

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

HOBBS OCD

Form C-141
Revised August 8, 2011

Submit copy to appropriate District Office in accordance with 19.15.29 NMAC.
AUG 22 2014

Release Notification and Corrective Action

RECEIVED

OPERATOR

Initial Report Final Report

| | | | |
|-----------------|---------------------------------------|-------------------------------------|------------------|
| Name of Company | Oxy Permian Ltd. | Contact | Chancey Summers |
| Address | 1017 W. Stanolind Rd, Hobbs, NM 88240 | Telephone No. | (575) 397-8216 |
| Facility Name | MLMU #98 | Facility Type | Battery location |
| Surface Owner | Kelly Myers | Mineral Owner | |
| | | API No. 30-025-10906 (nearest well) | |

LOCATION OF RELEASE

| Unit Letter | Section | Township | Range | Feet from the | North/South Line | Feet from the | East/West Line | County |
|-------------|---------|----------|-------|---------------|------------------|---------------|----------------|----------------|
| | 31 | 23S | 37E | | | | | Lea County, NM |

Latitude N 32.25897° Longitude W 103.20735°

NATURE OF RELEASE

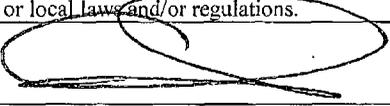
| | | | | | |
|-----------------------------|---|---|---|----------------------------|--------|
| Type of Release | Oil and Produced water | Volume of Release | 2 bbls oil, 18 bbls produced water | Volume Recovered | 0 bbls |
| Source of Release | Over pressure in 3" poly production flow line | Date and Hour of Occurrence | 04/10/2014 | 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? | Geoffrey Leking-NMOCD, Jennifer Van Curen-BLM | | |
| By Whom? | Jennifer Gilkey | Date and Hour | 04/10/2014 @ 4:18 pm | | |
| 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.*
Over pressure in a 3" poly production flow line caused 2 bbls of oil and 18 bbls of produced water to leak onto the ground. No fluids were recovered and the line was repaired or replaced.

Describe Area Affected and Cleanup Action Taken.*
The affected area is approximately 80' x 80' on and off 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 Specialist | | | Approval Date: | 8-26-14 |
| E-mail Address: | Chancey.Summers@oxy.com | | | Expiration Date: | 10-27-14 |
| Date: | 4-15-14 | | | Conditions of Approval: | Attached <input type="checkbox"/> |
| Phone: | (575) 397-8216 | | | Site Super. rgn | |

* Attach Additional Sheets If Necessary

Noted & resolved on 09-24-14 192463
on per NMOCD guide 1701423 843706
Submit final C-141 by 10-22-14 1701423 843826

AUG 27 2014