

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

RECEIVED

Form C-141
Revised October 10, 2003

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

MAY 26 2010
HOBBSOCD

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	Kim Klahsen
Address	HCR 60 Box 423 Lovington, NM 88260	Telephone No.	(575) 432-894-3298
Facility Name	Keel A Federal	Facility Type	Production Battery
Surface Owner:	Federal BLM	Mineral Owner:	Federal
		Federal Lease No. 24161 API # 30-025-33316	

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
J	33	18S	32E	1980	South	2080	East	Lea

Latitude N 32.7021505063 Longitude W 103.769514507

WTR 200'

NATURE OF RELEASE

Type of Release	Crude Oil	Volume of Release	7.262 BO	Volume Recovered	approximately 6 bbl
Source of Release	Sight Glass failure on heater treater	Date and Hour of Occurrence	1/29/10 at ???	Date and Hour of Discovery	1/29/10 @ 1500
Was Immediate Notice Given?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom?	Robert Harrison		
By Whom?	Tejay Simpson	Date and Hour	1/29/10 @ 1709		
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.* At approximately 1500 hours, Chevron Field Specialist arrived on the location of the Keel A Federal battery and observed oil spraying out of the top side of the bottom sight glass. The Field Specialist used a shovel to close the 1/2" ball valves between the vessel and the sight glass gauge cock valves, stopping the release of oil. Operations Supervisor was called to the scene. Area of impact and average depth of free standing fluid and depth of soil penetration was determined and spill volume was calculated at 7.262 barrels of oil. Vacuum truck arrived at the location and recovered free standing oil. Total recovery of free standing fluid estimated at 6.0 barrels.

Describe Area Affected and Cleanup Action Taken.* Dirt and sandy soil within the tank battery and approximately 432 square feet of sandy surface north of the battery fence immediately adjacent to the battery.

Free standing fluid was recovered with vacuum truck and squeegee. Backhoe was dispatched to the location 1/30/10 and back dug the spill area, recovering contaminated soil. Contaminated soil was taken to CRI disposal. Impact area inside the battery and immediately south of the heater treater was roto-tilled to insure less than 1% THC.

Confirmation soil samples were collected on 2/15/10 and analyzed for TPH and chloride. The laboratory reported all TPH concentrations less than 5,000 mg/kg and all chloride concentrations less than 250 mg/kg.

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:	Kim Klahsen	Approved by District Supervisor	
Title:	Environmental Specialist	Approval Date:	5-27-10
E-mail Address:	Kdkl@chevron.com	Expiration Date:	
Date:	3/31/10	Phone:	(575) 894-3298
		Conditions of Approval:	Attached <input type="checkbox"/>
			IRP# 105-254

5/26/10 KCL

INCD- N LWT 101 4734223
ADM# PLWJ 1014754737

Ocotillo ENVIRONMENTAL

Dirt Work • On-Site Remediation • Soil Testing • Excavation

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March 31, 2010

Mr. Larry Johnson
Environmental Engineer
Oil Conservation Division
New Mexico Energy, Minerals and Natural Resources Department
1625 N. French Drive
Hobbs, New Mexico 88240

**Re: Spill Remediation Report, Chevron USA, Keel A Federal,
Unit Letter J (NW/4, SE/4), Section 33, Township 18 South, Range 32 East,
Lea County, New Mexico
(Latitude: N 32.70211° / Longitude: W 103.76948°)**

Dear Mr. Johnson:

Chevron USA (Chevron) has retained Ocotillo Environmental, LLC (Ocotillo) to remediate impacts to soil from a leak at the Keel A Federal tank battery (Site). The Site is located in the northwest quarter (NW/4) of the southeast quarter (SE/4), Section 33, Township 18 South, Range 32 East, Lea County, New Mexico. Approximately 7.262 barrels of crude oil was released from the tank battery on January 29, 2010, and approximately 6 barrels were recovered from the site. A C-141 was submitted to the New Mexico Oil Conservation Division (NMOCD) on February 2, 2010, a copy of which is included as Appendix A. Figure 1 shows the site location.

Based on published literature (1961), well records of the New Mexico State Engineer, and well records of the United States Geological Survey, groundwater occurs at approximately 117 feet bgs in the well located nearest the Site. No domestic water wells are located within 1,000 feet of the site. The NMOCD has established recommended remediation action levels (RRALs) for benzene, total BTEX and TPH resulting from spills of natural gas liquids ("Guidelines for Remediation of Leaks, Spills and Releases, August 13, 1993"). Remediation levels for benzene, total BTEX and TPH were calculated using the following NMOCD criteria:

Criteria	Result	Ranking Score
Depth-to-Groundwater	> 100 Feet	0
Wellhead Protection Area	No	0
Distance to Surface Water Body	>1000 Horizontal Feet	0
		Total: 0

The following RRALs have been assigned based on NMOCD criteria:

Benzene 10 mg/kg
Total BTEX 50 mg/kg
TPH 5,000 mg/kg

Mr. Larry Johnson
Page 2
March 31, 2010

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Initial Remediation

On January 29, 2010, a vacuum truck was dispatched to the Site and recovered approximately six (6) barrels of free standing fluid. On January 30, 2010, a backhoe was dispatched to the Site and back dug the spill area. Hydrocarbon impacted soil was removed and disposed at Controlled Recovery, Inc. (CRI). The impacted area inside the battery and immediately south of the heater treater was roto-tilled to insure less than one percent (1%) total hydrocarbon content.

Confirmation Sampling Activities

On February 15, 2010, soil samples (SS-1 through SS-10) were collected from the remediated surface area of the spill at a depth of approximately six (6) inches below ground surface (bgs). The soil samples were placed in clean glass sample jars, labeled, chilled in an ice chest and delivered to Cardinal Laboratories (Cardinal) for analysis of total petroleum hydrocarbons (TPH) and chloride. Table 1 provides a summary of the laboratory results. Figure 2 shows the sample locations. Appendix B provides a copy of the laboratory reports and chain of custody documentation.

Referring to Table 1, soil samples collected at the Site reported all TPH concentrations below the RRAL of 1,000 mg/kg and all chloride concentrations below 250 mg/kg.

Chevron respectfully requests that the Keel A Federal site be closed by the NMOCD. A final C141 form is included in Appendix C. If you have any questions or need additional information, please call Mr. Kim Klahsen at (432) 894-3298, or myself at (575) 441-7244. We may also be reached by email at KDKL@chevron.com or Cindy.Crain@gmail.com.

Sincerely,
Ocotillo Environmental, LLC



Cindy K. Crain, P.G.
Environmental Manager

cc: Kim Klahsen, Chevron

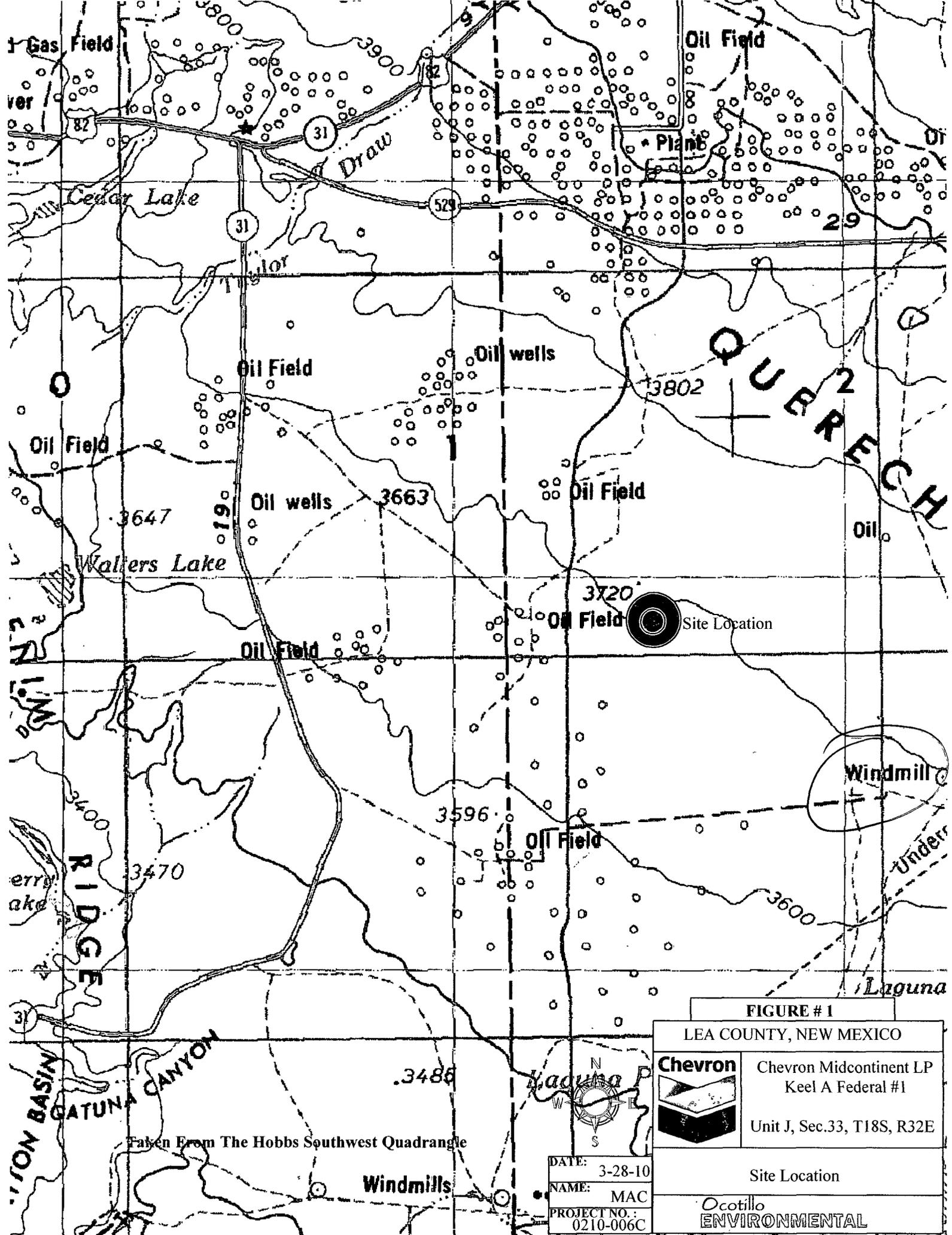
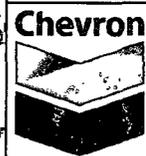


FIGURE # 1

LEA COUNTY, NEW MEXICO



Chevron Midcontinent LP
Keel A Federal #1

Unit J, Sec.33, T18S, R32E

Site Location

Ocotillo
ENVIRONMENTAL

DATE: 3-28-10
NAME: MAC
PROJECT NO.: 0210-006C

Taken From The Hobbs Southwest Quadrangle



ARDINAL LABORATORIES

PHONE (575) 393-2326 • 101 E. MARLAND • HOBBS, NM 88240

ANALYTICAL RESULTS FOR
OCOTILLO ENVIRONMENTAL
ATTN: CINDY CRAIN
P.O. BOX 1816
HOBBS, NM 88241
FAX TO: (432) 272-0304

Receiving Date: 02/16/10
Reporting Date: 02/18/10
Project Owner: CHEVRON (0210-006C)
Project Name: KEEL A FEDERAL
Project Location: UNIT J SEC 33 T18S R32E
LEA COUNTY, NM

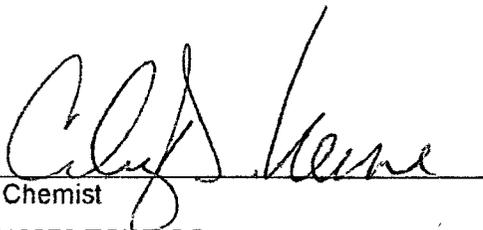
Sampling Date: 02/15/10
Sample Type: SOIL
Sample Condition: COOL & INTACT @ 0°C
Sample Received By: JH
Analyzed By: AB/HM

LAB NUMBER	SAMPLE ID	GRO (C ₆ -C ₁₀) (mg/kg)	DRO (>C ₁₀ -C ₂₈) (mg/kg)	*Cl (mg/kg)
ANALYSIS DATE		02/17/10	02/17/10	02/16/10
H19276-1**	SS#1	<10.0	70.5	< 16
H19276-2**	SS#2	<10.0	299	32
H19276-3	SS#3	24.4	269	128
H19276-4	SS#4	<10.0	<10.0	< 16
H19276-5	SS#5	<10.0	<10.0	< 16
H19276-6	SS#6	<10.0	83.0	< 16
H19276-7	SS#7	<10.0	<10.0	< 16
H19276-8	SS#8	<10.0	<10.0	< 16
H19276-9	SS#9	<10.0	487	< 16
H19276-10	SS#10	263	1,750	80
Quality Control		536	581	510
True Value QC		500	500	500
% Recovery		107	116	102
Relative Percent Difference		3.8	15.7	2.0

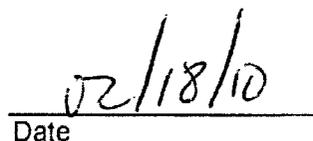
METHODS: TPH GRO & DRO: EPA SW-846 8015 M; Cl: Std. Methods 4500-ClB

*Analyses performed on 1:4 w:v aqueous extracts. Reported on wet weight.

**TPH second surrogate outside historical limits due to matrix interference.


Chemist

H19276 TCL OCO


Date



CARDINAL LABORATORIES

101 East Marland, Hobbs, NM 88240

(575) 393-2326 Fax (575) 393-2476

Company Name: SCOTILLO ENVIRONMENTAL		BILL TO		ANALYSIS REQUEST											
Project Manager: CINDY CRAIN		P.O. #:													
Address: PO Box 1816		Company:													
City: Hobbs State: NM Zip: 88241		Attn: CINDY CRAIN													
Phone #: 575-393-6371 Fax #: 432-272-0304		Address:													
Project #: 0210-006C Project Owner: CHEVRON		City:													
Project Name: KEEL A FEDERAL		State: Zip:													
Project Location: UNIT J SEC 33 T18S R32E LA CO		Phone #:													
Sampler Name: BOBBY D JONES		Fax #:													

FOR LAB USE ONLY:		LABOR (COMP.)	# CONTAINERS	MATRIX						PRESERV.		SAMPLING		DATE	TIME	TPH (8015M)	CI
Lab I.D.	Sample I.D.			GROUNDWATER	WASTEWATER	SOIL	OIL	SLUDGE	OTHER :	ACID/BASE	ICE / COOL	OTHER :					
H192761-	SS # 1	/	1			/				/			2/15	3:58p	/	/	
-2	SS # 2		1										2/15	4:04p	/	/	
-3	SS # 3		1										2/15	4:12p	/	/	
-4	SS # 4		1										2/15	4:18p	/	/	
-5	SS # 5		1										2/15	4:46p	/	/	
-6	SS # 6		1										2/15	4:53p	/	/	
-7	SS # 7		1										2/15	5:09p	/	/	
-8	SS # 8		1										2/15	5:16p	/	/	
-9	SS # 9		1										2/15	5:21p	/	/	
-10	SS # 10		1										2/15	5:40p	/	/	

PLEASE NOTE: Liability and Damages. Cardinal's liability and client's exclusive remedy for any claim arising whether based in contract or tort, shall be limited to the amount paid by the client for the analyses. All claims including those for negligence and any other cause whatsoever shall be deemed waived unless made in writing and received by Cardinal within 30 days after completion of the applicable service. In no event shall Cardinal be liable for incidental or consequential damages, including without limitation, business interruptions, loss of use, or loss of profits incurred by client, its subsidiaries, affiliates or successors arising out of or related to the performance of services hereunder by Cardinal, regardless of whether such claim is based upon any of the above stated reasons or otherwise.

Sampler Relinquished:		Date:	Received By:		Phone Result: <input type="checkbox"/> No	Add'l Phone #:
		Time:			Fax Result: <input checked="" type="checkbox"/> No	Add'l Fax #:
Relinquished By:		Date:	Received By:		REMARKS:	
		Time: 1:11 PM			FAX TO CINDY CRAIN	
Delivered By: (Circle One)		Time: 2/10	Temp: D°C	Sample Condition: Cool Intact	CHECKED BY: (Initials)	
Sampler - UPS - Bus - Other:			<input checked="" type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input checked="" type="checkbox"/> No	432-272-0304	

† Cardinal cannot accept verbal changes. Please fax written changes to 575-393-2476.

#26

SS-7
<20/<16



SS-6
83/<16



SS-5
<20/<16



SS-4
<20/<16



SS-8
<20/<16



SS-9
487/<16



SS-10
2013/ 80

Separator

Treater

Acid

500
bbl

500
bbl

500
bbl

SS-1
70.5/<16



SS-2
299/ 32



SS-3
293.4/ 128



Scale in Feet 1"=50'

FIGURE # 1

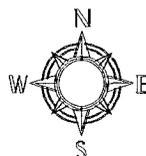
LEA COUNTY, NEW MEXICO

Chevron



Chevron Midcontinent LP
Keel A Federal #1

Unit J, Sec.33, T18S, R32E



DATE: 3-28-10

NAME: MAC

PROJECT NO.: 0210-006C

Site Drawing With Soil Sample
Locations (february 15, 2010)

Ocotillo
ENVIRONMENTAL

Legend



SS-1 Soil Sample Location With
70.5/<16TPH/CL Concentrations (mg/kg)
At a Depth of 0 to 6 inches
(2-15-10)

Table 1:
Summary of Laboratory Analysis of Soil Samples
Chevron USA, Keel A Federal
Unit Letter J, Section 33, Township 18 South, Range 32 East
Lea County, New Mexico

Sample Date	Soil Boring Number	Sample Depth (feet BGS)	TPH (GRO) C6 - C10 mg/kg	TPH (DRO) >C10 - C28 mg/kg	Total TPH mg/kg	Chloride (mg/kg)
RRAL					5000	250
2/15/10	SS-1	6"	<10.0	70.5	70.5	<16
2/15/10	SS-2	6"	<10.0	299	299	32
2/15/10	SS-3	6"	24.4	269	293.4	128
2/15/10	SS-4	6"	<10.0	<10.0	<20.0	<16
2/15/10	SS-5	6"	<10.0	<10.0	<20.0	<16
2/15/10	SS-6	6"	<10.0	83	83	<16
2/15/10	SS-7	6"	<10.0	<10.0	<20	<16
2/15/10	SS-8	6"	<10.0	<10.0	<20	<16
2/15/10	SS-9	6"	<10.0	487	487	<16
2/15/10	SS-10	6"	263	1,750	2,013	80

- Notes: Samples analyzed by Cardinal Laboratories, Hobbs, New Mexico
1. BGS: Depth in feet below ground surface
 2. mg/kg: Milligrams per kilogram
 3. GRO: Gasoline Range Organics
 4. DRO: Diesel Range Organics

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Form C-141
Revised October 10, 2003

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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 201
Facility Name KEEL A FEDERAL	Facility Type PRODUCTION BATTERY
Surface Owner FEDERAL BLM	Mineral Owner FEDERAL
	Lease No. FEDERAL LEASE NO. 24161

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the		Feet from the		County
J	33	18.0S	32E	1980	South Line	2080	East Line	Lea

Latitude: 32.7021505063 / Longitude: -103.769514507

NATURE OF RELEASE

API #30-025-33316

Type of Release Crude Oil	Volume of Release Oil 7.262 Barrels	Volume Recovered 6.0 BARREL ESTIMATE
Source of Release Sight Glass Failure on Heater Treater.	Date and Hour of Occurrence 1-29-2010 @ ????	Date and Hour of Discovery 1-29-2010 @ 15:00
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? Robert Harrison	
By Whom? Tejay Simpson	Date and Hour 1-29-2010 @ 17:09	
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.*

At approximately 15:00 hours, Chevron Field Specialist arrived on the location of the Keel A Federal battery and observed oil spraying out of the top side of the bottom sight glass. The Field Specialist used a shovel to close the 1/2" ball valves between the vessel and the sight glass gauge cock valves stopping the release of oil. Operations Supervisor was called to the scene. Area of impact and average depth of free standing fluid and depth of soil penetration was determined and spill volume was calculated at 7.262 barrels of oil. Vacuum truck arrived at the location and recovered free standing oil. Total recovery of free standing fluid estimated at 6.0 barrels.

Notification was made to the NMOCD and BLM by phone at approximately 17:09 hours.

Describe Area Affected and Cleanup Action Taken.

Dirt and sandy soil within the tank battery and approximately 432 square feet of sandy surface north of the battery fence immediately adjacent to the battery.

Free standing fluid was recovered with vacuum truck and squeegee. Backhoe was dispatched to the location the following morning and back drug spill area recovering contaminated soil. Contaminated soil was taken to CRI disposal. Impact area inside the battery and immediately south of the heater treater was roto-tilled to ensure less than 1% THC.

Ocotillo Environmental Service was dispatched to the spill site on Monday, February 1st to obtain soil samples to help develop final clean-up and remediation plan.

Additional clean-up is scheduled to be conducted the week of February 8th.

Evidence of historic spill inside the battery were discovered during initial clean up response.

← THIS IS TWICE NM STANDARD - 5-26-10

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.

		<u>OIL CONSERVATION DIVISION</u>	
Signature:		Approved by District Supervisor:	
Printed Name: Tejay Simpson			
Title: Operations Supervisor		Approval Date:	Expiration Date:
E-mail Address tscq@chevron.com		Conditions of Approval:	
Date: February 2, 2010 Phone: 396-4414 X 201		Attached <input type="checkbox"/>	

* Attach Additional Sheets If Necessary