

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

API# 30.015.28779

Release Notification and Corrective Action

nLB 0631356/60

192463

OPERATOR

X Initial Report ☐ Final Report

Name of Company	Oxy USA WTP Limited Partnership	Contact	Bob Allen
Address	102 N. Main, Carlsbad, New Mexico 88220	Telephone No.	505-397-0510
Facility Name	Jones Canyon 4 2 Fed #2	Facility Type	Well
Surface Owner	Federal	Mineral Owner	Federal
Lease No.			

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
	4	22-S	24-E					Eddy

Latitude _____ Longitude _____

NATURE OF RELEASE

Type of Release	Produced Fluids	Volume of Release	56 bbls	Volume Recovered	50 bbls
Source of Release	Flowline	Date and Hour of Occurrence	08/10/06 3:30 PM	Date and Hour of Discovery	08/10/06 3:30 PM
Was Immediate Notice Given?	<input type="checkbox"/> Yes <input 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.*
Emergency Shut Down switch failed and ruptured flow line.

Describe Area Affected and Cleanup Action Taken.*

The area affected measured 50'X12'. Produced fluid spilled onto location and mixed with rain water on location. Vacuum truck picked up spilled fluid and rain water. When rain stop the spill will be assessed and the necessary clean-up will be performed.

I hereby certify that the information given above is true and complete to the best of my knowledge and understand that pursuant to NMOC 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 NMOC 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, NMOC 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>Bob Allen</i>	OIL CONSERVATION DIVISION	
Printed Name: Bob Allen	TIM GUM	
Title: Consultant	Approved by District Supervisor by MB <i>[Signature]</i>	
E-mail Address: ballen@sesi-nm.com	Approval Date: 4/8/07	Expiration Date:
Date: 08/14/06 Phone: 505-397-0510	Conditions of Approval:	Attached <input checked="" type="checkbox"/>

* Attach Additional Sheets If Necessary



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

OXY USA WTP LP
102 North Main
Carlsbad, NM 88220
ATTN: Environmental Department

April 9, 2007

Reference **Jones Canyon 4 Federal #2 04-22S-24E API # 30-015-28779 Eddy County, New Mexico**

Operator,

The New Mexico Oil Conservation Division District 2 Office (OCD) is in receipt of an Initial Report Form C-141 reporting a release of produced fluids that occurred on or about August 10, 2006 at the above referenced well site. Please submit a work plan proposal (plan) for remediation, removal and/or clean up of contaminants that may be present at this site. The plan is to be formulated based on vertical and horizontal delineation of contamination, site ranking, and OCD Rules and Guidelines.

A publication outlining OCD guidelines and requirements for site ranking and spill remediation can be found on the OCD website as follows: <http://www.emnrd.state.nm.us/ocd> Click on each of the following items as they appear:

- Publications
- Environmental Handbook
- Miscellaneous Guidelines
- Remediation of Leaks, Spills and Releases

Please submit this plan to the OCD District 2 office no later than May 9, 2007. Please include any remedial or clean up actions that have already been performed.

Remediation requirements may be subject to other federal, state, local laws and/or regulations.

If I can be of assistance in this matter, my contact information is listed below.

Sincerely,

Mike Bratcher
NMOCD District 2
1301 W. Grand Ave.
Artesia, NM 88210
(505) 748-1283 Ext.108
(505) 626-0857
mike.bratcher@state.nm.us

Tracking number: nLLB0631356160