

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

HOBBS OCD

JUL 09 2014

RECEIVED

Form C-141
Revised March 17, 1999

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

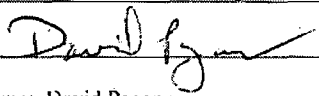


Release Notification and Corrective Action

| | | | | | | |
|---|--|---|----------|-----------|----------------|--------------|
| Name of Company CHEVRON | | Contact David Pagano | OPERATOR | X | Initial Report | Final Report |
| Address 56 Texas Camp Road, Lovington NM 88260 | | Telephone No. Office: 575-396-4414 ext 275 Cellular: 505-787-9816 | | | | |
| Facility Name: Keel Federal Battery | | Facility Type: 3 Production Well Battery | | | | |
| Surface Owner: Federal | | Mineral Owner | | Lease No. | | |

LOCATION OF RELEASE-API # 100ft south of Keel Federal Well #3 API = 30-025-33340
Lat: 32.702144 / Lon: -103.769719

| Unit Letter | Section | Township | Range | Feet from the | North/South Line | Feet from the | East/West Line | County |
|-------------|---------|----------|-------|---------------|------------------|---------------|----------------|--------|
| G | 33 | 18.0S | 32E | | | | | Eddy |

NATURE OF RELEASE

| | | |
|--|--|---|
| Type of Release Crude Oil and produced Water Spill | Volume of Release 41.64 bbls fluid (32.76 bo & 8.88bw) | Volume Recovered 34 bbls (estimated 30bo & 4bw) |
| Source of Release : Production Separator Valve | Date and Hour of Occurrence 02/09/12 approx 11:00am | Date and Hour of Discovery 02/10/12 10:58am |
| Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required | If YES, To Whom? Mr. Leking via voicemail @ 5:01pm on 02/10/12 | |
| By Whom? David Pagano | | |
| 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 check valve in at the header failed due to over pressuring which was the result of miss aligned valves. Wells pumping into the Battery were shut in. | | |
| Describe Area Affected and Cleanup Action Taken.* Approx 40.76bbls of fluid mostly oil spill. Some of the fluids remained on the pad but a large pool of fluids worked its way off the pad toward the southwest side of the battery and there was a approx 200x57 foot spray off the north end of the pad into the pasture. Vacuum truck immediately dispatched and vacuumed up standing liquids, 34bbls recovered. Backhoe operator excavated pool of fluids that posed a hazard to livestock. Chevron will wait for BLM Archeological/wildlife clearance prior to initiating cleanup of pasture. Spray off of pad into the pasture will be remediated by knocking off fluids from vegetation using biodegradable soap and then we are looking at using micro blaze to remediated contaminated soil. Surface sample will be taken next week to determine level of chlorides in order to evaluate potential effectiveness of micro blaze for pasture/off pad remediation. | | |
| 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: David Pagano | Approved by  District Supervisor | |
| Title: Health & Environmental Specialist | Approval Date: 7-9-14 | Expiration Date: 9-12-14 |
| Date: 01/25/12 Phone: 505-787-9816 | Conditions of Approval:  | Attached <input type="checkbox"/> |

* Attach Additional Sheets If Necessary

Delivered & commuted as
per NMOCD guidelines

7-14-3162

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