



September 23, 2011

Carlos A. Lujan, Ph.D.
Colorado Oil and Gas Conservation Commission
1120 Lincoln Street, Suite 801
Denver, Colorado 80203

Re: Response to COGCC Status Inquiry for Three 2008 PXP Spill Reports, Reference COGCC Letter Dated August 23, 2008 & COGCC email dated 9/6/11
- Hells Gulch Federal 23-13A (Remediation No. 4455)
- Hawkins Ranch 10-9 (Remediation No. 4453)
- Hawkins Ranch 10-4 & 10-2C (Document No. 1984975)
OXY USA Inc. (Operator No. 66561)

Dear Dr. Lujan:

OXY USA Inc. (Oxy) is providing your office with follow-up documentation to three spill reports submitted by Plains Exploration and Production Company (PXP) in the fall of 2008. Oxy acquired PXP in December 2008, after the spill reports were submitted by PXP. Oxy has reviewed its records related to the releases and is providing the requested information.

Hells Gulch Federal 23-13A (Remediation No. 4455)

- The legal description originally provided by PXP for the release are as follows:
 - Form 19: SWSW, Sec. 23, T8S, R92W, Mesa County, Colorado
 - Form 23: SWSW, Sec. 23, T8S, R92W, Mesa County, Colorado
 - Form 27: SWSW, Sec. 23, T8S, **R94W**, Mesa County, Colorado
 - Correct spill release location is: SWSW, Sec. 23, T8S, **R92W**, Mesa County, Colorado. Oxy believes that the legal description provided on the Form 27 is a typo and "Range description" should be corrected from R94W to R92W.
- There is no ongoing remediation related to the release since the submittal of the Form 27. Please note that the Cordilleran Compliance Service, Inc (Cordilleran) letter dated November 20, 2008 recommended no further assessment/remediation action be taken. Oxy's current on site activities are related to general reclamation of the cut slope, which includes soil amendments and reseeding. Oxy is awaiting U.S. Forest Service/Bureau of Land Management approval to complete the work this fall. These reclamation activities are not related to the release reported by PXP.

Hawkins Ranch 10-9 (Remediation No. 4453)

- The legal description originally provided by PXP for the release are as follows:
 - Form 19: NWSE, Sec. 10, T10S, R94W, Mesa County, Colorado

- Form 27: NWSE, Sec. 10, T10S, R94W, Mesa County, Colorado
 - Correct spill release location is: NWSE, Sec. 10, T10S, R94W, Mesa County, Colorado. Oxy's review of the submitted Form 19 and Form 27 could not identify a location discrepancy in the legal description. Oxy was only able to identify one Form 19 and one Form 27 in its files.
 - Some follow-up surface water sampling and reporting occurred in 2009, but Oxy could not find records of ongoing remediation related to the release since the submittal of the Form 27. Approximately three weeks after the submittal of the original Form 27, Oxy purchased PXP and during the subsequent PXP to Oxy transition, the responsibility for remediation and closure of this release was not adequately transmitted and therefore not carried to closure. Based on Oxy's review of its records, there has been no ongoing remediation. Oxy was able to identify the enclosed water sample data not originally submitted with the Form 27. The data includes:
 - Water quality samples taken from Salt Creek on November 3, 2008. The data was not attached to a report (Attachment A).
 - A water quality report prepared for the surface owner; the report is dated January 1, 2009 (Attachment A).
 - Water quality sample data taken from Salt Creek on March 13, 2009. No report was generated from the data (Attachment A).
 - Water quality sample data taken from Salt Creek and surrounding surface water features on January 22, 2009, February 13, 2009, February 19, 2009, March 5, 2009, March 12, 2009, March 28, 2009, April 25, 2009, June 6, 2009, July 25, 2009, and October 1, 2009. The data has been tabulated for your review (Attachment A).
- Oxy is unable to explain the lack of soil collected after the original Form 27 submittal. Oxy proposes to conduct follow-up sampling to ensure proper closure of this release. Oxy will direct a 3rd party contractor to collect additional soil samples of the affected soils and will submit the data with a new Form 27. The new Form 27 will either recommend soil remediation or release closure. Oxy is requesting until October 31, 2011 to collect the soil samples and submit the new Form 27 to the COGCC for review.
- PXP did investigate impacted native soils and submitted the associated soil sample data as part of the original Form 27 submittal. Oxy conducted a site reconnaissance of the area on or around August 31, 2010 and has attached the associated photos at Attachment A. The photos demonstrate that no visual impacts have occurred to the vegetation.
 - See second bullet above for remediation (Form 27) and associated closure. The Cordilleran letter report does recommend that a sediment trap with armored inlet and outlet protection be installed in accordance with the Stormwater Management Plan (SWMP). The recommendation was reviewed, PXP installed riprap, but not a sediment trap. Based on the stormwater inspection reports, the riprap was installed between the scheduled October and November 2008 14-day inspection cycle, and reported on the November 14-day inspection sheet, see attached. The stormwater protection riprap was maintained through 2009 and 2010.

Hawkins Ranch 10-4 & 10-2C (Document No. 1984975)

- Oxy reviewed hard copy files as well as its electronic files and could not find record of a Form 27 prepared for this release. Oxy then contacted Olsson Associates (Olsson acquired Cordilleran in late 2008) requesting copies of any documentation prepared in support of this release. Olsson provided a copy of the Cordilleran report prepared on December 1, 2008. It identifies the results of samples taken as part of the investigation. Oxy could not

determine why the Form 27 or the Cordilleran report were not submitted in December of 2008 to the COGCC, but the report recommends that no further assessment/remediation action be taken for the mud release based on the soil sample data they collected in November 2008. PXP remediated the site, which included cleaning up the released mud and returning the mud to the reserve pit and sampling of the impacted area. Oxy has prepared the attached Form 27 for your review and approval. It identifies what was done by PXP and provides a copy of the Cordilleran report. Oxy is requesting review of the Form 27 for closure of this release. Oxy has also attached photos taken of the reclaimed release area (Form 27).

Please let me know if you have any questions, comments, or if you require additional information. I can be reached at 970.263.3637 or at daniel_padilla@oxy.com.

Sincerely,



Daniel I. Padilla
Regulatory Advisor

Enclosures Attachment A – Documents pertaining to Rem # 4453
Attachment B – Documents pertaining to Doc # 1984975

cc: file