

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

RECEIVED State of New Mexico
Energy Minerals and Natural Resources
JUL 27 2009
Oil Conservation Division
HOBBSOCD 1220 South St. Francis Dr.
Santa Fe, NM 87505

RECEIVED
JUL 27 2009
Submit 2 Copies to appropriate District Office in accordance with Rule 116 on back side of form
Form C-141
Revised October 10, 2003

Release Notification and Corrective Action

OPERATOR X 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 Satellite 3 Trunk line	Facility Type Production Satellite

Surface Owner State of NM	Mineral Owner State of NM	Lease No. B-155
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LOCATION OF RELEASE

NEARBY WELC VGSA #156
API # 30,025-30917-00-00

Unit Letter	Section	Township	Range	Feet from the	South Line	Feet from the	East Line	County
G	1	18	34					Lea

Latitude N 32 deg 46.825 min Longitude W 103 deg 30.717 min

NATURE OF RELEASE

API #not assoc with a well

Type of Release Crude Oil and Produced water	Volume of Release Oil 44.4 Barrels Water 792 Barrels	Volume Recovered 22 Oil 450 BW (Mixed With Rain Water)
Source of Release Production trunk line	Date and Hour of Occurrence 7/21/09 11:12 PM	Date and Hour of Discovery 7/22/09 3:00 AM
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? Geoffrey Leking	
By Whom? Larry Ridenour	Date and Hour 7/22/09 10:11AM	
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.*

GW @ 130'

Describe Cause of Problem and Remedial Action Taken.*

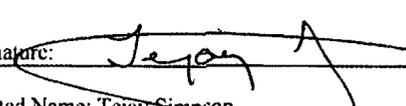
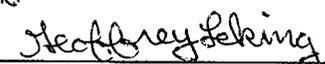
At approximately 03:00 hours the contract nigh rider observed an apparent produced oil and water trunkline leak at the Vacuum Grayburg San Andres Unit production satellite No. 3. Immediate notification to field specialist was made and shut in of individual producing wells was begun. All wells were shut in and isolation valves closed and event stopped at 04:13 hours. A severe thunderstorm moved in at approximately 04:00 hours and delayed vacuum truck response until after the storm had passed - estimated rainfall during storm was 2". Emergency "One Call" was initiated and excavation begun Initial finding of failure was a 6" fiberglass nipple pulled out of a ninety degree elbow. Root Cause Analysis will be conducted to determine contributing factors and root cause of the event.

Chlorides 62.366

Describe Area Affected and Cleanup Action Taken.

State of New Mexico pasture land impacting an estimated surface area of 37,516 square feet. Vacuum trucks were dispatched to the scene and picked up pooled produced oil and mixture of produced water and rain. Recovered 22 BO and 450 BW. Note: analysis of recovered water was 52,000 chlorides.

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: Tejay Simpson	ENV. ENGINEER: Approved by District Supervisor: 

PGRL 0921962784

Title: Operations Supervisor	Approval Date: 08/05/09	Expiration Date: 10/05/09
E-mail Address tscq@chevron.com	Conditions of Approval: DELINEATE TO CLEAN+L. SUBMIT FINAL C-141 BY 10/05/09	
Date: 7-27-09	Phone: 396-4414 X 101	Attached <input type="checkbox"/> IRP-09-8-2257

* Attach Additional Sheets If Necessary