



Adriane Gifford
Project Manager

Upstream Business Unit
Environmental Management
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RECEIVED

By OCD; Dr. Oberding at 9:35 am, Oct 28, 2015

October 28, 2015

Dr. Tomáš Oberding
Hydrologist, Adv-District 1
Environmental Bureau
New Mexico Oil Conservation Division 1220 South St. Francis Drive
Santa Fe, NM 87505

RE: Release Notification and Corrective Action (Form C-141)
Chevron Dollarhide Groundwater Project Site
Andrews County, Texas and Lea County, New Mexico

Dear Dr. Oberding:

Thank you for meeting with Kegan Boyer and me on October 13, 2015 to discuss Chevron's remediation project portfolio. Based on our discussion regarding the Dollarhide Project, Chevron is submitting the enclosed copy of the Release Notification and Corrective Action, C-141 Form for the Dollarhide Groundwater Project (Site). The Site is located within the Chevron Dollarhide Field in southeastern Andrews County, Texas, approximately eight miles east of Jal, New Mexico and adjacent to the Texas-New Mexico border. Chevron Environmental Management Company (CEMC) currently manages this project on behalf of Chevron's MidContinent Business Unit (MCBU).

Historic operations within the Dollarhide Field have contributed to chloride concentrations in the Ogallala Aquifer, underlying the Dollarhide Field, that exceed the US Environmental Protection Agency (EPA) Secondary Maximum Contaminant Level (MCL) of 250 mg/L.

Chevron has been working under the guidance of the Railroad Commission of Texas (RRC) to address the chloride plume. The current well network in Texas includes twenty-six recovery wells, thirty-four monitor wells, and eight other water wells which are monitored on a semi-annual basis and reported annually to the RRC. The recovery wells are located in Texas near Texas-New Mexico border and have been operated since 1994 to address the chloride plume.

As discussed during our meeting, Chevron proposes to install eight new monitor wells on Chevron-owned property in New Mexico to assess groundwater quality with respect to chlorides and Total Dissolved Solids (TDS). These data points will provide additional information for the development of a conceptual site model. These monitor wells will be installed in accordance with State of New Mexico requirements and well permits will be obtained from the New Mexico Office of the State Engineer prior to initiating any field activities.

The monitor wells will be drilled to an estimated maximum total depth of 120 feet and will be constructed using Schedule 40 PVC casing/screens with 8/16 Brady sand gravel packs above the screened interval. The casing will be cemented with a bentonite/cement grout to surface. Surface completions will consist of a four foot by four foot concrete pad and three foot PVC stickup encased within a locking steel well shroud. Well elevations will be surveyed by a professional land surveyor to facilitate evaluation of the groundwater gradient. Lithologic and well construction logs will be completed for each well location. Wells will be properly developed by bailing, jetting, or other conventional methods. Drill cuttings and associated wastewater will be managed for offsite disposal.

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Once the wells have been allowed to sufficiently recharge following installation, static fluid levels will be measured with an electric interface probe to the nearest hundredth of a foot. After recording fluid levels in monitor wells, a groundwater sample will be collected from each well and submitted to Xenco Laboratories in Odessa, TX for analysis of chlorides by EPA Method 300.0 and TDS by Method 2540C.

The installation of the wells is anticipated to begin in the fourth quarter of 2015, pending permit approvals. A report summarizing the monitor well installation activities and associated groundwater data will be prepared and submitted to the OCD.

Should you have any questions regarding the proposed activities, please do not hesitate to contact me by phone at 713-372-1022 or via e-mail at agifford@chevron.com.

Respectfully,

Chevron Environmental Management Company on behalf of Chevron U.S.A. Inc.



Adriane Gifford
Project Manager

Enclosure

Cc: Tom Larson – GHD Project Manager

District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 S. First St., 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

Form C-141
Revised August 8, 2011

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Submit 1 Copy to appropriate District Office in
accordance with 19.15.29 NMAC.

Release Notification and Corrective Action

OPERATOR

Initial Report Final Report

Name of Company: Chevron USA, Inc.	Contact: Jeff Euhus
Address: Highway 128 PO Box 30, Andrews, TX 79714	Telephone No.: 713-372-9983
Facility Name: Dollarhide Field Office	Facility Type: Oil field

Surface Owner: Chevron USA, Inc.	Mineral Owner:	API No.
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LOCATION OF RELEASE

Unit Letter	Section 009	Township 025S	Range 038E	Feet from the	North/South Line	Feet from the	East/West Line	County Lea
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Latitude 32.140626 **Longitude** -103.064844

NATURE OF RELEASE

Type of Release: Historical release	Volume of Release: Unknown	Volume Recovered: Unknown
Source of Release: drilling/produced water from historical unlined production pits and evaporation ponds	Date and Hour of Occurrence: N/A, Historical	Date and Hour of Discovery: N/A, Historical
Was Immediate Notice Given? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Required	If YES, To Whom?	
By Whom?	Date and Hour	
Was a Watercourse Reached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, Volume Impacting the Watercourse. N/A	

If a Watercourse was Impacted, Describe Fully.*
N/A

Describe Cause of Problem and Remedial Action Taken.* Unlined production pits and evaporation ponds were historically used within the Dollarhide Field Unit in Texas

Describe Area Affected and Cleanup Action Taken.*
Land in the vicinity is used for cattle grazing, and oil/gas production.

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.

OIL CONSERVATION DIVISION

Signature: 	Approved by Environmental Specialist:	
Printed Name: Amy Sierra	Approval Date:	Expiration Date:
Title: Area Manager - Upstream Business Unit/MCA Chevron Environmental Management Company	Conditions of Approval:	
E-mail Address: AmySierra@chevron.com	Attached <input type="checkbox"/>	
Date: <u>10/28/15</u> Phone: 713-372-1045		

* Attach Additional Sheets If Necessary



NEW MEXICO
TEXAS

NEW MEXICO
TEXAS

Dollarhide Office

128

128

Legend

- Proposed Monitor Well Location
- ◆ Remedial Water Well
- Monitor Well
- Monitor Well (Abandoned)
- ◆ Non-Remedial Water Well
- ✕ Shut-Off Valve
- Dollarhide Unit (Approximate)
- Texas / New Mexico Boundary

PROPOSED MONITOR WELL LOCATION MAP
Chevron Environmental Management Company