

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
Department
Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-144
July 21, 2008

For temporary pits, closed-loop systems, and below-grade tanks, submit to the appropriate NMOCD District Office.
For permanent pits and exceptions submit to the Santa Fe Environmental Bureau office and provide a copy to the appropriate NMOCD District Office.

RECEIVED

Pit, Closed-Loop System, Below-Grade Tank, or
Proposed Alternative Method Permit or Closure Plan Application

MAR 11 2009

HOBBSOCD

Type of action: ☐ Permit of a pit, closed-loop system, below-grade tank, or proposed alternative method
☒ Closure of a pit, closed-loop system, below-grade tank, or proposed alternative method
☐ Modification to an existing permit
☐ Closure plan only submitted for an existing permitted or non-permitted pit, closed-loop system, below-grade tank, or proposed alternative method

Instructions: Please submit one application (Form C-144) per individual pit, closed-loop system, below-grade tank or alternative request

Please be advised that approval of this request does not relieve the operator of liability should operations result in pollution of surface water, ground water or the environment. Nor does approval relieve the operator of its responsibility to comply with any other applicable governmental authority's rules, regulations or ordinances.

1.
Operator: OXY USA OGRID #:16696
Address: PO Box 5020 Midland TX
Facility or well name: Bell Lake 28
API Number: 30-025-38565 OCD Permit Number: PI-00736
U/L or Qtr/Qtr M Section 5 Township 24S Range 34E County: Lea
Center of Proposed Design: Latitude Longitude NAD:1927 ☐ 1983
Surface Owner: ☐ Federal ☐ State ☒ Private ☐ Tribal Trust or Indian Allotment

2.
☐ Pit: Subsection F or G of 19.15.17.11 NMAC
Temporary: ☒ Drilling ☐ Workover
☐ Permanent ☐ Emergency ☐ Cavitation ☐ P&A
☒ Lined ☐ Unlined Liner type: Thickness 20 mil ☐ LLDPE ☐ HDPE ☐ PVC ☐ Other
☒ String-Reinforced
Liner Seams: ☒ Welded ☐ Factory ☐ Other Volume: 15,000bbl bbl Dimensions: L 125' x W 125' x D 8'

3.
☐ Closed-loop System: Subsection H of 19.15.17.11 NMAC
Type of Operation: ☐ P&A ☐ Drilling a new well ☐ Workover or Drilling (Applies to activities which require prior approval of a permit or notice of intent)
☐ Drying Pad ☐ Above Ground Steel Tanks ☐ Haul-off Bins ☐ Other
☐ Lined ☐ Unlined Liner type: Thickness mil ☐ LLDPE ☐ HDPE ☐ PVC ☐ Other
Liner Seams: ☐ Welded ☐ Factory ☐ Other

4.
☐ Below-grade tank: Subsection I of 19.15.17.11 NMAC
Volume: bbl Type of fluid:
Tank Construction material:
☐ Secondary containment with leak detection ☐ Visible sidewalls, liner, 6-inch lift and automatic overflow shut-off
☐ Visible sidewalls and liner ☐ Visible sidewalls only ☐ Other
Liner type: Thickness mil ☐ HDPE ☐ PVC ☐ Other

5.
☐ Alternative Method:
Submittal of an exception request is required. Exceptions must be submitted to the Santa Fe Environmental Bureau office for consideration of approval.

6.

Fencing: Subsection D of 19.15.17.11 NMAC (*Applies to permanent pits, temporary pits, and below-grade tanks*)

- ☐ Chain link, six feet in height, two strands of barbed wire at top (*Required if located within 1000 feet of a permanent residence, school, hospital, institution or church*)
- ☐ Four foot height, four strands of barbed wire evenly spaced between one and four feet
- ☐ Alternate. Please specify _____

7.

Netting: Subsection E of 19.15.17.11 NMAC (*Applies to permanent pits and permanent open top tanks*)

- ☐ Screen ☐ Netting ☐ Other _____
- ☐ Monthly inspections (If netting or screening is not physically feasible)

8.

Signs: Subsection C of 19.15.17.11 NMAC

- ☐ 12"x 24", 2" lettering, providing Operator's name, site location, and emergency telephone numbers
- ☐ Signed in compliance with 19.15.3.103 NMAC

9.

Administrative Approvals and Exceptions:

Justifications and/or demonstrations of equivalency are required. Please refer to 19.15.17 NMAC for guidance.

Please check a box if one or more of the following is requested, if not leave blank:

- ☐ Administrative approval(s): Requests must be submitted to the appropriate division district or the Santa Fe Environmental Bureau office for consideration of approval.
- ☐ Exception(s): Requests must be submitted to the Santa Fe Environmental Bureau office for consideration of approval.

10.

Siting Criteria (regarding permitting): 19.15.17.10 NMAC

Instructions: The applicant must demonstrate compliance for each siting criteria below in the application. Recommendations of acceptable source material are provided below. Requests regarding changes to certain siting criteria may require administrative approval from the appropriate district office or may be considered an exception which must be submitted to the Santa Fe Environmental Bureau office for consideration of approval. Applicant must attach justification for request. Please refer to 19.15.17.10 NMAC for guidance. Siting criteria does not apply to drying pads or above-grade tanks associated with a closed-loop system.

Ground water is less than 50 feet below the bottom of the temporary pit, permanent pit, or below-grade tank. - NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells	<input type="checkbox"/> Yes <input type="checkbox"/> No
Within 300 feet of a continuously flowing watercourse, or 200 feet of any other significant watercourse or lakebed, sinkhole, or playa lake (measured from the ordinary high-water mark). - Topographic map; Visual inspection (certification) of the proposed site	<input type="checkbox"/> Yes <input type="checkbox"/> No
Within 300 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application. (Applies to temporary, emergency, or cavitation pits and below-grade tanks) - Visual inspection (certification) of the proposed site; Aerial photo; Satellite image	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> NA
Within 1000 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application. (Applies to permanent pits) - Visual inspection (certification) of the proposed site; Aerial photo; Satellite image	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> NA
Within 500 horizontal feet of a private, domestic fresh water well or spring that less than five households use for domestic or stock watering purposes, or within 1000 horizontal feet of any other fresh water well or spring, in existence at the time of initial application. - NM Office of the State Engineer - iWATERS database search; Visual inspection (certification) of the proposed site	<input type="checkbox"/> Yes <input type="checkbox"/> No
Within incorporated municipal boundaries or within a defined municipal fresh water well field covered under a municipal ordinance adopted pursuant to NMSA 1978, Section 3-27-3, as amended. - Written confirmation or verification from the municipality; Written approval obtained from the municipality	<input type="checkbox"/> Yes <input type="checkbox"/> No
Within 500 feet of a wetland. - US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site	<input type="checkbox"/> Yes <input type="checkbox"/> No
Within the area overlying a subsurface mine. - Written confirmation or verification or map from the NM EMNRD-Mining and Mineral Division	<input type="checkbox"/> Yes <input type="checkbox"/> No
Within an unstable area. - Engineering measures incorporated into the design; NM Bureau of Geology & Mineral Resources; USGS; NM Geological Society; Topographic map	<input type="checkbox"/> Yes <input type="checkbox"/> No
Within a 100-year floodplain. - FEMA map	<input type="checkbox"/> Yes <input type="checkbox"/> No

11.

Temporary Pits, Emergency Pits, and Below-grade Tanks Permit Application Attachment Checklist: Subsection B of 19.15.17.9 NMAC**Instructions:** Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the documents are attached.

- ☐ Hydrogeologic Report (Below-grade Tanks) - based upon the requirements of Paragraph (4) of Subsection B of 19.15.17.9 NMAC
- ☐ Hydrogeologic Data (Temporary and Emergency Pits) - based upon the requirements of Paragraph (2) of Subsection B of 19.15.17.9 NMAC
- ☐ Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15.17.10 NMAC
- ☐ Design Plan - based upon the appropriate requirements of 19.15.17.11 NMAC
- ☐ Operating and Maintenance Plan - based upon the appropriate requirements of 19.15.17.12 NMAC
- ☐ Closure Plan (Please complete Boxes 14 through 18, if applicable) - based upon the appropriate requirements of Subsection C of 19.15.17.9 NMAC and 19.15.17.13 NMAC

☐ Previously Approved Design (attach copy of design) API Number: _____ or Permit Number: _____

12.

Closed-loop Systems Permit Application Attachment Checklist: Subsection B of 19.15.17.9 NMAC**Instructions:** Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the documents are attached.

- ☐ Geologic and Hydrogeologic Data (only for on-site closure) - based upon the requirements of Paragraph (3) of Subsection B of 19.15.17.9
- ☐ Siting Criteria Compliance Demonstrations (only for on-site closure) - based upon the appropriate requirements of 19.15.17.10 NMAC
- ☐ Design Plan - based upon the appropriate requirements of 19.15.17.11 NMAC
- ☐ Operating and Maintenance Plan - based upon the appropriate requirements of 19.15.17.12 NMAC
- ☐ Closure Plan (Please complete Boxes 14 through 18, if applicable) - based upon the appropriate requirements of Subsection C of 19.15.17.9 NMAC and 19.15.17.13 NMAC

☐ Previously Approved Design (attach copy of design) API Number: _____

☐ Previously Approved Operating and Maintenance Plan API Number: _____ (Applies only to closed-loop system that use above ground steel tanks or haul-off bins and propose to implement waste removal for closure)

13.

Permanent Pits Permit Application Checklist: Subsection B of 19.15.17.9 NMAC**Instructions:** Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the documents are attached.

- ☐ Hydrogeologic Report - based upon the requirements of Paragraph (1) of Subsection B of 19.15.17.9 NMAC
- ☐ Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15.17.10 NMAC
- ☐ Climatological Factors Assessment
- ☐ Certified Engineering Design Plans - based upon the appropriate requirements of 19.15.17.11 NMAC
- ☐ Dike Protection and Structural Integrity Design - based upon the appropriate requirements of 19.15.17.11 NMAC
- ☐ Leak Detection Design - based upon the appropriate requirements of 19.15.17.11 NMAC
- ☐ Liner Specifications and Compatibility Assessment - based upon the appropriate requirements of 19.15.17.11 NMAC
- ☐ Quality Control/Quality Assurance Construction and Installation Plan
- ☐ Operating and Maintenance Plan - based upon the appropriate requirements of 19.15.17.12 NMAC
- ☐ Freeboard and Overtopping Prevention Plan - based upon the appropriate requirements of 19.15.17.11 NMAC
- ☐ Nuisance or Hazardous Odors, including H₂S, Prevention Plan
- ☐ Emergency Response Plan
- ☐ Oil Field Waste Stream Characterization
- ☐ Monitoring and Inspection Plan
- ☐ Erosion Control Plan
- ☐ Closure Plan - based upon the appropriate requirements of Subsection C of 19.15.17.9 NMAC and 19.15.17.13 NMAC

14.

Proposed Closure: 19.15.17.13 NMAC**Instructions:** Please complete the applicable boxes, Boxes 14 through 18, in regards to the proposed closure plan.

Type: ☐ Drilling ☐ Workover ☐ Emergency ☐ Cavitation ☐ P&A ☐ Permanent Pit ☐ Below-grade Tank ☐ Closed-loop System

☐ Alternative

Proposed Closure Method: ☐ Waste Excavation and Removal

☐ Waste Removal (Closed-loop systems only)

☐ On-site Closure Method (Only for temporary pits and closed-loop systems)

☐ In-place Burial ☐ On-site Trench Burial

☐ Alternative Closure Method (Exceptions must be submitted to the Santa Fe Environmental Bureau for consideration)

15.

Waste Excavation and Removal Closure Plan Checklist: (19.15.17.13 NMAC) **Instructions:** Each of the following items must be attached to the closure plan. Please indicate, by a check mark in the box, that the documents are attached.

- ☐ Protocols and Procedures - based upon the appropriate requirements of 19.15.17.13 NMAC
- ☐ Confirmation Sampling Plan (if applicable) - based upon the appropriate requirements of Subsection F of 19.15.17.13 NMAC
- ☐ Disposal Facility Name and Permit Number (for liquids, drilling fluids and drill cuttings)
- ☐ Soil Backfill and Cover Design Specifications - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC
- ☐ Re-vegetation Plan - based upon the appropriate requirements of Subsection I of 19.15.17.13 NMAC
- ☐ Site Reclamation Plan - based upon the appropriate requirements of Subsection G of 19.15.17.13 NMAC

16.

Waste Removal Closure For Closed-loop Systems That Utilize Above Ground Steel Tanks or Haul-off Bins Only: (19.15.17.13.D NMAC)

Instructions: Please identify the facility or facilities for the disposal of liquids, drilling fluids and drill cuttings. Use attachment if more than two facilities are required.

Disposal Facility Name: _____ Disposal Facility Permit Number: _____
 Disposal Facility Name: _____ Disposal Facility Permit Number: _____

Will any of the proposed closed-loop system operations and associated activities occur on or in areas that *will not* be used for future service and operations?

☐ Yes (If yes, please provide the information below) ☐ No

Required for impacted areas which will not be used for future service and operations:

- ☐ Soil Backfill and Cover Design Specifications - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC
☐ Re-vegetation Plan - based upon the appropriate requirements of Subsection I of 19.15.17.13 NMAC
☐ Site Reclamation Plan - based upon the appropriate requirements of Subsection G of 19.15.17.13 NMAC

17.

Siting Criteria (regarding on-site closure methods only): 19.15.17.10 NMAC

Instructions: Each siting criteria requires a demonstration of compliance in the closure plan. Recommendations of acceptable source material are provided below. Requests regarding changes to certain siting criteria may require administrative approval from the appropriate district office or may be considered an exception which must be submitted to the Santa Fe Environmental Bureau office for consideration of approval. Justifications and/or demonstrations of equivalency are required. Please refer to 19.15.17.10 NMAC for guidance.

- | | |
|---|---|
| Ground water is less than 50 feet below the bottom of the buried waste.
- NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells | <input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> NA |
| Ground water is between 50 and 100 feet below the bottom of the buried waste
- NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells | <input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> NA |
| Ground water is more than 100 feet below the bottom of the buried waste.
- NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells | <input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> NA |
| Within 300 feet of a continuously flowing watercourse, or 200 feet of any other significant watercourse or lakebed, sinkhole, or playa lake (measured from the ordinary high-water mark).
- Topographic map; Visual inspection (certification) of the proposed site | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| Within 300 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application.
- Visual inspection (certification) of the proposed site; Aerial photo; Satellite image | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| Within 500 horizontal feet of a private, domestic fresh water well or spring that less than five households use for domestic or stock watering purposes, or within 1000 horizontal feet of any other fresh water well or spring, in existence at the time of initial application.
- NM Office of the State Engineer - iWATERS database; Visual inspection (certification) of the proposed site | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| Within incorporated municipal boundaries or within a defined municipal fresh water well field covered under a municipal ordinance adopted pursuant to NMSA 1978, Section 3-27-3, as amended.
- Written confirmation or verification from the municipality; Written approval obtained from the municipality | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| Within 500 feet of a wetland.
- US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| Within the area overlying a subsurface mine.
- Written confirmation or verification or map from the NM EMNRD-Mining and Mineral Division | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| Within an unstable area.
- Engineering measures incorporated into the design; NM Bureau of Geology & Mineral Resources; USGS; NM Geological Society; Topographic map | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| Within a 100-year floodplain.
- FEMA map | <input type="checkbox"/> Yes <input type="checkbox"/> No |

18.

On-Site Closure Plan Checklist: (19.15.17.13 NMAC) Instructions: Each of the following items must be attached to the closure plan. Please indicate, by a check mark in the box, that the documents are attached.

- ☐ Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15.17.10 NMAC
☐ Proof of Surface Owner Notice - based upon the appropriate requirements of Subsection F of 19.15.17.13 NMAC
☐ Construction/Design Plan of Burial Trench (if applicable) based upon the appropriate requirements of 19.15.17.11 NMAC
☐ Construction/Design Plan of Temporary Pit (for in-place burial of a drying pad) - based upon the appropriate requirements of 19.15.17.11 NMAC
☐ Protocols and Procedures - based upon the appropriate requirements of 19.15.17.13 NMAC
☐ Confirmation Sampling Plan (if applicable) - based upon the appropriate requirements of Subsection F of 19.15.17.13 NMAC
☐ Waste Material Sampling Plan - based upon the appropriate requirements of Subsection F of 19.15.17.13 NMAC
☐ Disposal Facility Name and Permit Number (for liquids, drilling fluids and drill cuttings or in case on-site closure standards cannot be achieved)
☐ Soil Cover Design - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC
☐ Re-vegetation Plan - based upon the appropriate requirements of Subsection I of 19.15.17.13 NMAC
☐ Site Reclamation Plan - based upon the appropriate requirements of Subsection G of 19.15.17.13 NMAC

19.

Operator Application Certification:

I hereby certify that the information submitted with this application is true, accurate and complete to the best of my knowledge and belief.


Name (Print): _____ Title: _____

Signature: _____ Date: _____

e-mail address: _____ Telephone: _____

20.

OCD Approval: ☐ Permit Application (including closure plan) ☒ Closure Plan (only) ☐ OCD Conditions (see attachment)

OCD Representative Signature:  Approval Date: 3.11.09

Title: ENVIRONMENTAL ENGINEER OCD Permit Number: PI-00736

21.

Closure Report (required within 60 days of closure completion): Subsection K of 19.15.17.13 NMAC

Instructions: Operators are required to obtain an approved closure plan prior to implementing any closure activities and submitting the closure report. The closure report is required to be submitted to the division within 60 days of the completion of the closure activities. Please do not complete this section of the form until an approved closure plan has been obtained and the closure activities have been completed.

☐ Closure Completion Date: 18Feb09 _____

22.

Closure Method:

☒ Waste Excavation and Removal ☐ On-Site Closure Method ☐ Alternative Closure Method ☐ Waste Removal (Closed-loop systems only)
☐ If different from approved plan, please explain.

23.

Closure Report Regarding Waste Removal Closure For Closed-loop Systems That Utilize Above Ground Steel Tanks or Haul-off Bins Only:

Instructions: Please identify the facility or facilities for where the liquids, drilling fluids and drill cuttings were disposed. Use attachment if more than two facilities were utilized.

Disposal Facility Name: _____ Disposal Facility Permit Number: _____

Disposal Facility Name: _____ Disposal Facility Permit Number: _____

Were the closed-loop system operations and associated activities performed on or in areas that *will not* be used for future service and operations?

☐ Yes (If yes, please demonstrate compliance to the items below) ☐ No

Required for impacted areas which will not be used for future service and operations:

- ☐ Site Reclamation (Photo Documentation)
☐ Soil Backfilling and Cover Installation
☐ Re-vegetation Application Rates and Seeding Technique

24.

Closure Report Attachment Checklist: *Instructions: Each of the following items must be attached to the closure report. Please indicate, by a check mark in the box, that the documents are attached.*

- ☒ Proof of Closure Notice (surface owner and division)
☐ Proof of Deed Notice (required for on-site closure)
☒ Plot Plan (for on-site closures and temporary pits)
☒ Confirmation Sampling Analytical Results (if applicable)
☐ Waste Material Sampling Analytical Results (required for on-site closure)
☒ Disposal Facility Name and Permit Number
☒ Soil Backfilling and Cover Installation
☒ Re-vegetation Application Rates and Seeding Technique
☒ Site Reclamation (Photo Documentation)

On-site Closure Location: Latitude _____ Longitude _____ NAD: ☐ 1927 ☐ 1983

25.

Operator Closure Certification:

I hereby certify that the information and attachments submitted with this closure report is true, accurate and complete to the best of my knowledge and belief. I also certify that the closure complies with all applicable closure requirements and conditions specified in the approved closure plan.

Name (Print): Kelton Beaird Title: HES Specialist

Signature:  Date: 3-9-09

e-mail address: kelton_beaird@oxy.com Telephone: 575-390-1903 (C)

OXY USA
Pit Closure Summary

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MAR 11 2009

HOBBSOCD

Bell Lake No. 028

API# 30-025-38565

Lea County, New Mexico

GPS N32 14.477 W103 29.869

UL. M, Sec. 05, T24S, R34E

Start date: 29Oct08

Finish date: 18Feb09

FINAL

Prepared By: Vernon K. Black

Environmental Technician

Hungry Horse Environmental, LLC

PO Box 1058

Hobbs, NM 88240

(575)-393-3386



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Attachments

- Attachment 1 - Overhead View**
- Attachment 2 - Lab Analytical & Chain of Custody**
- Attachment 3 - Proof of Closure Notice**
- Attachment 4 - Plot Plan**
- Attachment 5 - C 144 Closure Plan Application**
- Attachment 6 - C 144 Closure of Pit**
- Attachment 7 - Photos of Project**
- Attachment 8 - Once Call**

1.0 Introduction

This report addresses the pit closure of the drilling reserve pit at OXY USA's Bell Lake 28 well. All items required for the Closure Report Checklist(C-144) is included in this report. The project manager for Hungry Horse Environmental Services was Shanon Rusk.

2.0 Area Description

The top three to five feet of soil is mainly sand laced with deposits of caliche rock. Below this layer, the formation begins to turn into a more of a caliche rock base. The depth to the ground water is 60-65' based on the Lea County Depth to Groundwater Map. There is one water well and a surface body of water .22 miles southwest of this location. The well and body of water are used for watering livestock. This location is located in Lea County New Mexico approximately fifty-five southwest of Hobbs, New Mexico.

3.0 Pit Closure Process

The drilling reserve pit was closed using the Waste Excavation and Removal Plan. Before excavation began, the pit was vacuumed free of all free-standing liquid and this liquid transported to Controlled Recovery Incorporated (CRI R-9166) for disposal. All excavated material, to include the synthetic liner, was also transported to CRI for disposal.

The pit was excavated to depth of two feet below the liner. A five-point composite sample was obtained from the pit area and taken to Cardinal Lab for analysis. Lab tests were performed for Benzene, BTEX, TPH, GRO/DRO, and chlorides. Results of the five-point composite indicated that the Benzene, BTEX, TPH, GRO/DRO were well below the allowed limits set by NM OCD. However, the chloride level was at 1900ppm which exceeds the limit.

Due to the chloride content, individual samples were obtained from each corner and the center of the pit and field tested to determine which area(s) needed further remediation. Further excavation was conducted with field samples being obtained and analyzed during the process. Once field test indicated chloride levels at or below requirements, samples were then taken to Cardinal Lab for analysis. The final depth of the excavated area was an average of seventeen feet BGS.

The excavated area was then backfilled with clean material from a local source. The final three feet of backfill consisted of topsoil. The area was contoured to match the surrounding terrain and will be seeded when moisture conditions are favorable for growth.

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JAN 29 2009

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HUNGRY HORSE, LLC
ENVIRONMENTAL SERVICES

Dirt Work * On-Site Remediation * Soil Testing * Excavation

29Jan09

To: Larry Johnson, NM OCD

Reference: Bell Lake #28 Pit Dumping

On 22Jan09, after having temporarily stopped work on the Bell Lake #28 Pit, equipment was moved back to the location to resume work. Upon arrival, our haul truck driver, Wayne Baggs, called in to report that it appeared that some type of liquid had been dumped into the excavated pit. David Carter, HHE Supervisor, went to the location to investigate. He observed what appeared to be tracks where two tractor/trailers had backed up to the edge of the pit. His observation was that it was clear that something (mud/water) had been discharged into the pit. David used chloride field test strips to test various parts of the pit and the test results indicated a presence of chlorides. David also noticed what appeared to be signs of liquid residue on the drilling location as well as on the access road to the location. He field tested various parts of the location and the road with results indicating a presence of chlorides. No lab tests were conducted, only field test. Photos of the area were taken to document the observations.

At the time of this discovery, we had excavated the reserve pit down to approximately 18' deep and had the chloride levels down to a level below OCD guidelines in all area of the pit except for the northeast corner. In this area we were planning to excavate another 2-3 feet in order to have the pit completely ready for backfill.

Kelton Beaird, our contact with OXY USA, was notified immediately of our discovery. He initiated an investigation and advised me to take our drill truck to the location and drill to determine the depth to which the chlorides had reached. He also asked that I visit NM OCD and advise Larry Johnson of the situation. On 27Jan09, I talked to Larry Johnson about what had happened. He asked that I let him know the results of our drilling once completed.

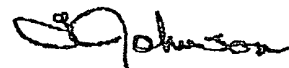
On 28Jan09, we bored two separate holes, one in the nw and sw corner. Field test were conducted at 20', 25', 30', and 35' BGS. Field test results at 20' BGS indicated a chloride level of approximately 1000ppm. From 25' BGS down to 35' BGS, the field test indicated chloride levels at 250ppm or less.

At 25' BGS, field test indicate chloride levels at or below NM OCD standards. Based on this info, I propose removing five feet of soil from the west side of the excavated area. This final excavation will render the pit "clean" as per NM OCD standards. Soil samples will be taken to Cardinal Lab for analysis. Once confirmation of satisfactory test results is received backfilling will commence and the final closing report will be completed.

Vernon K. Black



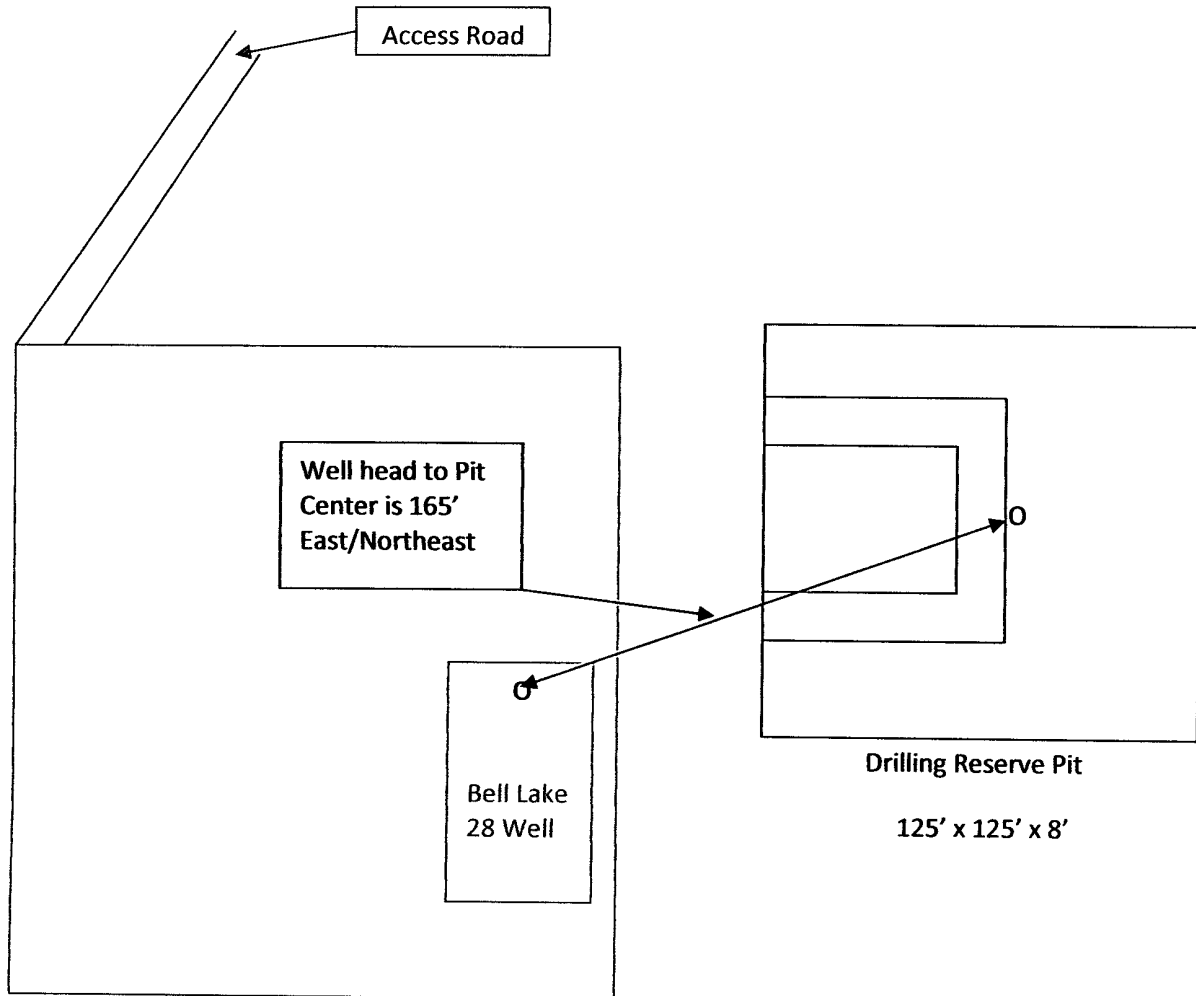
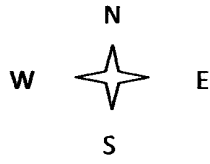
Accepted -



ENVIRONMENTAL ENGINEER

1.29.09

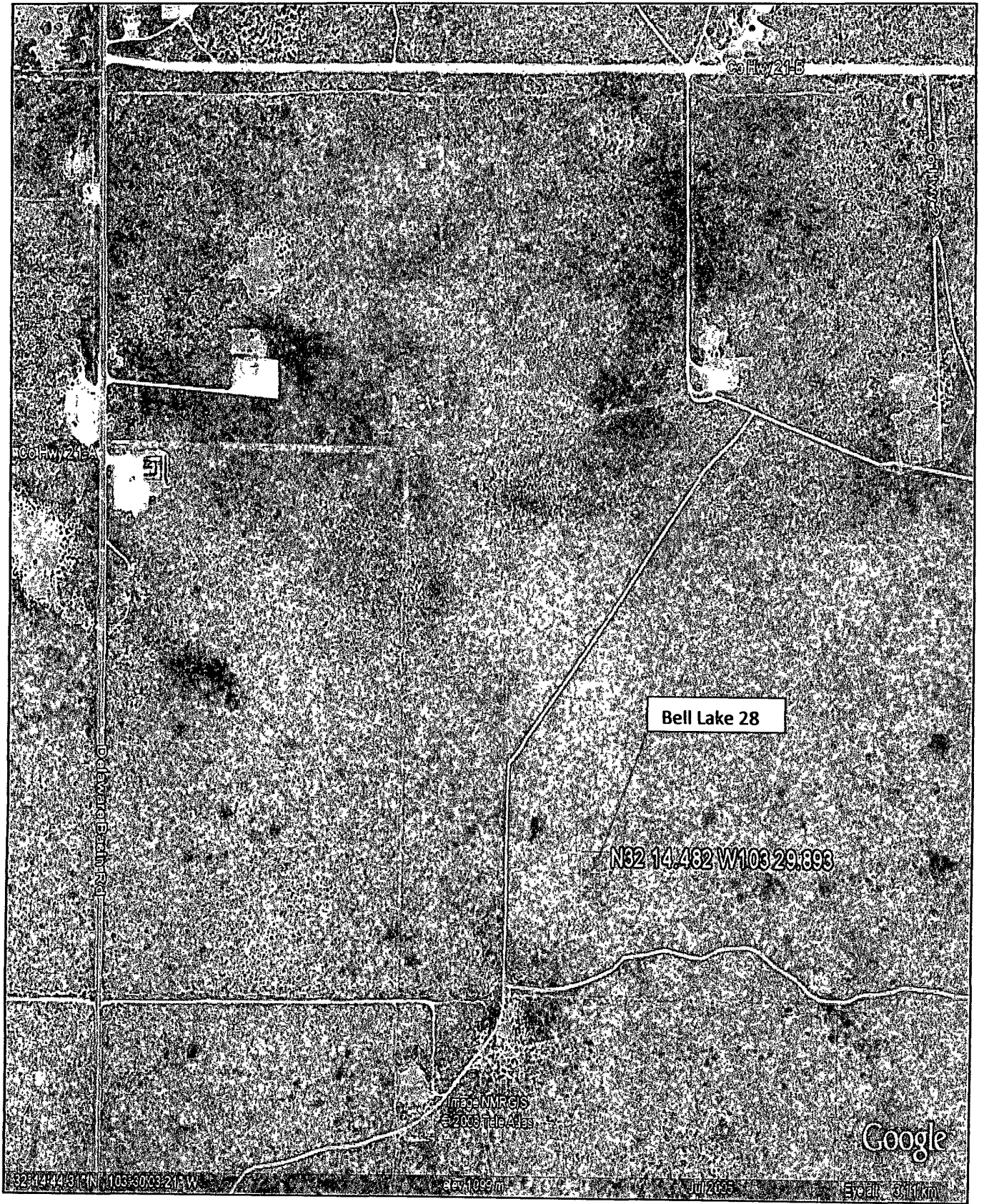
P. O. Box 1058 * Hobbs New Mexico * Office 505.393.3386 * Fax 505.391.4585



NOTE: Drawing not to scale



Attachment 1





Attachment 2



ANALYTICAL RESULTS FOR
HUNGRY HORSE ENVIRONMENTAL SERVICES
ATTN: VERNON K. BLACK
P.O. BOX 1058
HOBBS, NM 88241
FAX TO: (575) 391-4585

Analysis Date: 02/06/09
Sampling Date: 02/05/09
Sample Type: SOIL
Sample Condition: INTACT
Sample Received By: ML
Analyzed By: HM

[illegible]

Note: Analysis performed on a 1:4 w/v aqueous extract.

Date _____

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(575) 393-2326 Fax (575) 393-2476

Page ____ of ____

Company Name: Hungry Horse Environmental Services Project Manager: Vernon K. Black Address: PO Box 1058 City: Hobbs State: NM Zip: 88241 Phone # 575-393-3386 Fax # 575-391-4585 Project #: _____ Project Owner: OXY USA Project Name: Bell Lake #28 Project Location: Lea County NM Sampler Name: Vernon K. Black				BILL TO P.O. #: Company: SAME Attn: Address: City: State: Zip: Phone #: Fax #:		ANALYSIS REQUEST													
FOR LAB USE ONLY Lab I.D. H10634-1		Sample I.D. Reserve Pit Center 22865		MATRIX GROUNDWATER WASTEWATER SOIL OIL SLUDGE OTHER		PRESERV ACID/BASE ICE / COOL OTHER		SAMPLING DATE 5 Feb 91 TIME 1400		<i>cl binder</i>									

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Sampler Relinquished: _____ Date: _____ Received By: _____ Relinquished By: <i>[Signature]</i> Date: 5 Feb 91 Received By: <i>[Signature]</i> Time: 1615 Temp: _____ Sample Condition: _____ Delivered By: (Circle One) <input checked="" type="checkbox"/> UPS <input type="checkbox"/> Bus <input type="checkbox"/> Other: _____ Sampler - UPS - Bus - Other: _____		Phone Result: <input type="checkbox"/> No <input checked="" type="checkbox"/> Add'l Phone #: _____ Fax Result: <input type="checkbox"/> No <input checked="" type="checkbox"/> Add'l Fax #: _____ REMARKS:	
CHECKED BY: <i>[Signature]</i> (Initials)			

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ANALYTICAL RESULTS FOR
HUNGRY HORSE ENVIRONMENTAL SERVICES
ATTN: VERNON K. BLACK
P.O. BOX 1058
HOBBS, NM 88241
FAX TO: (575) 391-4585

Analysis Date: 02/05/09
Sampling Date: 02/04/09
Sample Type: SOIL
Sample Condition: COOL & INTACT
Sample Received By: ML
Analyzed By: HM

[illegible]

METHOD: Standard Methods 4500-CIB

Note. Analyses performed on 1.4 w/v aqueous extracts.

Chemist

Date _____

H16825 HHE

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Page _____ of _____

Company Name: Hungry Horse Environmental Services Project Manager: Vernon K. Black Address: PO Box 1058 City: Hobbs State: NM Zip: 88241 Phone #: 575-393-3386 Fax #: 575-391-4585 Project #: Project Owner: OXY USA Project Name: Bell Lake #28 Project Location: Lea County NM Sampler Name: Vernon K. Black				BILL TO P.O. #: Company: SAME Attn: Address: City: State: Zip: Phone #: Fax #:		ANALYSIS REQUEST															
FOR LAB USE ONLY Lab I.D. H16825-1 -2 -3 -4 -5 -6		Sample I.D. Reserve Pit NW 22' BG's SW 22' Center 22' NE 12' SE 12' Composite		MATRIX # CONTAINERS GROUNDWATER WASTEWATER SOIL OIL SLUDGE OTHER		PRESERV ACID/BASE ICE / COOL OTHER		SAMPLING DATE 4 Feb 99 TIME 1600		ch/ndes											

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Sampler Relinquished: Date: 5 Feb 99 Time: 800 Relinquished By: <i>[Signature]</i> Delivered By: (Circle One) Sampler - UPS - Bus - Other:		Received By: Date: 5 Feb 99 Time: 800 Received By: <i>[Signature]</i> Temp: Sample Condition: Cool Intact <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Yes <input type="checkbox"/> No CHECKED BY: <i>[Signature]</i> (Initials)		Phone Result: <input type="checkbox"/> No <input type="checkbox"/> Add'l Phone # Fax Result: <input type="checkbox"/> No <input type="checkbox"/> Add'l Fax # REMARKS:	
--	--	--	--	---	--

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ANALYTICAL RESULTS FOR
HUNGRY HORSE ENVIRONMENTAL SERVICES
ATTN: VERNON K. BLACK
P.O. BOX 1058
HOBBS, NM 88241
FAX TO: (575) 391-4585

Analysis Date: 01/29/09
Sampling Date: 01/28/09
Sample Type: SOIL
Sample Condition: COOL & INTACT
Sample Received By: ML
Analyzed By: HM

METHOD: Standard Methods **4500-CIB**
Note: Analyses performed on 1:4 w/v aqueous extracts.

Date _____

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Page ____ of ____

Company Name: Hungry Horse Environmental Services Project Manager: Vernon K. Black Address: PO Box 1058 City: Hobbs State: NM Zip: 88241 Phone #: 575-393-3386 Fax #: 575-391-4585 Project #: Project Owner: OXY USA Project Name: Bell Lake #28 Project Location: Lea County NM Sampler Name: Vernon K. Black				BILL TO P.O. #: Company: SAME Attn: Address: City: State: Zip: Phone #: Fax #:		ANALYSIS REQUEST													
FOR LAB USE ONLY Lab I.D. H16732-1 -2 3 -4 -5 -6		Sample I.D. Reserve Pit NE 12' BGS SE 12' BGS Center 15' BGS NE 25' BGS NW 25' BGS SPT Composite		MATRIX CONTAINERS GROUNDWATER WASTEWATER SOIL OIL SLUDGE OTHER		PRESERV ACID/BASE ICE / COOL OTHER		SAMPLING DATE TIME 28 Jan 99 1200		(Vertical columns for analysis results)									

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Sampler Relinquished: Date: Received By: Time:		Phone Result: <input type="checkbox"/> No <input type="checkbox"/> Add'l Phone # Fax Result: <input type="checkbox"/> No <input type="checkbox"/> Add'l Fax # REMARKS:	
Relinquished By: [Signature] Delivered By: (Circle One) Sampler - UPS - Bus - Other		Received By: [Signature] Temp: Sample Condition: Cool Intact <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Yes <input type="checkbox"/> No CHECKED BY: (Initials)	

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1-29-99



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ANALYTICAL RESULTS FOR
HUNGRY HORSE ENVIRONMENTAL SERVICES
ATTN: VERNON K. BLACK
P.O. BOX 1058
HOBBS, NM 88241
FAX TO: (575) 391-4585

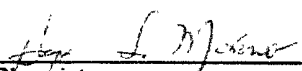
Receiving Date: 12/19/08
Reporting Date: 12/22/08
Project Owner: OXY USA
Project Name: BELL LAKE 28
Project Location: LEA COUNTY, NM

Analysis Date: 12/19/08
Sampling Date: 12/17/08
Sample Type: SOIL
Sample Condition: INTACT
Sample Received By: CK
Analyzed By: HM

LAB NO.	SAMPLE ID	Cl ⁻ (mg/kg)
H16558-1	NORTHWEST 25' BGS	2,040
H16558-2	NORTHWEST 30' BGS	272
H16558-3	NORTHWEST 35' BGS	112
H16558-4	NORTHWEST 40' BGS	80
H16558-5	NORTHWEST 45' BGS	96
H16558-6	SOUTHWEST 25' BGS	400
H16558-7	SOUTHWEST 30' BGS	192
H16558-8	SOUTHWEST 35' BGS	48
H16558-9	SOUTHWEST 40' BGS	48
H16558-10	SOUTHWEST 45' BGS	48
Quality Control		500
True Value QC		500
% Recovery		100
Relative Percent Difference		< 0.1

METHOD: Standard Methods 4500-Cl⁻B

Note: Analyses performed on 1:4 w:v aqueous extracts.


Chemist

12-22-08
Date

H16558 HHE

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Page ____ of ____

Company Name: Hungry Horse Environmental Services
Project Manager: Vernon K. Black
Address: PO Box 1058
City: Hobbs State: NM Zip: 88241
Phone #: 575-393-3386 Fax #: 575-393-4585
Project #: _____ Project Owner: DDV USA
Project Name: Bell Lake 28
Project Location: Lea County NM
Sampler Name: Vernon K. Black

BILL TO
P.O. #: _____
Company: SAME
Attn: _____
Address: _____
City: _____
State: _____ Zip: _____
Phone #: _____
Fax #: _____

ANALYSIS REQUEST

FOR LAB USE ONLY		MATRIX		PRESERV	SAMPLING	Chloride													
Lab I.D.	Sample I.D.	(G)RAB OR (C)COMP # CONTAINERS	GROUNDWATER WASTEWATER SOIL OIL SLUDGE OTHER	ACID/BASE ICE / COOL OTHER	DATE														
1110558	Reserve Pit West Side																		
1	North West 25' BGS	1	1		17 Dec	1300													
2	30' BGS	1	1																
3	35' BGS	1	1																
4	40' BGS	1	1																
5	45' BGS	1	1																
6	South West 25' BGS	1	1																
7	30' BGS	1	1																
8	35' BGS	1	1																
9	40' BGS	1	1																
10	45' BGS	1	1																

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Sampler Relinquished:		Date:	Received By:	Phone Result:	<input type="checkbox"/> No	Add'l Phone #:
Relinquished By:		Time:		Fax Result:	<input type="checkbox"/> No	Add'l Fax #:
Delivered By: (Circle One)		Date:	Received By:	REMARKS:		
Sampler - UPS - Bus - Other:		Time:				
		Temp	Sample Condition	CHECKED BY (Initials)		
			Cool Intact			
			<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No			
			<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			

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ANALYTICAL RESULTS FOR
HUNGRY HORSE ENVIRONMENTAL SERVICES
ATTN: VERNON K. BLACK
P.O. BOX 1058
HOBBS, NM 88241
FAX TO: (575) 391-4585


Receiving Date: 11/04/08
Reporting Date: 11/06/08
Project Owner: OXY USA
Project Name: BELL LAKE 28
Project Location: LEA COUNTY, NM

Sampling Date: 11/03/08
Sample Type: SOIL
Sample Condition: COOL & INTACT
Sample Received By: ML
Analyzed By: AB/HM

LAB NUMBER	SAMPLE ID	GRO (C ₆ -C ₁₀) (mg/kg)	DRO (>C ₁₀ -C ₂₈) (mg/kg)	418.1 TOTAL TPH (mg/kg)	CI* (mg/kg)
ANALYSIS DATE		11/05/08	11/05/08	11/05/08	11/04/08
H16262-1	5 POINT COMPOSITE	<10.0	<10.0	<100	1,920
Quality Control		590	505	316	490
True Value QC		500	500	300	500
% Recovery		118	101	105	98.0
Relative Percent Difference		8.8	3.1	1.1	2.0

METHODS: TPH GRO & DRO: EPA SW-846 8015 M; EPA 418.1; CI: Std. Methods 4500-CI-B

*Analysis performed on a 1:4 w:v aqueous extract.


Chemist


Date

H16262 TPH2CL HHE

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ANALYTICAL RESULTS FOR
HUNGRY HORSE ENVIRONMENTAL SERVICES
ATTN: VERNON K. BLACK
P.O. BOX 1058
HOBBS, NM 88241
FAX TO: (575) 391-4585

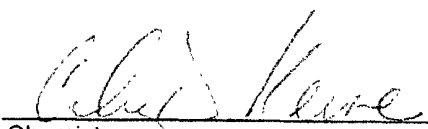
Receiving Date: 11/04/08
Reporting Date: 11/07/08
Project Owner: OXY USA
Project Name: BELL LAKE 28
Project Location: LEA COUNTY, NM

Sampling Date: 11/03/08
Sample Type: SOIL
Sample Condition: COOL & INTACT
Sample Received By: ML
Analyzed By: ZL

LAB NUMBER	SAMPLE ID	BENZENE (mg/kg)	TOLUENE (mg/kg)	ETHYL BENZENE (mg/kg)	TOTAL XYLENES (mg/kg)
ANALYSIS DATE		11/06/08	11/06/08	11/06/08	11/06/08
H16262-1	5 POINT COMPOSITE	<0.100	<0.100	<0.100	0.426
Quality Control		0.051	0.050	0.047	0.160
True Value QC		0.050	0.050	0.050	0.150
% Recovery		102	100	94.0	107
Relative Percent Difference		2.1	0.2	0.4	0.6

METHOD: EPA SW-846 8021B

TEXAS NELAP CERTIFICATION T104704398-08-TX FOR BENZENE, TOLUENE, ETHYL BENZENE,
AND TOTAL XYLENES.


Chemist


Date

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101 East Marland, Hobbs, NM 88240

(575) 393-2326 Fax (575) 393-2476

Page ____ of ____

Company Name: Hungry Horse Environmental Services				BILL TO				ANALYSIS REQUEST											
Project Manager: Vernon K. Black				P.O. #:															
Address: PO Box 1058				Company: SAME															
City: Hobbs				Attn:															
Phone #: 575-393-3386				Address:															
Project #:				City:															
State: NM				State:				80213 418.1 8015M 300.1											
Zip: 88241				Zip:															
Project Owner: OXY USA				Phone #:															
Project Name: Bell Lake 28				Fax #:															
Project Location: Lea County NM																			
Sampler Name: Vernon K. Black																			
FOR LAB USE ONLY																			
Lab I.D.		Sample I.D.		MATRIX		PRESERV		SAMPLING											
H162621		Reserve Pit 5 point composite		GROUNDWATER WASTEWATER SOIL SLUDGE OTHER X		ACID/BASE ICE / COOL OTHER X		DATE 1445								TIME 3 Nov 8			

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Sampler Relinquished:		Date: 11-4-08		Received By:		Phone Result: <input type="checkbox"/>		No:		Add'l Phone #:	
Relinquished By:		Time: 8:05		Signature:		Fax Result: <input type="checkbox"/>		No:		Add'l Fax #:	
Delivered By: (Circle One)		Date: 11-4-08		Received By:		REMARKS:					
Sampler: UPS - Bus - Other:		Time: 8:05		Signature:							
		Temp:		Sample Condition:		CHECKED BY:					
				Cool: Intact:		(Initials):					
				<input type="checkbox"/> Yes <input type="checkbox"/> No		<input type="checkbox"/> Yes <input type="checkbox"/> No					

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Attachment 3

HUNGRY HORSE, LLC
ENVIRONMENTAL SERVICES

Dirt Work * On-Site Remediation * Soil Testing * Excavation

16Jan09

To: Bert Madera
Reference: Pit Closure

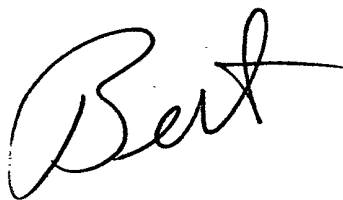
Dear Mr. Madera,

I am writing you this letter on behalf of OXY USA to notify you, as the land owner, of the closing of the drilling reserve pit at the Bell Lake No. 028 well, API #30-025-38565, located in Lea County, NM, Sec. 05, T24S, R34E. Should have any questions, please feel free to contact myself or Kelton Beird, 575 390 1903, with OXY USA.

Sincerely,



Vernon K. Black
HSE
Hungry Horse Environmental Services
PO Box 1058
Hobbs, NM 88241
575 393 3386



Attachment 4

Plot Plan

The center of the reclaimed drilling pit is located 165 feet east/northeast of the Bell Lake 28 well head. The GPS coordinates are N32 14.477 W103 29.869.

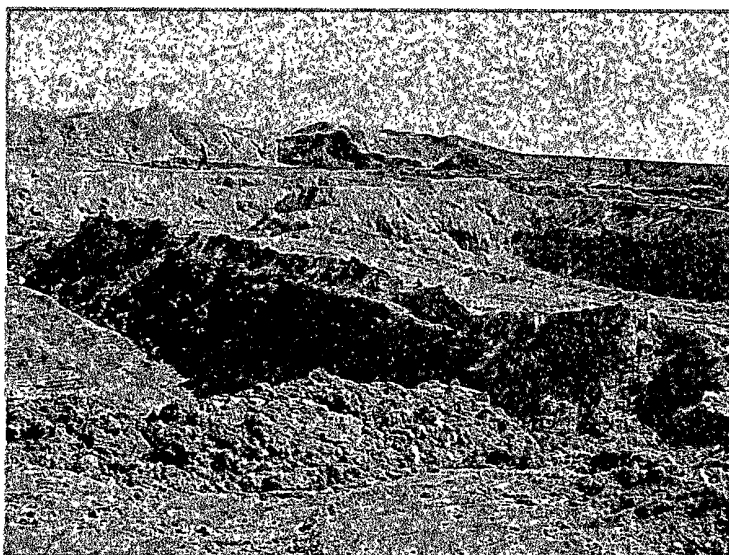
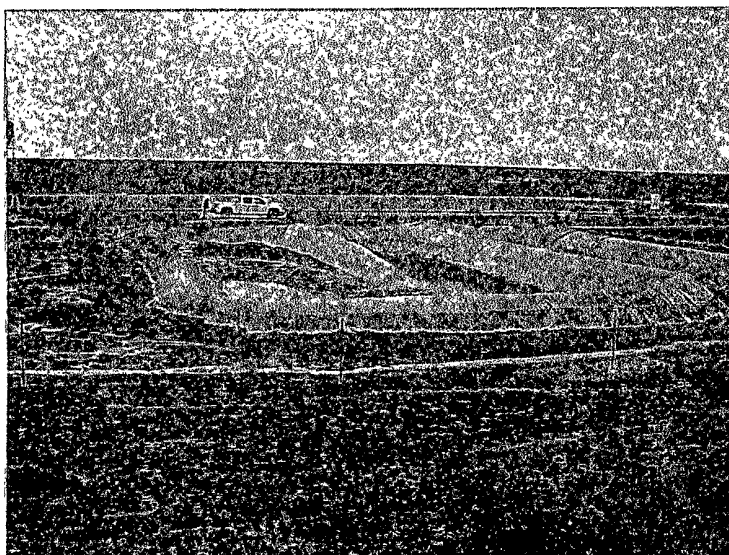
Attachment 7

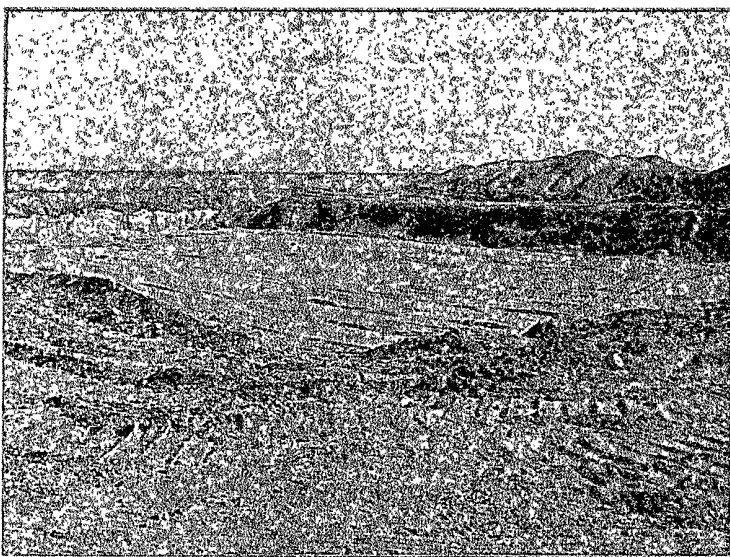
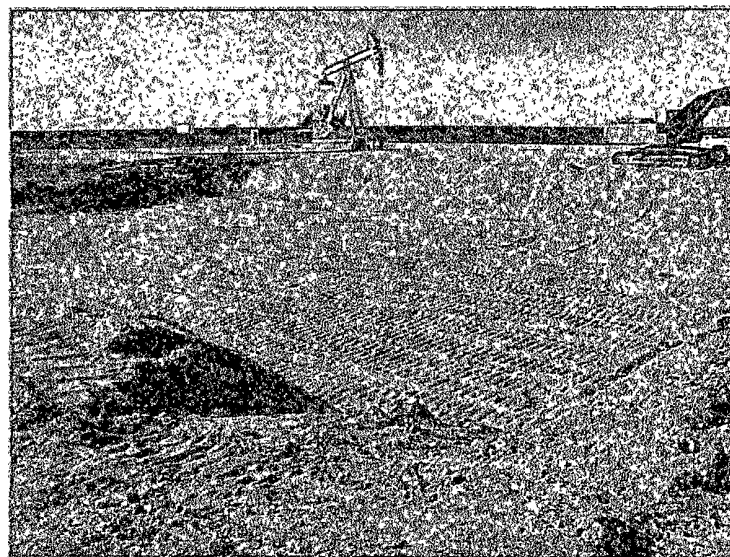
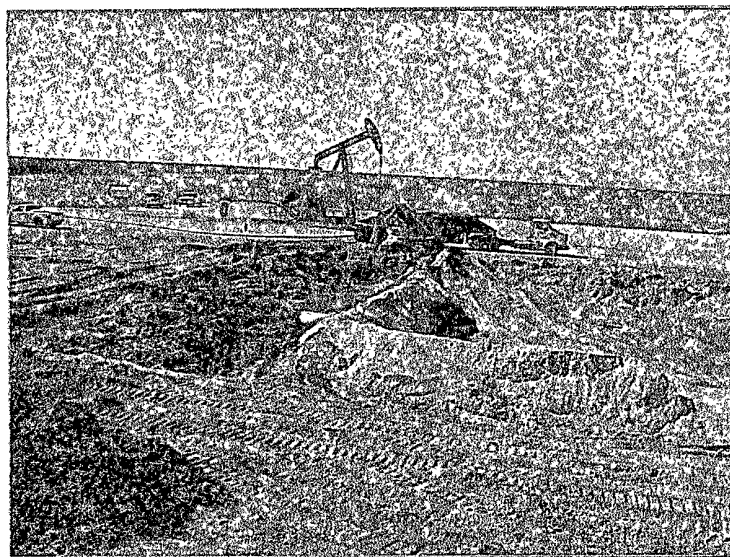
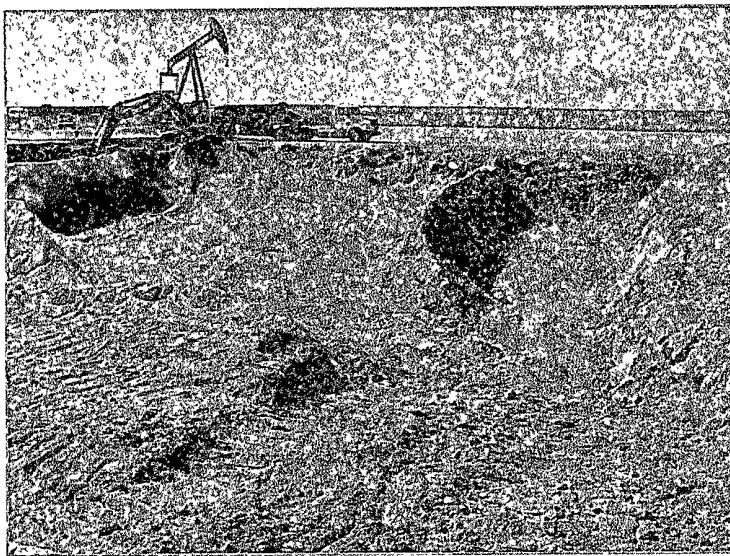
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1-866-321-9561

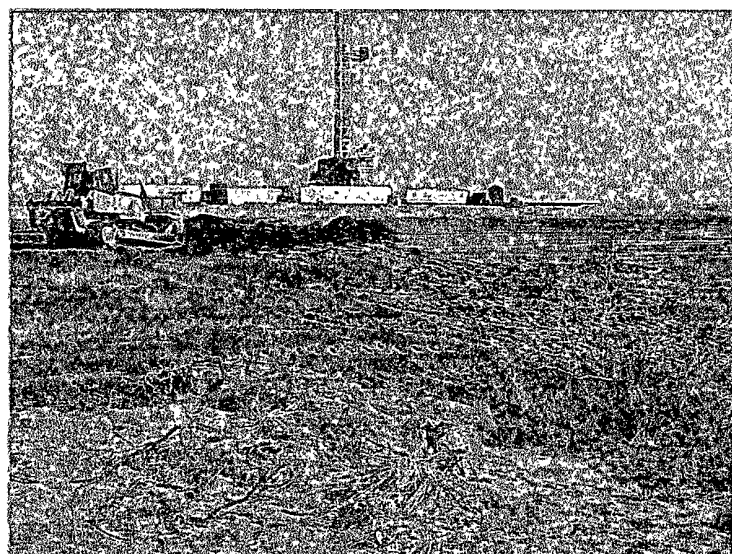
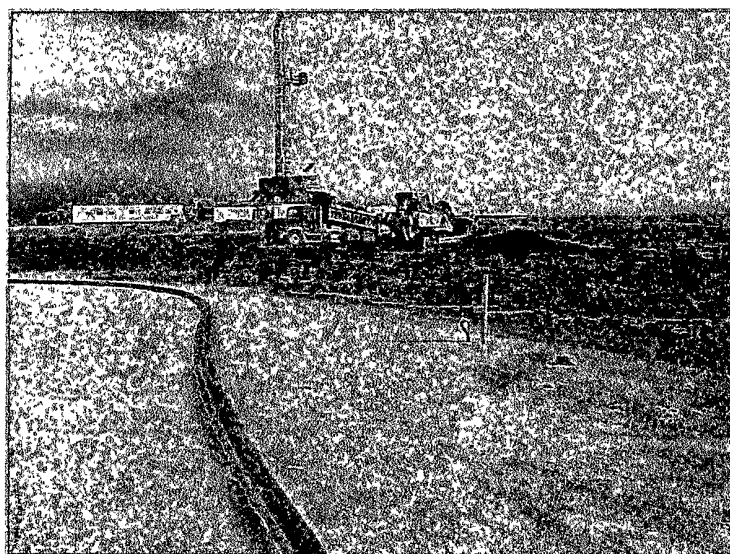
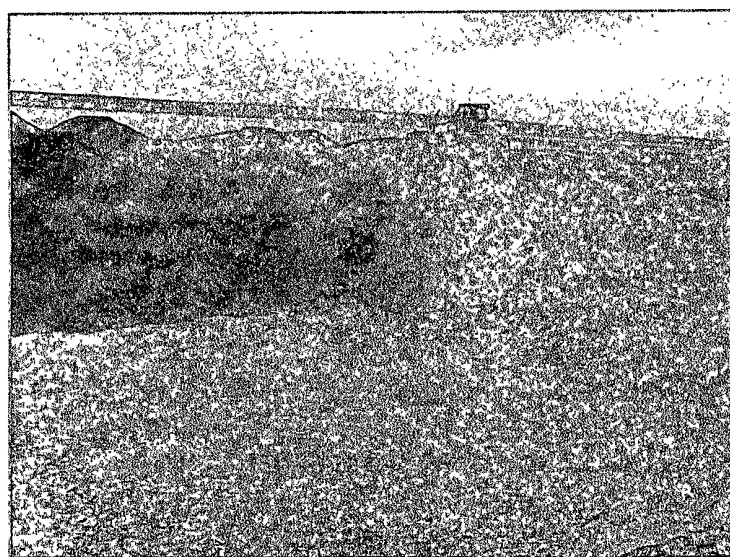
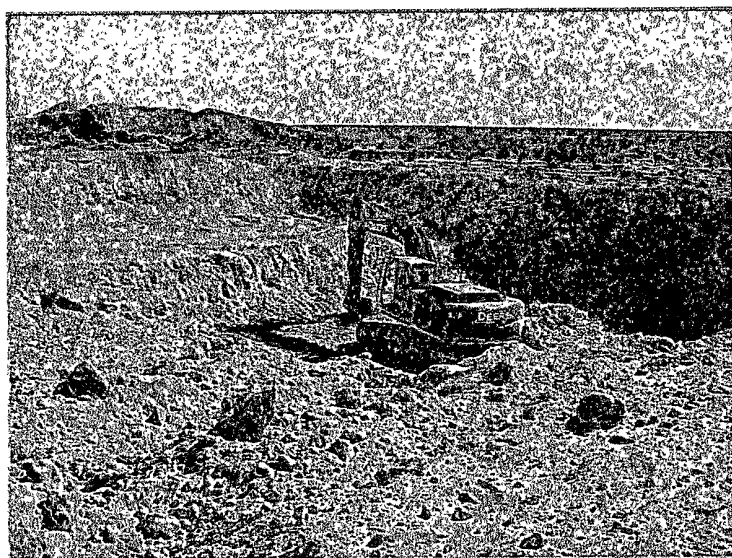


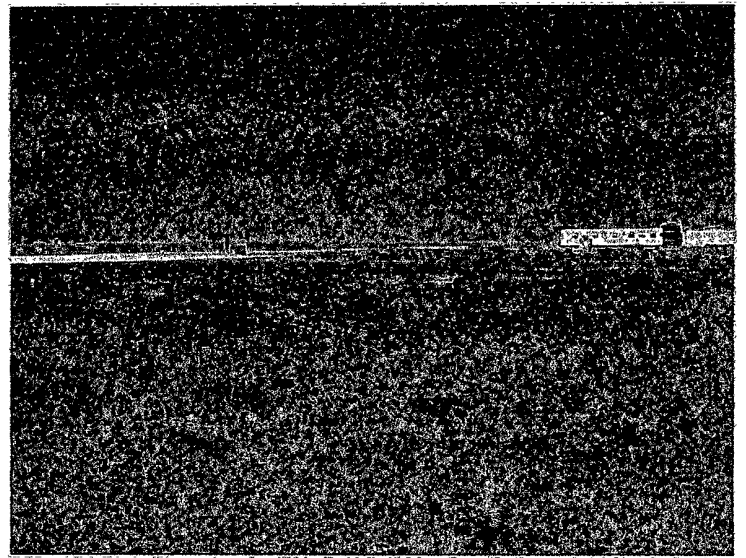
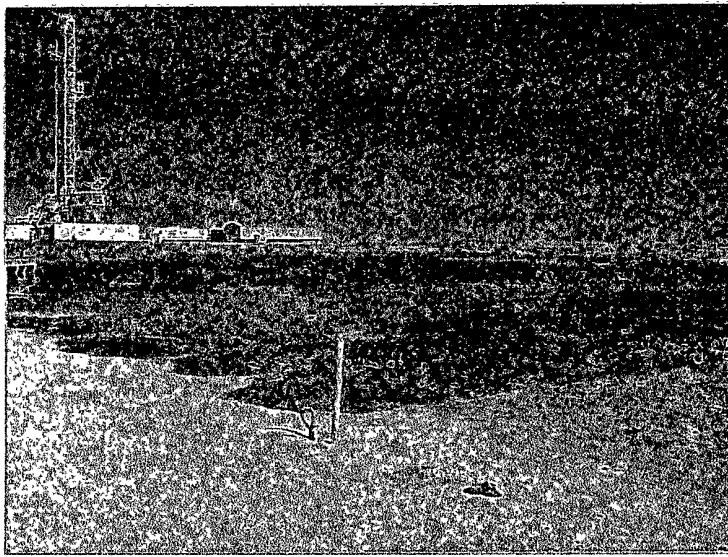
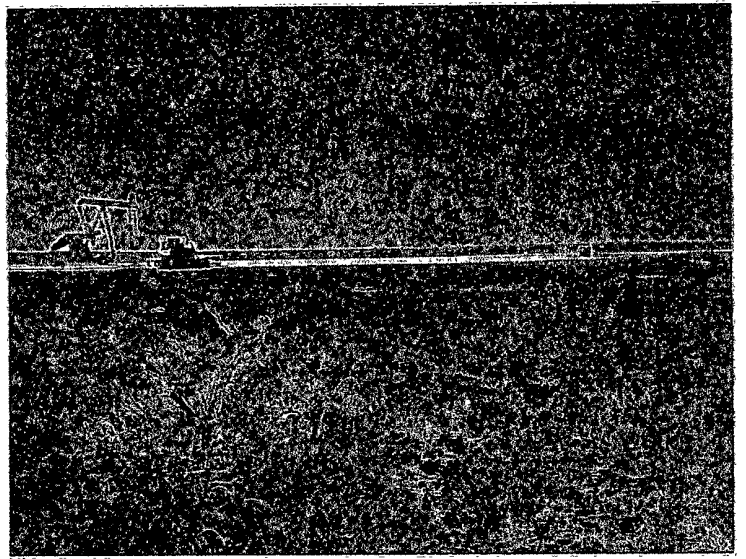
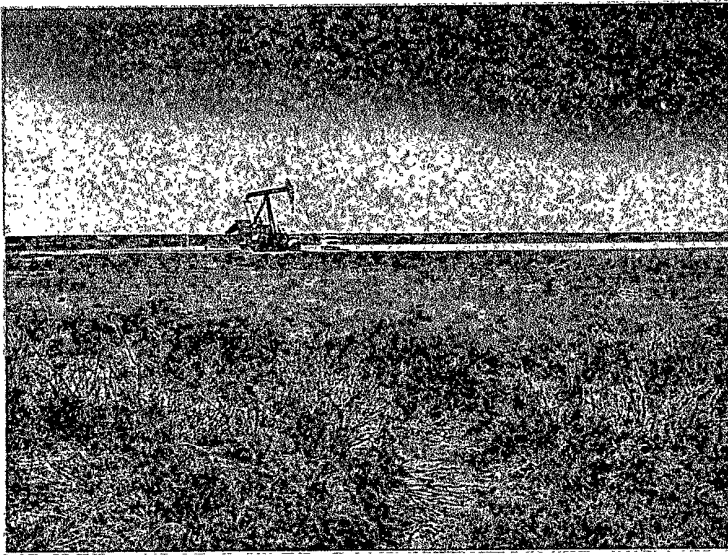
OXY USA, INC.

BELL LAKE #28
660' FSL & 660' FWL
SEC.05-T24S-R34E
LEASE #NM-38464
EDDY CO., NEW MEXICO
API #30-Q25-38565











Attachment 8

NEW MEXICO ONE CALL
Locate Request Confirmation

Ticket #:2008421292 Reason Code:STANDARD LOCATE
Work to Begin Date: 10/17/2008 Time: 09:22:00 AM

CALLER INFORMATION

DAVID CARTER Excavator Type:CONTRACTOR
HUNGRY HORSE LLC Tel.:(575)441-5264

DIG LOCATION

City:RURAL LEA
Subdivision:
Address : To:
Street : WELL BELL LAKE #28
Nearest Intersecting Street :
Second Intersecting Street :

Additional Dig Information:
==REMOVING RESERVE PIT==
FROM EUNICE, GO S. ON NM-207 FOR 2MI TO DELAWARE
BASIN RD, R. GO 34.7MI, L. ON SHELL RD GO 0.8MI,
R. GO 1MI TO LOCATION.
SPOT 100FT RADIUS OF THE RESERVE PIT.

Remarks:

Township: 24S Range: 34E Section 1/4: 05 SE
Township: 24S Range: 34E Section 1/4: 05 SW
Township: 24S Range: 34E Section 1/4: 05 NE
Township: 24S Range: 34E Section 1/4: 05 NW

Type of Work: OIL/GAS-WELL/PIT REMOVAL

The following utility owners have been notified of
your proposed excavation site:
DCP MIDSTREAM - EUNICE

IMPORTANT CONFIRMATION NOTICE

Your fax request has been received and processed. It is your
responsibility to review the information provided on this faxback
confirmation ticket and ensure it has been correctly interpreted from
your request. Notify us immediately of any corrections or errors.
Acceptance of this faxback confirmation ticket means you accept
responsibility for the accuracy of the information contained in the
ticket and you agree to indemnify New Mexico One Call Systems, Inc. of
all liability, claims, fees, or damages, including reasonable attorney
fees arising from or resulting from the use of the information provided
on this confirmation ticket.