

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

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

HOBBS OCD

Form C-141
Revised August 8, 2011

Submitted Copy to appropriate District Office in accordance with 19.15.29 NMAC.

RECEIVED

Release Notification and Corrective Action

OPERATOR

Initial Report Final Report

Name of Company	Chevron USA Inc.	Contact	David A. Pagano
Address	15 Smith Rd., Midland, TX, 79705	Telephone No.	wk: 575-396-4414X275 cell: 505-787-9816
Facility Name	Vacuum Grayburg San Andres Unit #16	Facility Type	Water Injection Well

Surface Owner	Mineral Owner	API No.	3002524308
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LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
I	02	18.0S	34E					Lea

VGSAU 016 Latitude: 32.77345715 Longitude; -103.5268596

NATURE OF RELEASE

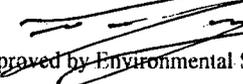
Type of Release	Flare	Volume of Release	12.354 bbls of produced water ~40,000 Chlorides	Volume Recovered	12bbls
Source of Release	Flare	Date and Hour of Occurrence	11/10/11 9:30	Date and Hour of Discovery	11/10/11 9:45
Was Immediate Notice Given?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input 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.			

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

Describe Cause of Problem and Remedial Action Taken.*
Internal Corrosion on tubing collar caused pinhole leak. Immediately had Vacuum Truck to be onsite to contain and contacted 3rd party to plug leak and repair.

Describe Area Affected and Cleanup Action Taken.*
12bbls of fluid recovered with vacuum truck and initiated back hoe to pickup and dispose of contaminated soil (top 2ft of soil).

I hereby certify that the information given above is true and complete to the best of my knowledge and understand that pursuant to NMOC 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 NMOC 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, NMOC 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 A. Pagano	Approved by Environmental Specialist: 	
Title: Health & Environmental Specialist	Approval Date: 8-20-14	Expiration Date: 10-22-14
E-mail Address: dpagn@chevron.com	Conditions of Approval: <i>Submittal Report</i> <i>Submit Real C-141 by 10-22-14</i>	Attached <input type="checkbox"/> IRP-3256 <i>09-24-14 4323</i> <i>1701423 51161</i> <i>1701423 251289</i>
Date: 10/6/11 Phone: 505-787-9816		

* Attach Additional Sheets If Necessary

AUG 21 2014