

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

OPERATOR

Initial Report Final Report

| | |
|--|---------------------------------------|
| Name of Company Chevron USA | Contact Larry Ridenour |
| Address HCR 60 Box 423 Lovington, N.M. 88260 | Telephone No. 505-396-4414 X 102 |
| Facility Name VGSAU Injection Station | Facility Type Water Injection Station |

| | | |
|---------------------------|---------------------------|-----------|
| Surface Owner State of NM | Mineral Owner State of NM | Lease No. |
|---------------------------|---------------------------|-----------|

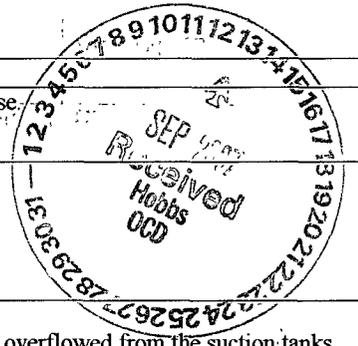
LOCATION OF RELEASE

| Unit Letter | Section | Township | Range | Feet from the | North Line | Feet from the | West Line | County |
|-------------|---------|----------|-------|---------------|------------|---------------|-----------|--------|
| C | 2 | 18S | 34E | | | | | Lea |

Latitude ___ Longitude ___

NATURE OF RELEASE API #30025363420001

| | | |
|--|--|---|
| Type of Release Fire | Volume of Release ?? | Volume Recovered NA |
| Source of Release 10000 BBL Overflow tank | Date and Hour of Occurrence 09/09/07 AM | Date and Hour of Discovery 09/09/07 2:15 pm |
| Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required | If YES, To Whom? Gary Wink | |
| By Whom? Tejay Simpson | Date and Hour 9/09/2007 2:51 P.M. | |
| 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.*

Lightning storm early AM on Sept 9, 2007 caused electrical damage and shut injection station down. Produced water overflowed from the suction tanks to the overflow tank. As water level rose gas was vented out the enardo valve on the tank. Lightning apparently lit the gas vapors resulting in a very small flame. Lovington Fire Department was called upon discovery and had the flame extinguished shortly after arrival. There was no damage to any equipment.

FIRE REPORT - NO DAMAGE

Describe Area Affected and Cleanup Action Taken.*

NA

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>Larry D Ridenour</i> | OIL CONSERVATION DIVISION | |
| Printed Name: Larry D. Ridenour | <i>[Signature]</i> Approved by District Supervisor: ENVIRONMENTAL ENGINEER | |
| Title: Operations Representative | Approval Date: 9.17.07 | Expiration Date: _____ |
| E-mail Address: LRidenour1@chevron.com | Conditions of Approval: | Attached <input type="checkbox"/> |
| Date: 9/011/2007 Phone: 396-4414 X 102 | | |

* Attach Additional Sheets If Necessary

RP#1569