

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

RECEIVED

By JKeyes at 2:12 pm, Aug 09, 2016

Form C-141

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

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

Release Notification and Corrective Action

OPERATOR

Initial Report Final Report

| | | | |
|-----------------|---|---------------|-----------------|
| Name of Company | Oxy USA Inc. | Contact | Matthew Ledesma |
| Address | 3145 W State Rd #114, Levelland, TX 79336 | Telephone No. | (806) 893-2811 |
| Facility Name | NHU Satellite #24 TL | Facility Type | Satellite |
| Surface Owner | Oxy | Mineral Owner | |
| | | API No. | 30-025-29062 |

LOCATION OF RELEASE

| Unit Letter | Section | Township | Range | Feet from the | North/South Line | Feet from the | East/West Line | County |
|-------------|---------|----------|-------|---------------|------------------|---------------|----------------|----------------|
| G | 25 | 18S | 37E | | | | | Lea County, NM |

Latitude N 32.71872° Longitude W 103.20012°

NATURE OF RELEASE

| | | | | | |
|-----------------------------|---|---|-------------------------------------|----------------------------|-------------------------|
| Type of Release | Oil and Produced water | Volume of Release | 2 bbls oil, 128 bbls produced water | Volume Recovered | 120 bbls produced water |
| Source of Release | A third party construction crew hit an 8" fiberglass production trunk line | Date and Hour of Occurrence | 07/18/2016 | 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? | Jamie Keyes-NMOCD | | |
| By Whom? | Tony Aguilar - Oxy | Date and Hour | 07/18/2016 @ 12:13 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.*

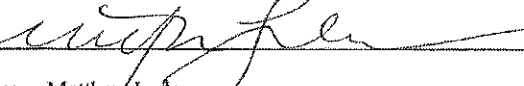

A third party construction crew struck an 8" fiberglass production trunk line causing 2 bbls of oil and 128 bbls of produced water to spill. The line was repaired and a vacuum truck recovered 120 bbls of produced water.

Describe Area Affected and Cleanup Action Taken.*

The area affected is approximately 300' x 400' both on and off location. Remediation will be completed in accordance with a remediation plan approved by NMOCD.

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.

OIL CONSERVATION DIVISION

| | | | |
|---|---|---|-----------------------------------|
| Signature: |  | | |
| Printed Name: Matthew Ledesma | Approved by Environmental Specialist:  | | |
| Title: HES Ops Specialist | Approval Date: 08/09/2016 | Expiration Date: 10/09/2016 | |
| E-mail Address: Matthew.Ledesma@oxy.com | Conditions of Approval: | | Attached <input type="checkbox"/> |
| Date: 8-9-16 | Phone: (806) 893-2811 | Discrete samples only. Delineate and remediate per NMOCD guidelines. IRP 4392 | |

* Attach Additional Sheets If Necessary

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