

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

Form C-141
Revised October 10, 2003

Submit 2 Copies to appropriate
District Office in accordance
with Rule 116 on back
side of form

Release Notification and Corrective Action

nJMW1229830645 OPERATOR ☒ Initial Report ☐ Final Report

| | | | |
|-----------------|---------------------------------|---------------|------------------|
| Name of Company | Oxy Permian Ltd. 16696 | Contact | CJ Summers |
| Address | 1017 W. Stanolind Rd, Hobbs, NM | Telephone No. | (575) 397-8216 |
| Facility Name | Sand Dunes 34 Federal #2 CTB | Facility Type | Gathering |
| Surface Owner | BLM | Mineral Owner | |
| | | Lease No. | API#30-015-27239 |

LOCATION OF RELEASE

| Unit Letter | Section | Township | Range | Feet from the | North/South Line | Feet from the | East/West Line | County |
|-------------|---------|----------|-------|---------------|------------------|---------------|----------------|--------|
| H | 34 | 23S | 31E | 2310' | North | 660' | East | Eddy |

Latitude N 32.26154° Longitude W 103.75352°

NATURE OF RELEASE

| | | | | | |
|-----------------------------|---|---|-------------------------------------|----------------------------|---------|
| Type of Release | Oil | Volume of Release | 140 bbls | Volume Recovered | 80 bbls |
| Source of Release | Open valve on circulating pump | Date and Hour of Occurrence | 10/08/2012 @ 8:00 am | 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- OCD: James Amos- BLM | | |
| By Whom? | Chancey Summers | Date and Hour | 10/08/2012 @ 10:19 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.*

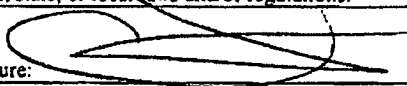
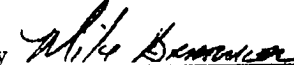
Describe Cause of Problem and Remedial Action Taken.*

The valve on the circulating pump was left open which caused 140 bbls of ~~water~~ oil to spill onto the ground. 80 bbls of ~~water~~ oil were recovered via vacuum truck. The valve was closed to prevent further leaking.

Describe Area Affected and Cleanup Action Taken.*

The area affected by the 140 bbls leak is approximately 70' x 40'. Remediation will be performed in accordance with an OCD and BLM 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, 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: Signed By  | |
| Title: HES Specialist | Approval Date: OCT 24 2012 | Expiration Date: |
| E-mail Address: Chancey.Summers@oxy.com | Conditions of Approval: | Attached <input type="checkbox"/> |
| Date: 10-22-12 Phone: (575) 397-8216 | | |

* Attach Additional Sheets If Necessary

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

November 24, 2012

2RP-1337