

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 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 Permain | Contact C.J. Summers |
| Address 1017 W STANOLIND RD | Telephone No. (575) 393-2174 |
| Facility Name: Gaines 22 Fed 1 CTB | Facility Type |

| | | |
|---------------------|---------------|---------------------|
| Surface Owner State | Mineral Owner | API No.30-015-35186 |
|---------------------|---------------|---------------------|

LOCATION OF RELEASE

| Unit Letter | Section | Township | Range | Feet from the 820 | North/South Line South | Feet from the 990 | East/West Line West | County |
|-------------|---------|----------|-------|-------------------|------------------------|-------------------|---------------------|--------|
| M | 22 | 24S | 29E | | | | | Eddy |

Latitude 32.1979866 Longitude -103.9777069

NATURE OF RELEASE

| | | |
|--|--|--|
| Type of Release: Crude Oil | Volume of Release 150 BBLS | Volume Recovered 60 BBLS |
| Source of Release: Heater | Date and Hour of Occurrence 12/18/2014 7:00 | Date and Hour of Discovery 12/18/2014 7:30 AM |
| Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required | If YES, To Whom? Terry Bratcher | |
| By Whom? Jorge Calleros | Date and Hour: 12/18/2014 8:30 AM | |
| 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.
Well was down and the circulating pump was running, causing fluid to flow to the heater treater so the valve released. This resulted in a loss and spill of approximately 150 BBLS of Crude. A vacuum truck was utilized to recover approximately 60 BBLS of fluid. SESI was retained to remediate the site.

Describe Area Affected and Cleanup Action Taken.
The impacted soils were removed to an NMOCD approved facility and the site remediated in accordance with the approved remediation plan. SESI on behalf of OXY respectfully requests closure of this incident.

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: C.J. Summers | Approved by Environmental Specialist:  | |
| Title: | Approval Date: 7/28/2015 | Expiration Date: N/A |
| E-mail Address: | Conditions of Approval: FINAL | Attached <input type="checkbox"/> |
| Date: 7/24/2015 Phone: | | |

* Attach Additional Sheets If Necessary