

SEP 21 2015

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
RECEIVED
Submit 1 Copy to appropriate District Office in
accordance with 19.15.29 NMAC.

Release Notification and Corrective Action

NAB1526651732

OPERATOR

Initial Report Final Report

| | | | |
|-----------------|------------------------------------|---------------|----------------------|
| Name of Company | Oxy Permian Ltd. | Contact | Dusty Wilson |
| Address | 6 Desta Drive, Midland, TX 79705 | Telephone No. | (432) 685-5771 |
| Facility Name | Lost Tank 35 State #1 SWD Facility | Facility Type | Battery |
| Surface Owner | State | Mineral Owner | API No. 30-015-40890 |

LOCATION OF RELEASE

| Unit Letter | Section | Township | Range | Feet from the | North/South Line | Feet from the | East/West Line | County |
|-------------|---------|----------|-------|---------------|------------------|---------------|----------------|-----------------|
| K | 35 | 21S | 31E | | | | | Eddy County, NM |

Latitude N 32.43482° Longitude W 103.74899°

NATURE OF RELEASE

| | | | | | |
|-----------------------------|---|---|--|----------------------------|---------|
| Type of Release | Produced water | Volume of Release | 18 bbls | Volume Recovered | 15 bbls |
| Source of Release | Corrosion of nipple on the discharge line | Date and Hour of Occurrence | 09/08/2015 | 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? | Mike Brucher, Heather Patterson- NMOCD | | |
| By Whom? | Kathy Purvis, BBC International | Date and Hour | 09/08/2015 @ 3:27 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.*

Internal corrosion of a steel nipple on the discharge line caused 18 bbls of produced water to leak onto the ground. A vacuum truck recovered 15 bbls of water and the nipple was replaced.

Describe Area Affected and Cleanup Action Taken.*

The affected area is inside the lined battery. Remediation will be completed by removing the impacted soil from the lined battery and replacing it with clean soil.

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: | Dusty Wilson | Approved by Environmental Specialist: | |
| Title: | Environmental Advisor | Approval Date: | 9/23/15 |
| E-mail Address: | Dusty.Wilson@oxy.com | Expiration Date: | N/A |
| Date: | 9/21/15 | Conditions of Approval: | Attached <input type="checkbox"/> |
| Phone: | (432) 685-5771 | Remediation per O.C.D. Rules & Guidelines | |

* Attach Additional Sheets If Necessary

**SUBMIT REMEDIATION PROPOSAL NO
LATER THAN: 10/25/15**

2RP-3290

Patterson, Heather, EMNRD

From: Kathy Purvis <kathy@bbcinternational.com>
Sent: Monday, September 21, 2015 10:28 AM
To: Bratcher, Mike, EMNRD; Patterson, Heather, EMNRD
Cc: C J Summers; 'Dusty Wilson'; cbrunson@bbcinternational.com;
kswinney@bbcinternational.com; jgilkey@bbcinternational.com
Subject: Initial C-141, Lost Tank 35 State #1 SWD Facility
Attachments: Initial C-141, Lost Tank 35 State #1 SWD Facility.pdf

Attached is the initial C-141 for a leak that occurred at the Lost Tank 35 State #1 SWD Facility on 09/08/2015 in Eddy County, NM. Receipt notification via email is greatly appreciated.

Kathy Purvis

BBC International, Inc.

1324 W. Marland

Hobbs, NM 88240

Phone: (575) 397-6388

Fax: (575) 397-0397

Email: kathy@bbcinternational.com

Bratcher, Mike, EMNRD

From: Kathy Purvis <kathy@bbcinternational.com>
Sent: Tuesday, September 08, 2015 3:27 PM
To: Bratcher, Mike, EMNRD; Patterson, Heather, EMNRD
Cc: C J Summers; 'Dusty Wilson'; cbrunson@bbcinternational.com;
kswinney@bbcinternational.com; jgilkey@bbcinternational.com; Kathy Purvis
Subject: Lost Tank 35 State #1 SWD Facility

This is to inform you that Oxy Permian had a leak at the Lost Tank 35 State #1 SWD Facility on September 8, 2015. Oxy spilled 18 bbls of produced water due to internal corrosion of a steel nipple on a discharge line. The preliminary report shows the leak measuring approximately 10' x 100' inside a lined containment. A vacuum truck recovered approximately 15 bbls of produced water. The release is located at U/L K, Section 35, T21S, R31E of Eddy County, NM. BBC International will remediate the location at a later date and an initial C-141 will follow. Driving directions: From Hobbs, go west on US62/180 to mile marker 65, turn left on Wipp Rd and go to mile marker 4, turn left on lease road just after the mile marker 4 and go 1 mile, turn left at 4-way and go 0.5 mile, turn left to location. API# 30-015-40890 GPS coordinates: N 32.43504° W 103.74858°

Kathy Purvis

BBC International, Inc.
1324 W. Marland
Hobbs, NM 88240
Phone: (575) 397-6388
Fax: (575) 397-0397
Email: kathy@bbcinternational.com