

GW - 082

INSPECTION

Lowe, Leonard, EMNRD

From: Archer, Michael [MArcher@chevron.com]
Sent: Thursday, April 30, 2009 11:17 AM
To: Lowe, Leonard, EMNRD
Cc: Powell, Brandon, EMNRD
Subject: NMOCD Discharge Permit GW 082- Chevron Rincon Lateral #1 Compressor Station
Attachments: Document.pdf

Mr. Lowe,

As discussed this morning, we recently discovered stained soil beneath a compressor when it was removed on April 27, 2009. The attached report from Envirotech includes a description and extent of impact including site sample results. Chevron is proceeding to excavate six inches in depth of soil -approximately 10 yds³. Additional samples will be collected to confirm that the area has been remediated and a report with final results will be provided. This effort will be performed in compliance with guidelines of antelope stipulations that become effective May 1st, 2009.

<<Document.pdf>>

Respectfully yours,

*Michael W. Archer
HES Specialist
San Juan/Alabama Operations
Chevron Production Company
332 County Road 3100
Aztec, New Mexico 87410
Phone (505) 333-1910
Cell (505) 320-7970*

**Know Safety = No Accidents
No Safety = Know Accidents**

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April 29, 2009

Project No. 92270-0434

Mr. Michael Archer
Chevron North America
332 County Road 3100
P.O. Box 730
Aztec, New Mexico 87410

Phone: (505) 326-2657
Cell: (505) 320-7970

**RE: CONFIRMATION SAMPLING AT THE RINCON LATERAL #1 COMPRESSOR
STATION, RIO ARriba COUNTY, NEW MEXICO**

Dear Mr. Archer,

Enclosed please find the field notes, analytical results, and site photography for confirmation sampling activities conducted for a removed compressor at the Rincon Lateral #1 Compressor Station located in Section 27, Township 27N, Range 6W, Rio Arriba County, New Mexico. Upon arrival, a brief site assessment was conducted. Due to a wash being located between 200 and 1,000 feet from the site, the spill closure standard was determined to be 1,000 ppm total petroleum hydrocarbons (TPH) and 100 ppm organic vapors, pursuant to New Mexico Oil Conservation Division (NMOCD) Guidelines for Remediation of Leaks, Spills, and Releases. A five (5)-point composite sample was collected from beneath the compressor for spill confirmation. The sample was analyzed in the field for TPH using USEPA Method 418.1 and for organic vapors using a Photo Ionization Detector (PID). The sample was below the regulatory limit of 100 ppm organic vapors; however, the sample was above the regulatory standard of 1,000 ppm TPH at 12,500 ppm; see enclosed *Analytical Results*.

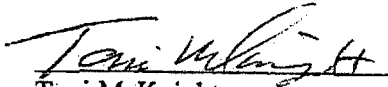
Because compressor oil spilled on the south end of the compressor during removal, and because visual contamination was observed on the south-west corner; see enclosed *Site Photography*, the sample location was divided into two (2) areas. At this time, three (3) additional samples were collected from the spill areas. One (1) five (5)-point composite sample was collected from the surface of Area 2, one (1) five (5)-point composite sample was collected from the surface of Area 1, and one (1) sample was collected from 6" below ground surface (BGS) in Area 1. The samples were analyzed in the field for TPH using USEPA Method 418.1 and for organic vapors using a PID. Each of the three (3) samples was below the regulatory limit of 100 ppm organic vapors. The sample collected from 6" BGS in Area 1 was below the regulatory limit of 1,000 ppm TPH; however, the samples collected from the surface in Areas 1 and 2 were above the regulatory limit of 1,000 ppm TPH at 11,600 ppm and 4,080 ppm respectively; see enclosed *Analytical Results*.

Envirotech, Inc. recommends either additional excavation of the surface and sampling activities be conducted, or the area be treated on site with potassium permanganate/urea nitrate to aid with natural attenuation.

We appreciate the opportunity to be of service. If you have any questions please do not hesitate to contact our office at (505) 632-0615.

Sincerely,

ENVIROTECH, INC.



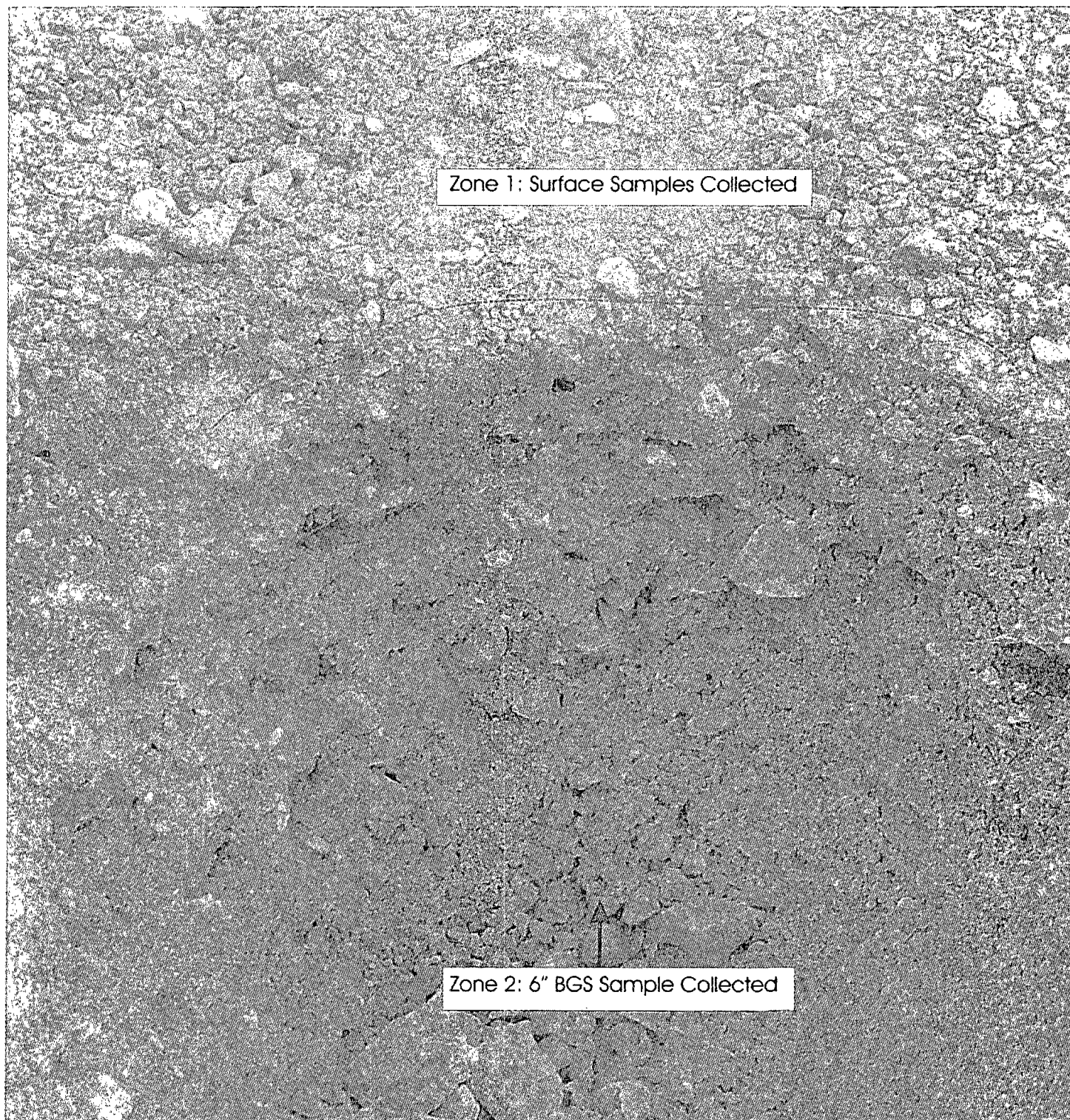
Toni McKnight

Project Engineer

tmcknight@envirotech-inc.com

Attachment: Field Notes
 Analytical Results
 Site Photography

Cc: Client File No. 92270



Area of Discoloration Underlined.

Chevron North America
Rincon Lateral #1 Compressor
Rio Arriba County, NM

PROJECT # 92270-0434 Date Drawn: 04/29/09

ENVIROTECH INC.

ENVIRONMENTAL SCIENTISTS & ENGINEERS

5796 U.S. HIGHWAY 64

FARMINGTON, NEW MEXICO 87401

PHONE (505) 632-0615

Site Photograph

Figure 1

DRAWN BY:
Toni McKnight

PROJECT MANAGER:
Kyle P. Kerr

Client: chevronenvirotech
(508) 832-8318 (508) 222-1870
5760 U.S. Hwy 64, Farmington, NH 07424

Location No:

C.O.C. No:

FIELD REPORT: SPILL CLOSURE VERIFICATION

PAGE NO: 1 OF 1DATE STARTED: 4-28-09

DATE FINISHED:

LOCATION: NAME: Rincon Lateral WELL #: QUAD/UNIT: SEC: 27 TWP: 27N RNG: 6W PM: NM CNTY: RA ST: NHDIR/FOOTAGE: CONTRACTOR: None

ENVIRONMENTAL

SPECIALIST: TLmEXCAVATION APPROX: FT. X FT. X FT. DEEP CUBIC YARDAGE:

DISPOSAL FACILITY: REMEDIATION METHOD:

LAND USE: Grazing LEASE: LAND OWNER:CAUSE OF RELEASE: Leak from Compressor MATERIAL RELEASED: Motor OilPILL LOCATED APPROXIMATELY: 10 FT. West FROM CompressorDEPTH TO GROUNDWATER: >100 NEAREST WATER SOURCE: >100 NEAREST SURFACE WATER: <1000MOCD RANKING SCORE: 10 NMOCD TPH CLOSURE STD: 1000 PPM

OIL AND EXCAVATION DESCRIPTION:

Compressor Moved before Arrival.
5pt composite test under compressor.

SAMPLE DESCRIPTION	TIME	SAMPLE ID	LAB NO.	WEIGHT (g)	mL FREON	DILUTION	READING	CALC. ppm
STD 200	12:38						198	198
5pt Sample	12:42			5	20	4	3112	12468
5pt Comp 2	14:00			5	20	4	1020	4080
5pt Com 1	14:10			5	20	4	2820	11552
6in Deep 1	18:17			5	20	4	7	28

SPILL PERIMETER

OVM
RESULTS

SPILL PROFILE

sep

○ = 5pt Com 2

□ = 5pt comp 1

X = 5pt comp

NT ↑

Compressor

SAMPLE ID	FIELD HEADSPACE PID (ppm)
STD 100	100
5pt	Sampled (1,2)
5pt 2	0
5pt 1	0.4
6in	0

RAVEL NOTES: CALLED OUT: ONSITE:



CONTINUOUS CALIBRATION
EPA METHOD 418.1
TOTAL PETROLEUM
HYDROCARBONS

Cal. Date: 28-Apr-09

Parameter	Standard Concentration mg/L	Concentration Reading mg/L
TPH	100	
	200	198
	500	
	1000	

The accepted percent relative deviation (%RSD) of the calibration factor is less than 20% over the working range.

Toni McKnight
Analyst

4-29-09
Date

Toni McKnight
Print Name

Sherry Auckland
Review

4/29/09
Date

Sherry Auckland
Print Name



EPA METHOD 418.1
TOTAL PETROLEUM
HYDROCARBONS

Client:	Chevron North America	Project #:	92270-0434
Sample No.:	1	Date Reported:	4/29/2009
Sample ID:	5 Point Composite	Date Sampled:	4/28/2009
Sample Matrix:	Soil	Date Analyzed:	4/28/2009
Preservative:	Cool	Analysis Needed:	TPH-418.1
Condition:	Cool and Intact		

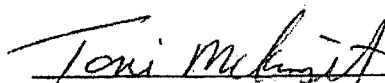
Parameter	Concentration (mg/kg)	Det. Limit (mg/kg)
Total Petroleum Hydrocarbons	12,500	5.0

ND = Parameter not detected at the stated detection limit.

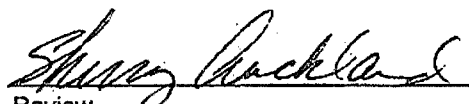
References: Method 418.1, Petroleum Hydrocarbons, Total Recoverable, Chemical Analysis of Water and Waste, USEPA Storet No. 4551, 1978.

Comments: Rincon Lateral #1

Instrument calibrated to 200 ppm standard. Zeroed before each sample


Analyst

Toni McKnight
Printed


Review

Sherry Auckland
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EPA METHOD 418.1
TOTAL PETROLEUM
HYDROCARBONS

Client:	Chevron North America	Project #:	92270-0434
Sample No.:	2	Date Reported:	4/29/2009
Sample ID:	5 Point Comp. Area 2	Date Sampled:	4/28/2009
Sample Matrix:	Soil	Date Analyzed:	4/28/2009
Preservative:	Cool	Analysis Needed:	TPH-418.1
Condition:	Cool and Intact		

Parameter	Concentration (mg/kg)	Det. Limit (mg/kg)
Total Petroleum Hydrocarbons	4,080	5.0

ND = Parameter not detected at the stated detection limit.

References: Method 418.1, Petroleum Hydrocarbons, Total Recoverable, Chemical Analysis of Water and Waste, USEPA Storet No. 4551, 1978.

Comments: Rincon Lateral #1

Instrument calibrated to 200 ppm standard. Zeroed before each sample


Analyst

Toni McKnight
Printed


Review

Sherry Auckland
Printed



EPA METHOD 418.1
TOTAL PETROLEUM
HYDROCARBONS

Client:	Chevron North America	Project #:	92270-0434
Sample No.:	3	Date Reported:	4/29/2009
Sample ID:	5 Point Comp. Area 1	Date Sampled:	4/28/2009
Sample Matrix:	Soil	Date Analyzed:	4/28/2009
Preservative:	Cool	Analysis Needed:	TPH-418.1
Condition:	Cool and Intact		

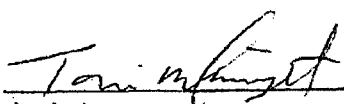
Parameter	Concentration (mg/kg)	Det. Limit (mg/kg)
Total Petroleum Hydrocarbons	11,600	5.0

ND = Parameter not detected at the stated detection limit.

References: Method 418.1, Petroleum Hydrocarbons, Total Recoverable, Chemical Analysis of Water and Waste, USEPA Storet No. 4551, 1978.

Comments: Rincon Lateral #1

Instrument calibrated to 200 ppm standard. Zeroed before each sample


Analyst

Toni McKnight
Printed


Review

Sherry Auckland
Printed



EPA METHOD 418.1
TOTAL PETROLEUM
HYDROCARBONS

Client:	Chevron North America	Project #:	92270-0434
Sample No.:	4	Date Reported:	4/29/2009
Sample ID:	6" BGS Area 1	Date Sampled:	4/28/2009
Sample Matrix:	Soil	Date Analyzed:	4/28/2009
Preservative:	Cool	Analysis Needed:	TPH-418.1
Condition:	Cool and Intact		

Parameter	Concentration (mg/kg)	Det. Limit (mg/kg)
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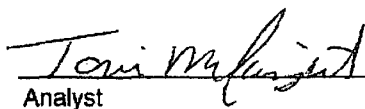
Total Petroleum Hydrocarbons	28	5.0
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ND = Parameter not detected at the stated detection limit.

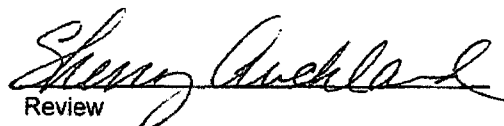
References: Method 418.1, Petroleum Hydrocarbons, Total Recoverable, Chemical Analysis of Water and Waste, USEPA Storet No. 4551, 1978.

Comments: Rincon Lateral #1

Instrument calibrated to 200 ppm standard. Zeroed before each sample


Analyst

Toni McKnight
Printed


Review

Sherry Auckland
Printed

Lowe, Leonard, EMNRD

From: Lowe, Leonard, EMNRD
Sent: Thursday, September 25, 2008 9:56 AM
To: 'Shore, Suzanne'
Subject: RE: Chevron response to inspections of GW-82

Suzanne,

Thank you for the response.

A few requests:

These items will still be open until all information is submitted to the OCD

1. Finding 1: An update on the out of service and soon to be removed old BGT to be replaced by a new BGT, if any contamination is found while being removed please forward all findings and testing to the OCD.
2. Finding 4: photos of completed berms.
3. Finding 7: photos of completed berms.
4. Finding 8: hydrostatic testing results.

Thank you,

llowe

Leonard Lowe

Environmental Engineer
Oil Conservation Division/EMNRD
1220 S. St. Francis Drive
Santa Fe, N.M. 87505
Office: 505-476-3492
Fax: 505-476-3462
E-mail: leonard.lowe@state.nm.us
Website: <http://www.emnrd.state.nm.us/ocd/>

From: Shore, Suzanne [mailto:shores@chevron.com]
Sent: Friday, September 19, 2008 3:28 PM
To: Lowe, Leonard, EMNRD
Cc: Bailey, Rodney G; Powell, Brandon, EMNRD; Price, Wayne, EMNRD
Subject: Chevron response to inspections of GW-82

Mr. Lowe,

Attached is Chevron's response to the inspection of our Lateral #1 Compressor Station covered by GW-082 Permit. Additional documentation not provided will be forthcoming. Please contact me if you have any questions.

Sincerely,

Suzanne Shore
Waste and Water Specialist
MidContinent/Alaska SBU

Chevron North America Exploration and Production
11111 S. Wilcrest Dr C2304, Houston TX 77099
Tel 281 561 3920
Fax 281 561 3702

9/25/2008

shores@chevron.com

From: Shore, Suzanne
Sent: Friday, September 12, 2008 12:43 PM
To: 'Lowe, Leonard, EMNRD'
Cc: Bailey, Rodney G; 'Powell, Brandon, EMNRD'; 'Price, Wayne, EMNRD'
Subject: RE: Chevron response to inspections of GW-70, GW-82, GW-244

Mr. Lowe,

As discussed with you earlier today, an inspection follow-up report complete with photographs and associate documentation will be provided next week.

Thank you,

Suzanne Shore
Waste and Water Specialist
MidContinent/Alaska SBU

Chevron North America Exploration and Production
11111 S. Wilcrest Dr C2304, Houston TX 77099
Tel 281 561 3920
Fax 281 561 3702
shores@chevron.com

From: Shore, Suzanne
Sent: Friday, September 05, 2008 11:45 AM
To: Lowe, Leonard, EMNRD
Cc: Bailey, Rodney G; Powell, Brandon, EMNRD; Price, Wayne, EMNRD
Subject: RE: Chevron response to inspections of GW-70, GW-82, GW-244

Mr. Lowe,

We apologize for not responding sooner. I am soliciting information from our personnel regarding the status of these concerns and should have an update to you early next week.

Thank you,

Suzanne Shore
Waste and Water Specialist
MidContinent/Alaska SBU

Chevron North America Exploration and Production
11111 S. Wilcrest Dr C2304, Houston TX 77099
Tel 281 561 3920
Fax 281 561 3702
shores@chevron.com

9/25/2008

From: Lowe, Leonard, EMNRD [mailto:Leonard.Lowe@state.nm.us]
Sent: Thursday, September 04, 2008 5:24 PM
To: Shore, Suzanne
Cc: Bailey, Rodney G; Powell, Brandon, EMNRD; Price, Wayne, EMNRD
Subject: Chevron response to inspections of GW-70, GW-82, GW-244
Importance: High

Suzanne Shore,

The OCD had performed inspections of these three referenced Chevron facilities on April 21, 2008.

GW-070, Lateral # 2
GW-082, Lateral # 1
GW-244, Lateral # 4

The OCD had given Chevron 120 days to resolve these concerns stated within the inspection letter. The 120 days is done.

When do we expect to get a final report from Chevron, "Chevron shall submit to the OCD a report with photographs, where applicable, for each of these findings within their prescribed time."?

llowe

Leonard Lowe

Environmental Engineer
Oil Conservation Division/EMNRD
1220 S. St. Francis Drive
Santa Fe, N.M. 87505
Office: 505-476-3492
Fax: 505-476-3462
E-mail: leonard.lowe@state.nm.us
Website: <http://www.emnrd.state.nm.us/ocd/>

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9/25/2008



Suzanne Shore
Waste and Water
Specialist
MidContinent/Alaska SBU

**Chevron North America
Exploration and
Production**
Chevron U.S.A. Production
Company
11111 S. Wilcrest Dr.
Houston, TX 77099
Tel 281-561-3920

September 19, 2008

Mr. Leonard Lowe
Oil Conservation Division
New Mexico Energy, Minerals and Natural Resources Department
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

**RE: Inspection Report Follow-up, GW-082
Chevron USA Inc. Lateral #1 Compressor Station
Rio Arriba County, New Mexico**

Dear Mr. Lowe,

Chevron USA Inc. operates the Lateral #1 Compressor Station located in Section 27, Township 27 North, Range 6 West, NMPM, Rio Arriba County, New Mexico. On April 21, 2008, an inspection of the site was conducted by you and Mr. Brandon Powell of the Oil Conservation Division of the New Mexico Energy, Minerals, and Natural Resources Department. The Inspection Report dated May 7, 2008 identified areas of concern warranting attention within three months. Further discussion between you and Mr. Rodney Bailey on May 8, 2008 about Antelope Stipulations delaying our activities resulted in an extension to a total of one hundred twenty days to address the items. In response to the Inspection Report and per the discussion on May 8, 2008, this letter describes how the findings are being addressed.

Please note that some of the items are being addressed as part of the installation of a new compressor on location. The compressor installation modifications were provided to you on August 15, 2008 for review and were approved on August 25, 2008.

Finding	Description (Inspection Report May 7, 2008)	Action
1	<i>Catch pan needed for pipe to prevent discharge on to ground. Chevron needs to address issue within 3 months.</i>	Photo 1: Load line was shortened to within bermed area and a catch pan was installed. Photo 2: Catch pan installed.
2	<i>BGT needs to be removed and replaced with one that has a leak detection system. Chevron has 3 months to address issue.</i>	Photo 3: BGT has not been removed but has been taken out of service. A replacement tank is currently being installed as described in the Chevron GW 082 Lateral #1 Compressor

Mr. Leonard Lowe
New Mexico Oil Conservation Division
September 19, 2008
Page 2

		Station Modification Request (dated 08/15/2008) and e-mail correspondence (08/19/2008) between Leonard Lowe and Suzanne Shore.
3	<i>Liquids are not allowed to stay in secondary containments more than 72 hours. Chevron shall properly remove liquids within sufficient time.</i>	Reviewed requirements with personnel and liquids will be removed within sufficient time.
4	<i>Berms appear to be eroded and needed to be addressed. Chevron needs to resolve this issue within 3 months.</i>	Photo 4: Chevron is currently digging in the area of this unit to install piping as part of compressor modification effort. Photos of the repaired berm will be provided upon completion of the project. ✓
5	<i>The secondary containment galvanize tank appears to have an integrity breach. Chevron needs to repair or replace containment. Any discharge of fluids on to the ground needs to be properly cleaned. Chevron shall address within 3 months.</i>	Photo 5: The secondary containment of galvanized tank has been replaced.
6	<i>Unidentified/unlabeled container near engine. Chevron shall ensure that all liquids are identified and stored properly within permit conditions.</i>	Photo 6: No unlabeled containers are on location.
7	<i>Berm the facility to decrease run on and off of water. This will prevent erosion; the possibility of any spills or releases from going off site and creating excess waste from run on commingling with liquids on site.</i>	The facility will be bermed upon completion of the Lateral 1 compressor modification project. Photos will then be provided. ✓
8	<i>Perform hydrostatic testing of all underground piping, if they have not been performed. Submit results to the OCD when completed. Review permit conditions for testing specifics.</i>	Hydrostatic testing will be performed when new underground piping has been installed. The results will be submitted to OCD as requested. ✓

Regards,

Suzanne Shore

Response to NMOCD Inspection Report (May 7, 2008)
Chevron Lateral #1 Compressor Station, GW – 082
September 19, 2008



Photo 1: Catch pan installed on shortened load line.

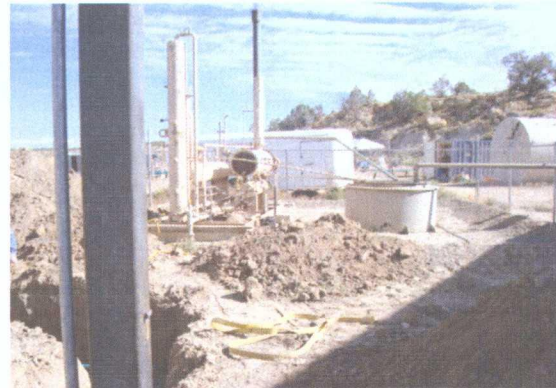


Photo 4: Construction in progress.



Photo 2: Catch pan installed on line.



Photo 5: Secondary containment has been replaced.



Photo 3: BGT removed from service.

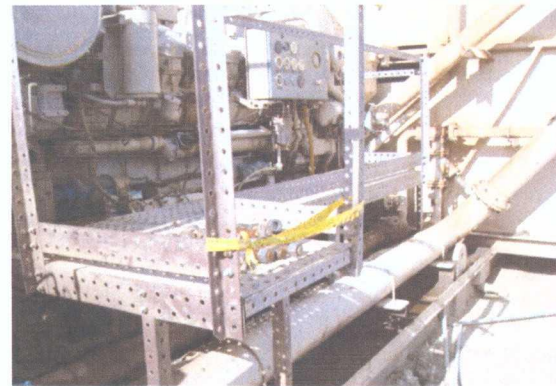


Photo 6: No unlabeled containers on location.

• **Lowe, Leonard, EMNRD**

From: Shore, Suzanne [shores@chevron.com]
Sent: Tuesday, August 19, 2008 1:08 PM
To: Lowe, Leonard, EMNRD
Subject: RE: Chevron GW 082 Lateral #1 Compressor Station Modification Request

Mr. Lowe,

Thank you for your prompt review. Please contact me if you have any additional comments or questions.

1. The new BGT is carbon steel and has a closed top.
2. The total horsepower will be 630 which is less than our current total of 900 HP.
3. The BGT received water removed at various stages in the process such as from the compressor scrubber, condensate tank, compressor skid drain, and the slug receiver separator.
4. The BGT has not overflowed during the time that Chevron has owned and operated the property since August 2005. Any information regarding overflow incidents prior to August 2005 is not readily known at this time. After the installation of the new BGT, we will begin the process of removing the existing BGT per the following:

- 1 Chevron or a contractor acting on behalf of Chevron will remove all liquids, and/or sludge in the BGT and dispose appropriately.
- 1 Chevron or a contractor acting on behalf of Chevron will remove the BGT and all on-site equipment associated with this BGT that cannot or will not be reused on-site.
- 1 Once the BGT is removed a five (5) - point composite sample will be collected from directly below the tank. An additional discrete sample will be collected from any area that is wet, discolored, or showing other evidence of a release. All samples being collected will be analyzed for benzene and total BTEX via USEPA Method 8021, TPH via USEPA Method 418.1, and chlorides via USEPA 300.1.
- 1 Depending on soil sample results the area will be either backfilled or the area will be excavated.
 - i If soil samples pass the regulatory standards of 0.2 ppm benzene, 50 ppm BTEX, 100 ppm TPH, and 250 ppm or background concentration of chlorides.
 - n Chevron or a contractor acting on behalf of Chevron will backfill the excavation or impacted area with non-waste containing, earthen material.
 - n Upon decommissioning of the well site Chevron or a contractor acting on behalf of Chevron will construct a division-prescribed soil cover, substantially restore, recontour and re-vegetate the site.
 - i If soil samples exceed the regulatory standards stated above.
 - n Chevron will make the required notifications pursuant to Permit GW-082 Section 11.D.
 - n The soil will be excavated and the site remediated per agreement with NMOCD.

Regards,

Suzanne Shore
 Waste and Water Specialist
 MidContinent/Alaska SBU

Chevron North America Exploration and Production
 11111 S. Wilcrest Dr C2304, Houston TX 77099
 Tel 281 561 3920
 Fax 281 561 3702
shores@chevron.com

9/5/2008

From: Lowe, Leonard, EMNRD [mailto:Leonard.Lowe@state.nm.us]
Sent: Friday, August 15, 2008 4:27 PM
To: Shore, Suzanne
Subject: RE: Chevron GW 082 Lateral #1 Compressor Station Modification Request
Importance: High

Suzanne Shore,

A few questions on this modification.

1. The new BGT, what is the tank material? Fiberglass? Carbon steel?
2. Your letter mentioned replacing the compressor as well, is the total horsepower the same?
3. The BGT you intend on removing, what type of fluids did it receive?
4. What are your plans for removing of the already existing BGT? Do you know if this BGT has ever overflowed?

llowe

Leonard Lowe

Environmental Engineer
Oil Conservation Division/EMNRD
1220 S. St. Francis Drive
Santa Fe, N.M. 87505
Office: 505-476-3492
Fax: 505-476-3462
E-mail: leonard.lowe@state.nm.us
Website: <http://www.emnrd.state.nm.us/ocd/>

From: Shore, Suzanne [mailto:shores@chevron.com]
Sent: Friday, August 15, 2008 1:00 PM
To: Lowe, Leonard, EMNRD
Subject: Chevron GW 082 Lateral #1 Compressor Station Modification Request

Mr. Lowe,

Please see attached letter and figures describing the planned modifications for below ground tank at our Lateral #1 compressor station covered by GW-082 Permit.

Thank you,

Suzanne Shore

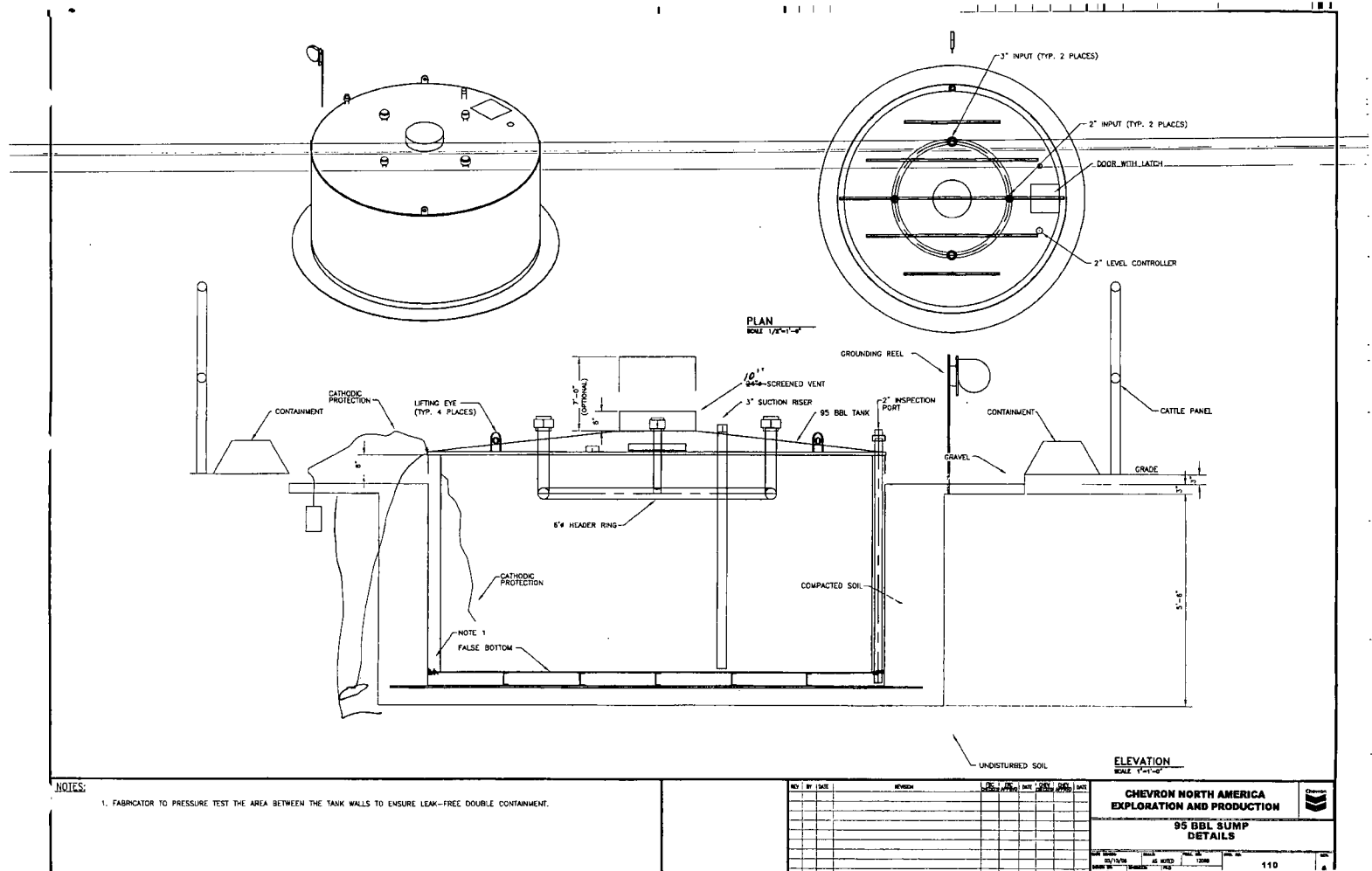
Waste and Water Specialist
MidContinent/Alaska SBU

Chevron North America Exploration and Production

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GW-082



Suzanne Shore
Waste and Water
Specialist
MidContinent/Alaska SBU

**Chevron North America
Exploration and
Production**
Chevron U.S.A. Production
Company
11111 S. Wilcrest Dr.
Houston, TX 77099
Tel 281-561-3920

August 15, 2008

Mr. Leonard Lowe
Oil Conservation Division
New Mexico Energy, Minerals and Natural Resources Department
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

**RE: Below Grade Tank Discharge Permit GW-082
Chevron USA Inc. Lateral #1 Compressor Station
Rio Arriba County, New Mexico**

Dear Mr. Lowe,

Chevron USA Inc. operates the Lateral #1 Compressor Station located in Section 27, Township 27 North, Range 6 West, NMPM, Rio Arriba County, New Mexico. Pursuant to section 11 of the GW-082 Discharge Permit Approval Conditions for below grade tanks, Chevron USA Inc is hereby submitting modification plans to New Mexico Oil Conservation Division for review and approval prior to installation.

In an effort to increase the reliability and efficiency of our operations at the compressor station, we are replacing the current rental compressor with a new compressor owned by Chevron. As part of this effort we will be installing a ninety-five barrel tank in the location shown on Figure 2 GW-082 Proposed Lateral #1 Site Plan according to the tank specifications shown on Figure 3 Standard Below Ground Tank Drawing. See Figure 1 GW-082 Existing Lateral #1 Site Plan for additional information on our site.

Additionally, the installation of this tank is a part of our response to the following concern noted in your Inspection Report dated May 7, 2008 to Mr. Rodney Bailey of Chevron for the site inspection conducted by you on April 21, 2008:

2. Photo 3 & 4: BGT needs to be removed and replaced with one that has a leak detection system.

We appreciate your review, as we would like to begin the installation of the below ground tank within the next two weeks. If you have any questions or need additional information to facilitate your review, please contact me.

Regards,
Suzanne Shore

Lowe, Leonard, EMNRD

From: Shore, Suzanne [shores@chevron.com]
Sent: Friday, August 15, 2008 1:00 PM
To: Lowe, Leonard, EMNRD
Subject: Chevron GW 082 Lateral #1 Compressor Station Modification Request
Attachments: Figure 1 GW 082 Existing Lateral #1 CDP Site Plan.pdf; Figure 2 GW 082 Proposed Lateral #1 CDP Site Plan.pdf; Figure 3 Standard Below Ground Tank Drawing.TIF; Letter Requesting Updates to Permit GW-082.pdf

Mr. Lowe,

Please see attached letter and figures describing the planned modifications for below ground tank at our Lateral #1 compressor station covered by GW-082 Permit.

Thank you,

Suzanne Shore
Waste and Water Specialist
MidContinent/Alaska SBU

Chevron North America Exploration and Production
11111 S. Wilcrest Dr C2304, Houston TX 77099
Tel 281 561 3920
Fax 281 561 3702
shores@chevron.com

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Lowe, Leonard, EMNRD

From: Lowe, Leonard, EMNRD
Sent: Thursday, May 08, 2008 2:38 PM
To: 'Bailey, Rodney G'
Cc: Powell, Brandon, EMNRD
Subject: RE: Chevron, GW-070 Inspection Report

Mr. Rodney Bailey,

I had forgotten about the Antelope Stipulations.

Your proposed 120 day limit is approved.

Please print and attach this correspondence to the Inspection Letters.

Thank you for your attention.

llowe

Leonard Lowe

Environmental Engineer
Oil Conservation Division/EMNRD
1220 S. St. Francis Drive
Santa Fe, N.M. 87505
Office: 505-476-3492
Fax: 505-476-3462
E-mail: leonard.lowe@state.nm.us
Website: <http://www.emnrd.state.nm.us/ocd/>

From: Bailey, Rodney G [<mailto:bailerg@chevron.com>]
Sent: Thursday, May 08, 2008 1:30 PM
To: Lowe, Leonard, EMNRD
Subject: RE: Chevron, GW-070 Inspection Report

Leonard can we talk about the 90 day time frame for completing some of these items? We are planning compressor replacements at Lateral #1 & #2, starting around July 1st and each location and they will take about 30 days each to complete. Also with Antelope Stips through 7-15 we will not be able to move in the heavy equipment that will be needed to remove the tanks and complete some other work on location till after then. With the current 90 day time table in your letter we will only have from July 15th to July 21st. to complete some of the work. Is there anyway we could move the time frame up to 120 days for this work to be complete? Thank you.

Rodney Bailey
Waste & Water Team Lead
Midland Texas
Chevron USA
Office - 432-687-7123
Cell - 432-894-3519
Fax - 866-569-5650
bailerg@chevron.com

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5/8/2008

copying, distribution or use of any information in this message is strictly prohibited. If you have received this message in error, please notify me at 432-687-7123 or by e-Mail. Thank you

From: Lowe, Leonard, EMNRD [mailto:Leonard.Lowe@state.nm.us]
Sent: Wednesday, May 07, 2008 10:13 AM
To: Bailey, Rodney G; Archer, Michael; Estes, David; Strickland, Terry (TEDS)
Cc: Price, Wayne, EMNRD; Powell, Brandon, EMNRD
Subject: Chevron, GW-070 Inspection Report

Chevron,

Please review inspection report.

Thank you again for the walk through of your facility.

llowe

Leonard Lowe

Environmental Engineer
Oil Conservation Division/EMNRD
1220 S. St. Francis Drive
Santa Fe, N.M. 87505
Office: 505-476-3492
Fax: 505-476-3462
E-mail: leonard.lowe@state.nm.us
Website: <http://www.emnrd.state.nm.us/ocd/>

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This inbound email has been scanned by the MessageLabs Email Security System.

5/8/2008

Lowe, Leonard, EMNRD

From: Lowe, Leonard, EMNRD
Sent: Wednesday, May 07, 2008 9:13 AM
To: 'Bailey, Rodney G'; 'Archer, Michael'; David Estes; Terry Strickland
Cc: Price, Wayne, EMNRD; Powell, Brandon, EMNRD
Subject: Chevron, GW-082 Inspection Report
Attachments: GW-082, Inspection Letter.doc; GW-082, Photo Rprt.doc

Chevron,

Please review the OCD inspection report for the above stated facility.

Thank you for your time on this inspection.

llowe

Leonard Lowe

Environmental Engineer
Oil Conservation Division/EMNRD
1220 S. St. Francis Drive
Santa Fe, N.M. 87505
Office: 505-476-3492
Fax: 505-476-3462
E-mail: leonard.lowe@state.nm.us
Website: <http://www.emnrd.state.nm.us/oed/>

5/7/2008



New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson

Governor
Joanna Prukop
Cabinet Secretary
Reese Fullerton
Deputy Cabinet Secretary

Mark Fesmire
Division Director
Oil Conservation Division



May 7th, 2008

Mr. Rodney Bailey

**Re: Inspection Report, GW-082
Chevron, Lateral # 1 Compressor Station
Rio Arriba County, New Mexico**

Dear Mr. Bailey:

The Oil Conservation Division (OCD) performed an onsite inspection of Chevron's Lateral # 2 CDP compressor station located in Section 27, Township 27 North, Range 6 West, NMPM, Rio Arriba County, New Mexico on Monday, April 21, 2008.

Chevron shall address the following concerns, reference photos in attachment:

1. Photo 1 & 2: Catch pan needed for pipe to prevent discharge on to ground. Chevron needs to address issue within **3 months**.
2. Photo 3 & 4: BGT needs to be removed and replaced with one that has a leak detection system. Chevron has **3 months** to address issue.
3. Photo 5: Liquids are not allowed to stay in secondary containments more than 72 hours. Chevron shall properly remove liquids within sufficient time.
4. Photo 6: Berms appear to be eroded and needed to be addressed. Chevron needs to resolve this issue within **3 months**.
5. Photo 7: The secondary containment galvanize tank appears to have an integrity breach. Chevron needs to repair or replace containment. Any discharge of fluids on to the ground needs to be properly cleaned. Chevron shall address within **3 months**.
6. Photo 8: Unidentified/unlabeled container near engine. Chevron shall ensure that all liquids are identified and stored properly within permit conditions.
7. No photo: Berm the facility to decrease run on and off of water. This will prevent erosion; the possibility of any spills or releases from going off site and creating excess waste from run on commingling with liquids on site.
8. No photo: Perform hydrostatic testing of all underground piping, if they have not been performed. Submit results to the OCD when completed. Review permit conditions for testing specifics.

Chevron shall submit to the OCD a report with photographs, where applicable, for each of these findings within their prescribed time. If there are any questions regarding this matter, please do not hesitate to contact me at (505) 476-3492 or leonard.lowe@state.nm.us.



Mr. Rodney Bailey
May 7, 2008
Page 2

Sincerely,

A handwritten signature in cursive script, appearing to read "Leonard Lowe".

Leonard Lowe
Environmental Engineer

xc: OCD District III Office, Aztec

OCD Inspection Chevron Lat # 1, GW - 082

Inspectors: Brandon Powell and Leonard Lowe

Company Rep: Rodney Bailey, Michael Archer and Dave Estes

Date: 04.21.08

Time: 12:40 – 13:10

Page 1

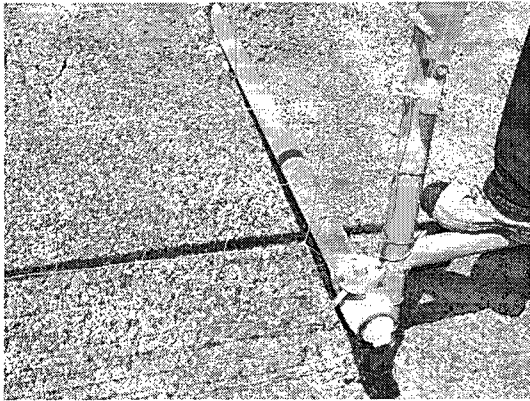


Photo 1: Catch pan needed on line.

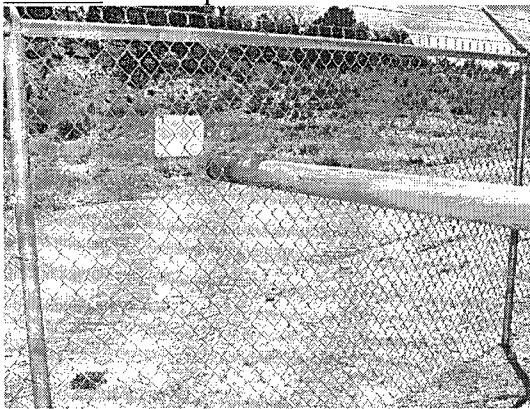


Photo 2: Catch pan on line.



Photo 3: Double bottom, covered singled wall BGT needs to be replace.

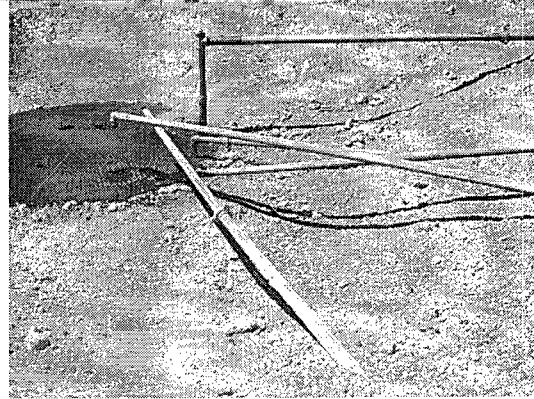


Photo 4: Lines going in to BGT.

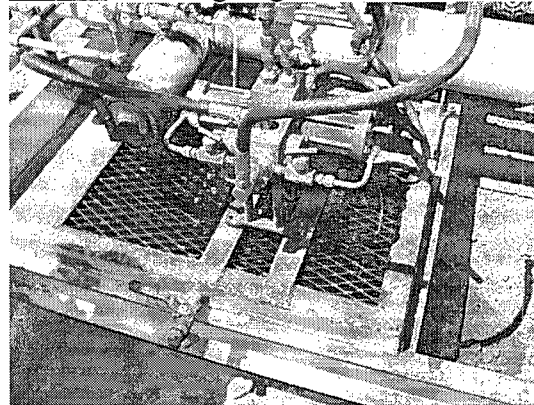


Photo 5: Idle liquids with staining on ground.

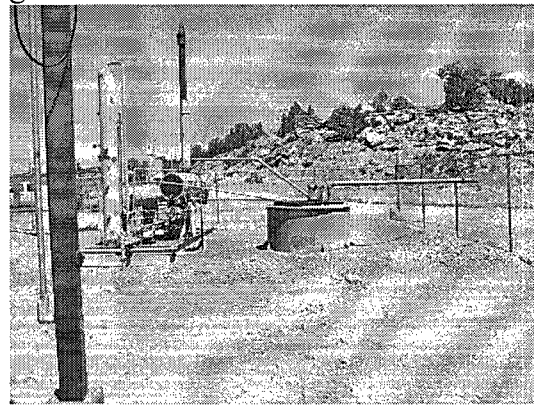


Photo 6: Berms seemed to be eroded.

OCD Inspection Chevron Lat # 1, GW - 082

Inspectors: Brandon Powell and Leonard Lowe

Company Rep: Rodney Bailey, Michael Archer and Dave Estes

Date: 04.21.08

Time: 12:40 – 13:10

Page 2

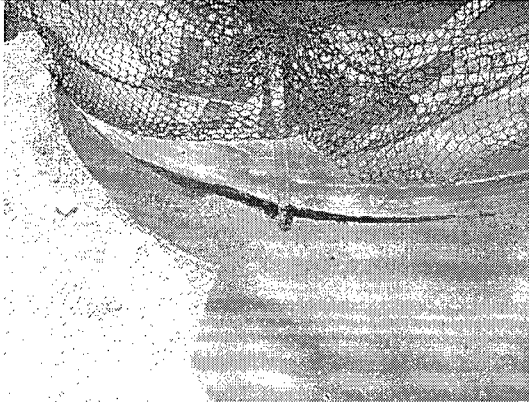


Photo 7: Secondary galvanize tank under lube oil tank appears to be leaking at seam.

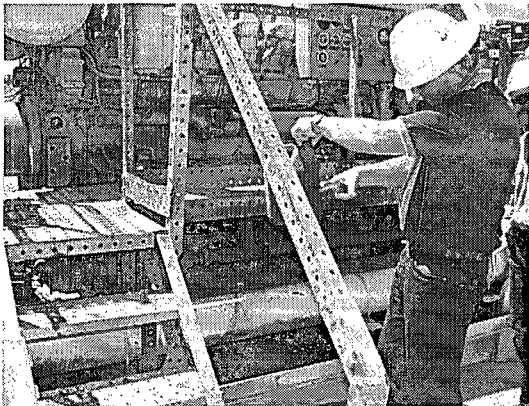


Photo 8: Unidentified liquid in unlabeled container near engine.