

GW - 244

INSPECTION

Lowe, Leonard, EMNRD

4 Attachments

From: Lowe, Leonard, EMNRD
Sent: Monday, October 20, 2008 2:52 PM
To: 'Shore, Suzanne'
Subject: RE: Berm around Lateral 4 site, GW -244

Approved.

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: Thursday, September 25, 2008 2:55 PM
To: Lowe, Leonard, EMNRD
Subject: Berm around Lateral 4 site, GW -244

Mr. Lowe,

On April 21, 2008 during the inspection of our Lateral 4 Compressor Station which is covered under GW-244 discharge permit, you requested that the facility be bermed to decrease run on and off of water. The northwest corner of the lateral 4 area is much lower than the other elevated parts of the facility making it difficult to berm; therefore we'd like to install the berm as shown in the attached schematic. As you can see in the attached photos, there are not any below or above grounds tanks or other large pieces of equipment with fluids that would potentially result in any contamination in this area of the facility. Pictured in the area are gas pipelines. We believe the proposed berm configuration would still meet the objective of decreasing water run on and off from the area that has potential pollutants.

If you need additional information, please contact me or David Estes at (505) 320-3201.

Thank you,

Suzanne Shore
Waste and Water Specialist
MidContinent/Alaska SBU

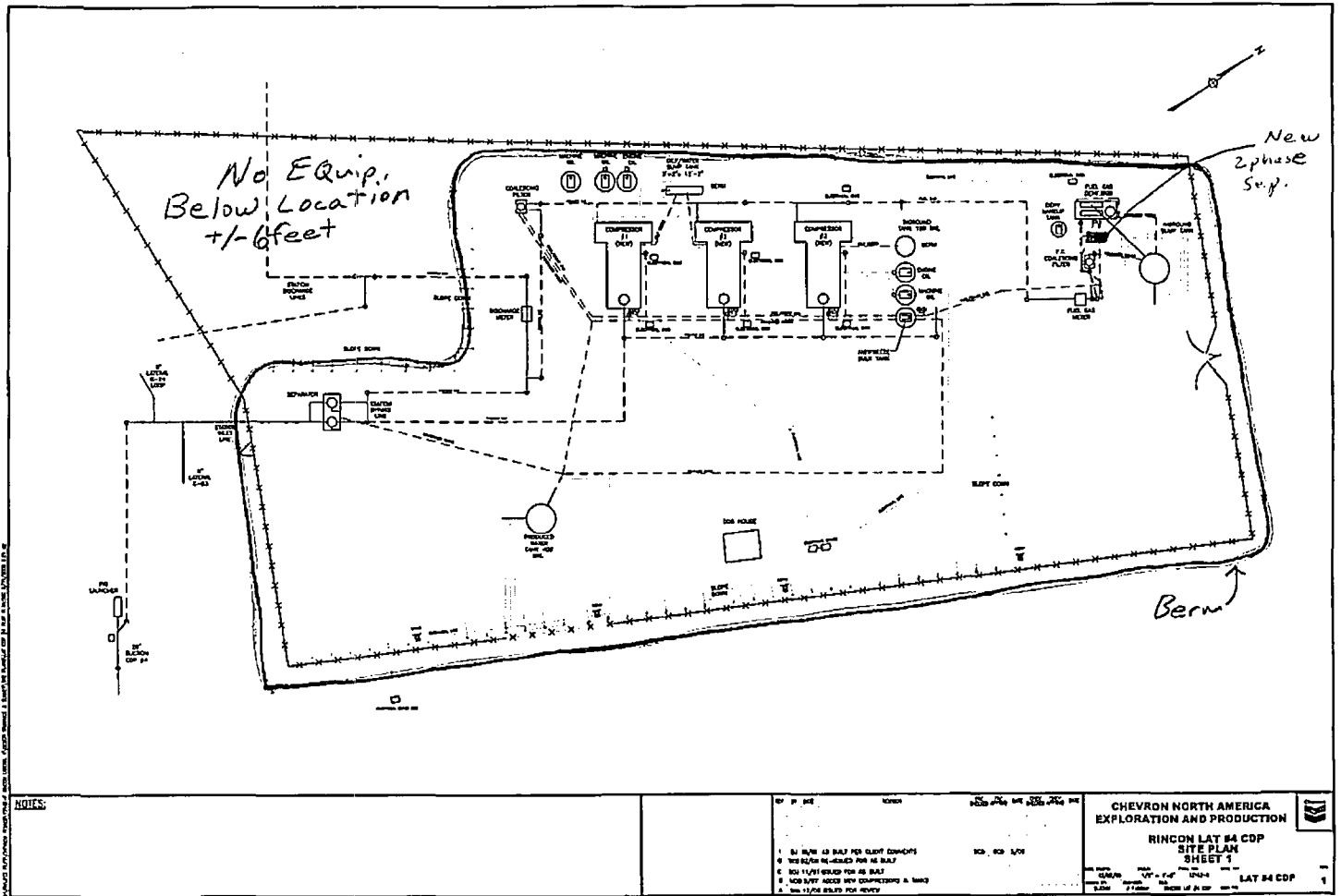
Chevron North America Exploration and Production
11111 S. Wilcrest Dr C2304, Houston TX 77099
Tel 281 561 3920
Fax 281 561 3702
shores@chevron.com

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10/20/2008

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lot 4 attachments



4

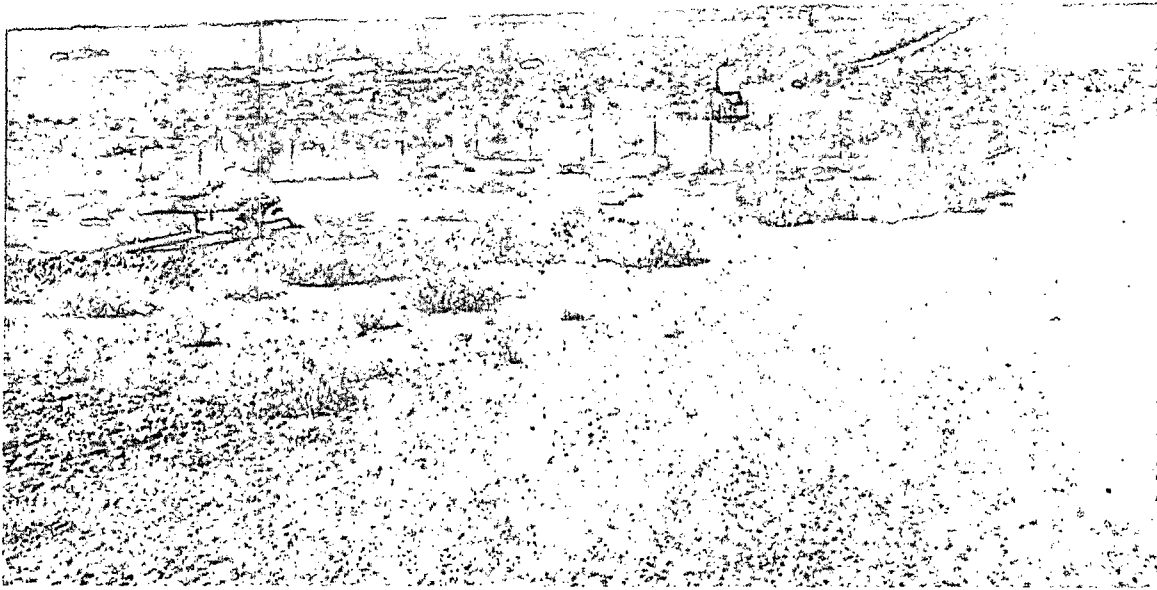


Photo 3 NW Corner of Lat 4.

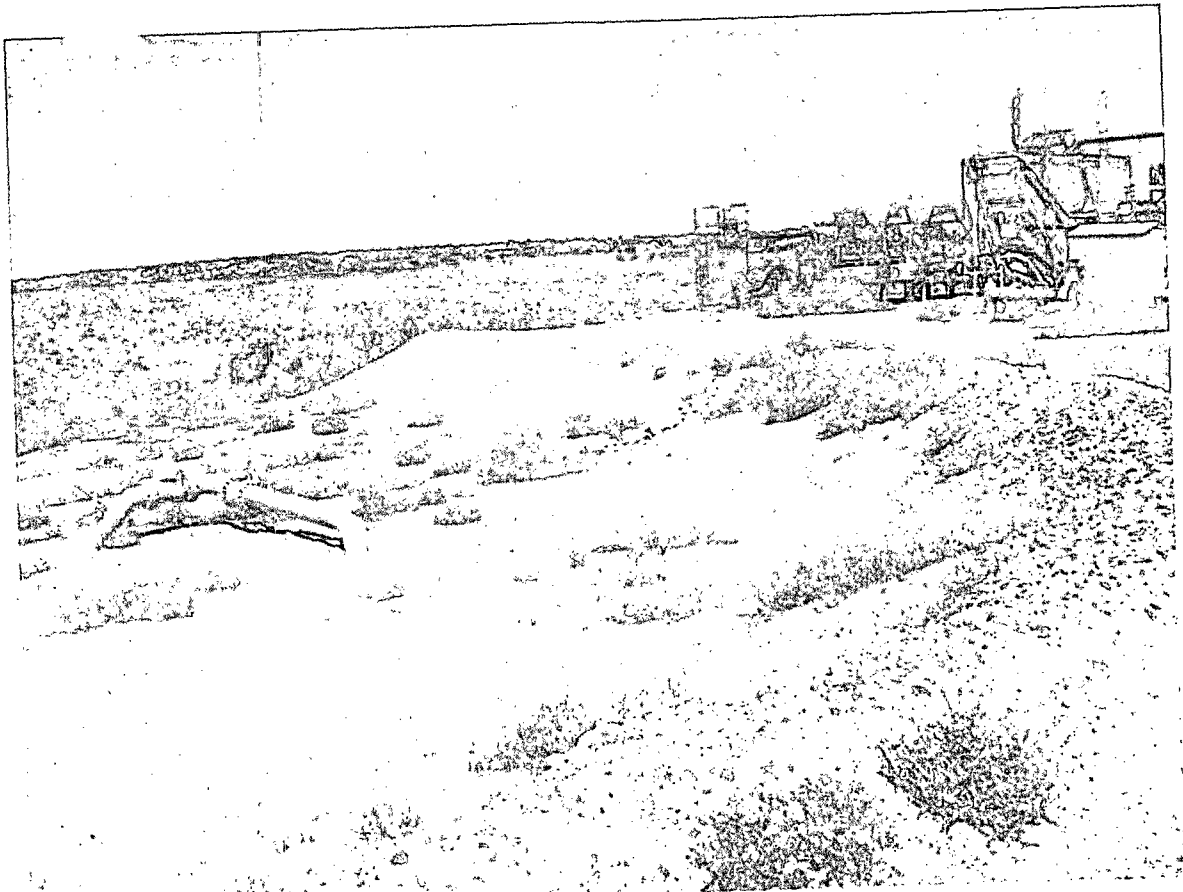


Photo 1 NW Corner of Lat. 4.



Photo 2 NW Corner of Lat 4

of e-mail
+ 5 Page Attachment

Lowe, Leonard, EMNRD

From: Shore, Suzanne [shores@chevron.com]
Sent: Thursday, September 25, 2008 1:19 PM
To: Lowe, Leonard, EMNRD
Subject: GW-244 Inspection Finding 1 - BGT Closure
Attachments: GW-244 Lateral 4 Compressor Station BGT Pit Closure.pdf

Mr. Lowe,

Attached is a copy of the letter and associated forms and documents submitted by Mr. Mike Archer for Finding 1. If needed, I can provide a copy which shows Mike's signature, upon his return from vacation the week of October 6th.

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: Lowe, Leonard, EMNRD [mailto:Leonard.Lowe@state.nm.us]
Sent: Thursday, September 25, 2008 10:48 AM
To: Shore, Suzanne
Subject: RE: Chevron response to inspection of GW-244

Suzanne,

Thank you for the response.

A few requests:

Please forward to me a copy of the BGT closure information that was sent to Brandon for Finding 1.

The following item will still be open until all information is submitted to the OCD

1. Finding 6: photos of completed berms

Thank you,

llowe

Leonard Lowe
Environmental Engineer
Oil Conservation Division/EMNRD
1220 S. St. Francis Drive
Santa Fe, N.M. 87505

10/20/2008

Michael W. Archer
Health, Environmental and Safety Specialist
Chevron North America
P.O. Box 730
Aztec, NM 87410

Project No. 92270-0254

Phone: (505) 326-2657 ext. 112
Cell: (505) 320-7970

May 20, 2008

Mr. Brandon Powell
New Mexico Oil Conservation Division
1000 Rio Bravo
Aztec, NM 87410

Phone: (505) 334-6178 ext. 15

**RE: SOIL SAMPLING OF A BGT LOCATED AT THE RINCON LATERAL #4 CDP, RIO
ARRIBA COUNTY, NEW MEXICO**

Dear Mr. Powell,

Envirotech has completed soil sampling of a lined pit located at the Rincon Lateral #4 CDP, Rio Arriba County, New Mexico. Attached to this letter are the field analysis and the C-144 pit closure documentation.

The site was ranked according to the NMOCD/BLM guidance for unlined surface impoundments. The site was ranked as a 1000 ppm closure for Total Petroleum Hydrocarbons (TPH) and was screened for organic vapors using a Photo-Ionization Detector (PID). One (1) sample was collected from directly below the BGT at sandstone. The sample was below the 1000 ppm TPH standard at 284 ppm and was also below the 100 ppm standard for organic vapors.

This BGT was closed and Envirotech recommends no further action with regards to this tank at this site. If you have any questions or concerns, please do not hesitate to contact me.

Sincerely,

Michael W. Archer
Chevron North America
Exploration & Production Company

Enclosures: C-144, Field Notes, Analytical Results

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-144
June 1, 2004

For drilling and production facilities, submit to appropriate NMOCD District Office.
For downstream facilities, submit to Santa Fe office

Pit or Below-Grade Tank Registration or Closure

Is pit or below-grade tank covered by a "general plan"? Yes ☒ No ☐

Type of action: Registration of a pit or below-grade tank ☐ Closure of a pit or below-grade tank ☒

Operator: Chevron Production Co.

Telephone: (505) 334-7117

e-mail address: MArcher@chevron.com

Address: 322 County Road 3100, Aztec, NM 87410

Facility or well name: Rincon Lateral #4 CDP API #: _____ U/L or Qtr/Qtr M Sec 30 T 27 N R 6 W

County: Rio Arriba Latitude 36° 32.406' N Longitude 107° 30.870' W NAD: 1927 ☒ 1983 ☐

Surface Owner: Federal ☒ State ☐ Private ☐ Indian ☐

Pit

Type: Drilling ☐ Production ☐ Disposal ☐

Workover ☐ Emergency ☐

Lined ☐ Unlined ☐

Liner type: Synthetic ☐ Thickness Clay ☐

Pit Volume bbl

Below-grade tank

Volume: 70 bbl Type of fluid: _____

Construction material: Steel

Double-walled, with leak detection? Yes ☐ If not, explain why not _____

No. Tank installed prior to Rule 50. _____

Depth to ground water (vertical distance from bottom of pit to seasonal high water elevation of ground water.)	Less than 50 feet	(20 points)	
	50 feet or more, but less than 100 feet	(10 points)	
	100 feet or more	(0 points)	0
Wellhead protection area: (Less than 200 feet from a private domestic water source, or less than 1000 feet from all other water sources.)	Yes	(20 points)	
	No	(0 points)	0
Distance to surface water: (horizontal distance to all wetlands, playas, irrigation canals, ditches, and perennial and ephemeral watercourses.)	Less than 200 feet	(20 points)	
	200 feet or more, but less than 1000 feet	(10 points)	
	1000 feet or more	(0 points)	10
Ranking Score (Total Points)			10

If this is a pit closure: (1) Attach a diagram of the facility showing the pit's relationship to other equipment and tanks. (2) Indicate disposal location: (check the onsite box if we are burying in place) onsite ☐ offsite ☐ If offsite, name of facility _____. (3) Attach a general description of remedial action taken including remediation start date and end date. (4) Groundwater encountered: No ☒ Yes ☐ If yes, show depth below ground surface _____ ft. and attach sample results. (5) Attach soil sample results and a diagram of sample locations and excavations.

Additional Comments:

Soil passed TPH standard of 1000 ppm using USEPA Method 418.1 and the 100 ppm OVM standard. No excavation needed.

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that the above-described pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☐, a general permit ☐, or an (attached) alternative OCD-approved plan ☐.

Date: _____

Printed Name/Title Mr. Michael W. Archer - HES Specialist Signature _____

Your certification and NMOCD approval of this application/closure does not relieve the operator of liability should the contents of the pit or tank contaminate ground water or otherwise endanger public health or the environment. Nor does it relieve the operator of its responsibility for compliance with any other federal, state, or local laws and/or regulations.

Approval:

Printed Name/Title _____ Signature _____ Date: _____

CLIENT: <u>Chrysler</u>	ENVIROTECH INC. ENVIRONMENTAL SCIENTISTS & ENGINEERS 5786 U.S. HIGHWAY 84-3014 FARMINGTON, NEW MEXICO 87401 PHONE: (505) 652-0915	LOCATION NO: _____ C.D.C. NO: _____
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FIELD REPORT: CLOSURE VERIFICATION	PAGE No: <u>1</u> of <u>1</u>
-------------------------------------------	-------------------------------

LOCATION: NAME: <u>Lateral #4</u> WELL #: <u>CNP</u> PIT: <u>400461 tank</u> QUAD/UNIT: <u>M</u> SEC: <u>30</u> TWP: <u>24N</u> RNG: <u>6W</u> PM: <u>NM</u> CNTY: <u>RA</u> ST: <u>NM</u> QTR/FOOTAGE: <u>674' FSL 970' FUEL</u> CONTRACTOR: _____	DATE STARTED: <u>4/20/00</u> DATE FINISHED: <u>4/20/00</u> ENVIRONMENTAL SPECIALIST: <u>GUC</u>
-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	-------------------------------------------------------------------------------------------------------


EXCAVATION APPROX. <u>6</u> FT. x <u>8</u> FT. x <u>8</u> FT. DEEP. CUBIC YARDAGE: <u>N/A</u> DISPOSAL FACILITY: <u>N/A</u> REMEDIATION METHOD: <u>N/A</u> LAND USE: <u>grazing</u> LEASE: _____ FORMATION: <u>N/A</u>

FIELD NOTES & REMARKS: PIT LOCATED APPROXIMATELY <u>120'</u> FT. <u>20"</u> FROM <u>Wellhead</u> <i>for note</i> DEPTH TO GROUNDWATER: <u>2100</u> NEAREST WATER SOURCE: <u>21,000</u> NEAREST SURFACE WATER: <u>200-1000</u> NMOCB RANKING SCORE: <u>70</u> NMOCB TPH CLOSURE STD: <u>1,000</u> PPM

SOIL AND EXCAVATION DESCRIPTION:	CHECK ONE: <input checked="" type="checkbox"/> PIT ABANDONED <input type="checkbox"/> STEEL TANK INSTALLED
----------------------------------	------------------------------------------------------------------------------------------------------------------

8' dia 8' high steel tank
 Sandstone encountered directly below BAT

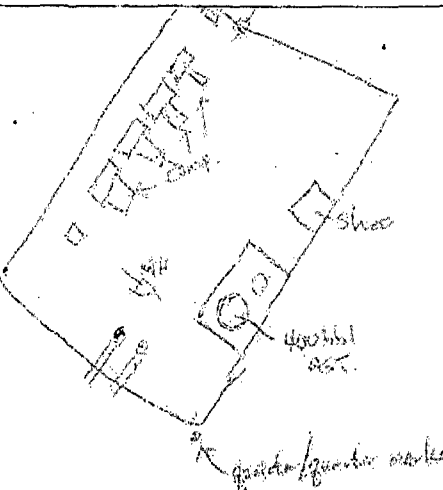
SCALE



0 FT

TIME	SAMPLE I.D.	LAB No:	WEIGHT (g)	mL. FREON	DILUTION	READING	CALC. ppm
1530	200 570						190
1600	6' bgs		50	20	4	71	284

PIT PERIMETER



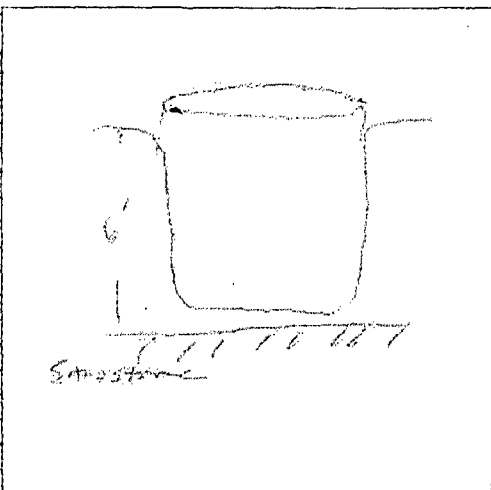
OVM RESULTS

SAMPLE ID	FIELD HEADSPACE P10 (ppm)
1/100 STD	100
20' bgs	0.4
3	
4	
5	

LAB SAMPLES

SAMPLE ID	ANALYSIS	TIME

PIT PROFILE



TRAVEL NOTES: CALLOUT: _____ ONSITE: _____

ENVIROTECH INC.

EPA METHOD 418.1 TOTAL PETROLEUM HYDROCARBONS

Client:	Chevron Production	Project #:	92270-0254
Sample No.:	1	Date Reported:	5/5/2008
Sample ID:	Bottom 6' BGS	Date Sampled:	4/28/2008
Sample Matrix:	Soil	Date Analyzed:	4/28/2008
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	284	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 # 4 CDP**

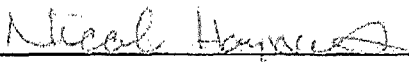
Instrument calibrated to 200 ppm standard. Zeroed before each sample



Analyst

Greg Crabtree

Printed



Review

Nicole Hayworth

Printed

ENVIROTECH INC.

CONTINUOUS CALIBRATION EPA METHOD 418.1 TOTAL PETROLEUM HYDROCARBONS

Cal. Date: 28-Apr-08

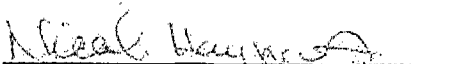
Parameter	Standard Concentration mg/L	Concentration Reading mg/L
TPH	100	190
	200	
	500	
	1000	

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


Analyst

Greg Crabtree

Printed


Review

Nicole Hayworth

Printed

05/16/08
Date

05/16/08
Date

Lowe, Leonard, EMNRD

From: Lowe, Leonard, EMNRD
Sent: Thursday, September 25, 2008 9:48 AM
To: 'Shore, Suzanne'
Subject: RE: Chevron response to inspection of GW-244

Suzanne,

Thank you for the response.

A few requests:

Please forward to me a copy of the BGT closure information that was sent to Brandon for Finding 1.

The following item will still be open until all information is submitted to the OCD

1. Finding 6: photos of completed berms

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 3:38 PM
To: Shore, Suzanne; Lowe, Leonard, EMNRD
Cc: Bailey, Rodney G; Powell, Brandon, EMNRD; Price, Wayne, EMNRD
Subject: Chevron response to inspection of GW-244

Mr. Lowe,

Attached is Chevron's response to the inspection of our Lateral #4 Compressor Station covered by GW-244 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
shores@chevron.com

9/25/2008

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

From: Lowe, Leonard, EMNRD [<mailto:Leonard.Lowe@state.nm.us>]

9/25/2008

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-244
Chevron USA Inc. Lateral #4 Compressor Station
Rio Arriba County, New Mexico**

Dear Mr. Lowe,

Chevron USA Inc. operates the Lateral #4 Compressor Station located in Section 30, 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 inspection findings are being corrected.

Finding	Description Inspection Report (May 7, 2008)	Action
1.	Below-grade tank has liquids in its leak detection system. The tank is on Chevron permitted property and is therefore liable for the tank. Chevron shall verify the integrity of the tank. If there was a breach in the secondary detection system then Chevron shall submit to the OCD a plan of action for clean up this tank. Chevron has six months to comply with this issue.	Photo 1: This below grade tank was removed. Soil sampling did not reveal contamination above thresholds. BGT closure information submitted to Mr. Brandon Powell on May 20, 2008 from Mr. Mike Archer of Chevron.
2.	Label the condensate tank. Chevron has three months to resolve this issue.	Photo 2: Condensate tank has been labeled.
3.	Saddle tank hose extrudes beyond the secondary catch	Photo 3: A larger secondary

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

	containment area. Chevron shall reconfigure this within three months.	containment catchment area has been installed to accommodate all equipment.
4.	The caps for these below-grade tank sumps are not in place. Chevron shall ensure that facility personnel inspect these areas when on site and maintain a log of these inspections. Keep caps in place when not being inspected.	<u>Photos 4, 5 & 6:</u> Caps are in place.
5.	These new BGT's are not depicted on Chevron's schematic for the facility. The lube saddle tanks are not located where the schematics indicate. Please submit to the OCD a new schematic of the Lateral # 4 station. Chevron must keep the OCD informed on facility changes, review permit conditions.	A new schematic of the Lateral #4 station will be provided upon completion of the berm installation.
6.	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.	Berm is currently being added. Photos will be provided upon completion.
	Bulging Lube Tank (Photo 6 in inspection report)	<u>Photo 7:</u> Tank has been replaced.

Regards,

Suzanne Shore

Response to NMOCD Inspection Report (May 7, 2008)
Chevron Lateral #4 Compressor Station, GW - 244
September 19, 2008

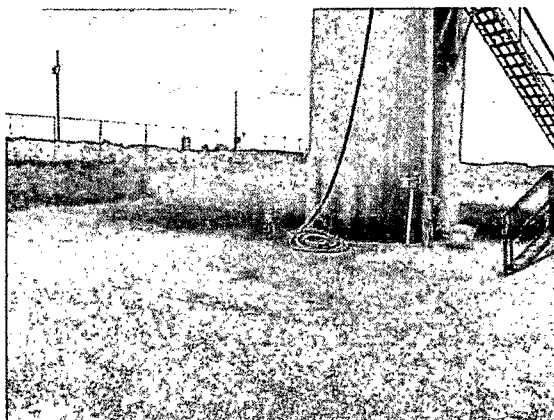


Photo 1: Below -grade tank has been removed.

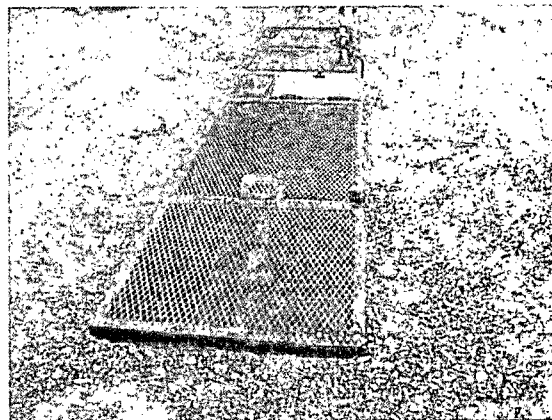


Photo 4: Cap for leak detection system is in place.

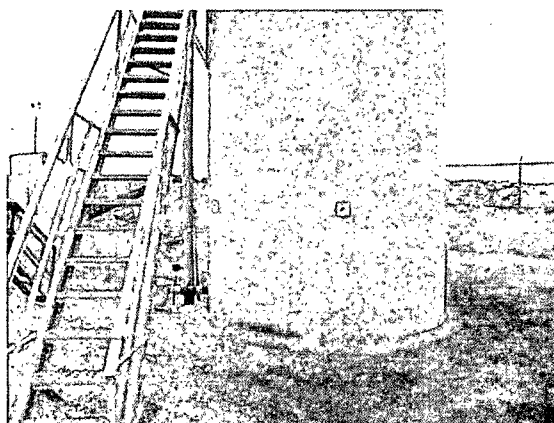


Photo 2: Condensate tank has been labeled.

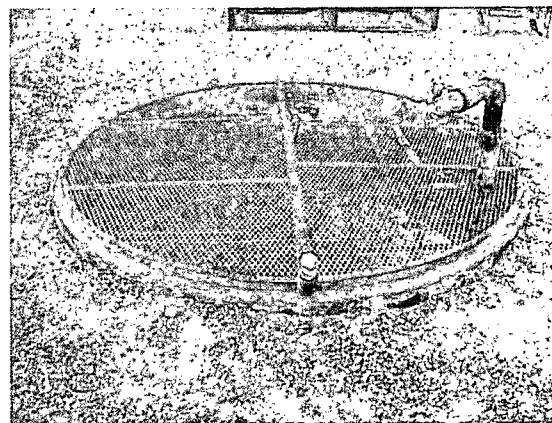


Photo 5: Cap for leak detection system is in place.

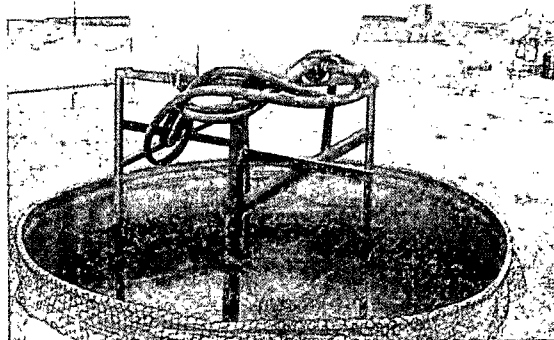


Photo 3: Installed larger secondary catch containment area.

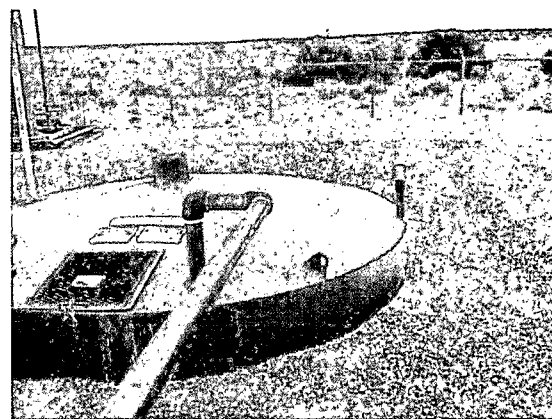


Photo 6: Cap for leak detection system is in place.

Response to NMOCD Inspection Report (May 7, 2008)
Chevron Lateral #4 Compressor Station, GW – 244
September 19, 2008

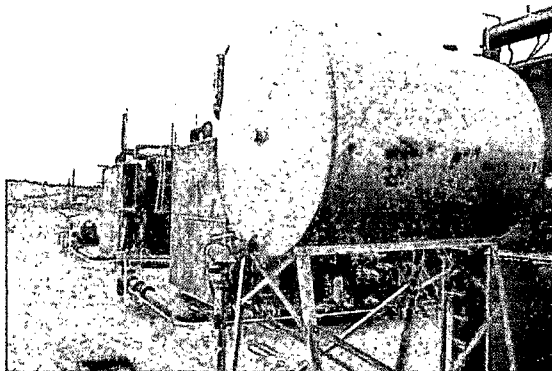


Photo 7: Replaced oil tank.

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

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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
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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-244 Inspection Report
Attachments: GW-244, Inspection Letter.doc; GW-244 Insp. photos.doc

Chevron,

Please review inspection report.

Thank you again for the walk through of your facility.

llowe

Leonard Lowe

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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-244
Chevron, Lateral # 4 Compressor Station
Rio Arriba County, New Mexico**

Dear Mr. Bailey:

The Oil Conservation Division (OCD) performed an onsite inspection of Chevron's Lateral # 4 CDP compressor station located in Section 30, 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 – 3: Below-grade tank has liquids in its leak detection system. The tank is on Chevron permitted property and is therefore liable for the tank. Chevron shall verify the integrity of the tank. If there was a breach in the secondary detection system then Chevron shall submit to the OCD a plan of action for clean up this tank. Chevron has **six months** to comply with this issue.
2. Photo 4 – 5: Label the condensate tank. Chevron has **three months** to resolve this issue.
3. Photo 7: Saddle tank hose extrudes beyond the secondary catch containment area. Chevron shall reconfigure this within **three months**.
4. Photo 8 – 10: The caps for these below-grade tank sumps are not in place. Chevron shall ensure that facility personnel inspect these areas when on site and maintain a log of these inspections. Keep caps in place when not being inspected.
5. Photo 8 – 9: These new BGT's are not depicted on Chevron's schematic for the facility. The lube saddle tanks are not located where the schematics indicate. Please submit to the OCD a new schematic of the Lateral # 4 station. Chevron must keep the OCD informed on facility changes, review permit conditions.
6. 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.

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
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Sincerely,

A handwritten signature in cursive script, appearing to read 'Leonard Lowe', written in dark ink.

Leonard Lowe
Environmental Engineer

xc: OCD District III Office, Aztec

OCD Inspection Chevron Lat # 4, GW - 244

Inspectors: Brandon Powell and Leonard Lowe

Company Rep: Rodney Bailey, Michael Archer and Dave Estes

Date: 04.21.08

Time: 10:40 – 11:40

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Image 1: Chevron is unaware of who owns this BGT.



Image 2: Leak detection of questionable BGT has fluids.



Image 3: Close of fluids, appears to be to capacity.



Image 4: Condensate tank belongs to Chevron, liquids belong to Enterprise.

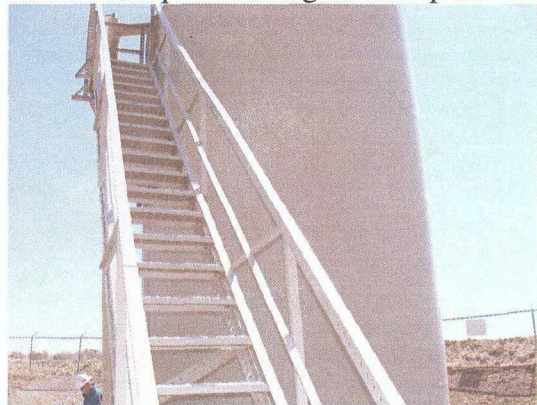


Image 5: Condensate tank is not labeled.



Image 6: Lube tank is bulged.

OCD Inspection Chevron Lat # 4, GW - 244

Inspectors: Brandon Powell and Leonard Lowe

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Image 7: Reconfigure extruding plumbing of saddle tank to prevent discharge on to ground of hose.



Image 9: Cap is missing and not in place of leak detection BGT.



Image 8: Below grade catch tank is not identified on Lat. # 4 lay out schematic. The cap for the leak detector appears to be missing.



Image 10: Leak detection cap missing on sump located near entrance of facility.