

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 | | <input checked="" type="checkbox"/> Initial Report | <input type="checkbox"/> Final Report |
| Name of Company | Oxy Permian Ltd. | Contact | Chancey Summers |
| Address | 6 Desta Drive, Midland, TX 79705 | Telephone No. | (432) 685-5824 |
| Facility Name | Covington A Federal #9 CTB | Facility Type | Battery |
| Surface Owner | BLM | Mineral Owner | |
| | | API No. | 30-25-32036 |

LOCATION OF RELEASE

| | | | | | | | | |
|-------------|---------|----------|-------|---------------|------------------|---------------|----------------|----------------|
| Unit Letter | Section | Township | Range | Feet from the | North/South Line | Feet from the | East/West Line | County |
| SW ¼ | 25 | 22S | 32E | | | | | Lea County, NM |

Latitude N 32.35671° Longitude W 103.63024°

NATURE OF RELEASE

| | | | | | |
|-----------------------------|---|---|---|----------------------------|---------|
| Type of Release | Oil and Produced water | Volume of Release | 3 bbls oil, 10 bbls produced water | Volume Recovered | 10 bbls |
| Source of Release | Corrosion of 2" steel production line | Date and Hour of Occurrence | 7/22/2015 | Date and Hour of Discovery | |
| Was Immediate Notice Given? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required | If YES, To Whom? | Kellie Jones, Jamie Keyes, & Tomas Oberding-NMOCD; Shelly Tucker & James Amos-BLM | | |
| By Whom? | Kathy Purvis @ BBC International Inc. | Date and Hour | 07/22/2015 @ 4:30 pm | | |
| Was a Watercourse Reached? | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | If YES, Volume Impacting the Watercourse. | | | |

RECEIVED

By OCD District 1 at 8:51 am, Aug 18, 2015

If a Watercourse was Impacted, Describe Fully.*

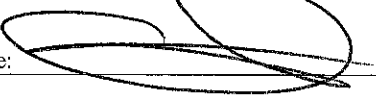

Describe Cause of Problem and Remedial Action Taken.*

Corrosion of a 2" steel production line caused 3 bbls of oil and 10 bbls of produced water to leak onto the ground. A vacuum truck recovered 10 bbls of fluids and the line was repaired or replaced.

Describe Area Affected and Cleanup Action Taken.*

The affected area is approximately 85' x 25' inside the containment on location. Remediation will be completed in accordance with a remediation plan approved by NMOCD and the BLM.

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 Lead | | Approval Date: 08/18/2015 | Expiration Date: 10/18/2015 |
| E-mail Address: Chancey_Summers@oxy.com | | Conditions of Approval: Site samples required. Delineate and remediate as per MNOCD guides. Geotag photographs of remediation required. | |
| Date: 8-13-15 | Phone: (432) 685-5824 | Attached <input type="checkbox"/> 1RP-3806 | |

* Attach Additional Sheets If Necessary

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pKJ1523032646