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

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

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AUG 2 3 2012 Form C-141
Revised October 10, 2003

NMOCD ARTESIA pies to appropriate fine in accordance with Rule 116 on back side of form

Release Notification and Corrective Action **OPERATOR** Final Report 16696 Oxy Permian Ltd. Contact Christopher Jones 1502 W. Commerce Drive, Carlsbad, NM Telephone No. (575) 628-4121 Facility Name McMillan 24 State #2 Facility Type Well State of NM Mineral Owner State of NM Lease No. API# 30-015-32336 Surface Owner LOCATION OF RELEASE North/South Line Feet from the Feet from the East/West Line Unit Letter Section Township Range County Eddy County, NM 24 **20S** 26E 1980 South 990 East Latitude N 32.55749 Longitude W 104.33235 NATURE OF RELEASE Produced Water Volume of Release 100 bbls Type of Release 733 bbls Volume Recovered Source of Release ROD BOP rubber failure Date and Hour of Occurrence Date and Hour of Discovery 06/14/2012 @ 8:00 am Was Immediate Notice Given? If YES, To Whom? Mike Bratcher-NMOCD By Whom? Chris Jones Date and Hour 06/14/2012 @ 2:40 pm 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.* ROD BOP rubber failure caused 773 bbls of produced water to leak onto the ground. 100 bbls of produced water were recovered via vacuum truck. Remediation will be performed according to a NMOCD-approved remediation plan. Describe Area Affected and Cleanup Action Taken.* The area affected is approximately 700' x 280'. 100 bbls of produced water were recovered and additional remediation will be performed according to a NMOCD-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 NMOQD 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: Christonker Jones Signed By SEP 0 5 2012 Approval Date: HES Specialist Expiration Date: E-mail Address: Christopher_Jones@oxy.com Conditions of Approval: Attached (575) 328-4121 Phone:

Attach Additional Sheets If Necessary

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