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HOBBSOCD

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 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 201
Facility Name Vacuum Glorieta Central Battery	Facility Type Production & Injection Battery

Surface Owner State of New Mexico	Mineral Owner State of NM	Lease No. OGRID No. B-155

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	South Line	Feet from the	East Line	County
B	36	17.0S	34.0E					Lea

Latitude: 32.795826 Degree / Longitude: -103.514599

Chloride: 65,000 **NATURE OF RELEASE** **API #30-025-30716 (VGWU 60)**

Type of Release Produced Water (65.000 Chloride)	Volume of Release Produced Water: 264 Barrels	Volume Recovered 180 Barrels
Source of Release 10" buried steel transfer line from transfer pumps to horizontal injection pump suction	Date and Hour of Occurrence 06/13/2010 @ 07:13	Date and Hour of Discovery 06/13/2010 @ 07:50
Was Immediate Notice Given? ☒ Yes ☐ No ☐ Not Required	If YES, To Whom? Elidio Gonzales 06	
By Whom?	Date and Hour ~~12~~/13/2010 @ 17:25	
Was a Watercourse Reached? ☐ Yes ☒ No	If YES, Volume Impacting the Watercourse.	

If a Watercourse was Impacted, Describe Fully.* CNW9 122'

Describe Cause of Problem and Remedial Action Taken.*
At 07:13:42 hours a callout alarm was activated for horizontal pump (H-Pump) shutdown at Vacuum Glorieta West Unit (VGWU) Sat 1 – middle pump. A second callout alarm was activated at 07:18:12 hours for VGWU Sat 3 H-pump. The alarms were remotely acknowledge by Field Specialist (FS) at 07:27:07 hours. FS responded to the facility and discovered a leak in progress and shut down the remaining H-pump and transfer pumps at 07:50:36 hours. The leak was identified as coming from a buried water transfer line from the suction tank transfer pump feeding the suction of the horizontal injection pumps. The line was isolated to stop the leak and the producing wells were shut it to prevent tank overflow. Vacuum trucks were dispatched to the scene and recovered all free standing fluid (180 BBLS). A gang was dispatched to the location and it was determined the buried line was not repairable. Two temporary lines were installed and the H-pumps at Sat 1 were returned to operation at approximately 18:00 hours. The H-pump at Sat 3 could not be returned to operation. Ten wells accounting for approximately 120 BO and 16,000 BW remain shut in until additional repairs can be made. Note: the line that failed was a buried 10" steel line of undetermined age.

Describe Area Affected and Cleanup Action Taken.
Area of impact was primarily limited to the combined VGWU Production Battery and injection facility (VGWU Sat 1) with some run off to a well location on the south side of the battery. Vacuum trucks were dispatched to the location and recovered a total of 180 barrels of produced water. A water sample was pulled from the pooled up area located on the southeast corner of the location where some rain water had accumulated. Soil impact was broken up into three primary areas. Area 1 (14,866 square feet) was assumed 100% impact at average depth of 6". Area 2 (10,907 square feet) was assumed 50% impact at average depth of 3". Area 3 (5,341 square feet) was assumed 50% impact at average depth of 3". All soil impact calculations based upon 5% soil saturation. Dirt contractor will be dispatched to scrape up damp contaminated caliche from the impact area within the battery. Final battery clean up is recommended to be completed during abandonment of the facility. Impact area outside of the facility will be tested and a follow-up work plan submitted.

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: Tejay	OIL CONSERVATION DIVISION
Printed Name: Tejay Simpson	ENV. ENGINEER Approved by ~~District Supervisor~~: Geoffrey Leking
Title: Operations Supervisor	Approval Date: 06/22/10 Expiration Date: 08/23/10
E-mail Address tscq@chevron.com	Conditions of Approval: DELINEATE TO CLEAN 1, SO THAT IS IS VERIFIED THAT WAITING UNTIL FINAL ABANDONMENT IS SAFE FOR GROUND WATER. REMEDIATE APPROPRIATELY. Attached ☐ IRP-10-9-2622
Date: 06-14-2010 6-22-10 V2 Phone: 396-4414 X 201	

* Attach Additional Sheets If Necessary