

NM OIL CONSERVATION

ARTESIA DISTRICT

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

OCT 17 2014

Form C-141
Revised August 8, 2011

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

Release Notification and Corrective Action

NAB1429834642

OPERATOR

Initial Report Final Report

| | |
|---|---------------------------------|
| Name of Company Nabors Completion and Production Service Co. (Nabors) | Contact Heath Davis |
| Address 515W. Greens Road, Ste. 1170 Houston TX 77067 | Telephone No. (830) 480-8213 |
| Facility Name OXY USA Inc. Cedar Canyon 27 #4 | Facility Type Drilling Pad Site |

| | | |
|-------------------|-------------------|-----------------|
| Surface Owner OXY | Mineral Owner OXY | API No. 1183525 |
|-------------------|-------------------|-----------------|

LOCATION OF RELEASE

30-015-42063

| Unit Letter | Section | Township | Range | Feet from the | North/South Line | Feet from the | East/West Line | County Eddy | |
|-------------|-----------|------------|------------|---------------|------------------|---------------|----------------|-------------|------------|
| <i>D</i> | <i>27</i> | <i>24S</i> | <i>29E</i> | <i>364</i> | <i>700</i> | <i>FNL</i> | <i>520</i> | <i>173</i> | <i>FWL</i> |

Latitude 32.193630 degrees Longitude 103.979845degrees

NATURE OF RELEASE

| | | |
|--|---|--|
| Type of Release Fracking fluid | Volume of Release 50-75bbls | Volume Recovered Approx. 10 bbls |
| Source of Release Hose rupture during fracking of a well | Date and Hour of Occurrence October 12, 2014, 1 am | Date and Hour of Discovery October 12, 2014, 1 am |
| Was Immediate Notice Given? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Not Required | If YES, To Whom? | |
| By Whom? | Date and Hour | |
| 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.*
A hose used in the fracking operations burst and released the fracking fluid onto the well pad. A vacuum truck was used to pick up the fluid. No fluids left the drilling pad.

Describe Area Affected and Cleanup Action Taken.*
The area affected is 30 feet by 60 feet. The surface of the drill pad will be scraped to remove the fluid that had absorbed on to the compacted caliche comprising the pad. This is scheduled for October 16 2014. Confirmation samples will be collected. The removed caliche will be replace and compacted. The ruptured hose has been sent to Nabors regional office to evaluate and determine the reason for failure

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: <i>Heath Davis</i> | OIL CONSERVATION DIVISION | |
| Printed Name: Heath Davis | Signed By: <i>Mike Doran</i> Approved by Environmental Specialist | |
| Title: Environmental Coordinator | Approval Date: <i>10/20/14</i> | Expiration Date: |

| | | |
|---|---|--|
| E-mail Address: Davis, Doran <Doran.Davis@nabors.com> | <p>Conditions of Approval: Remediation per OCD Rule & Guidelines. SUBMIT REMEDIATION PROPOSAL NO LATER THAN: <i>10/20/14</i></p> | <p>Attached <input type="checkbox"/></p> |
| Date: 10-16-2014 Phone: (830)480- 8213 | | <i>2RP-2557</i> |

* Attach Additional Sheets If Necessary