

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

NM OIL CONSERVATION Form C-141
ARTESIA DISTRICT Revised October 10, 2003
OCT 10 2014 Unit 2 Copies to appropriate District Office in accordance with Rule 116 on back side of form
RECEIVED

Release Notification and Corrective Action

NAB1428740298 OPERATOR Initial Report Final Report

| | | | |
|-----------------|--------------------------------------|---------------|----------------|
| Name of Company | Oxy Permian Ltd. <i>11111111</i> | Contact | CJ Summers |
| Address | 1017 W. Stanolind Rd, Hobbs, NM | Telephone No. | (575) 397-8216 |
| Facility Name | Sand Dunes 28 Federal #1 SWD Battery | Facility Type | Battery |
| Surface Owner | BLM | Mineral Owner | |
| | | API No. | 30-015-26194 |

LOCATION OF RELEASE

| Unit Letter | Section | Township | Range | Feet from the | North/South Line | Feet from the | East/West Line | County |
|-------------|---------|----------|-------|---------------|------------------|---------------|----------------|--------|
| J | 28 | 23S | 31E | | | | | Eddy |

Latitude N 32.27336° Longitude W 103.78031°

NATURE OF RELEASE

| | | | | | |
|---|---|---|-------------------------------------|----------------------------|--------|
| Type of Release | Produced water | Volume of Release | 67 bbls | Volume Recovered | 0 bbls |
| Source of Release | Nipple on discharge header at the east injection pump was off | Date and Hour of Occurrence | 10/06/2014 | 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-NMOCD, Sol Hughes-BLM | | |
| By Whom? | Kathy Purvis @ BBC International, Inc. | Date and Hour | 10/07/2014 @ 11:46 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.* | | | | | |
| The nipple on the discharge header at the east injection pump was off allowing 67 bbls of produced water to leak onto the ground. No fluids were recovered and the nipple was replaced. | | | | | |
| Describe Area Affected and Cleanup Action Taken.* | | | | | |
| The affected area is approximately 50' x 100' on location and 10' x 100' off location. 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:  | OIL CONSERVATION DIVISION | |
| Printed Name: Chancey Summers | Approved by District Supervisor:  | |
| Title: HES Advisor | Approval Date: <i>10/14/14</i> | Expiration Date: <i>NA</i> |
| E-mail Address: Chancey.Summers@oxy.com | Conditions of Approval: | Attached <input type="checkbox"/> |
| Date: <i>10-10-14</i> Phone: (575) 397-8216 | Remediation per O.C.D. Rules & Guidelines | |

SUBMIT REMEDIATION PROPOSAL NO LATER THAN: 11/14/14 *2RP-2546*

* Attach Additional Sheets If Necessary

Patterson, Heather, EMNRD

From: Kathy Purvis <kathy@bbcinternational.com>
Sent: Friday, October 10, 2014 3:32 PM
To: Bratcher, Mike, EMNRD; Patterson, Heather, EMNRD
Cc: C J Summers; cbrunson@bbcinternational.com; kswinney@bbcinternational.com; jgilkey@bbcinternational.com
Subject: Initial C-141, Sand Dunes 28 Federal #1 Battery
Attachments: Initial C-141, Sand Dunes 28 Federal #1 Battery.pdf

Attached is the initial C-141 for a leak that occurred at the Sand Dunes 28 Federal #1 Battery on 10/06/2014 in Eddy County, NM. Receipt notification via email is greatly appreciated.

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: Kathy Purvis <kathy@bbcinternational.com>
Sent: Tuesday, October 07, 2014 11:46 AM
To: Bratcher, Mike, EMNRD; Patterson, Heather, EMNRD; shughes@blm.gov
Cc: C J Summers; cbrunson@bbcinternational.com; kswinney@bbcinternational.com; jgilkey@bbcinternational.com; Kathy Purvis
Subject: Sand Dunes 28 Federal #1 SWD Battery

Follow Up Flag: FollowUp
Flag Status: Flagged

This is to inform you that Oxy Permian Primary NM South had a leak at the Sand Dunes 28 Federal #1 SWD Battery on October 06, 2014. Oxy spilled 67 bbls of produced water due to a discharge header nipple being off on the east injection pump. The preliminary report shows the leak measuring approximately 50' x 100' on location and 10' x 100' off location. No fluids were recovered. The release is located in U/L J, Section 28, T23S, R31E of Eddy County, NM. BBC International will remediate the location at a later date and an initial C-141 will follow. Driving directions: From the intersection of CR29 (Red Rd.) and Hwy 128, go West on Hwy 128 for 3.5 miles to Pure Gold Road (mm14), turn left (South) on Pure gold Road for 0.7 mile, turn left (East) for 0.6 mile to location. API#30-015-26194, GPS coordinates: N 32.27336° W 103.78031°

Kathy Purvis

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2RP-2546