DEFERRAL

Received 6/21/2016 NMOCD Dist 2

District I 1625 N. French Dr., Hobbs, NM 88240 District II 811 S. First St., Artesia, NM 88210 District III

State of New Mexico **Energy Minerals and Natural Resources**

Form C-141 Revised August 8, 2011

Oil Conservation Division

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

1000 Rio Brazos Road, Aztec, NM 87410 1220 South St. Francis Dr. District IV 1220 S. St. Francis Dr., Santa Fe, NM 87505 Santa Fe, NM 87505 **Release Notification and Corrective Action DEFERRAL OPERATOR** Initial Report nAB1607042880 Name of Company Oxy Permian Ltd. Contact Casey Summers (575) 513-8289 Address 6 Desta Drive, Midland, TX 79705 Telephone No. Facility Name Cypress 34 Federal #1CTB Facility Type Gathering Surface Owner Mineral Owner API No. 30-015-35053

| ATTIO, 50-013-33033 | | | | | | | | | | | |
|--|---------|----------|-------|---------------|---------|--|--|----------------|-------|-------------------|--|
| LOCATION OF RELEASE | | | | | | | | | | | |
| Unit Letter | Section | Township | Range | Feet from the | North/S | South Line | Feet from the | East/West Line | | County | |
| Р | 34 | 23S | 29E | 460 | S | South | 660 | East | | Eddy | |
| Latitude N 32.25508° Longitude W 103.96647° | | | | | | | | | | | |
| NATURE OF RELEASE | | | | | | | | | | | |
| Type of Release Oil and produced water | | | | | | | Volume of Release 10 bbls oil, Volume Recovered 15 bbls 10 bbls produced water | | | | |
| Source of Release A dump line clog forced fluids to spill out of the test heater | | | | | | 02/28/2016 | 3/2016 | | | Hour of Discovery | |
| Was Immediate Notice Given? ☐ Yes ☑ No ☐ Not Required If YES, To Whom? | | | | | | | | | | | |
| By Whom? Kathy @BBC International.com | | | | | | Date and Hour 03/02/2016 @ 11:37 am | | | | | |
| 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.* | | | | | | | | | | | |
| A dump line clog forced 10 bbls of oil and 10 bbls of produced water to spill out of the test heater. A vacuum truck recovered 15 bbls of fluids and the dump line was unclogged. | | | | | | | | | | | |
| Describe Area Affected and Cleanup Action Taken.* | | | | | | | | | | | |
| The affected area is approximately 90' x 45' on location inside containment. Remediation was completed in accordance with a remediation plan approved by Mike Bratcher of NMOCD via email on 05/13/2016 and by Shelly Tucker of the BLM via personal meeting. | | | | | | | | | | | |
| 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. | | | | | | | | | | | |
| 11 /1 | | | | | | OIL CONSERVATION DIVISION | | | | | |
| Signature: Printed Name: Casey Summers | | | | | | Approved by Environmental Specialist: Accepted for Record/Deferral | | | | | |
| Title: NM Environmental Advisor | | | | | | Approval Date: DEFERRAL Expiration Date: | | | Date: | | |
| E-mail Address: Casey.Summers@oxy.com Date: 6-13-16 Phone: (575) 513-8289 | | | | | | Conditions of REMEDIA | of Approval: | | | Attached | |

* Attach Additional Sheets If Necessary

IS ACCESSIBLE

2RP-3608