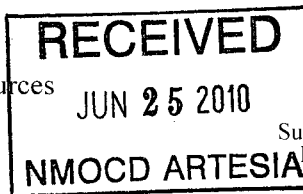


District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources
Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505



Form C-141
Revised October 10, 2003

Submit 2 Copies to appropriate
District Office in accordance
with Rule 116 on back
side of form

Release Notification and Corrective Action

7 KmW 1035648988

OPERATOR

☒ Initial Report ☐ Final Report

Name of Company OXY USA	Contact Kelton Beaird
Address 1502 W. Commerce Carlsbad, NM 88220	Telephone No. (O) 575-628-4100
Facility Name Nagooltee Peak Satellite	Facility Type Satellite location

Surface Owner BLM	Mineral Owner BLM	Lease No. NM81217 API No. 3001524713
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LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
J	5	22S	24E					Eddy

Latitude _____ Longitude _____

NATURE OF RELEASE

Type of Release Produced Water	Volume of Release 60 bbls.	Volume Recovered 0
Source of Release tubing line	Date and Hour of Occurrence	Date and Hour of Discovery 6-18-10 7:00am
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? Mike Bratcher-NMOCD, Terry Gregston- BLM	
By Whom? Kelton Beaird- HES Oxy	Date and Hour See above	
Was a Watercourse Reached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, Volume Impacting the Watercourse.	

If a Watercourse was Impacted, Describe Fully.*

Describe Cause of Problem and Remedial Action Taken.*

Steel tubing line from the Nagooltee Peak 5-2 corroded and leaked. **The API number is associated with Nagooltee Peak 5-1 because this is the closest well to the leak**.

Describe Area Affected and Cleanup Action Taken.*

Area affected was on the backside of the location behind the horizontal vessels and approx. 200 feet in the pasture. The chloride concentration for the water from this well is approx. 500ppm. This site will be delineated and a clean-up plan will be submitted for approval.

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: Kelton Beaird	Approved by District	Signed By
Title: HES Specialist	Approval Date: 3/9/11	Expiration Date:
E-mail Address: kelton_beaird@oxy.com	Conditions of Approval:	Attached <input type="checkbox"/>
Date: 6-21-10	Remediation per OCD Rules & Guidelines. SUBMIT REMEDIATION PROPOSAL NOT LATER THAN:	

* Attach Additional Sheets If Necessary

4/9/11

2RP-523

Bratcher, Mike, EMNRD

From: Kelton_Beaird@oxy.com
Sent: Friday, June 18, 2010 2:02 PM
To: Bratcher, Mike, EMNRD; Terry_Gregston@blm.gov
Subject: Nagooltee Peak leak

Importance: High

Was giving first notification of a leak that was discovered today around 10:00am. Approx. 60 barrels of produced water at the Nagooltee Peak Satellite was spilled. The approx. chloride concentration of this water is 500 ppm. I will fill out the C-141 with all the other information as soon as possible. The leak was just off the backside of the location. Any questions please call.

Thanks,

Kelton Beaird
HES Specialist
MidCon Southwest
Carlsbad, NM
Office: 575-628-4121
Cell: 575-390-1903
Fax: 575-628-4125

Bratcher, Mike, EMNRD

From: Kelton_Beaird@oxy.com
Sent: Monday, July 19, 2010 1:28 PM
To: Bratcher, Mike, EMNRD; Terry_Gregston@blm.gov
Subject: Nagooltee Peak Satellite

Importance: High

I will plan on taking surface samples for the Nagooltee Peak satellite and Jones Canyon 4-2 spills on Wednesday at 7:00 am if you are interested in witnessing. If anything changes I will let you know.

Thanks,

**Kelton Beaird
HES Specialist
MidCon Southwest
Carlsbad, NM
Office: 575-628-4121
Cell: 575-390-1903
Fax: 575-628-4125**