

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 USA	Contact TEJAY SIMPSON
Address HCR 60 Box 423 Lovington, N.M. 88260	Telephone No. 505-396-4414 X 101
Facility Name Vacuum Grayburg San Andres Unit WIW No. 135. <u>API No. 30-025-35561</u>	Facility Type Water Injection Line
Surface Owner STATE OF NEW MEXICO	Mineral Owner State of NM
	Lease No. 857948

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	South Line	Feet from the	West Line	County
G	1	18.0S	34E	2535 FNL		1930 FEL		Lea

~~LEAK SITE IS ADJACENT TO VGSAU INJECTION SATELLITE NO. 3: Latitude 32.77728 Longitude -103.51179~~
 ACTUAL SPILL LOCATION
 SPILL NOT ON WELL SITE

NATURE OF RELEASE

Type of Release Produced Water	Volume of Release 180 BBLS PRODUCED WATER	Volume Recovered 130 BBLS PW fluids.
Source of Release HIGH PRESSURE FG WATER INJECTION LINE	Date and Hour of Occurrence 10/08/08 2:00 AM (EST)	Date and Hour of Discovery 10/08/08 03:00 AM (EST)
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? August Venagas made initial notification for Tejay Simpson at 11:43 AM and initiated fluid recovery. Mark Whitaker was notified at 10:00 AM Sunday, November 9, 2008	
By Whom? TEJAY SIMPSON	Date and Hour 11/09/08 10:00 AM	
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.*

Describe Cause of Problem and Remedial Action Taken.*

IRP # 2001

During the early morning of Saturday, November 8, 2008 the high pressure fiberglass water injection line servicing Vacuum Grayburg San Andres Unit Well No. 135 developed a leak. During his routine round the Night Rider (Contract Pumper that performs surveillance from 7:00 PM to 4:00 AM) smelled produced water and investigated. The leak was found and isolation valves were closed at the injection header and well location to stop the release. Excavation of leak site has not been conducted at time of report but it is suspected that the FG line failure occurred at the point of transition from steel to FG.

Based upon total area of impact, estimated depth of free standing fluid and early estimate of average soil penetration, an estimate of 180 barrels of produced water was released. Vacuum truck was dispatched and recovered 130 barrels of produced water. Notification of final fluid recovery was provided to Tejay Simpson at approximately 8.00 PM Saturday, November 8, 2008.

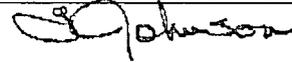
Average depth of penetration was initially estimated at 12" over the pooled area for purpose of completing the release estimate volumes. Actual depth of impact and delineation to occur during impact delineation investigation.

PLM0831831871

RECEIVED
NOV 12 2008

HOBBS (N.M.)

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: 		<u>OIL CONSERVATION DIVISION</u> 	
Printed Name: TEJAY SIMPSON		Approved by District Supervisor: ENVIRONMENTAL ENGINEER	
Title: OPERATIONS SUPERVISOR		Approval Date: 11.12.08	Expiration Date: 1.12.09
E-mail Address: tsimpson@chevron.com		Conditions of Approval:	
Date: 11/11/08 Phone: 396-4414 X 101			
		Attached <input type="checkbox"/> IRP# 2004	

* Attach Additional Sheets If Necessary

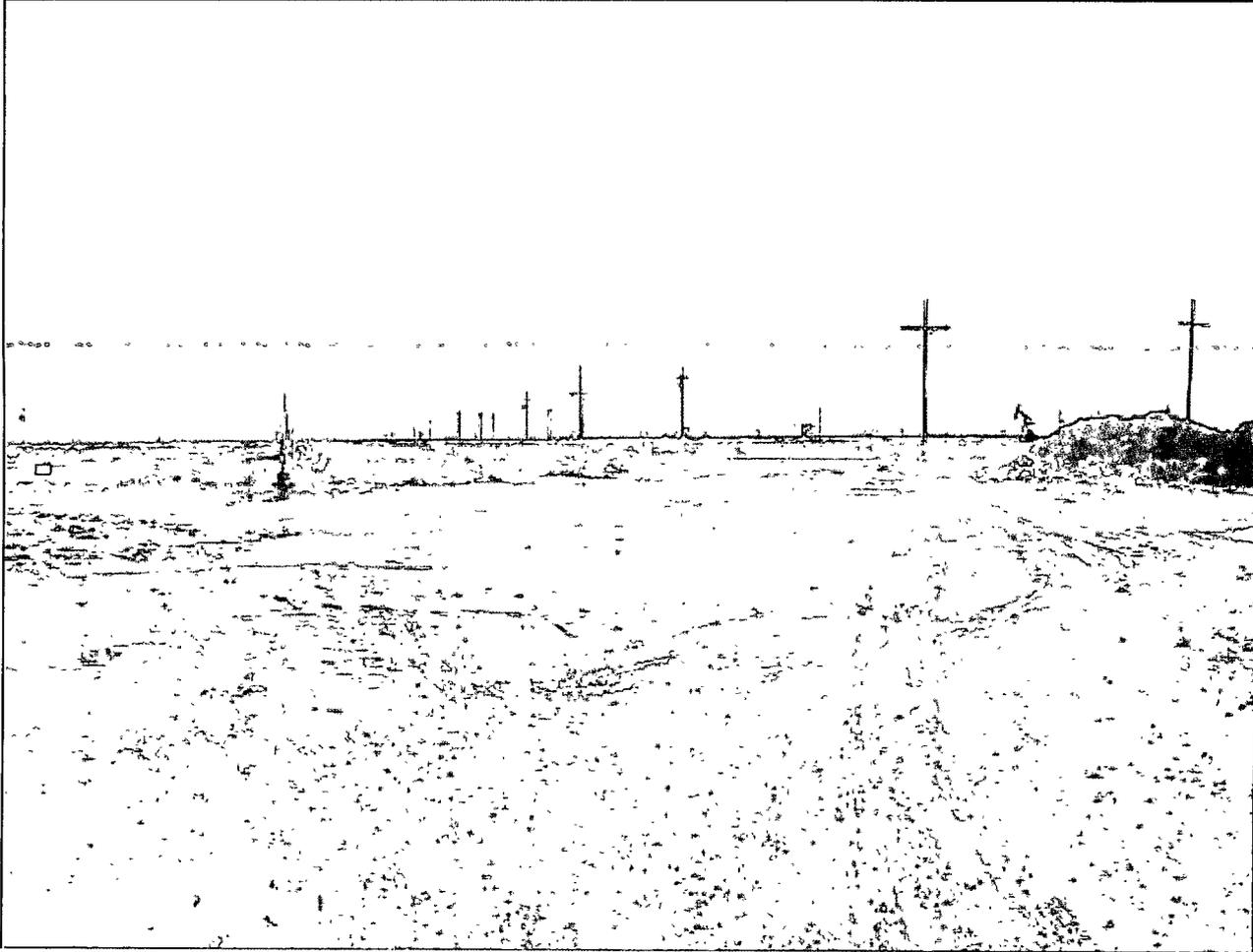
Describe Area Affected and Cleanup Action Taken.*

The Majority of the fluid pooled up on the adjacent caliche packed injection header access pad and roadway. Some impact to adjacent pasture land.

Ocotillo Environmental has been contracted to perform the initial delineation survey.

See Pictures of impact area:

Area due south of leak origin.



View from the east of the source of origin.

