

SEP 06 2016

Form C-141
Revised August 8, 2011

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

Submit to appropriate District Office in accordance with 19.15.29 NMAC.

RECEIVED

Release Notification and Corrective Action

NAB 11625132482

OPERATOR

Initial Report Final Report

| | | | |
|-----------------|----------------------------------|---------------|----------------------|
| Name of Company | Oxy Permian Ltd. <i>116696</i> | Contact | Casey Summers |
| Address | 6 Desta Drive, Midland, TX 79705 | Telephone No. | (575) 513-8289 |
| Facility Name | Cedar Canyon 23 #002H | Facility Type | Well |
| Surface Owner | BLM | Mineral Owner | API No. 30-015-41194 |

LOCATION OF RELEASE

| Unit Letter | Section | Township | Range | Feet from the | North/South Line | Feet from the | East/West Line | County |
|-------------|---------|----------|-------|---------------|------------------|---------------|----------------|-----------------|
| M | 23 | 24S | 29E | | | | | Eddy County, NM |

Latitude N 32.19747° Longitude W 103.96165°

NATURE OF RELEASE

| | | | | | |
|-----------------------------|---|---|---|----------------------------|----------|
| Type of Release | Produced water | Volume of Release | 185 bbls | Volume Recovered | 170 bbls |
| Source of Release | Mechanical failure on an 8" poly frac line | Date and Hour of Occurrence | 08/11/2016 | 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 Bratcher, Heather Patterson- NMOCD, Shelly Tucker- BLM | | |
| By Whom? | Kathy Purvis, BBC International | Date and Hour | 08/11/2016 @ 3:50 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.*
Mechanical failure of an 8" poly frac line caused a leak of 185 bbls of produced water. A vacuum truck recovered 170 bbls and the line was put back in service.

Describe Area Affected and Cleanup Action Taken.*
The affected area is approximately 120' x 80' on the location pad. 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: | <i>[Signature]</i> | OIL CONSERVATION DIVISION | |
| Printed Name: | Casey Summers | Approved by Environmental Specialist: | <i>[Signature]</i> |
| Title: | NM Environmental Advisor | Approval Date: | <i>9/16/16</i> Expiration Date: <i>N/A</i> |
| E-mail Address: | Casey.Summers@oxy.com | Conditions of Approval: | Remediation per O.C.D. Rules & Guidelines <input type="checkbox"/> Attached <input type="checkbox"/> |
| Date: | <i>8-31-16</i> Phone: (575) 513-8289 | SUBMIT REMEDIATION PROPOSAL NO | |

* Attach Additional Sheets If Necessary

LATER THAN: *10/18/16*

2RP-3865

Bratcher, Mike, EMNRD

From: Kathy Purvis <kathy@bbcinternational.com>
Sent: Wednesday, August 31, 2016 9:47 AM
To: Bratcher, Mike, EMNRD; Patterson, Heather, EMNRD; stucker@blm.gov
Cc: Casey_Summers@oxy.com; jennifer_duarte@oxy.com; 'Cliff P. Brunson'; 'Ken Swinney'; 'Jennifer Gilkey'
Subject: Initial C-141, Cedar Canyon 23 #002H
Attachments: Initial C-141, Cedar Canyon 23 #002H.pdf

Attached is the initial C-141 for a leak that occurred at the Cedar Canyon 23 #002H on 08/11/2016 in Eddy County, NM. Receipt notification and the RP number via email are greatly appreciated.

Kathy Purvis

BBC International, Inc.
1324 W. Marland Blvd.
Hobbs, NM 88240
Business: (575) 397-6388
Cell: (575) 441-8619
kathy@bbcinternational.com

Patterson, Heather, EMNRD

From: Kathy Purvis <kathy@bbcinternational.com>
Sent: Thursday, August 11, 2016 3:50 PM
To: Bratcher, Mike, EMNRD; Patterson, Heather, EMNRD; stucker@blm.gov
Cc: Casey_Summers@oxy.com; jennifer_duarte@oxy.com; cbrunson@bbcinternational.com; 'Ken Swinney'; jgilkey@bbcinternational.com; kathy@bbcinternational.com; Ryan_Green@oxy.com; Christopher_Sterling@oxy.com; Christopher_Winter@oxy.com; Jeff_Crawford@oxy.com; frank_barnett@oxy.com
Subject: Cedar Canyon 23 #002H

This is to inform you that Oxy Permian had a release at the Cedar Canyon 23 #002H on August 11, 2016. Oxy released 185 bbls of produced water due to mechanical failure on an 8" poly frac line. The preliminary report indicates the leak measures 120' x 80' on the location pad. A vacuum truck recovered 170 bbls of produced water. The release is located in U/L M of Section 23, T24S, R29E in Eddy County, NM. Driving directions: From Carlsbad, go South on US285 to Malaga, turn left on Duarte Rd and go 1.5 miles, turn right on McDonald Rd and go to the Pecos River, cross the river and take an immediate right, follow the road to the last location where road dead ends. GPS coordinates: N 32.19747° W 103.96165° API# 30-015-41194 An initial C-141 will follow.

Kathy Purvis

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