

CLOSURE REPORT

LOVINGTON PADDOCK

NMOCD 1RP-1227

COMPANY # 4323

EPI REF: #200067

30025 03927 0000



UL-F (SE¼ OF THE NW¼) OF SECTION 12 T17/S R36E

~6 MILES SOUTHEAST OF LOVINGTON

LEA COUNTY, NEW MEXICO

LATITUDE: N 32° 51' 08.57"

LONGITUDE: W 103° 18' 32.18"

APRIL 2007

RP# 1227

PREPARED BY:

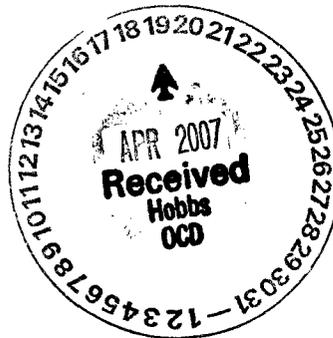
ENVIRONMENTAL PLUS, INC.

2100 AVENUE O

EUNICE, NEW MEXICO 88231

PREPARED FOR:

Chevron



incident - nPAC 0711046846
application - pPAC 0711047017



Distribution List

Chevron USA – Lovington Paddock #81
NMOCD IRP #1227; EPI Ref: 200067

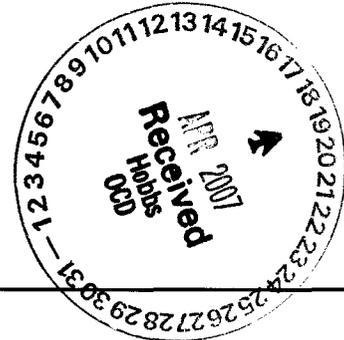
Name	Title	Company or Agency	Mailing Address	e-mail
Larry Johnson	Environmental Engineer	NMOCD – Hobbs	1625 French Drive Hobbs, NM 88240	larry.johnson@state.nm.us
Larry Williams	HES Champion	Chevron	P.O. Box 1949 Eunice, NM 88231	larry.williams@chevron.com
Darr Angell	Property Owner		P.O. Box 190 Lovington, NM 88260	
File	--	Environmental Plus, Inc.	P.O. Box 1558 Eunice, NM 88231	ddominguez@envyplus.net

LETTER OF TRANSMITTAL

ENVIRONMENTAL PLUS, INC.



Date: April 19, 2007
To: **Mr. Larry Johnson**
Company Name: New Mexico Oil Conservation Division
Address: 1625 French Drive
City / State / Zip: Hobbs, New Mexico 88240
From: David P. Duncan
CC: Larry Williams, Chevron USA - Eunice, NM
Darr Angell, Property Owner, Lovington, NM
Project #: NMOCD Ref. 1RP#1227: EPI Ref. #200067
Project Name: Lovington Paddock #81
Subject: **Closure Report**



# of originals	# of copies	Description
1		Chevron USA - Lovington Paddock #81- Closure Report

Remarks

Dear Mr. Johnson:

Enclosed is a hard bound copy of the *Closure Report* for the above referenced site. Upon NMOCD approval of the document, EPI will remit hard bound copies of the *Closure Report* to individuals noted on the Distribution List. Should you have any technical questions, concerns or need additional information, please contact me at (505) 394-3481 or via email at dduncan@envplus.net. Official correspondence should be directed to Mr. Larry Williams, Chevron USA, at (505) 396-4414 ext. #128 (office), (505) 390-7165 (cellular) or via e-mail at lcwl@chevron.com.

Sincerely,

David P. Duncan
Civil Engineer

P. O. Box 1558
Eunice, NM 88240
(505) 394-3481
Fax: (505) 394-2601



STANDARD OF CARE

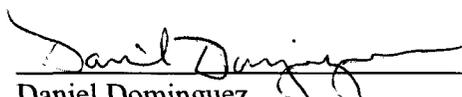
Closure Report

Lovington Paddock #81

NMOCD 1RP #1227; EPI Ref. #200067

The information provided in this report was collected consistent with the New Mexico Oil Conservation Division (NMOCD) *Guidelines for Remediation of Leaks, Spills and Releases* (August 13, 1993), the NMOCD *Unlined Surface Impoundment Closure Guidelines* (February, 1993) and Environmental Plus, Inc. (EPI) *Standard Operating Procedures and Quality Assurance/Quality Control Plan*. The conclusions are based on field observations and laboratory analytical reports as presented in the report. Recommendations follow NMOCD guidance and represent the professional opinions of EPI staff. These opinions were derived using currently accepted geologic, hydro-geologic and engineering practices at this time and location. The report was prepared or reviewed by a certified or registered professional with a background in engineering, environmental and/or natural sciences.

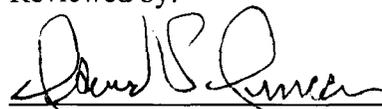
Prepared by:



Daniel Dominguez
Environmental Consultant

Date

Reviewed by:



David P. Duncan
Civil Engineer

Date

9/19/07



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 - Final NMOCD Form C-141



1.0 PROJECT SYNOPSIS

Site Specific:

- ◆ **Company Name:** Chevron USA, Inc.
- ◆ **Facility Name:** Lovington Paddock #81
- ◆ **Project Reference:** 200067
- ◆ **Company Contacts:** Larry Williams
- ◆ **Site Location:** WGS84 N32° 51' 08.57"; W103° 18' 32.18"
- ◆ **Legal Description:** Unit Letter-F (SE¼ of the NW¼), Section 12, T17S, R36E
- ◆ **General Description:** Approximately 6-miles southeast of Lovington, New Mexico
- ◆ **Elevation:** 3,817-ft amsl
- ◆ **Land Ownership:** Darr Angell
- ◆ **EPI Personnel:** Project Consultant –Jason Stegemoller

Release Specific:

- ◆ **Product Released:** Produced water
- ◆ **Volume Released:** Unknown **Volume Recovered:** Unknown
- ◆ **Time of Occurrence:** Unknown **Time of Discovery:** Unknown
- ◆ **Release Source:** Corrosion of a flowline
- ◆ **Initial Surface Area Affected:** ~5,400 square feet

Remediation Specific:

- ◆ **Final Vertical extent of contamination:** Chloride impacted soil exists to 3-feet bgs near the point of release.
- ◆ **Depth to Ground Water:** Approximately 59-ft bgs
- ◆ **Water wells within 1,000-ft:** One (USGS 17S 36E 12.1.2.3); Figure 2 - #31
- ◆ **Private domestic water sources within 200-ft:** None
- ◆ **Surface water bodies within 1,000-ft:** None
- ◆ **NMOCD Site Ranking Index:** 30 points
- ◆ **Remedial goals for Soil:** TPH – 100 mg/Kg; BTEX – 50 mg/Kg; Benzene – 10 mg/Kg; Chloride residuals may not be capable of impacting groundwater above NMWQCC groundwater standards of 250 mg/L.
- ◆ **RCRA Waste Classification:** Exempt
- ◆ **Remediation Option Selected:** a) Impacted soil from the release area was excavated and disposed off site by another contractor; b) backfilled excavation with clean topsoil and caliche; c) graded and contoured site area to allow natural drainage; d) disturbed area will be seeded with a blend preferred by the land owner.
- ◆ **Disposal Facility:** Excavation and disposal by another contractor
- ◆ **Volume disposed:** Unknown
- ◆ **Project Completion Date:** March 8, 2006



2.0 SITE AND RELEASE INFORMATION

2.1 **Describe the land use and pertinent geographic features within 1,000 feet of the site.**
Land surrounding the area is rangeland and utilized for livestock grazing as well as oilfield operations.

2.2 **Identify and describe the source or suspected source(s) of the release.**
Corrosion of a flowline.

2.3 **What is the volume of the release? (if known):** unknown **barrels of:** Produced water

2.4 **What is the volume recovered? (if any):** none **barrels**

2.5 **When did the release occur? (if known):** unknown

2.6 **Geological Description**

The United States Geological Survey (USGS) Ground-Water Report 6, "Geology and Ground-water Conditions in Southern Lea County, New Mexico," A. Nicholson and A. Clebsch, 1961, describes the near surface geology of southern Lea County as "an inter-grade of the Quaternary Alluvium (QA) sediments, i.e., fine to medium sand, with the mostly eroded Cenozoic Ogallala (CO) formation. Typically, the QA and CO formations in the area are capped by a thick inter-bed of caliche that was encountered between 5' and 10' bgs."

2.7 **Ecological Description**

The area is typical of the Upper Chihuahuan Desert Biome consisting primarily of sandy soil covered with short semi-arid grasses, interspersed with Honey Mesquite and forbs. Mammals represented include Orrd's and Merriam's Kangaroo Rats, Deer Mouse, White Throated Wood Rat, Cottontail Rabbit, Black Tailed Jackrabbit, Mule Deer, Bobcat, Red Fox and Coyote. Reptiles, amphibians and birds are numerous and typical of the area. A survey of Listed, Threatened or Endangered species was not conducted.

2.8 **Area Groundwater**

The unconfined groundwater aquifer at this site is projected to be ~59 feet (ft) bgs based on water depth data obtained from the New Mexico State Engineers Office and United States Geological Survey data base (reference *Table 1*).

2.9 **Area Water Wells**

One (1) water well exists within a 1,000-foot radius of the site (reference *Table 1* and *Figure 2*).

2.10 **Area Surface Water Features**

No surface water features exist within a 1,000-foot radius of the site (reference *Figure 2*).



3.0 NMOCD SITE RANKING

Contaminant delineation and remedial work done at this site indicate chemical parameters of the soil and physical parameters of the groundwater were characterized consistent with the characterization and remediation/abatement goals and objectives set forth in the following New Mexico Oil Conservation Division (NMOCD) publications:

- ◆ *Guidelines for Remediation of Leaks, Spills and Releases (August 13, 1993)*
- ◆ *Unlined Surface Impoundment Closure Guidelines (February, 1993)*
- ◆ *Pit and Below-Grade Tank Guidelines (November, 2004)*

Acceptable thresholds for contaminants/constituents of concern (CoC) were determined based on the NMOCD Ranking Criteria as follows:

- ◆ *Depth to Groundwater (i.e., distance from the lower most acceptable concentration to ground-water);*
- ◆ *Wellhead Protection Area (i.e., distance from fresh water supply wells);*
- ◆ *Distance to Surface Water Body (i.e., horizontal distance to all down gradient surface water bodies).*

Based on the proximity of the site to protectable area water wells, surface water bodies, and depth to groundwater from the lower most contamination, the NMOCD ranking score for the site is thirty (30) points with the soil remedial goals highlighted in the Site Ranking table presented below:

1. Ground Water	2. Wellhead Protection Area	3. Distance to Surface Water	
Depth to GW <50 feet: 20 points	If <1,000' from water source, or; <200' from private domestic water source: 20 points	<200 horizontal feet: 20 points	
Depth to GW 50 to 99 feet: 10 points		200-1,000 horizontal feet: 10 points	
Depth to GW >100 feet: 0 points	If >1,000' from water source, or; >200' from private domestic water source: 0 points	>1,000 horizontal feet: 0 points	
Site Rank (1+2+3) = 10 + 20 + 0 = 30 points			
Total Site Ranking Score and Acceptable Remedial Goal Concentrations			
Ranking Score	20 or >	10	0
Benzene ¹	10 ppm	10 ppm	10 ppm
BTEX ¹	50 ppm	50 ppm	50 ppm
TPH	100 ppm	1,000 ppm	5,000 ppm

¹ A field soil vapor headspace measurement of 100 ppm can be substituted in lieu of laboratory analyses for benzene and BTEX.



4.0 **EXCAVATED SOIL INFORMATION**

4.1 *Was soil excavated for off-site treatment or disposal?* *Yes* *No*

Date excavated: Unknown

Total volume removed: Unknown

4.2 *Indicated soil treatment type:*

<input type="checkbox"/>	<i>Disposal</i>
<input type="checkbox"/>	<i>Land Treatment</i>
<input type="checkbox"/>	<i>Composting/Biopiling</i>
<input checked="" type="checkbox"/>	<i>Other (Unknown)</i>

Name and location of treatment/disposal facility:

Unknown



5.0 SAMPLING INFORMATION

5.1 *Briefly describe the field screening methods used to distinguish contaminated from uncontaminated soil.*

Organic Vapor Concentrations – A portion of each soil boring soil sample was placed in a polyethylene bag to allow sufficient time and temperature for organic vapors to volatilize. The detector portion of a Photo-ionization Detector equipped with a 10.6 electron volt lamp was placed in the bag to analyze organic vapor concentration.

Chloride Concentrations – A La Motte Chloride Test Kit was utilized for field chloride concentration analyses.

5.2 *Briefly describe the soil analytical sampling and handling procedures used.*

Soil borings were advanced utilizing a trailer mounted auger with a hollow stem for collection of soil samples. Soil samples were collected at 2-foot bgs, 5-foot bgs and at 5-foot intervals thereafter to the TD of each respective soil borings.

Upon collection of each sample, a portion was immediately placed in a laboratory provided container, labeled and set on ice for transport to an independent laboratory for quantification of total petroleum hydrocarbons (TPH), benzene, toluene, ethylbenzene and total xylenes (BTEX), chloride and sulfate concentrations.

5.3 *Discuss sample locations and provide rationale for their locations.*

On February 7, 2006, two (2) soil borings (SB-1 and SB-2) were advanced throughout the release area to approximately 11-ft bgs to delineate the extent of vertically impacted soil. The soil boring locations were chosen to provide the best representative examples of contaminated soil within the release area (reference *Figure 4*).



6.0 ANALYTICAL RESULTS

6.1 *Describe the vertical and horizontal extent and magnitude of soil contamination.*

Laboratory analyses of the soil samples collected from SB-1 and SB-2 indicated benzene, BTEX and TPH concentrations were ND at or above laboratory MDL. Chloride concentrations ranged from 7.04 mg/L (SB-2 @ 5-feet bgs) to 311 mg/L (SB-1 @ 2-feet bgs) (reference *Table 2* and *Figure 4*).

6.2 *Is surface soil contamination present at the site (i.e., soil in the uppermost two feet that is visibly stained, contaminated at greater than 10 ppm (PID) or hydrocarbon saturated)?*

yes no

If yes, attach a site map identifying extent(s) of surface soil contamination.



7.0 **DISCUSSION**

7.1 ***Discuss the risks associated with the remaining soil contamination:***

Benzene, TPH and BTEX constituent concentrations were ND at or above laboratory MDL. Laboratory analytical results indicated chloride impacted soil exists above the groundwater in the vadose zone. Soil above NMOCD remedial threshold goals remain in-situ at a depth of 3-ft bgs. However, chloride concentrations in intervals beneath 3-ft bgs are below NMOCD Remedial Threshold Goals of 250 mg/Kg. Based on depth to groundwater (~59-ft bgs), contaminants remaining in-situ are not capable of impacting groundwater above NMWQCC groundwater standards of 250 mg/L.

7.2 ***Discuss the risks associated with the impacted groundwater:***

Groundwater is not impacted.

7.3 ***Discuss other concerns not mentioned above:*** Not applicable



8.0 CONCLUSIONS AND RECOMMENDATIONS

- 8.1 *Recommendation for the site:*
- Site Closure*
 - Additional Groundwater Monitoring*
 - Corrective Action*

8.2 *Base the recommendation above on Guidelines for Remediation of Leaks, Spills and Releases (August 13, 1993). Describe below how you applied the policy to support your recommendation. If closure is recommended, please summarize significant site investigative events and describe how site specific risk issues have been adequately addressed or minimized to acceptable low risk levels.*

Chloride impacted soils were excavated and transported for disposal. Based on laboratory analytical data taken from the soil borings, most impacted soil in sidewalls and bottom were excavated (reference *Table 2*). The excavation was backfilled with topsoil, graded for natural drainage and will be seeded with a blend preferred by the land owner.

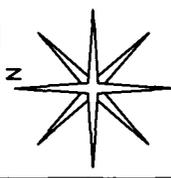
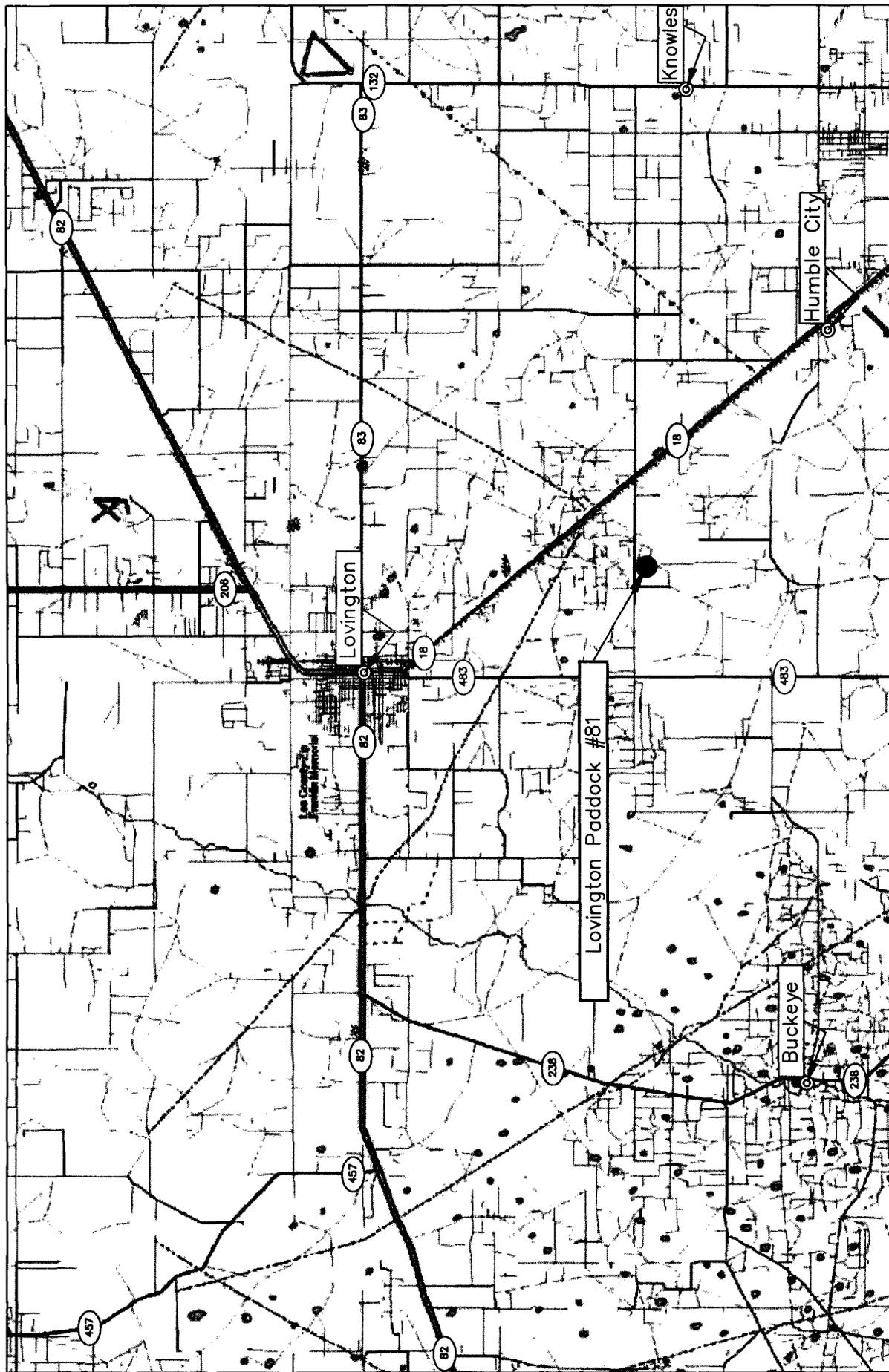
8.3 *If additional groundwater monitoring is recommended, indicate the proposed monitoring schedule and frequency. Conduct quarterly monitoring until the NMOCD responds to this report.*

Not Applicable

8.4 *If corrective action is recommended, provide a conceptual approach.*

Not applicable

FIGURES

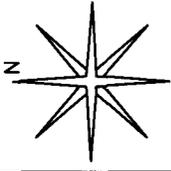
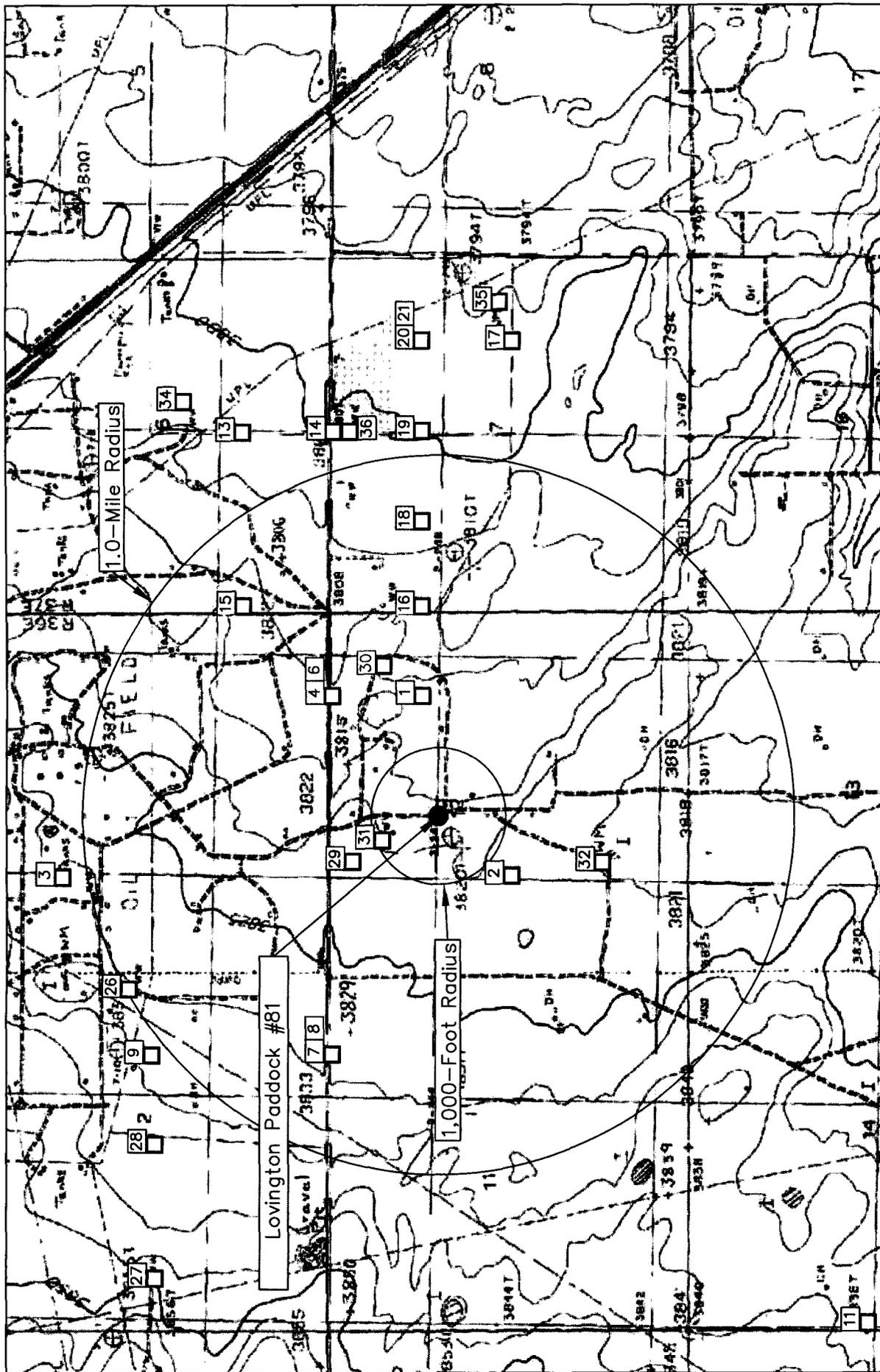


DWG By: Daniel Dominguez
November 2006

Lea County, New Mexico
SE 1/4 of the NW 1/4, Sec. 12, T17S, R36E
N 32° 51' 08.57" W 103° 18' 32.18"
Elevation: 3,817 feet amsl

Figure 1
Area Map
Chevron Corporation
Lovington Paddock #81



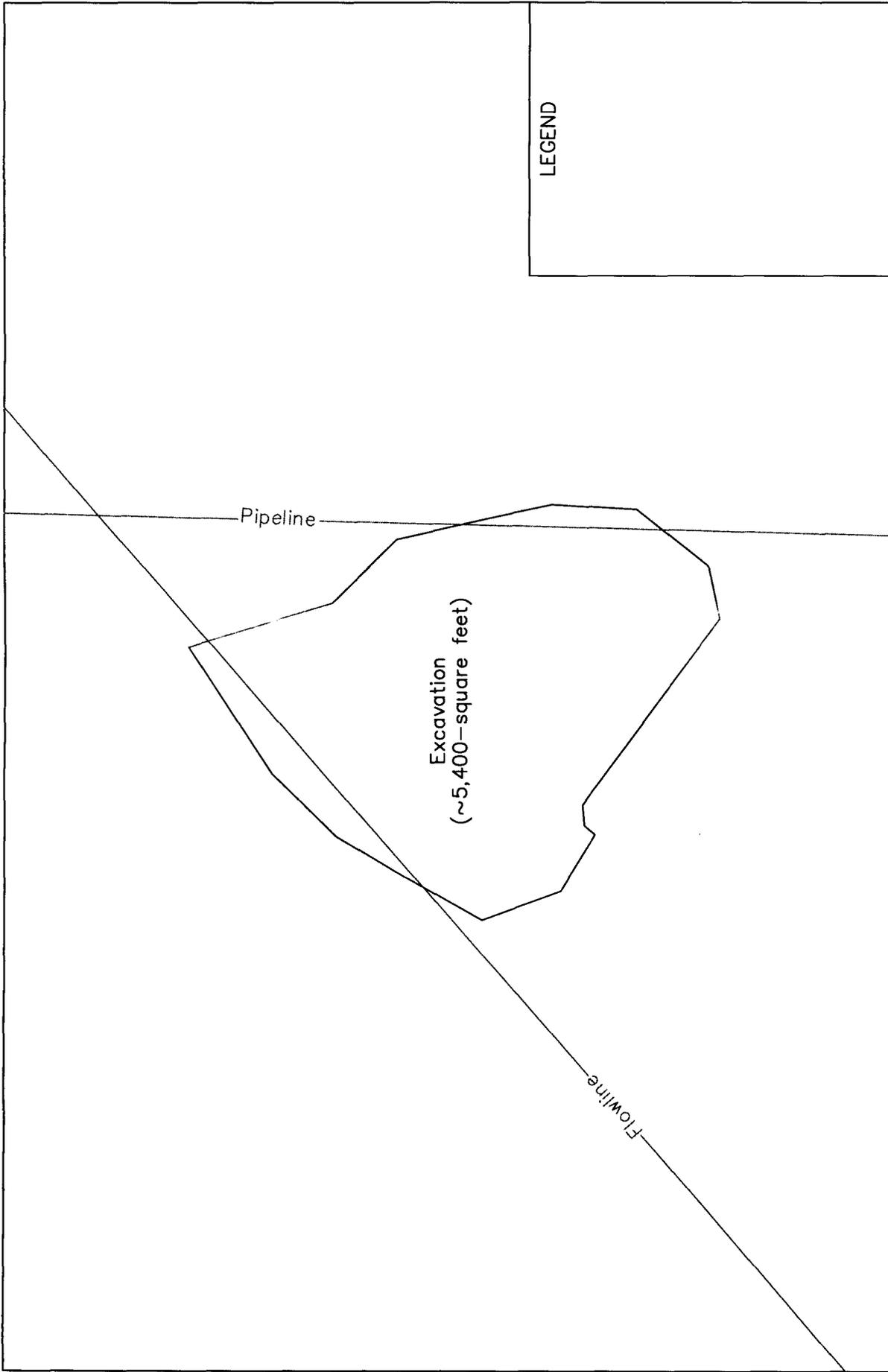


REVISED:
 DWG By: Daniel Dominguez
 November 2006

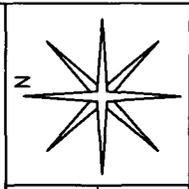
Lea County, New Mexico
 SE 1/4 of the NW 1/4, Sec. 12, T17S, R36E
 N 32° 51' 08.57" W 103° 18' 32.18"
 Elevation: 3,817 feet arsl

Figure 2
 Site Location Map
 Chevron Corporation
 Lovington Paddock #81

0 2,000 4,000
 Feet
 SHEET
 1 of 1



LEGEND



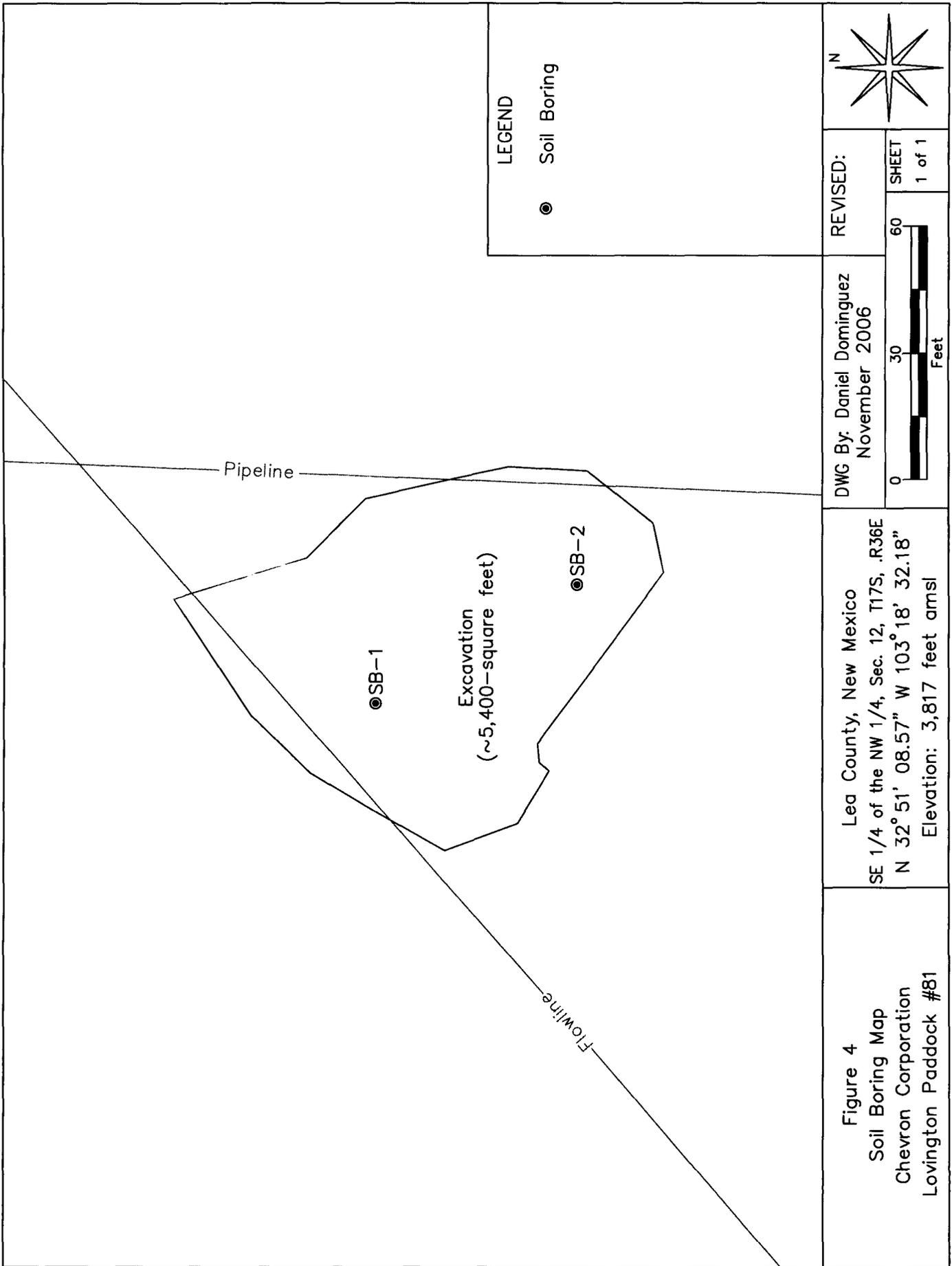
DWG By: Daniel Dominguez
November 2006

REVISID:
SHEET
1 of 1

0 30 60
Feet

Lea County, New Mexico
SE 1/4 of the NW 1/4, Sec. 12, T17S, .R36E
N 32° 51' 08.57" W 103° 18' 32.18"
Elevation: 3,817 feet amsl

Figure 3
Site Map
Chevron Corporation
Lovington Paddock #81



Pipeline

● SB-1

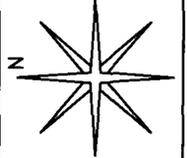
Excavation
(~5,400-square feet)

● SB-2

Flowline

LEGEND

● Soil Boring



SHEET
1 of 1



REVISED:

DWG By: Daniel Dominguez
November 2006

Lea County, New Mexico
SE 1/4 of the NW 1/4, Sec. 12, T17S, R36E
N 32° 51' 08.57" W 103° 18' 32.18"
Elevation: 3,817 feet amsl

Figure 4
Soil Boring Map
Chevron Corporation
Lovington Paddock #81

TABLES

TABLE 1
WELL INFORMATION REPORT*
Chevron USA - Lovington Paddock #81 (Ref #200067)

Ref. #	Well Number	Diversion ^A	Owner	Use	Twp	Rng	Sec q q q	Latitude	Longitude	Date Measured	Surface Elevation ^B	Depth to Water
1	L 02205	3	HOWARD DRILLING CO. & HOLMES	PRO	17S	36E	12 2 2	N32° 51' 10.90"	W103° 18' 11.46"	01-May-53	3,811	45
2	L 06395 (E)	0	NCVAY DRILLING COMPANY	PRO	17S	36E	12 1 4	N32° 50' 57.89"	W103° 18' 42.48"	19-Oct-68	3,822	47
3	L 01584	3	LEE DRILLING CO.	PRO	17S	36E	01 1 2	N32° 52' 3.36"	W103° 18' 42.66"	29-Sep-52	3,830	48
4	L 02331	3	J.P. (BUM) GIBBONS INC.	PRO	17S	36E	01 4 4	N32° 51' 23.99"	W103° 18' 11.48"	02-Sep-53	3,810	48
6	L 10633 S3				17S	36E	01 4 4 4	N32° 51' 23.99"	W103° 18' 11.48"	10-May-01	3,810	80
7	L 02413	3	JACK CLAYTON	DOM	17S	36E	02 4 4	N32° 51' 24.10"	W103° 19' 13.63"	20-Nov-53	3,830	90
8	L 02426	3	THE OHIO OIL CO.	PRO	17S	36E	02 4 4	N32° 51' 24.10"	W103° 19' 13.63"	03-Dec-53	3,830	48
9	L 03676	3	JACK CAYTON	DOM	17S	36E	02 2 4	N32° 51' 50.31"	W103° 19' 13.71"	17-Sep-57	3,834	68
11	L 03882	3	MORAN OIL PRODUCING AND	DOM	17S	36E	14 1 3	N32° 50' 6.01"	W103° 19' 59.81"	26-May-58	3,838	57
13	L 00449	442.8	J. LYNN WALKER	IRR	17S	37E	06 4 2 1	N32° 51' 37.00"	W103° 17' 25.99"	20-May-05	3,804	101
14	L 00449 EXPLORE				17S	37E	06 4	N32° 51' 23.92"	W103° 17' 25.96"	11-May-05	3,800	118
15	L 02474	3	LEE DRILLING CO.	PRO	17S	37E	06 3 1	N32° 51' 37.04"	W103° 17' 55.96"	14-Jan-54	3,813	40
16	L 01603 APPRO	3	SIMMONS DRILLING CO.	PRO	17S	37E	07 1 1	N32° 51' 10.87"	W103° 17' 55.91"	25-Oct-52	3,807	39
17	L 04197 APPRO EXP	3	E. D. JR. SHIPP	STK	17S	37E	07 2 4	N32° 50' 57.74"	W103° 17' 10.38"	07-Jul-59	3,796	45
18	L 04359 B	120	CHARLES WORDEN	DAI	17S	37E	07 1 2 1	N32° 51' 10.86"	W103° 17' 41.40"	10-Jan-04	3,804	75
19	L 04712	3	ELBERT D. SHIPP	DOM	17S	37E	07 2 1 2	N32° 51' 10.84"	W103° 17' 25.89"	11-Sep-61	3,800	75
20	L 10021	3	E. D. ASTON	DOM	17S	37E	07 2 2 2	N32° 51' 10.81"	W103° 17' 10.42"	19-Jul-88	3,797	70
21	L 11056	3	KENNETH GOFF	DOM	17S	37E	07 2 2 2	N32° 51' 10.81"	W103° 17' 10.42"	09-May-00	3,797	62
26	USGS #2				17S	36E	2 2 4 4			14-Jan-86		62.96
27	USGS #3				17S	36E	2 3 1 2			13-Jan-81		53.19
28	USGS #4				17S	36E	2 4 1 1			19-Jan-96		57.77
29	USGS #5				17S	36E	12 1 2 1			27-Feb-76		44.1
30	USGS #6				17S	36E	12 2 2 3			19-Jan-96		55.32
31	USGS #7				17S	36E	12 1 2 3			14-Jan-86		50.87
32	USGS #8				17S	36E	12 3 2 3			14-Jan-86		45.93
34	USGS #10				17S	37E	6 4 1 1			31-Jan-91		61.64
35	USGS #11				17S	37E	7 2 4 3			24-Jan-91		53.44
36	USGS #12				17S	37E	7 2 1 1			07-Jan-81		51.09

TABLE 1
WELL INFORMATION REPORT*
Chevron USA - Lovington Paddock #81 (Ref #200067)

Ref. #	Well Number	Diversion ^A	Owner	Use	Twsp	Rng	Sec	q	q	q	Latitude	Longitude	Date Measured	Surface Elevation ^B	Depth to Water	

* = Data obtained from the New Mexico Office of the State Engineer Website (http://iwaters.ose.state.nm.us:7001/iWATERS/wr_RegisServlet1) and USGS Database.
Shaded well information indicates well location not shown on Figure 2

- ^A = in acre feet per annum
- ^B = Interpolated from USGS Topographical Map
- PRO = Production
- IRR = Irrigation
- DOM = Domestic one household
- STK = Livestock watering
- DAI = Dairy operation
- (quarters are 1=NW, 2=NE, 3=SW, 4=SE)
- (quarters are biggest to smallest - X Y are in Feet - UTM are in Meters)

TABLE 2
 Summary of Soil Boring Field Analyses and Laboratory Analytical Data

Chevron USA

Lovington Paddock #81 (EPI Ref.# 200067)

Sample I.D.	Depth (feet)	Soil Status	Sample Date	PID Field Analysis (ppm)	Field Chloride Analyses (mg/L)	Benzene (mg/Kg)	Toluene (mg/Kg)	Ethylbenzene (mg/Kg)	Total Xylenes (mg/Kg)	Total BTEX (mg/Kg)	Carbon Ranges C6-C12 (mg/Kg)	Carbon Ranges C12-C28 (mg/Kg)	Carbon Ranges C28-C35 (mg/Kg)	Total Hydrocarbons C6-C35 (mg/Kg)	Chloride (mg/L)
SB-1	2-3	In situ	07-Feb-06	0.6	400	<0.0250	<0.0250	<0.0250	<0.050	<0.125	<10.0	<10.0	<10.0	<30.0	311
	5-6	In situ	07-Feb-06	0.3	160	<0.0250	<0.0250	<0.0250	<0.050	<0.125	<10.0	<10.0	<10.0	<30.0	33.2
	10-11	In situ	07-Feb-06	0.3	160	<0.0250	<0.0250	<0.0250	<0.050	<0.125	<10.0	<10.0	<10.0	<30.0	13.5
SB-2	2-3	In situ	07-Feb-06	0.2	160	<0.0250	<0.0250	<0.0250	<0.050	<0.125	<10.0	<10.0	<10.0	<30.0	9.65
	5-6	In situ	07-Feb-06	0.1	160	<0.0250	<0.0250	<0.0250	<0.050	<0.125	<10.0	<10.0	<10.0	<30.0	7.04
	10-11	In situ	07-Feb-06	0.1	160	<0.0250	<0.0250	<0.0250	<0.050	<0.125	<10.0	<10.0	<10.0	<30.0	7.49
NMOCD Remedial Threshold Goals				100		10				50				100	250 ¹

BOLD values exceed NMOCD Remedial Threshold Goals

¹ = Chloride residuals may not be capable of impacting groundwater above NMWQCC Groundwater Standards of 250 mg/L

-- = Not Analyzed; J = Analyte detected, but below Reporting Limit. Therefore, result is an estimated concentration (CPL J-Flag)

APPENDICES

APPENDIX I

PROJECT PHOTOGRAPHS

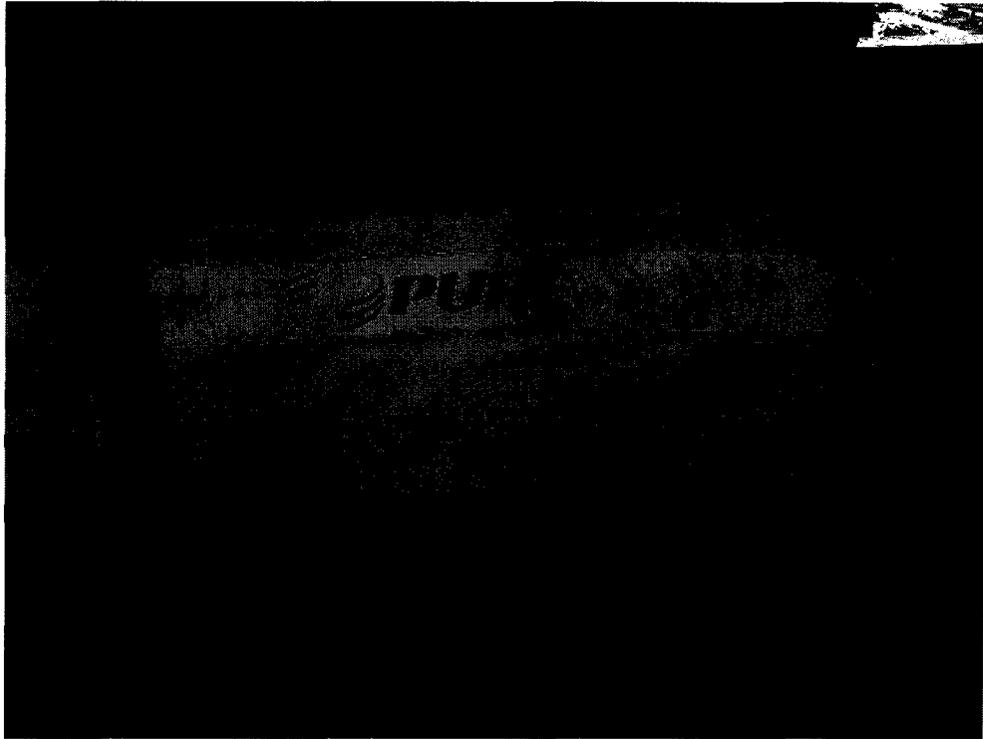


Photo #1: Lease sign.

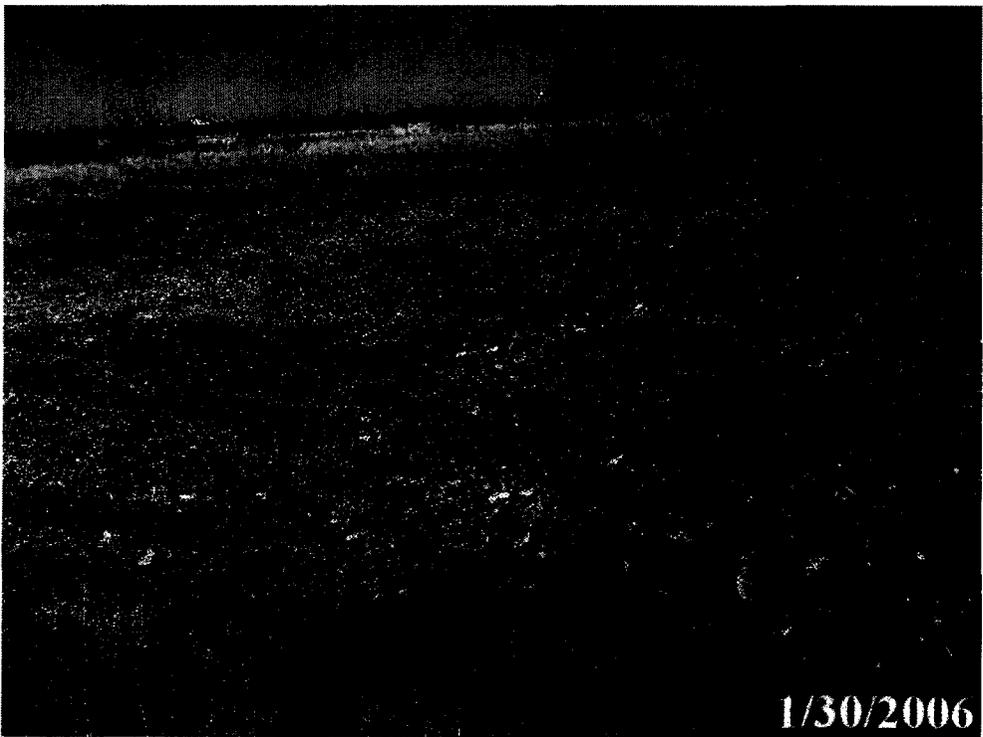


Photo #2: Excavated release area.



Photo #3: Excavated release area.

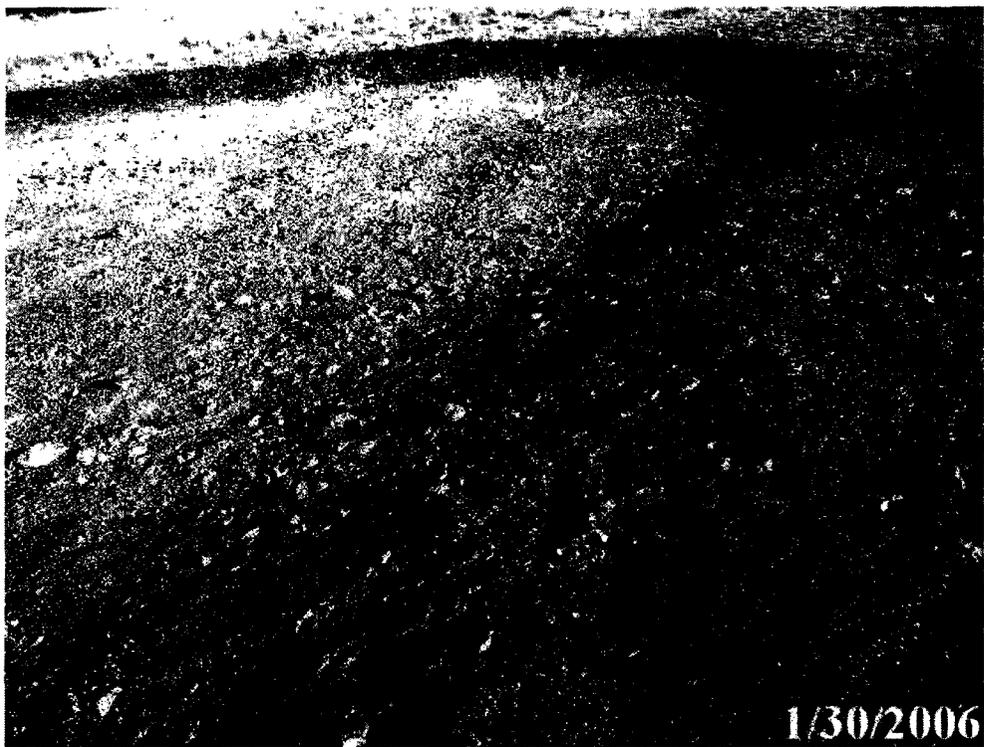


Photo #4: Excavated release area.

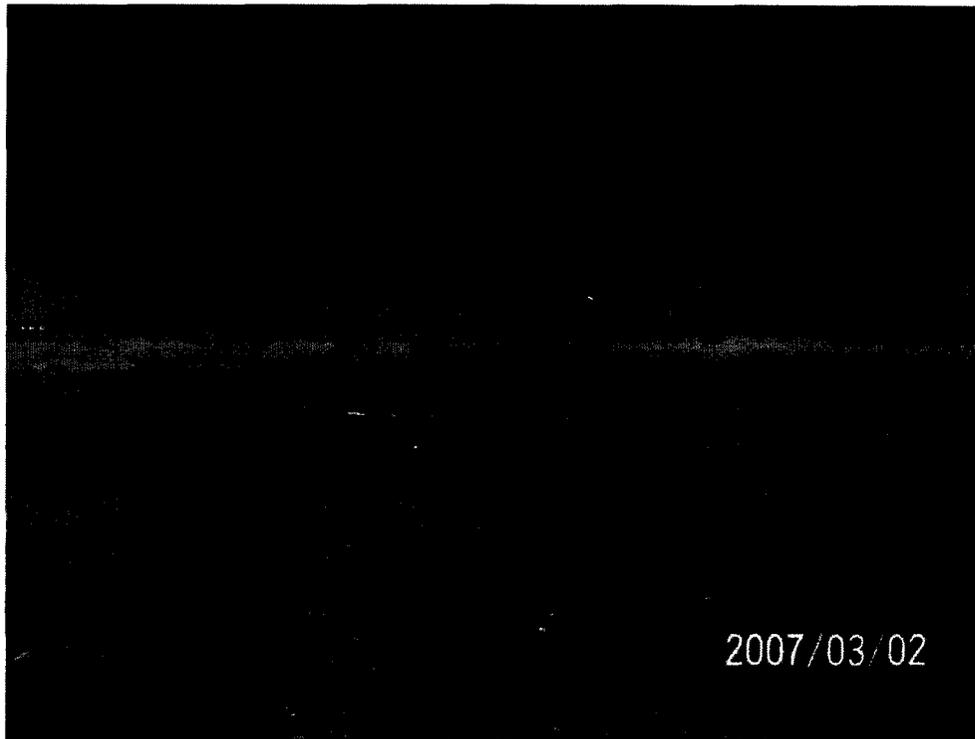


Photo #5: Remediated site.



Photo #6: Remediated site.



Photo #7: Remediated site.

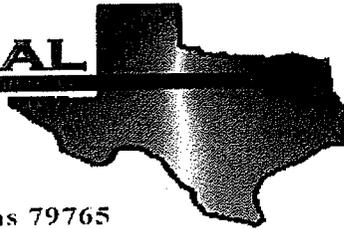


Photo #8: Remediated site.

APPENDIX II

**LABORATORY ANALYTICAL REPORTS
AND
CHAIN-OF-CUSTODY FORM**

E NVIRONMENTAL
LAB OF



12600 West I-20 East - Odessa, Texas 79765

Analytical Report

Prepared for:

Iain Olness

Environmental Plus, Incorporated

P.O. Box 1558

Eunice, NM 88231

Project: Chevron USA/ Lovington Paddock #81

Project Number: 200067

Location: UL-F, Sec. 12, T 17 S, R 36 E

Lab Order Number: 6B08019

Report Date: 02/15/06

Environmental Plus, Incorporated
P.O. Box 1558
Eunice NM, 88231

Project: Chevron USA/ Lovington Paddock #81
Project Number: 200067
Project Manager: Iain Olness

Fax: 505-394-2601
Reported:
02/15/06 17:09

ANALYTICAL REPORT FOR SAMPLES

Sample ID	Laboratory ID	Matrix	Date Sampled	Date Received
SB-1 2'-3'	6B08019-01	Soil	02/07/06 16:10	02/08/06 11:10
SB-1 5'-6'	6B08019-02	Soil	02/07/06 16:17	02/08/06 11:10
SB-1 10'-11'	6B08019-03	Soil	02/07/06 16:27	02/08/06 11:10
SB-2 2'-3'	6B08019-04	Soil	02/07/06 16:40	02/08/06 11:10
SB-2 5'-6'	6B08019-05	Soil	02/07/06 16:51	02/08/06 11:10
SB-2 10'-11'	6B08019-06	Soil	02/07/06 17:04	02/08/06 11:10

Environmental Plus, Incorporated
P.O. Box 1558
Eunice NM, 88231

Project: Chevron USA/ Lovington Paddock #81
Project Number: 200067
Project Manager: Iain Olness

Fax: 505-394-2601

Reported:
02/15/06 17:09

Organics by GC
Environmental Lab of Texas

Analyte	Result	Reporting Limit	Units	Dilution	Batch	Prepared	Analyzed	Method	Notes
SB-1 2'-3' (6B08019-01) Soil									
Benzene	ND	0.0250	mg/kg dry	25	EB61034	02/10/06	02/14/06	EPA 8021B	
Toluene	ND	0.0250	"	"	"	"	"	"	
Ethylbenzene	ND	0.0250	"	"	"	"	"	"	
Xylene (p/m)	ND	0.0250	"	"	"	"	"	"	
Xylene (o)	ND	0.0250	"	"	"	"	"	"	
<i>Surrogate: a,a,a-Trifluorotoluene</i>		83.0 %	80-120		"	"	"	"	
<i>Surrogate: 4-Bromofluorobenzene</i>		103 %	80-120		"	"	"	"	
Carbon Ranges C6-C12	ND	10.0	mg/kg dry	1	EB61011	02/10/06	02/10/06	EPA 8015M	
Carbon Ranges C12-C28	ND	10.0	"	"	"	"	"	"	
Carbon Ranges C28-C35	ND	10.0	"	"	"	"	"	"	
Total Hydrocarbon C6-C35	ND	10.0	"	"	"	"	"	"	
<i>Surrogate: 1-Chlorooctane</i>		93.4 %	70-130		"	"	"	"	
<i>Surrogate: 1-Chlorooctadecane</i>		76.8 %	70-130		"	"	"	"	
SB-1 5'-6' (6B08019-02) Soil									
Benzene	ND	0.0250	mg/kg dry	25	EB61034	02/10/06	02/14/06	EPA 8021B	
Toluene	ND	0.0250	"	"	"	"	"	"	
Ethylbenzene	ND	0.0250	"	"	"	"	"	"	
Xylene (p/m)	ND	0.0250	"	"	"	"	"	"	
Xylene (o)	ND	0.0250	"	"	"	"	"	"	
<i>Surrogate: a,a,a-Trifluorotoluene</i>		83.2 %	80-120		"	"	"	"	
<i>Surrogate: 4-Bromofluorobenzene</i>		106 %	80-120		"	"	"	"	
Carbon Ranges C6-C12	ND	10.0	mg/kg dry	1	EB61011	02/10/06	02/10/06	EPA 8015M	
Carbon Ranges C12-C28	ND	10.0	"	"	"	"	"	"	
Carbon Ranges C28-C35	ND	10.0	"	"	"	"	"	"	
Total Hydrocarbon C6-C35	ND	10.0	"	"	"	"	"	"	
<i>Surrogate: 1-Chlorooctane</i>		93.4 %	70-130		"	"	"	"	
<i>Surrogate: 1-Chlorooctadecane</i>		79.2 %	70-130		"	"	"	"	

Environmental Lab of Texas

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Page 2 of 11

Environmental Plus, Incorporated
P.O. Box 1558
Eunice NM, 88231

Project: Chevron USA/ Lovington Paddock #81
Project Number: 200067
Project Manager: Iain Olness

Fax: 505-394-2601
Reported:
02/15/06 17:09

**Organics by GC
Environmental Lab of Texas**

Analyte	Result	Reporting Limit	Units	Dilution	Batch	Prepared	Analyzed	Method	Notes
SB-1 10'-11' (6B08019-03) Soil									
Benzene	ND	0.0250	mg/kg dry	25	EB61034	02/10/06	02/14/06	EPA 8021B	
Toluene	ND	0.0250	"	"	"	"	"	"	
Ethylbenzene	ND	0.0250	"	"	"	"	"	"	
Xylene (p/m)	ND	0.0250	"	"	"	"	"	"	
Xylene (o)	ND	0.0250	"	"	"	"	"	"	
<i>Surrogate: a,a,a-Trifluorotoluene</i>		84.0 %		80-120	"	"	"	"	
<i>Surrogate: 4-Bromofluorobenzene</i>		102 %		80-120	"	"	"	"	
Carbon Ranges C6-C12	ND	10.0	mg/kg dry	1	EB61011	02/10/06	02/11/06	EPA 8015M	
Carbon Ranges C12-C28	ND	10.0	"	"	"	"	"	"	
Carbon Ranges C28-C35	ND	10.0	"	"	"	"	"	"	
Total Hydrocarbon C6-C35	ND	10.0	"	"	"	"	"	"	
<i>Surrogate: 1-Chlorooctane</i>		91.4 %		70-130	"	"	"	"	
<i>Surrogate: 1-Chlorooctadecane</i>		77.0 %		70-130	"	"	"	"	
SB-2 2'-3' (6B08019-04) Soil									
Benzene	ND	0.0250	mg/kg dry	25	EB61501	02/13/06	02/14/06	EPA 8021B	
Toluene	ND	0.0250	"	"	"	"	"	"	
Ethylbenzene	ND	0.0250	"	"	"	"	"	"	
Xylene (p/m)	ND	0.0250	"	"	"	"	"	"	
Xylene (o)	ND	0.0250	"	"	"	"	"	"	
<i>Surrogate: a,a,a-Trifluorotoluene</i>		92.2 %		80-120	"	"	"	"	
<i>Surrogate: 4-Bromofluorobenzene</i>		99.2 %		80-120	"	"	"	"	
Carbon Ranges C6-C12	ND	10.0	mg/kg dry	1	EB61011	02/10/06	02/11/06	EPA 8015M	
Carbon Ranges C12-C28	ND	10.0	"	"	"	"	"	"	
Carbon Ranges C28-C35	ND	10.0	"	"	"	"	"	"	
Total Hydrocarbon C6-C35	ND	10.0	"	"	"	"	"	"	
<i>Surrogate: 1-Chlorooctane</i>		96.2 %		70-130	"	"	"	"	
<i>Surrogate: 1-Chlorooctadecane</i>		78.2 %		70-130	"	"	"	"	

Environmental Lab of Texas

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Environmental Plus, Incorporated
P.O. Box 1558
Eunice NM, 88231

Project: Chevron USA/ Lovington Paddock #81
Project Number: 200067
Project Manager: Iain Olness

Fax: 505-394-2601

Reported:
02/15/06 17:09

Organics by GC
Environmental Lab of Texas

Analyte	Result	Reporting Limit	Units	Dilution	Batch	Prepared	Analyzed	Method	Notes
SB-2 5'-6' (6B08019-05) Soil									
Benzene	ND	0.0250	mg/kg dry	25	EB61501	02/13/06	02/14/06	EPA 8021B	
Toluene	ND	0.0250	"	"	"	"	"	"	
Ethylbenzene	ND	0.0250	"	"	"	"	"	"	
Xylene (p/m)	ND	0.0250	"	"	"	"	"	"	
Xylene (o)	ND	0.0250	"	"	"	"	"	"	
<i>Surrogate: a,a,a-Trifluorotoluene</i>		83.5 %	80-120		"	"	"	"	
<i>Surrogate: 4-Bromofluorobenzene</i>		98.5 %	80-120		"	"	"	"	
Carbon Ranges C6-C12	ND	10.0	mg/kg dry	1	EB61011	02/10/06	02/11/06	EPA 8015M	
Carbon Ranges C12-C28	ND	10.0	"	"	"	"	"	"	
Carbon Ranges C28-C35	ND	10.0	"	"	"	"	"	"	
Total Hydrocarbon C6-C35	ND	10.0	"	"	"	"	"	"	
<i>Surrogate: 1-Chlorooctane</i>		86.8 %	70-130		"	"	"	"	
<i>Surrogate: 1-Chlorooctadecane</i>		75.0 %	70-130		"	"	"	"	
SB-2 10'-11' (6B08019-06) Soil									
Benzene	ND	0.0250	mg/kg dry	25	EB61501	02/13/06	02/14/06	EPA 8021B	
Toluene	ND	0.0250	"	"	"	"	"	"	
Ethylbenzene	ND	0.0250	"	"	"	"	"	"	
Xylene (p/m)	ND	0.0250	"	"	"	"	"	"	
Xylene (o)	ND	0.0250	"	"	"	"	"	"	
<i>Surrogate: a,a,a-Trifluorotoluene</i>		89.8 %	80-120		"	"	"	"	
<i>Surrogate: 4-Bromofluorobenzene</i>		108 %	80-120		"	"	"	"	
Carbon Ranges C6-C12	ND	10.0	mg/kg dry	1	EB61011	02/10/06	02/11/06	EPA 8015M	
Carbon Ranges C12-C28	ND	10.0	"	"	"	"	"	"	
Carbon Ranges C28-C35	ND	10.0	"	"	"	"	"	"	
Total Hydrocarbon C6-C35	ND	10.0	"	"	"	"	"	"	
<i>Surrogate: 1-Chlorooctane</i>		88.2 %	70-130		"	"	"	"	
<i>Surrogate: 1-Chlorooctadecane</i>		73.8 %	70-130		"	"	"	"	

Environmental Lab of Texas

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**General Chemistry Parameters by EPA / Standard Methods
Environmental Lab of Texas**

Analyte	Result	Reporting Limit	Units	Dilution	Batch	Prepared	Analyzed	Method	Notes
SB-1 2'-3' (6B08019-01) Soil									
Chloride	311	10.0	mg/kg	20	EB61302	02/11/06	02/13/06	EPA 300.0	
% Moisture	1.5	0.1	%	1	EB61007	02/09/06	02/10/06	% calculation	
Sulfate	50.9	10.0	mg/kg	20	EB61302	02/11/06	02/13/06	EPA 300.0	
SB-1 5'-6' (6B08019-02) Soil									
Chloride	33.2	5.00	mg/kg	10	EB61302	02/11/06	02/13/06	EPA 300.0	
% Moisture	0.3	0.1	%	1	EB61007	02/09/06	02/10/06	% calculation	
Sulfate	33.8	5.00	mg/kg	10	EB61302	02/11/06	02/13/06	EPA 300.0	
SB-1 10'-11' (6B08019-03) Soil									
Chloride	13.5	5.00	mg/kg	10	EB61302	02/11/06	02/13/06	EPA 300.0	
% Moisture	0.5	0.1	%	1	EB61007	02/09/06	02/10/06	% calculation	
Sulfate	29.6	5.00	mg/kg	10	EB61302	02/11/06	02/13/06	EPA 300.0	
SB-2 2'-3' (6B08019-04) Soil									
Chloride	9.65	5.00	mg/kg	10	EB61302	02/11/06	02/13/06	EPA 300.0	
% Moisture	0.5	0.1	%	1	EB61007	02/09/06	02/10/06	% calculation	
Sulfate	23.7	5.00	mg/kg	10	EB61302	02/11/06	02/13/06	EPA 300.0	
SB-2 5'-6' (6B08019-05) Soil									
Chloride	7.04	5.00	mg/kg	10	EB61302	02/11/06	02/13/06	EPA 300.0	
% Moisture	0.4	0.1	%	1	EB61007	02/09/06	02/10/06	% calculation	
Sulfate	24.9	5.00	mg/kg	10	EB61302	02/11/06	02/13/06	EPA 300.0	
SB-2 10'-11' (6B08019-06) Soil									
Chloride	7.49	5.00	mg/kg	10	EB61302	02/11/06	02/13/06	EPA 300.0	
% Moisture	0.3	0.1	%	1	EB61007	02/09/06	02/10/06	% calculation	
Sulfate	25.2	5.00	mg/kg	10	EB61302	02/11/06	02/13/06	EPA 300.0	

Environmental Plus, Incorporated
P.O. Box 1558
Eunice NM. 88231

Project: Chevron USA/ Lovington Paddock #81
Project Number: 200067
Project Manager: Iain Olness

Fax: 505-394-2601
Reported:
02/15/06 17:09

Organics by GC - Quality Control
Environmental Lab of Texas

Analyte	Result	Reporting Limit	Units	Spike Level	Source Result	%REC	%REC Limits	RPD	RPD Limit	Notes
---------	--------	-----------------	-------	-------------	---------------	------	-------------	-----	-----------	-------

Batch EB61011 - Solvent Extraction (GC)

Blank (EB61011-BLK1)

Prepared & Analyzed: 02/10/06

Carbon Ranges C6-C12	ND	10.0	mg/kg wet							
Carbon Ranges C12-C28	ND	10.0	"							
Carbon Ranges C28-C35	ND	10.0	"							
Total Hydrocarbon C6-C35	ND	10.0	"							
Surrogate: 1-Chlorooctane	48.8		mg/kg	50.0		97.6	70-130			
Surrogate: 1-Chlorooctadecane	43.2		"	50.0		86.4	70-130			

LCS (EB61011-BS1)

Prepared & Analyzed: 02/10/06

Carbon Ranges C6-C12	477		mg/kg	500		95.4	75-125			
Carbon Ranges C12-C28	508		"	500		102	75-125			
Total Hydrocarbon C6-C35	985		"	1000		98.5	75-125			
Surrogate: 1-Chlorooctane	57.2		"	50.0		114	70-130			
Surrogate: 1-Chlorooctadecane	52.4		"	50.0		105	70-130			

Calibration Check (EB61011-CCV1)

Prepared: 02/10/06 Analyzed: 02/11/06

Carbon Ranges C6-C12	467		mg/kg	500		93.4	80-120			
Carbon Ranges C12-C28	543		"	500		109	80-120			
Total Hydrocarbon C6-C35	1010		"	1000		101	80-120			
Surrogate: 1-Chlorooctane	56.5		"	50.0		113	70-130			
Surrogate: 1-Chlorooctadecane	48.7		"	50.0		97.4	70-130			

Matrix Spike (EB61011-MS1)

Source: 6B08020-07

Prepared & Analyzed: 02/10/06

Carbon Ranges C6-C12	507		mg/kg	500	ND	101	75-125			
Carbon Ranges C12-C28	579		"	500	ND	116	75-125			
Total Hydrocarbon C6-C35	1090		"	1000	ND	109	75-125			
Surrogate: 1-Chlorooctane	56.1		"	50.0		112	70-130			
Surrogate: 1-Chlorooctadecane	53.0		"	50.0		106	70-130			

Environmental Lab of Texas

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Page 6 of 11

Environmental Plus, Incorporated
P.O. Box 1558
Eunice NM, 88231

Project: Chevron USA/ Lovington Paddock #81
Project Number: 200067
Project Manager: Iain Olness

Fax: 505-394-2601

Reported:
02/15/06 17:09

Organics by GC - Quality Control
Environmental Lab of Texas

Analyte	Result	Reporting Limit	Units	Spike Level	Source Result	%REC	%REC Limits	RPD	RPD Limit	Notes
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Batch EB61011 - Solvent Extraction (GC)

Matrix Spike Dup (EB61011-MSD1)

Source: 6B08020-07

Prepared & Analyzed: 02/10/06

Carbon Ranges C6-C12	523		mg/kg	500	ND	105	75-125	3.11	20	
Carbon Ranges C12-C28	597		"	500	ND	119	75-125	3.06	20	
Total Hydrocarbon C6-C35	1120		"	1000	ND	112	75-125	2.71	20	
Surrogate: 1-Chlorooctane	56.4		"	50.0		113	70-130			
Surrogate: 1-Chlorooctadecane	54.5		"	50.0		109	70-130			

Batch EB61034 - EPA 5030C (GC)

Blank (EB61034-BLK1)

Prepared: 02/10/06 Analyzed: 02/14/06

Benzene	ND	0.0250	mg/kg wet							
Toluene	ND	0.0250	"							
Ethylbenzene	ND	0.0250	"							
Xylene (p/m)	ND	0.0250	"							
Xylene (o)	ND	0.0250	"							
Surrogate: a,a,a-Trifluorotoluene	34.2		ug/kg	40.0		85.5	80-120			
Surrogate: 4-Bromofluorobenzene	43.7		"	40.0		109	80-120			

LCS (EB61034-BS1)

Prepared: 02/10/06 Analyzed: 02/14/06

Benzene	0.0964	0.00100	mg/kg wet	0.100		96.4	80-120			
Toluene	0.102	0.00100	"	0.100		102	80-120			
Ethylbenzene	0.108	0.00100	"	0.100		108	80-120			
Xylene (p/m)	0.199	0.00100	"	0.200		99.5	80-120			
Xylene (o)	0.118	0.00100	"	0.100		118	80-120			
Surrogate: a,a,a-Trifluorotoluene	39.4		ug/kg	40.0		98.5	80-120			
Surrogate: 4-Bromofluorobenzene	34.3		"	40.0		85.8	80-120			

Calibration Check (EB61034-CCV1)

Prepared: 02/10/06 Analyzed: 02/14/06

Benzene	49.7		ug/kg	50.0		99.4	80-120			
Toluene	54.4		"	50.0		109	80-120			
Ethylbenzene	55.5		"	50.0		111	80-120			
Xylene (p/m)	112		"	100		112	80-120			
Xylene (o)	59.3		"	50.0		119	80-120			
Surrogate: a,a,a-Trifluorotoluene	38.0		"	40.0		95.0	80-120			
Surrogate: 4-Bromofluorobenzene	35.5		"	40.0		88.8	80-120			

Environmental Lab of Texas

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Page 7 of 11

Organics by GC - Quality Control
Environmental Lab of Texas

Analyte	Result	Reporting Limit	Units	Spike Level	Source Result	%REC	%REC Limits	RPD	RPD Limit	Notes
---------	--------	-----------------	-------	-------------	---------------	------	-------------	-----	-----------	-------

Batch EB61034 - EPA 5030C (GC)

Matrix Spike (EB61034-MS1) Source: 6B08019-02 Prepared: 02/10/06 Analyzed: 02/14/06

Benzene	1.21	0.0250	mg/kg dry	1.25	ND	96.8	80-120			
Toluene	1.34	0.0250	"	1.25	ND	107	80-120			
Ethylbenzene	1.46	0.0250	"	1.25	ND	117	80-120			
Xylene (p/m)	2.94	0.0250	"	2.51	ND	117	80-120			
Xylene (o)	1.49	0.0250	"	1.25	ND	119	80-120			
Surrogate: a,a,a-Trifluorotoluene	36.2		ug/kg	40.0		90.5	80-120			
Surrogate: 4-Bromofluorobenzene	42.2		"	40.0		106	80-120			

Matrix Spike Dup (EB61034-MSD1) Source: 6B08019-02 Prepared: 02/10/06 Analyzed: 02/14/06

Benzene	1.28	0.0250	mg/kg dry	1.25	ND	102	80-120	5.23	20	
Toluene	1.41	0.0250	"	1.25	ND	113	80-120	5.45	20	
Ethylbenzene	1.50	0.0250	"	1.25	ND	120	80-120	2.53	20	
Xylene (p/m)	2.99	0.0250	"	2.51	ND	119	80-120	1.69	20	
Xylene (o)	1.50	0.0250	"	1.25	ND	120	80-120	0.837	20	
Surrogate: a,a,a-Trifluorotoluene	37.0		ug/kg	40.0		92.5	80-120			
Surrogate: 4-Bromofluorobenzene	45.1		"	40.0		113	80-120			

Batch EB61501 - EPA 5030C (GC)

Blank (EB61501-BLK1) Prepared: 02/13/06 Analyzed: 02/14/06

Benzene	ND	0.0250	mg/kg wet							
Toluene	ND	0.0250	"							
Ethylbenzene	ND	0.0250	"							
Xylene (p/m)	ND	0.0250	"							
Xylene (o)	ND	0.0250	"							
Surrogate: a,a,a-Trifluorotoluene	34.7		ug/kg	40.0		86.8	80-120			
Surrogate: 4-Bromofluorobenzene	38.8		"	40.0		97.0	80-120			

Organics by GC - Quality Control
Environmental Lab of Texas

Analyte	Result	Reporting Limit	Units	Spike Level	Source Result	%REC	%REC Limits	RPD	RPD Limit	Notes
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Batch EB61501 - EPA 5030C (GC)

LCS (EB61501-BS1)

Prepared: 02/13/06 Analyzed: 02/14/06

Benzene	0.0947	0.00100	mg/kg wet	0.100		94.7	80-120			
Toluene	0.104	0.00100	"	0.100		104	80-120			
Ethylbenzene	0.116	0.00100	"	0.100		116	80-120			
Xylene (p/m)	0.215	0.00100	"	0.200		108	80-120			
Xylene (o)	0.119	0.00100	"	0.100		119	80-120			
Surrogate: <i>a,a,a</i> -Trifluorotoluene	33.9		ug/kg	40.0		84.8	80-120			
Surrogate: 4-Bromofluorobenzene	46.4		"	40.0		116	80-120			

Calibration Check (EB61501-CCV1)

Prepared: 02/13/06 Analyzed: 02/15/06

Benzene	100		ug/kg	100		100	80-120			
Toluene	105		"	100		105	80-120			
Ethylbenzene	108		"	100		108	80-120			
Xylene (p/m)	198		"	200		99.0	80-120			
Xylene (o)	118		"	100		118	80-120			
Surrogate: <i>a,a,a</i> -Trifluorotoluene	39.7		"	40.0		99.2	80-120			
Surrogate: 4-Bromofluorobenzene	32.8		"	40.0		82.0	80-120			

Matrix Spike (EB61501-MS1)

Source: 6B08020-04

Prepared: 02/13/06 Analyzed: 02/15/06

Benzene	2.16	0.0250	mg/kg dry	2.68	ND	80.6	80-120			
Toluene	2.32	0.0250	"	2.68	ND	86.6	80-120			
Ethylbenzene	2.45	0.0250	"	2.68	ND	91.4	80-120			
Xylene (p/m)	4.56	0.0250	"	5.36	ND	85.1	80-120			
Xylene (o)	2.90	0.0250	"	2.68	ND	108	80-120			
Surrogate: <i>a,a,a</i> -Trifluorotoluene	32.1		ug/kg	40.0		80.2	80-120			
Surrogate: 4-Bromofluorobenzene	32.5		"	40.0		81.2	80-120			

Matrix Spike Dup (EB61501-MSD1)

Source: 6B08020-04

Prepared: 02/13/06 Analyzed: 02/15/06

Benzene	2.40	0.0250	mg/kg dry	2.68	ND	89.6	80-120	10.6	20	
Toluene	2.55	0.0250	"	2.68	ND	95.1	80-120	9.36	20	
Ethylbenzene	2.65	0.0250	"	2.68	ND	98.9	80-120	7.88	20	
Xylene (p/m)	4.88	0.0250	"	5.36	ND	91.0	80-120	6.70	20	
Xylene (o)	3.12	0.0250	"	2.68	ND	116	80-120	7.14	20	
Surrogate: <i>a,a,a</i> -Trifluorotoluene	33.5		ug/kg	40.0		83.8	80-120			
Surrogate: 4-Bromofluorobenzene	33.8		"	40.0		84.5	80-120			

Environmental Plus, Incorporated
P.O. Box 1558
Eunice NM, 88231

Project: Chevron USA/ Lovington Paddock #81
Project Number: 200067
Project Manager: Iain Olness

Fax: 505-394-2601

Reported:
02/15/06 17:09

General Chemistry Parameters by EPA / Standard Methods - Quality Control
Environmental Lab of Texas

Analyte	Result	Reporting Limit	Units	Spike Level	Source Result	%REC	%REC Limits	RPD	RPD Limit	Notes
Batch EB61007 - General Preparation (Prep)										
Blank (EB61007-BLK1) Prepared: 02/09/06 Analyzed: 02/10/06										
% Solids	100		%							
Duplicate (EB61007-DUP1) Source: 6B08014-01 Prepared: 02/09/06 Analyzed: 02/10/06										
% Solids	98.8		%		98.6			0.203	20	
Duplicate (EB61007-DUP2) Source: 6B08019-06 Prepared: 02/09/06 Analyzed: 02/10/06										
% Solids	99.7		%		99.7			0.00	20	
Duplicate (EB61007-DUP3) Source: 6B09002-03 Prepared: 02/09/06 Analyzed: 02/10/06										
% Solids	74.8		%		74.5			0.402	20	
Batch EB61302 - Water Extraction										
Blank (EB61302-BLK1) Prepared: 02/11/06 Analyzed: 02/13/06										
Chloride	ND	0.500	mg/kg							
Sulfate	ND	0.500	"							
LCS (EB61302-BS1) Prepared: 02/11/06 Analyzed: 02/13/06										
Chloride	8.98		mg/L	10.0		89.8	80-120			
Sulfate	9.72		"	10.0		97.2	80-120			
Calibration Check (EB61302-CCV1) Prepared: 02/11/06 Analyzed: 02/13/06										
Chloride	9.04		mg/L	10.0		90.4	80-120			
Sulfate	9.84		"	10.0		98.4	80-120			
Duplicate (EB61302-DUP1) Source: 6B08017-16 Prepared: 02/11/06 Analyzed: 02/13/06										
Sulfate	80.5	5.00	mg/kg		78.5			2.52	20	
Chloride	18.5	5.00	"		18.9			2.14	20	

Environmental Lab of Texas

The results in this report apply to the samples analyzed in accordance with the samples received in the laboratory. This analytical report must be reproduced in its entirety, with written approval of Environmental Lab of Texas.

Page 10 of 11

Environmental Plus, Incorporated
P.O. Box 1558
Eunice NM, 88231

Project: Chevron USA/ Lovington Paddock #81
Project Number: 200067
Project Manager: Iain Olness

Fax: 505-394-2601

Reported:
02/15/06 17:09

Notes and Definitions

DET Analyte DETECTED
ND Analyte NOT DETECTED at or above the reporting limit
NR Not Reported
dry Sample results reported on a dry weight basis
RPD Relative Percent Difference
LCS Laboratory Control Spike
MS Matrix Spike
Dup Duplicate

Report Approved By: Raland K Tuttle Date: 2-16-06

Raland K. Tuttle, Lab Manager
Celey D. Keene, Lab Director, Org. Tech Director
Peggy Allen, QA Officer

Jeanne Mc Murrey, Inorg. Tech Director
LaTasha Cornish, Chemist
Sandra Sanchez, Lab Tech.

This material is intended only for the use of the individual (s) or entity to whom it is addressed, and may contain information that is privileged and confidential.

If you have received this material in error, please notify us immediately at 432-563-1800.

Environmental Lab of Texas
Variance / Corrective Action Report – Sample Log-In

Client: Highlander
 Date/Time: 2/8/06 11:10
 Order #: 6308019
 Initials: CK

Sample Receipt Checklist

Temperature of container/cooler?	Yes	No	3.0	C
Shipping container/cooler in good condition?	Yes	No		
Custody Seals intact on shipping container/cooler?	Yes	No	Not present	
Custody Seals intact on sample bottles?	Yes	No	Not present	
Chain of custody present?	Yes	No		
Sample Instructions complete on Chain of Custody?	Yes	No		
Chain of Custody signed when relinquished and received?	Yes	No		
Chain of custody agrees with sample label(s)	Yes	No		
Container labels legible and intact?	Yes	No		
Sample Matrix and properties same as on chain of custody?	Yes	No		
Samples in proper container/bottle?	Yes	No		
Samples properly preserved?	Yes	No		
Sample bottles intact?	Yes	No		
Preservations documented on Chain of Custody?	Yes	No		
Containers documented on Chain of Custody?	Yes	No		
Sufficient sample amount for indicated test?	Yes	No		
All samples received within sufficient hold time?	Yes	No		
VOC samples have zero headspace?	Yes	No	Not Applicable	

Other observations:

Variance Documentation:

Contact Person: - _____ Date/Time: _____ Contacted by: _____
 Regarding: _____

Corrective Action Taken:

APPENDIX III
SOIL BORING LOGS

Log Of Test Borings

(NOTE - Page 1 of 1)



ENVIRONMENTAL PLUS, INC.
 CONSULTING AND
 REMEDIAL CONSTRUCTION
 EUNICE, NEW MEXICO
 505-394-3481

Project Number: 200067

Project Name: Lovington Paddock #81

Location: UL F, Section 12, Township 17 South, Range 36 East

Boring Number: SB-1

Surface Elevation: 3,817-feet amsl

Time	Sample Type	Recovery (Inches)	Moisture	PID Readings (ppm)	Chloride Analysis (mg/Kg)	U.S.C.S. Symbol	Depth (feet)	Description
								Start Date: <u>2-07-06</u> Time: <u>1610 hrs</u> Completion Date: <u>2-07-06</u> Time: <u>1637 hrs</u>
1620	SS	12		.6	400		2	2' CALICHE, White
1627	SS	12		.3	160		5	5' ROCK, Tan
1631	SS	12		.3	160		10	10' ROCK, Tan
							11	End of Soil Boring at 11' bgs
							15	
							20	
							25	
							30	

Water Level Measurements (feet)

Date	Time	Sample Depth	Casing Depth	Cave-in Depth	Water Level	Drilling Method
-	-	-	-	-	-	Straub
-	-	-	-	-	-	Backfill Method: Bentonite
-	-	-	-	-	-	Field Representative: GB

Log Of Test Borings

(NOTE - Page 1 of 1)



ENVIRONMENTAL PLUS, INC.
 CONSULTING AND
 REMEDIAL CONSTRUCTION
 EUNICE, NEW MEXICO
 505-394-3481

Project Number: 200067
 Project Name: Lovington Paddock #81
 Location: UL F, Section 12, Township 17 South, Range 36 East
 Boring Number: SB-2 Surface Elevation: 3,817-feet amsl

Time	Sample Type	Recovery (Inches)	Moisture	PID Readings (ppm)	Chloride Analysis (mg/Kg)	U.S.C.S. Symbol	Depth (feet)	Description
								Start Date: 2-07-06 Time: 1640 hrs Completion Date: 2-07-06 Time: 1720 hrs
1640	SS	12		.2	160		2	2' CALICHE, White
1651	SS	12		.1	160		5	5' ROCK, Tan
1705	SS	12		.1	160		10	10' ROCK, Tan
								End of Soil Boring at 11' bgs

Water Level Measurements (feet)						Drilling Method:
Date	Time	Sample Depth	Casing Depth	Cave-In Depth	Water Level	
-	-	-	-	-	-	Straub
-	-	-	-	-	-	Backfill Method: Bentonite
-	-	-	-	-	-	Field Representative: GB

APPENDIX IV

INFORMATION AND METRICS FORM

INITIAL NMOCD FORM C-141

FINAL NMOCD FORM C-141



Incident Date:
Unknown

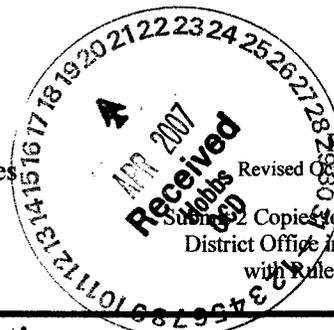
NMOCD Notified:
Unknown

Information and Metrics

Site: Lovington Paddock #81		Assigned Site Reference : NMOCD 1RP#1227; EPI #200067	
Company: Chevron			
Street Address:			
Mailing Address: P.O. Box 1949			
City, State, Zip: Eunice, New Mexico 88231			
Representative: Larry Williams			
Representative Telephone:			
Telephone:			
Fluid volume released (bbls): unknown		Recovered (bbls): none	
>25 bbls: Notify NMOCD verbally within 24 hrs and submit form C-141 within 15 days. (Also applies to unauthorized releases >500 mcf Natural Gas)			
5-25 bbls: Submit form C-141 within 15 days (Also applies to unauthorized releases of 50-500 mcf Natural Gas)			
Leak, Spill, or Pit (LSP) Name: Lovington Paddock #81			
Source of contamination: Injection Well			
Land Owner, i.e., BLM, ST, Fee, Other: Darr Angell			
LSP Dimensions: Unknown			
LSP Area: ~5,400 ft ²			
Location of Reference Point (RP):			
Location distance and direction from RP:			
Latitude: N 32° 51' 08.57"			
Longitude: W 103° 18' 32.18"			
Elevation above mean sea level: 3,817 feet			
Feet from South Section Line:			
Feet from East Section Line:			
Location- Unit or ¼¼: SE¼ of the NW¼		Unit Letter: F	
Location- Section: 12			
Location- Township: 17 South			
Location- Range: 36 East			
Surface water body within 1000' radius of site: none			
Domestic water wells within 1000' radius of site: none			
Agricultural water wells within 1000' radius of site: One (USGS 17S 36E 12.1.2.3); Figure 2 - #31			
Public water supply wells within 1000' radius of site: none			
Depth from land surface to groundwater (DG): ~59 feet			
Depth of contamination (DC): ~3 feet			
Depth to groundwater (DG - DC = DtGW): ~56 feet			
1. Groundwater		2. Wellhead Protection Area	3. Distance to Surface Water Body
If Depth to GW <50 feet: <i>20 points</i>		If <1000' from water source, or; <200' from private domestic water source: <i>20 points</i>	<200 horizontal feet: <i>20 points</i>
If Depth to GW 50 to 99 feet: <i>10 points</i>		If >1000' from water source, or; >200' from private domestic water source: <i>0 points</i>	200-1000 horizontal feet: <i>10 points</i>
If Depth to GW >100 feet: <i>0 points</i>			>1000 horizontal feet: <i>0 points</i>
Site Rank (1+2+3) = 10+20+0=30			
Total Site Ranking Score and Acceptable Concentrations			
Parameter	>19	10-19	0-9
Benzene ¹	10 ppm	10 ppm	10 ppm
BTEX ¹	50 ppm	50 ppm	50 ppm
TPH	100 ppm	1,000 ppm	5,000 ppm
¹ 100 ppm field VOC headspace measurement may be substituted for lab analysis			

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
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	Contact: Larry Williams
Address: P.O. Box 1949 Eunice, NM 88231	Telephone No.:
Facility Name: Lovington Paddock #81	Facility Type: Injection well

Surface Owner: Darr Angel	Mineral Owner: State of New Mexico	API No.:
----------------------------------	-------------------------------------------	-----------------

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
F	12	17S	36E					Lea

Latitude: N 32° 51' 08.57" Longitude: W 103° 18' 32.18"

NATURE OF RELEASE

Type of Release: produced water	Volume of Release: unknown	Volume Recovered: none
Source of Release: Injection well	Date and Hour of Occurrence: 30 January 2006 in the a.m.	Date and Hour of Discovery: 30 January 2006 @ a.m.
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input 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: Not Applicable	

If a Watercourse was Impacted, Describe Fully.* Not Applicable

Depth to Groundwater: ~59 feet

Describe Cause of Problem and Remedial Action Taken.* An unknown amount of produced water was released when a flow-line failed. Zero (0) barrels of fluid were recovered. Upon discovery of the release, Chevron contacted EPI for an Emergency Response team. The Emergency Response team worked on the release area on 1/30/06. Standing liquid was solidified and the impacted material stockpiled on plastic barriers on site. EPI is continuing cleanup of the release area.

Describe Area Affected and Cleanup Action Taken.* Approximately 5,400 square feet of surface area was affected by the release.

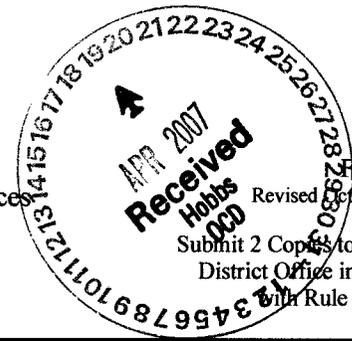
I hereby certify that the information given above is true and complete to the best of my knowledge and understand that pursuant to NMOCD rules and regulations all operators are required to report and/or file certain release notifications and perform corrective actions for releases which may endanger 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:	OIL CONSERVATION DIVISION	
Printed Name: Larry Williams	Approved by District Supervisor:	
Title: HES Champion	Approval Date:	Expiration Date:
E-mail Address: larry.williams@chevron.com	Conditions of Approval:	Attached <input type="checkbox"/>
Date: 1-30-06 Phone: 505-396-4414 ex128		

* Attach Additional Sheets If Necessary

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	Contact: Larry Williams
Address: P.O. Box 1949 Eunice, NM 88231	Telephone No.:
Facility Name: Lovington Paddock #81	Facility Type: Injection well

Surface Owner: Darr Angell	Mineral Owner: State of New Mexico	API No.:
-----------------------------------	-------------------------------------------	-----------------

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
F	12	17S	36E					Lea

Latitude: N 32° 51' 08.57" **Longitude:** W 103° 18' 32.18"

RT# 1227

NATURE OF RELEASE

Type of Release: produced water	Volume of Release: unknown	Volume Recovered: none
Source of Release: Injection well	Date and Hour of Occurrence: unknown	Date and Hour of Discovery: unknown
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? unknown	
By Whom? unknown	Date and Hour: unknown	
Was a Watercourse Reached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, Volume Impacting the Watercourse: Not Applicable	

If a Watercourse was Impacted, Describe Fully.* Not Applicable

Depth to Groundwater: ~59 feet

Describe Cause of Problem and Remedial Action Taken.* An unknown amount of produced water was released when a flow-line failed. Zero (0) barrels of fluid were recovered. Approximately 5,400 square feet of surface area was affected by the release. Impacted soil from the release area was excavated and disposed off site by another contractor.

Describe Area Affected and Cleanup Action Taken.* Initial Site Assessment on the release area was conducted by EPI on 1/30/06. Soil borings were advanced and work continued from 3/7/06 through 3/8/06. Based on laboratory analytical data taken from the soil borings, most impacted soil in the bottom of the excavation were removed. The excavation was backfilled with clean topsoil and caliche around the well head. The disturbed area was contoured for natural drainage and will be seeded with a blend preferred by the land owner.

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 Williams</i>	OIL CONSERVATION DIVISION	
Printed Name: Larry Williams	Approved by District Supervisor: <i>EWIRENCE</i>	
Title: HES Champion	Approval Date: 4.20.07	Expiration Date: _____
E-mail Address: larry.williams@chevron.com	Conditions of Approval:	Attached <input type="checkbox"/>
Date: 4-19-07 Phone: 505-396-4414 ex128		

* Attach Additional Sheets If Necessary