

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

RECEIVED
OCT 30 2012
NMOCD ARTESIA

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

nJMW1236240519

OPERATOR Initial Report Final Report

Name of Company OXY USA Inc. 16696	Contact Brenda Hodges
Address 1017 W. Stanolind Rd.	Telephone No. (575) 397-8247
Facility Name Mobil Federal #1	Facility Type Gas Well

Surface Owner	Mineral Owner	Lease No. API 30-015-20751
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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	29	23S	31E	1980	S	1980	E	Eddy

Latitude _____ Longitude _____

NATURE OF RELEASE

Type of Release Flare	Volume of Release 900 MCF	Volume Recovered 0
Source of Release Temp. Flare	Date and Hour of Occurrence 9-27-12 @10:30 AM	Date and Hour of Discovery 9-27-12 10:30 AM
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? Mike Bratcher/ Jim Amos	
By Whom? Brenda Hodges, HES Administrative Assistant	Date and Hour 10-01-12 @10:58 AM	
Was a Watercourse Reached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, Volume Impacting the Watercourse. n/a	

If a Watercourse was Impacted, Describe Fully.* **n/a**

Describe Cause of Problem and Remedial Action Taken.* **Oxy began flaring at the Mobil Federal #1 location due to DCP having high line pressure and equipment problems.**

Describe Area Affected and Cleanup Action Taken.* **Return to sales upon purchaser opening their lines**

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: <i>Brenda Hodges</i>	OIL CONSERVATION DIVISION	
Printed Name: Brenda Hodges	Approved by District Supervisor:	Accepted for record NMOCD
Title: HES Administrative Assistant	Approval Date:	Expiration Date:
E-mail Address: Brenda_Hodges@oxy.com	Conditions of Approval:	Attached <input type="checkbox"/>
Date: 10-01-2012 Phone: (575) 397-8247		

* Attach Additional Sheets If Necessary

2RP-1475

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE- Other instructions on reverse side.

1. Type of Well
 Oil Well Gas Well Other

2. Name of Operator **OXY USA Inc.**

3a. Address
1017 W. Stanolind Rd., Hobbs, NM 88240

3b. Phone No. (include area code)
575-397-8247

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
J29-23S-31E-1980FSL-1980FEL

5. Lease Serial No.
NM0281482A

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

8. Well Name and No.
Mobil Federal #1

9. API Well No.
30-015-20751

10. Field and Pool, or Exploratory Area
Sand Dunes Delaware West

11. County or Parish, State
Eddy Cnty, NM

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other Flaring
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

Oxy began flaring at the Mobil Federal #1 location on 9-27-12 due to DCP having high line pressure and equipment problems. Please see attached page/s for additional information regarding this flare event.

RECEIVED
 OCT 30 2012
 NMOCD ARTESIA

**SEE ATTACHED FOR
 CONDITIONS OF APPROVAL**

APPROVED
 OCT 26 2012
 /s/ JD Whitlock Jr
 BUREAU OF LAND MANAGEMENT
 CARLSBAD FIELD OFFICE

14. I hereby certify that the foregoing is true and correct
 Name (Printed/Typed) **Brenda Hodges** Title **HES Administrative Assistant**

Signature *Brenda Hodges* Date **10/01/2012**

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by _____ Title _____ Date _____

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office _____

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

BUREAU OF LAND MANAGEMENT
Carlsbad Field Office
620 East Greene Street
Carlsbad, New Mexico 88220
575-234-5972

Oxy USA INC.
Mobil Federal #1
NM0281482A

October 26, 2012

Condition of Approval to Flare Gas

1. Report all volumes on OGOR reports.
2. Comply with NTL-4A requirements
3. Subject to like approval from NMOCD
4. **Flared volumes will still require payment of royalties**
5. Install gas meter on vent/flare line to measure gas prior to venting/flaring operations if it is not equipped as such at this time. Gas meter to meet all requirements for sale meter as Federal Regulations and Onshore Order #5.
6. This approval does not authorize any additional surface disturbance.
7. Submit updated facility diagram as per Onshore Order #3.
8. Approval not to exceed 90 days for date of approval.

Hodges, Brenda K (Preferred Personnel)

From: Hodges, Brenda K (Preferred Personnel)
Sent: Monday, October 01, 2012 10:58 AM
To: 'mike.bratcher@state.nm.us'; 'jamos@blm.gov'; Summers, Chancey J
Subject: Flaring

Good morning,

This is to inform you that Oxy began flaring at the Pure Gold A-13, Pure Gold D-1, Mobil Federal #1 and Federal 29-8 due to high line pressure. These flares ended on 9-30-12. I will be sending the C-141 and Sundry reports today in the mail.

Thank you,

Brenda Hodges

OXY HES Administrative Assistant
1017 W. Stanolind Rd
Hobbs, NM 88240
575-397-8247