	38E	670589	3618406*	154	90	64
L 10336		L	LE	3	1	3	06	19S	38E	669190	3617981*	150	90	60
L 11080		L	LE			1	06	19S	38E	669490	3618685*	168		
L 11653		L	LE	4	4	2	06	19S	38E	670589	3618406*	233		
L 11991 POD1		L	LE	4	2	4	06	19S	38E	670678	3618398	145		
L 12228 POD1		L	LE	2	4	4	06	19S	38E	670596	3617848	120	32	88

Average Depth to Water: **68 feet**

Minimum Depth: **32 feet**

Maximum Depth: **90 feet**

Record Count: 8

PLSS Search:

Section(s): 06 **Township:** 19S **Range:** 38E

***UTM location was derived from PLSS - see Help**