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

JAN **03** 2013

Form C-141 ed October 10, 2003

NMOCD ARTES Adpies to appropriate with Rule 116 on back side of form

Release Notification and Corrective Action 301556273 **OPERATOR** Initial Report Final Report Name of Company Oxy Permian Ltd. Contact Christopher Jones 1502 W. Commerce Dr., Carlsbad, NM Address Telephone No. (575) 628-4121 Jones Canyon 4 Federal #4 Facility Name Facility Type Surface Owner Mineral Owner Lease No. API#30-015-30487 LOCATION OF RELEASE Unit Letter Section Township Range Feet from the North/South Line Feet from the East/West Line County E **22S** 24E Eddy County, NM Latitude Longitude NATURE OF RELEASE Type of Release Produced water Volume of Release 500 bbls Volume Recovered 50 bbls Source of Release Failure in 2" steel production line Date and Hour of Occurrence Date and Hour of Discovery 12/13/2012 Was Immediate Notice Given? If YES, To Whom? Mike Bratcher- OCD, James Amos-BLM, Terry Gregston-BLM By Whom? Christopher Jones Date and Hour 12/13/2012 @ 11:20am Was a Watercourse Reached? If YES, Volume Impacting the Watercourse. ☐ Yes ⊠ No If a Watercourse was Impacted, Describe Fully.* Describe Cause of Problem and Remedial Action Taken.* Failure in a 2" steel production line caused 500 bbls of produced water to leak onto the ground. 50 bbls of produced water were recovered via vacuum truck. Describe Area Affected and Cleanup Action Taken.* Failure in a 2" steel production line caused 500 bbls of produced water to leak onto the ground. 50 bbls of produced water were recovered via vacuum truck. Remediation will be performed in accordance with an OCD-approved remediation plan. 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, MACD 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: Approved by District Supervisor: Printed Name: Christopher Jones Signed By Title: HES Specialist Approval Date: Expiration Date: E-mail Address: Christopher Jones@oxy.com Conditions of Approval: Attached (575) 628-4121 Phone:

* Attach Additional Sheets If Necessary

Remediation per OCD Rules & Guidelines. SUBMIT REMEDIATION PROPOSAL NOT LATER THAN:

February 15, 2013

Bratcher, Mike, EMNRD

From: Kathy Purvis kathy@bbcinternational.com>

Sent: Thursday, January 03, 2013 10:22 AM

To: Bratcher, Mike, EMNRD; jamos@blm.gov; tgregsto@blm.gov
Cc: christopher_jones@oxy.com; cbrunson@bbcinternational.com;

kswinney@bbcinternational.com; jgilkey@bbcinternational.com

Subject: Initial C-141 for Jones Canyon 4 Federal #4

Attachments: Initial C-141, signed and sent 1-3-13.pdf

Attached is the initial C-141 for a leak occurring at the Jones Canyon 4 Federal #4 on 12/13/2012 in Eddy County, NM. Receipt notification via email is greatly appreciated. If you have any questions, feel free to contact me.

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:

Amos, James < jamos@blm.gov>

Sent:

Thursday, January 03, 2013 1:11 PM

To:

Kathy Purvis

Cc:

Bratcher, Mike, EMNRD; tgregsto@blm.gov; christopher_jones@oxy.com;

cbrunson@bbcinternational.com; kswinney@bbcinternational.com;

jgilkey@bbcinternational.com

Subject:

Re: Initial C-141 for Jones Canyon 4 Federal #4

Received. Provide a copy of the water analysis of the spilled fluids and a schematic of the spill location and the flow path. thanks

On Thu, Jan 3, 2013 at 10:21 AM, Kathy Purvis < kathy@bbcinternational.com > wrote:

Attached is the initial C-141 for a leak occurring at the Jones Canyon 4 Federal #4 on 12/13/2012 in Eddy County, NM. Receipt notification via email is greatly appreciated. If you have any questions, feel free to contact me.

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:

Christopher_Jones@oxy.com

Sent:

Thursday, December 13, 2012 11:20 AM

To: Cc: Bratcher, Mike, EMNRD; jamos@blm.gov; Terry_Gregston@blm.gov cbrunson@bbcinternational.com; kswinney@bbcinternational.com;

kathy@bbcinternational.com

Subject:

Jones Canyon 4 Fed 4

This is to inform you that Oxy Permian Primary had a spill of produced water at the Jones Canyon 4 Fed 4 on December 13, 2012. Oxy released 500 bbls of produced water, 50 bbls was recovered. Leak was due to failure in the 2" steel production line. Oxy will have BBC do some initial remediation, a C-141 to follow. BBC will delineate at a later date. REGULATORY LEASE # NM 83037 2714 FNL 271 FWL SECT 4 T25S R24E EDDY COUNTY NEW MEXICO OUT OF CARLSBAD GO NORTH ON 285 TURN LEFT ON SITTING BULL HWY TO MILE MARKER 42 GO LEFT TO TOP OF MOUNTAIN TURN LEFT TO MAGOOLTEE PEAK COMPRESSOR 1/2 MILE TAKE 1ST RIGHT.

Chris Jones
HES Specialist
Permian Primary Production
Carlsbad, NM
Cell 575-499-3337
Off 575-628-4121

"We do not inherit the earth from our ancestors; we borrow it from our children." Chief Seattle