

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

OCT 19 2016

Form C-141
Revised August 8, 2011

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.

RECEIVED

Release Notification and Corrective Action

NAB1629841253

OPERATOR

☒ Initial Report ☐ Final Report

| | | | |
|-----------------|--------------------------------|---------------|----------------|
| Name of Company | Oxy Permian Ltd. | Contact | Casey Summers |
| Address | PO Box 4294, Houston, TX 77210 | Telephone No. | (575) 513-8289 |
| Facility Name | Federal 23 #007H | Facility Type | Well |

| | | | | | |
|---------------|-----|---------------|--|---------|--------------|
| Surface Owner | BLM | Mineral Owner | | API No. | 30-015-39436 |
|---------------|-----|---------------|--|---------|--------------|

LOCATION OF RELEASE

| Unit Letter | Section | Township | Range | Feet from the | North/South Line | Feet from the | East/West Line | County |
|-------------|---------|----------|-------|---------------|------------------|---------------|----------------|-----------------|
| C | 26 | 22S | 31E | | | | | Eddy County, NM |

Latitude N 32.36811° Longitude W 103.75084°

NATURE OF RELEASE

| | | | | | |
|-----------------------------|---|---|---|----------------------------|--------|
| Type of Release | Oil and Produced water | Volume of Release | 2 bbls oil, 10 bbls produced water | Volume Recovered | 0 bbls |
| Source of Release | Faulty fitting | Date and Hour of Occurrence | 10/08/2016 | 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, Heather Patterson- NMOCD; Shelly Tucker- BLM | | |
| By Whom? | Kathy@ BBC International, Inc. | Date and Hour | 10/11/2016 @ 8:31 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.*


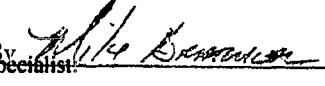
Describe Cause of Problem and Remedial Action Taken.*

A faulty fitting caused a leak of 2 bbls of oil and 10 bbls of produced water. Recovery was unachievable due to shallow leak depth. The fitting was replaced.

Describe Area Affected and Cleanup Action Taken.*

The affected area is approximately 100' x 165' on location around the well head. Remediation will be completed in accordance with a plan approved by both 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: | Casey Summers | Approved by Environmental Specialist: |  | | |
| Title: | NM Environmental Advisor | Approval Date: | 10/24/16 | Expiration Date: | N/A |
| E-mail Address: | Casey.Summers@oxy.com | Conditions of Approval: | Remediation per O.C.D. Rules & Guidelines <input type="checkbox"/> Attached <input type="checkbox"/> | | |
| Date: | 10-19-16 | Phone: | (575) 513-8289 | SUBMIT REMEDIATION PROPOSAL NO | |

* Attach Additional Sheets If Necessary

LATER THAN: 11/16/16

2RD-3450