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

Attach Additional Sheets If Necessary

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

1220 S. St. Francis Dr., Santa Fe, NM 87505 Santa Fe, NM 87505 Release Notification and Corrective Action OPERATOR Initial Report Final Report Contact: C.J. Summers Name of Company: Oxy Permian LTD (192463) Address: 102 S Main St., Carlsbad, NM 88220 Telephone No.: 575-397-8216 Facility Type: SWD Facility Name: SDS 11 Federal #1 SWD Battery Mineral Owner API#: 30-015-27627 2RP-1704 Surface Owner: Federal LOCATION OF RELEASE North/South Line East/West Line Unit Letter Section Township Range Feet from the Feet from the County: EDDY P 2090' North 1980' West Latitude 32,23339 N Longitude -103,75070 W NATURE OF RELEASE Type of Release: Produced Water Volume of Release: 20 bbls Volume Recovered: -0- bbls Source of Release: Transfer Pump Date and Hour of Occurrence: Date and Hour of Discovery: 5/13/2013 5/13/2013 Unknown If YES, To Whom? Was Immediate Notice Given? ☑ Yes ☐ No ☐ Not Required OCD/Mike Bratcher & BLM/Jim Amos Date and Hour: 5/15/2013 1:38 pm By Whom? CJ Summers (Oxy) If YES, Volume Impacting the Watercourse. Was a Watercourse Reached? ☐ Yes ☒ No RECEIVED If a Watercourse was Impacted, Describe Fully JAN 27 2014 NMOCD ARTESIA Describe Cause of Problem and Remedial Action Taken.* On May 13, 2013 the triplex transfer pump line was found to be leaking causing a release of 20 barrels of produced water. No fluids were recovered. The triplex transfer pump was subsequently replaced. The fluid from this release flowed north and west across the location. It then ran off of the northern side of the location and flowed into the pasture measuring approximately 280-feet long. Describe Area Affected and Cleanup Action Taken.* Talon/LPE was contracted for the correction of this release. Talon personnel mobilized to the site to begin excavation of the impacted area in accordance with the approved work plan. The impacted soil on the location was excavated to a depth of 4-feet deep and transported to a NMOCD approved solid waste disposal facility, Lea Land, LLC, pursuant to NMOCD stipulations. A 1-foot layer of clay was backhauled from a private pit and then backfilled to grade using new caliche backhauled from a local borrow pit and the location will be reconstructed. A clay liner was installed in the excavated flow path off the location and on the unvegetated portion of the old pit area. The area was backfilled with clean sandy top soil and contoured to match the surrounding terrain. The area off location was seeded on November 21, 2013 with BLM #2 seed mix. 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 re ulations. OIL CONSERVATION DIVISION Signature: / Approved by District Supervisor: Printed Name: Austin Tramell Title: HES Specialist Approval Date: Expiration Date: E-mail Address: austin tramell@oxy.com Conditions of Approval: Attached Date: 1/21/2014 Phone: 575-397-8210

ZRP-1704