

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1303 W. Grand Avenue, Artesia, NM 88210
District III
1000 S. 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

NKMW 1108952584

Name of Company Chevron USA		Contact Kim Klahsen	OPERATOR	X	Initial Report	Final Report
Address HCR 60 Box 423 Lovington, N.M. 88260		Telephone No. 505-396-4414 X 128				
Facility Name Skelly 963		Facility Type Production Well				
Surface Owner		Mineral Owner		Lease No.		

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	South Line	Feet from the	East Line	County
O	15	17	31	330		2310		Eddy

Latitude 32.8282493881 Longitude 103.856496754

NATURE OF RELEASE

API # 3001534646

Type of Release Produced water	Volume of Release Oil 0 Barrels Water 5.4 Barrels	Volume Recovered 0 Oil 0 BW
Source of Release Flow line	Date and Hour of Occurrence 11/08/09 12:00 PM	Date and Hour of Discovery 11/08/09 14:00 PM
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? Artesia office NM OCD	
By Whom? Larry Ridenour	Date and Hour 11/08/09 PM	
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 flowline burst causing a release of 5.4 bbls of produced water. The well was shut in to prevent additional release and the extent of the spill was determined on the ground surface. The site will be sampled to determine the extent of the contamination and a remediation plan will be developed to reduce contaminants to below threshold levels.

Chlorides

Describe Area Affected and Cleanup Action Taken.

Land surface affected is approximately 200 feet * 30 feet. There were no liquids recovered so the soil will be sampled to delineate the contamination and the soil will either be removed or remediated after we determine the extent of contamination.

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>Kim Klahsen</i> 575-396-4414 X 128 432-894-3298	OIL CONSERVATION DIVISION	
Printed Name: Kim Klahsen	Approved by District Supervisor <i>Mike Brumley</i>	
Title: HES Specialist	Approval Date: 3/30/11	Expiration Date:
E-mail Address kdkl@chevron.com	Conditions of Approval:	Attached <input type="checkbox"/>

REMEDATION per OCD Rules and
Guidelines. SUBMIT REMEDIATION
PROPOSAL BY: 4/30/11

2 RP 674