

REMEDIATION PROPOSAL

STATE A-26 BATTERY
NMOCD REF. 1RP-1221
EPI REF: 200082

APPROVED JIA
E-WATE 9-21-07
WT

UL-L (NW¼ OF THE SW¼) OF SECTION 26, T19S, R36E

~4 MILES WEST OF MONUMENT

LEA COUNTY, NEW MEXICO

LATITUDE: N 32° 37' 46.47"

LONGITUDE: W 103° 19' 56.87"

AUGUST 2007

PREPARED BY:

ENVIRONMENTAL PLUS, INC.
2100 AVENUE O
EUNICE, NEW MEXICO 88231

PREPARED FOR:

Chevron



03-07-2006 15 BBL NO RECOVERY

02-22-2007 9 BBL 18 BBL RECOVERED

All sampling contained in this
report occurred 04-06-2006

Depth to water < 30'

Johnson, Larry, EMNRD

From: Johnson, Larry, EMNRD
Sent: Friday, September 21, 2007 4:09 PM
To: 'billyanderson@chevron.com'
Cc: 'David Duncan'
Subject: St A 26(1RP1221)

OCD approval granted. Submit cleanup info and final C-141 by 11-16-07. LJ



21 August 2007

Mr. Larry Johnson
Environmental Engineer
New Mexico Oil Conservation Division
1625 North French Drive
Hobbs, New Mexico 88240

RE: Remediation Proposal
Chevron USA – State A-26 Battery
UL-L (NW ¼ of the SW ¼) Section 26, T 19 S, R 36 E
Latitude: 32° 37' 46.47"; Longitude: 103° 19' 56.87"
NMOCD Ref: 1RP-1221 EPI Ref. #200082

Dear Mr. Johnson:

On March 7, 2006 approximately 15-barrels (bbls) of fluid were released from this facility with no recovery of fluids. A secondary release occurred on February 22, 2007 when approximately 9-bbls of fluid were released with ±8-bbls recovered. Both releases were confined within the bermed area of the tank battery with no overflow onto adjacent surface. Environmental Plus, Inc., (EPI) addresses proposed remedial activities related to the two (2) releases in this letter report.

Site Background

The Site is located in UL-L (NW ¼ of the SW ¼) of Section 26, T19S, R36E at an elevation of approximately 3700 feet above mean sea level (amsl). The property is owned by the State of New Mexico and managed by the New Mexico State Land Office. A search for water wells was completed utilizing the New Mexico Office of the State Engineers website and a database maintained by the United States Geological Survey (USGS). Zero (0) water wells or surface water features exist within a 1,000 feet radius of the release site (reference *Figure 2*). Groundwater data taken from domestic and USGS water wells within a one (1) mile radius indicates an average water depth of approximately thirty-eight (38) feet below ground surface (bgs). Based on available information, it was determined the distance between impacted soil and groundwater is less than thirty-three (33) feet bgs. Utilizing this information, New Mexico Oil Conservation Division (NMOCD) Remedial Goals for this Site were determined as follows:

Parameter	Remedial Goal
Benzene	10 parts per million
BTEX	50 parts per million
TPH	100 parts per million

*Chloride residuals may not be capable of impacting local groundwater above NMWQCC Standard of 250 mg/L

Field Work

On April 06, 2006 EPI mobilized at the tank battery to direct locations and depth of two (2) soil borings. Both soil borings were advanced within confines of the tank battery area and to a total depth (TD) of fifteen (15) feet bgs (reference *Figure 5*). During advancement of soil borings, soil samples were collected at 4.5'-5' feet increments to total depth (TD) of each respective soil boring. Information regarding lithology of soil borings is provided in Attachment III, *Soil Boring Logs*.

Sampling Information

Soil samples were collected from a portable auger rig utilizing a hollow core stem (Split Spoon Method). Upon collecting each soil sample, a portion was immediately placed into laboratory provided container(s), labeled and set on ice for transportation to an independent laboratory for quantification of BTEX (benzene, toluene, ethylbenzene and total xylenes); Total Hydrocarbons [Gas Range Organics (GRO) and Diesel Range Organics (DRO)]; sulfate and chloride concentrations.

The other portion of the soil sample was analyzed in the field for the following:

Organic Vapor Concentrations – A portion of each soil sample was inserted into a self-sealing polyethylene bag to allow volatilization of organic vapors. After samples equilibrated to ~70° F, they were analyzed for organic vapor concentrations utilizing a MiniRae® Photoionization Detector (PID) equipped with a 10.6 electron volt (eV) lamp and calibrated for benzene response.

Chloride Concentrations – A portion of each soil sample collected was tested utilizing a LaMotte Chloride Test Kit (titration method).

Analytical Data

Field analyses for organic vapor concentrations were 0.0 ppm in both soil borings. Chloride concentrations in SB-1 ranged from 160 mg/kg to 400 mg/Kg. Chloride concentrations in Soil Boring SB-2 ranged from 160 mg/Kg to 240 mg/Kg (reference *Table 2*).

Laboratory analytical results indicated BTEX and TPH concentrations were not at or above laboratory analytical method detection limits (MDL) for both soil borings. Chloride concentrations in SB-1 ranged from 496 mg/Kg (4.5-5 feet bgs) to 64 mg/Kg (14.5-15 feet bgs). Chloride concentrations in SB-2 ranged from 128 mg (4.5-5 feet bgs) to 16 mg/Kg (9.5-10 feet bgs) (reference *Table 2*).

Site Remedial Proposal

Based on field analyses and laboratory analytical results, the release area soil is slightly impacted with chlorides. However, residual chloride concentrations diminish with vertical depth (reference *Table 3*) and are confined to a relatively small area. With groundwater approximately thirty-three (33) feet bgs, natural attenuation will reduce chloride concentrations during migration. In view of this, it is recommended excavating a minimum two (2) feet of impacted soil from the interior of the caliche bermed area. Excavation shall be accomplished by use of a hydro-vacuum unit. Tankage, piping and heater treaters preclude use of conventional equipment (i.e., rubber tire backhoe) in this area. Excavated material will be taken to a state approved disposal facility due to high sulfate

concentrations. Impacted material will be excavated as close as possible around the numerous vessels without endangering their stability. Upon completion of excavation activities, the area is to be backfilled with graded caliche free of large clumps to original interior pad elevation. The backfill material will be contoured to a smooth surface to avoid tripping hazards. The caliche berm will be inspected for damage, checked for correct height and remediated as necessary to correct any deficiencies.

When the tank battery is decommissioned and infrastructure removed, a remediation proposal will be presented to the NMOCD addressing activities required to remediate the tank battery and adjacent areas.

Should you have any technical questions or concerns, please contact me at (505) 394-3481 or via email at dduncan@envplus.net. Upon approval, EPI will initiate remedial phase of the project. Official correspondence and communications should be submitted to Mr. Billy Anderson, Chevron USA, at (505) 394-1237 (office), (505) 441-5438 (cellular) or via email at BillyAnderson@chevron.com.

Sincerely,

ENVIRONMENTAL PLUS, INC.



David P. Duncan
Civil Engineer

Cc: Billy A. Anderson, HES Specialist, Chevron USA, Eunice, NM
Thaddeus Kostrubala, Environmental Engineer, NMSLO, Santa Fe, NM
Myra Meyers, District Resource Manager, NMSLO, Hobbs, NM
File

Encl: Figure 1 – Area Map
Figure 2 – Site Location Map
Figure 3 – Site Map
Figure 4 – Groundwater Gradient Map
Figure 5 – Soil Boring Location Map
Table 1 – Well Data
Table 2 – Summary of Soil Boring Field Analyses and Laboratory Analytical Results
Attachment I – Site Photographs
Attachment II – Laboratory Analytical Results and Chain-of-Custody Form
Attachment III – Soil Boring Logs
Attachment IV – Information and Metrics
Copies of Initial NMOCD Form C-141

ENCLOSURES

FIGRES

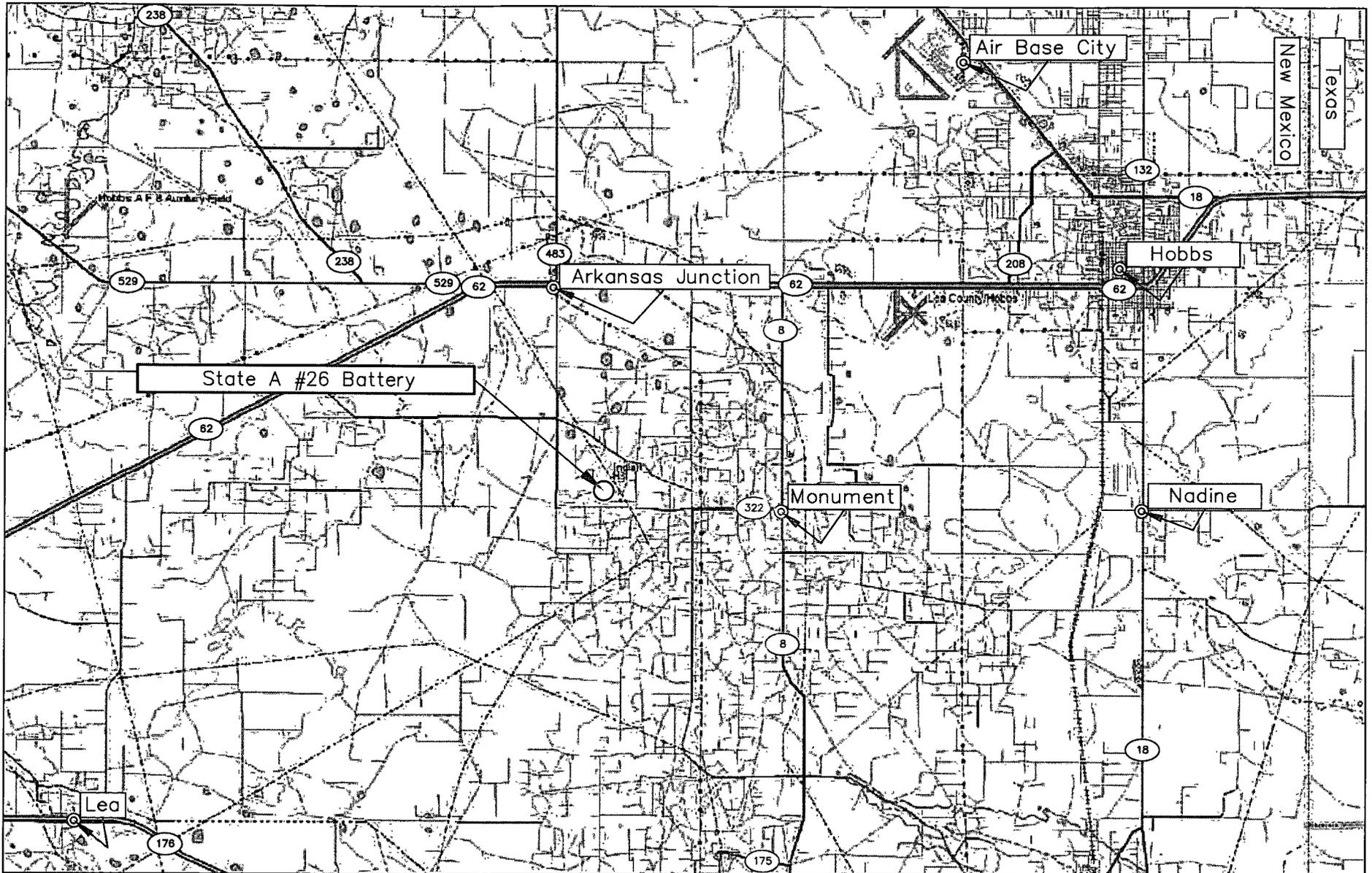
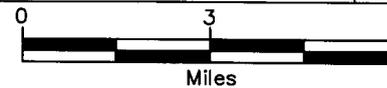


Figure 1
 Area Map
 Chevron Corporation
 State A #26 Battery

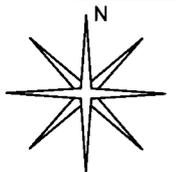
Lea County, New Mexico
 NW 1/4 of the SE 1/4, Sec. 26, T19S, R36E
 N 32° 37' 46.47" W 103° 19' 56.87"
 Elevation: 3,700 feet amsl

DWG By: Daniel Dominguez
 November 2006

REVISED:



SHEET
 1 of 1



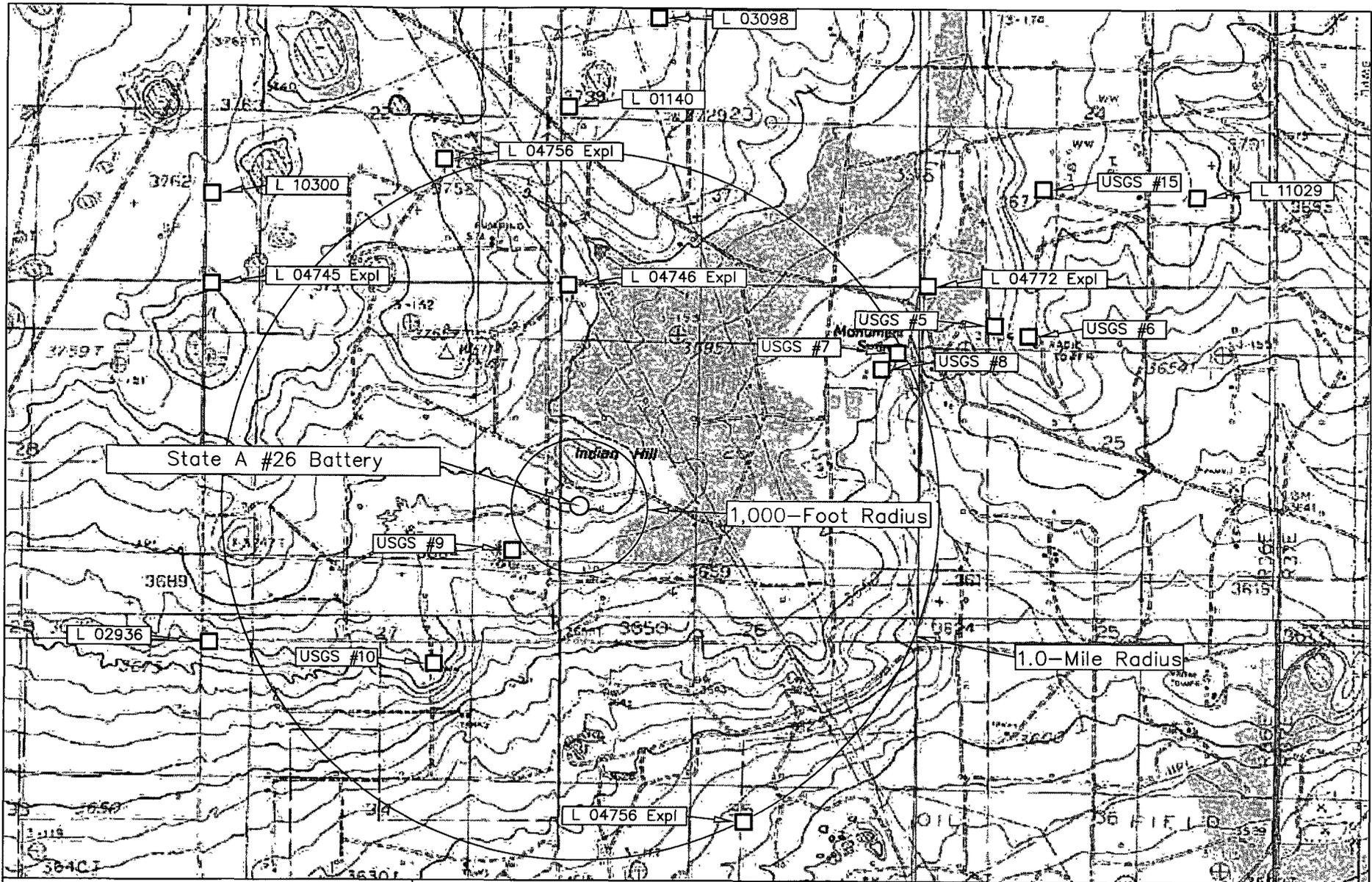
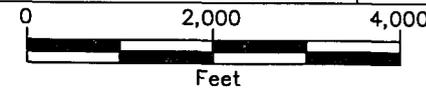


Figure 2
 Site Location Map
 Chevron Corporation
 State A #26 Battery

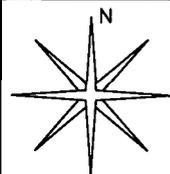
Lea County, New Mexico
 NW 1/4 of the SE 1/4, Sec. 26, T19S, R36E
 N 32°37' 46.47" W 103°19' 56.87"
 Elevation: 3,700 feet amsl

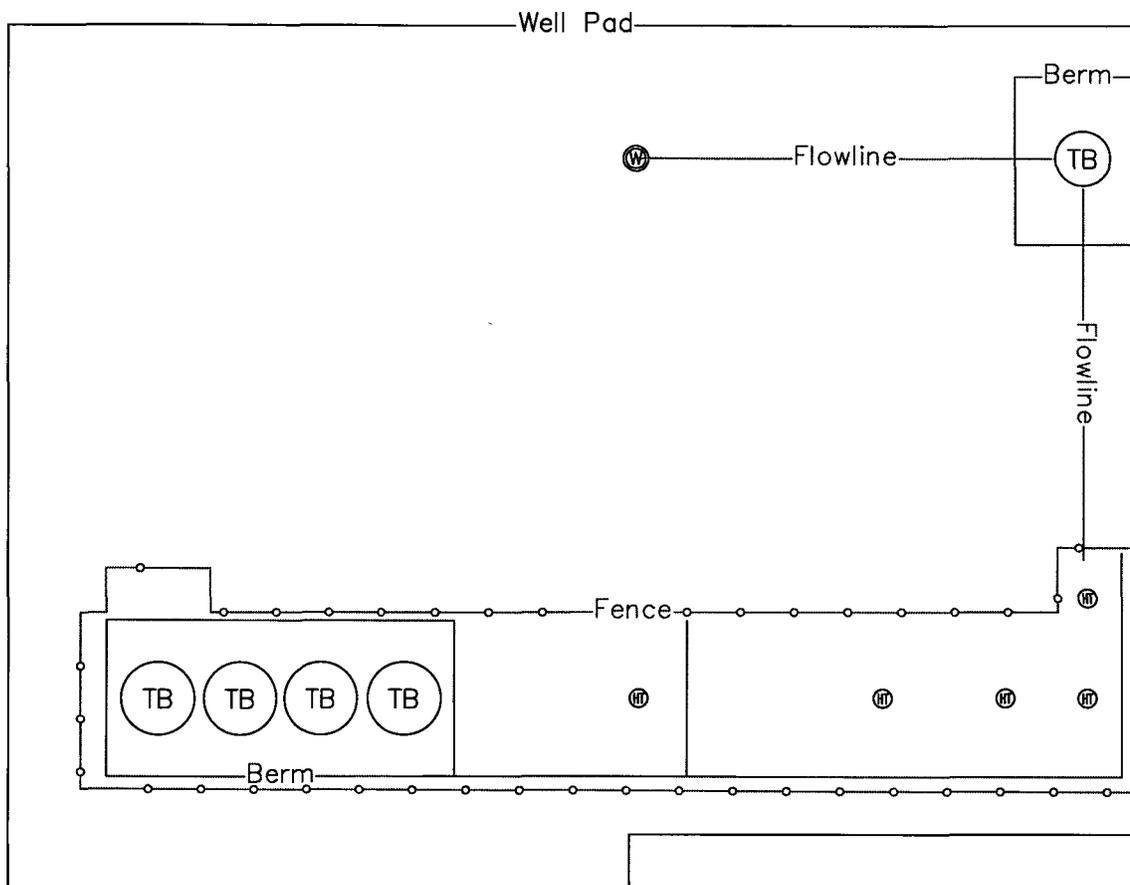
DWG By: Daniel Dominguez
 November 2006

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 1 of 1





LEGEND

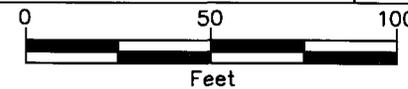
-  Oil Well
-  Tank Battery
-  Heater Treater

Figure 3
 Site Map
 Chevron Corporation
 State A #26 Battery

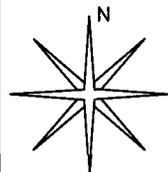
Lea County, New Mexico
 NW 1/4 of the SE 1/4, Sec. 26, T19S, R36E
 N 32°37' 46.47" W 103°19' 56.87"
 Elevation: 3,700 feet amsl

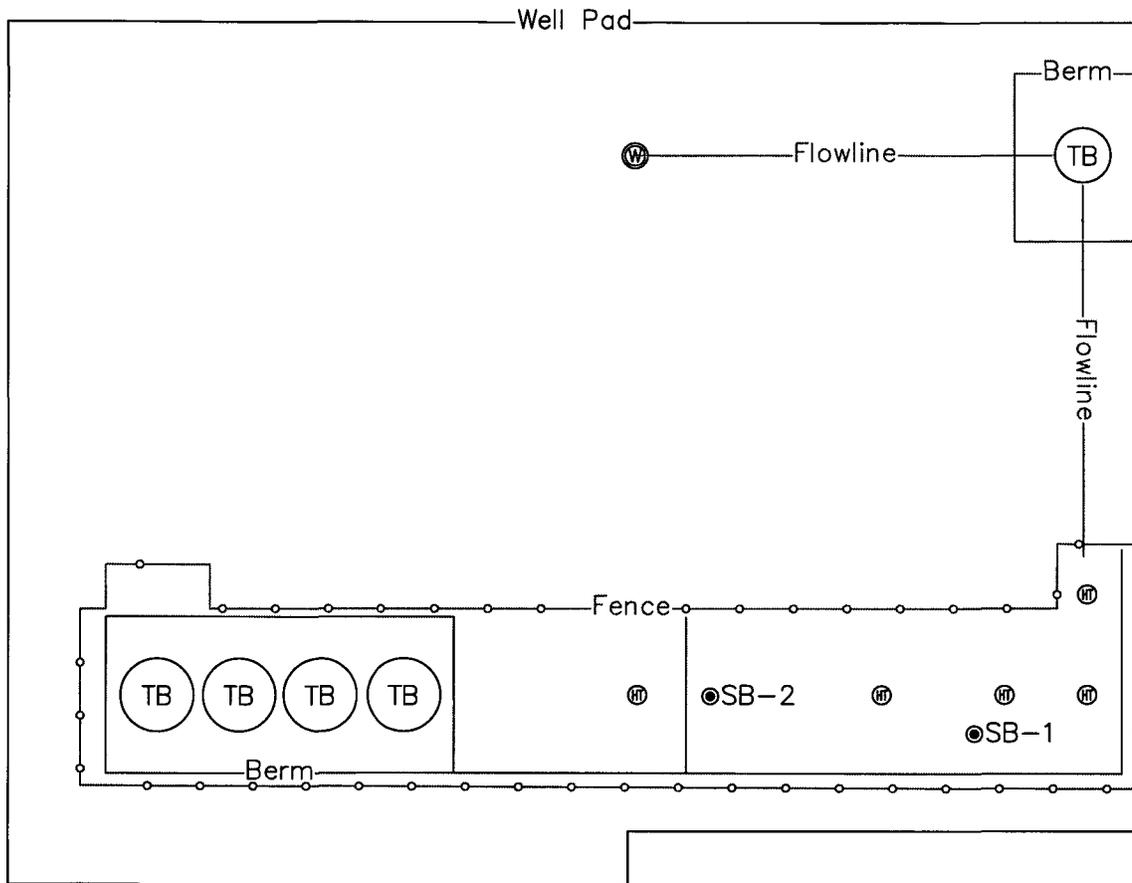
DWG By: Daniel Dominguez
 November 2006

REVISED:



SHEET
 1 of 1





LEGEND

- Oil Well
- Tank Battery
- Heater Treater
- Soil Boring

Figure 4
 Soil Boring Map
 Chevron Corporation
 State A #26 Battery

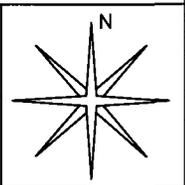
Lea County, New Mexico
 NW 1/4 of the SE 1/4, Sec. 26, T19S, R36E
 N 32°37' 46.47" W 103°19' 56.87"
 Elevation: 3,700 feet amsl

DWG By: Daniel Dominguez
 November 2006

0 30 60
 Feet

REVISED:

SHEET
 1 of 1



TABLES

TABLE 1

WELL INFORMATION REPORT*

Chevron USA - State A-26 Battery (Ref #200082)

Well Number	Diversion ^A	Owner	Use	Twsp	Rng	Sec q q q	Latitude	Longitude	Date Measured	Surface Elevation ^B	Depth to Water
L 04745 EXPL	3	CLIMAX CHEMICAL COMPANY	EXP	19S	36E	22	N32° 38' 18.75"	W103° 21' 0.92"	03-Dec-61	3,754	57
L 10300	3	COOPER BETTY P	STK	19S	36E	22 3 1 2	N32° 38' 31.89"	W103° 21' 0.90"	22-Dec-92	3,757	68
L 01140	3	ELLEN WEIR & SONS	STK	19S	36E	23 1	N32° 38' 44.94"	W103° 19' 59.07"	13-Oct-51	3,739	45
L 03098	3	THE TEXAS COMPANY	PRO	19S	36E	23 1 2	N32° 38' 58.03"	W103° 19' 43.54"	25-Jan-56	3,738	55
L 04746 EXPL	3	CLIMAX CHEMICAL COMPANY	EXP	19S	36E	23	N32° 38' 18.75"	W103° 19' 59.10"	29-Nov-61	3,715	57
L 04772 EXPL	3	CLIMAX CHEMICAL COMPANY	EXP	19S	36E	24	N32° 38' 18.74"	W103° 18' 57.10"	28-Dec-61	3,655	70
L 11029	3	TEXACO EXPLORATION & PROD.,INC	POL	19S	36E	24 4 2	N32° 38' 31.85"	W103° 18' 10.79"	14-Oct-99	3,704	59
L 02936	3	VERNA DRILLING CO.	PRO	19S	36E	27 3 3	N32° 37' 26.26"	W103° 21' 0.92"	15-Jul-55	3,685	28
L 04756 EXPL	3	CLIMAX CHEMICAL COMPANY	EXP	19S	36E	35 2	N32° 37' 0.08"	W103° 19' 28.22"	09-Dec-61	3,607	70
USGS #2				19S	36E	22 4 1 4			10-Feb-66	3,745	53.16R
USGS #4				19S	36E	24 3 2 3			22-Jan-96	3,710	66.89
USGS #5				19S	36E	25 1 1 2			18-Mar-54	3,680	16.01R
USGS #6				19S	36E	25 1 2 3			01-Mar-61	3,698	62.73
USGS #7				19S	36E	26 2 2 4			07-May-54	3,650	6.72
USGS #8				19S	36E	26 2 4 2			25-Mar-91	3,651	14.09
USGS #9				19S	36E	27 4 2 3			09-Jan-86	3,681	19.89
USGS #10				19S	36E	34 2 1 2			26-Mar-91	3,680	18.42
L 10804	8	TEXAS-NEW MEXICO PIPELINE CO.	POL	19S	36E	34 4 4	N32° 36' 33.90"	W103° 20' 14.61"	16-Sep-97	3,615	50
L 03921	3	T. E. MUSICK	STK	19S	36E	35 3 4	N32° 36' 33.91"	W103° 19' 43.70"	18-Jul-58	3,604	50
USGS #1				19S	36E	22 1 2 2			27-Feb-96	3,758	66.18
USGS #3				19S	36E	23 1 2 3			25-Mar-91	3,719	62.03
USGS #11				19S	36E	35 3 4 3			26-Mar-91	3,601	37.36
USGS #12				19S	36E	35 3 1 3			22-Jan-96	3,615	47.74

* = Data obtained from the New Mexico Office of the State Engineer Website (http://twaters.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

EXP = Exploration

STK = Livestock watering

PRO = Production

POL = Pollution Control Well

(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 Sample Laboratory Analytical Results

Chevron USA - State A-26 Battery (Ref.# 200082)

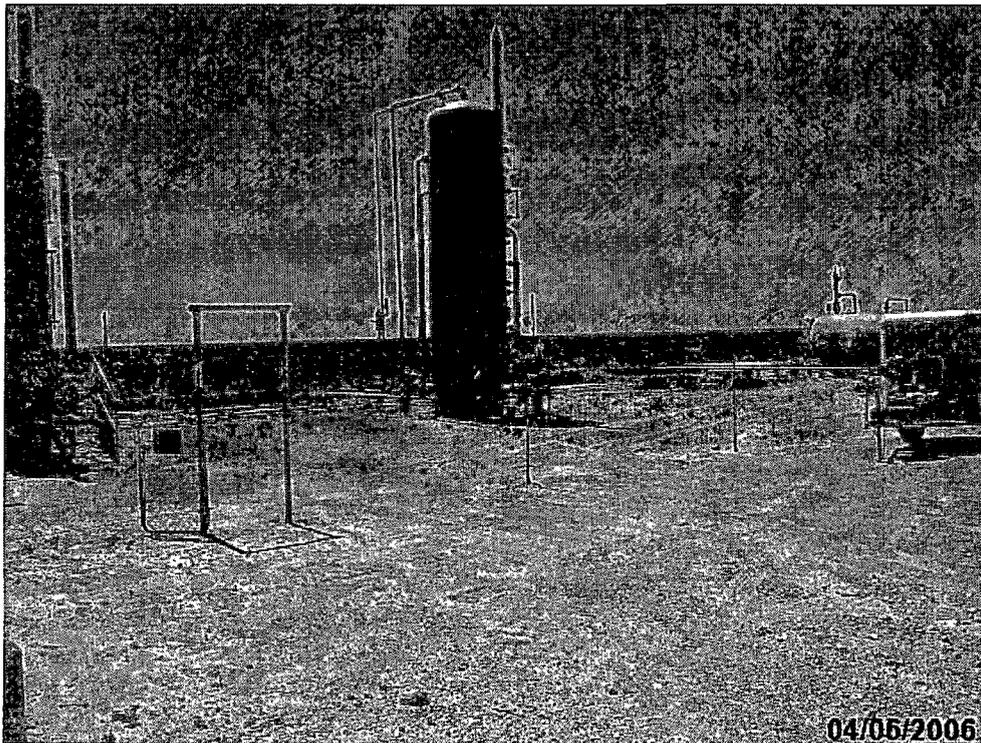
Sample I.D.	Depth (feet)	Soil Status	Sample Date	Field Analysis for Organic Vapors (mg/Kg)	Field Chloride Analysis (mg/Kg)	Benzene (mg/Kg)	Toluene (mg/Kg)	Ethylbenzene (mg/Kg)	Total Xylenes (mg/Kg)	Total BTEX (mg/Kg)	TPH (as gasoline) (mg/Kg)	TPH (as diesel) (mg/Kg)	Total TPH (mg/Kg)	Chloride (mg/Kg)
SB-1 (4.5'-5')	4.5-5	In Situ	06-Apr-06	0.0	400	<0.005	<0.005	<0.005	<0.015	<0.03	<10.0	<10.0	<20.0	496
SB-1 (9.5'-10')	9.5-10	In Situ	06-Apr-06	0.0	160	<0.005	<0.005	<0.005	<0.015	<0.03	<10.0	<10.0	<20.0	96
SB-1 (14.5'-15')	14.5-15	In Situ	06-Apr-06	0.0	160	<0.005	<0.005	<0.005	<0.015	<0.03	<10.0	<10.0	<20.0	64
SB-2 (4.5'-5')	4.5-5	In Situ	06-Apr-06	0.0	240	<0.005	<0.005	<0.005	<0.015	<0.03	<10.0	<10.0	<20.0	128
SB-2 (9.5'-10')	9.5-10	In Situ	06-Apr-06	0.0	160	<0.005	<0.005	<0.005	<0.015	<0.03	<10.0	<10.0	<20.0	16
SB-2 (14.5'-15')	14.5-15	In Situ	06-Apr-06	0.0	160	<0.005	<0.005	<0.005	<0.015	<0.03	<10.0	<10.0	<20.0	32
NMOCD Remedial Thresholds				100		10				50			5,000	250 ^A

ATTACHMENTS

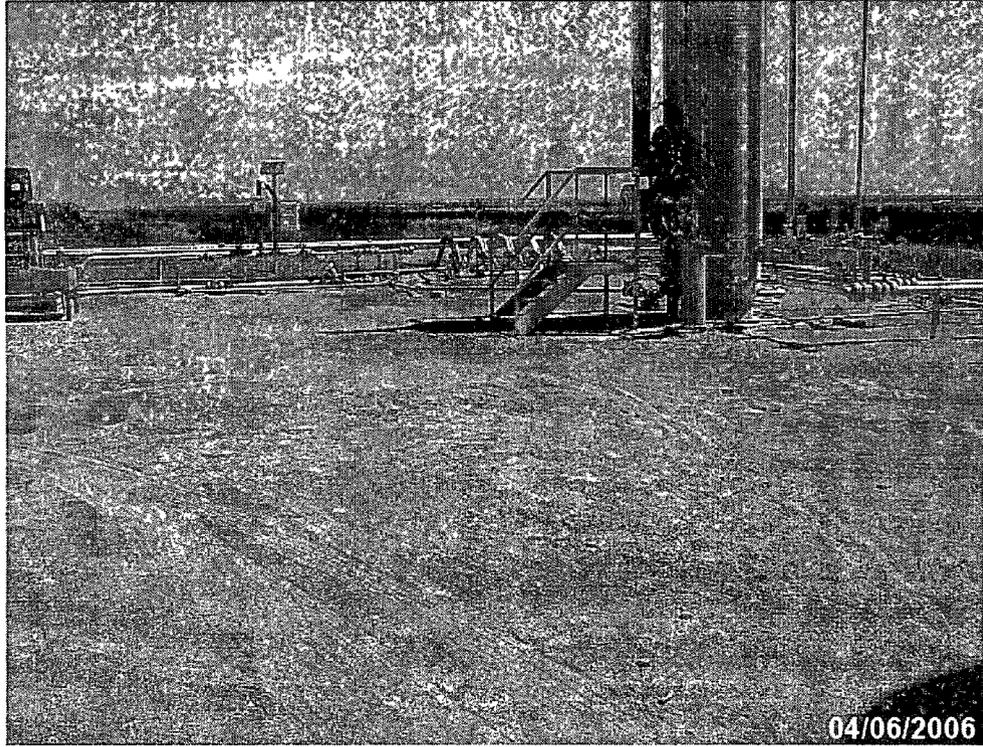
ATTACHMENT I
SITE PHOTOGRAPHS



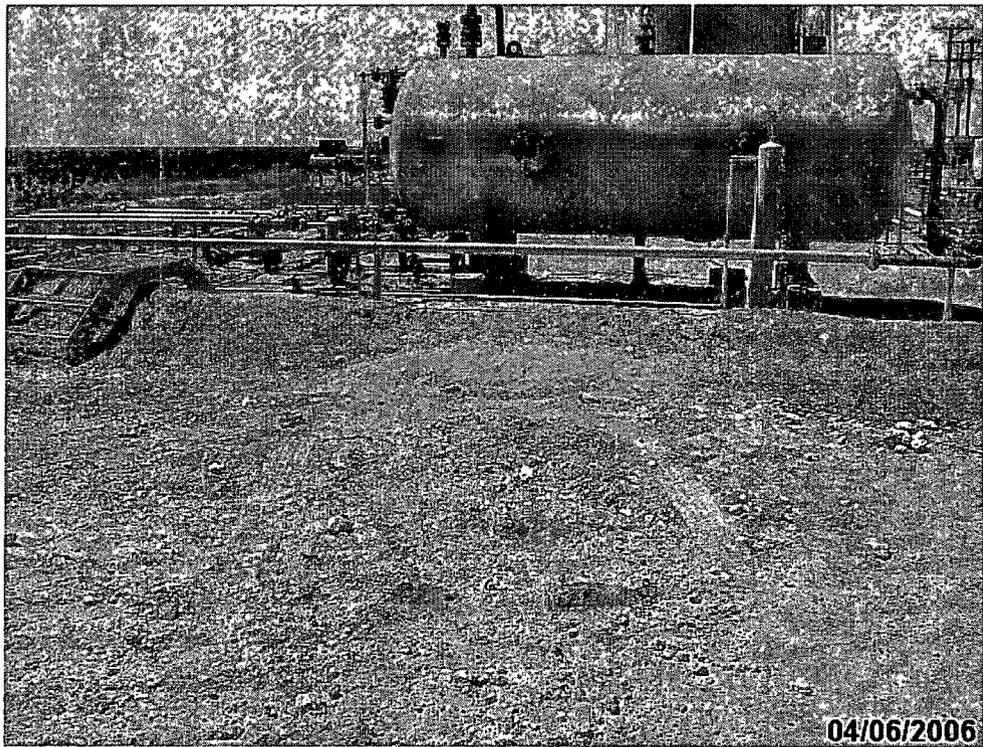
Photograph No.1 – Lease sign



Photograph No. 2 – Tank Battery interior, caliche berm and heater treaters



Photograph No.3 – Interior of caliche bermed area



Photograph No. 4 – Caliche berm, horizontal separator and tankage

ATTACHMENT II

LABORATORY ANALYTICAL RESULTS AND
CHAIN-OF CUSTODY FORM



ARDINAL LABORATORIES

PHONE (325) 873-7001 • 2111 BEECHWOOD • ABILENE, TX 79603

PHONE (505) 393-2326 • 101 E. MARLAND • HOBBS, NM 88240

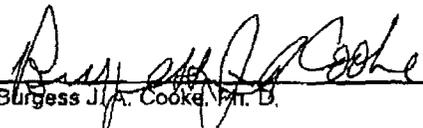
ANALYTICAL RESULTS FOR
ENVIRONMENTAL PLUS, INC.
ATTN: IAIN OLNESS
P.O. BOX 1558
EUNICE, NM 88231
FAX TO: (505) 394-2601

Receiving Date: 04/07/06
Reporting Date: 04/11/06
Project Owner: CHEVRON USA (200082)
Project Name: STATE A-26 BATTERY
Project Location: UL-L, SECT. 26, T 19 S, R 36 E

Sampling Date: 04/06/06
Sample Type: SOIL
Sample Condition: COOL & INTACT
Sample Received By: NF
Analyzed By: BC

LAB NO.	SAMPLE ID	GRO (C ₈ -C ₁₀) (mg/Kg)	DRO (>C ₁₀ -C ₂₈) (mg/Kg)	BENZENE (mg/Kg)	TOLUENE (mg/Kg)	ETHYL BENZENE (mg/Kg)	TOTAL XYLENES (mg/Kg)
ANALYSIS DATE:		04/07/06	04/07/06	04/10/06	04/10/06	04/10/06	04/10/06
H11004-1	SB-1 (4.5'-5')	<10.0	<10.0	<0.005	<0.005	<0.005	<0.015
H11004-2	SB-1 (9.5'-10')	<10.0	<10.0	<0.005	<0.005	<0.005	<0.015
H11004-3	SB-1 (14.5'-15')	<10.0	<10.0	<0.005	<0.005	<0.005	<0.015
H11004-4	SB-2 (4.5'-5')	<10.0	<10.0	<0.005	<0.005	<0.005	<0.015
H11004-5	SB-2 (9.5'-10')	<10.0	<10.0	<0.005	<0.005	<0.005	<0.015
H11004-6	SB-2 (14.5'-15')	<10.0	<10.0	<0.005	<0.005	<0.005	<0.015
Quality Control		762	771	0.097	0.094	0.091	0.293
True Value QC		800	800	0.100	0.100	0.100	0.300
% Recovery		99.1	96.4	97.4	93.7	91.0	97.8
Relative Percent Difference		4.3	1.5	5.5	3.8	2.5	7.9

METHODS: TPH GRO & DRO - EPA SW-846 8015 M; BTEX - SW-846 8260.


Burgess J. A. Cooke, Ph.D.

4/11/06
Date

H11004A

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 client for 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 thirty (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.



PHONE (325) 873-7001 • 2111 BEECHWOOD • ABILENE, TX 79603

PHONE (505) 393-2326 • 101 E MARLAND • HOBBS, NM 88240

ANALYTICAL RESULTS FOR
 ENVIRONMENTAL PLUS, INC.
 ATTN: IAIN OLNESS
 P.O. BOX 1558
 EUNICE, NM 88231
 FAX TO: (505) 394-2601

Receiving Date: 04/07/06
 Reporting Date: 04/12/06
 Project Owner: CHEVRON USA (200082)
 Project Name: STATE A-26 BATTERY
 Project Location: UL-L, SECT. 26, T 19 S, R 36 E

Sampling Date: 04/06/06
 Sample Type: SOIL
 Sample Condition: COOL & INTACT
 Sample Received By: NF
 Analyzed By: HM

LAB NUMBER	SAMPLE ID	SO ₄ (mg/Kg)	Cl (mg/Kg)
ANALYSIS DATE:		04/12/06	04/12/06
H11004-1	SB-1 (4.5'-5')	1600	496
H11004-2	SB-1 (9.5'-10')	150	96
H11004-3	SB-1 (14.5'-15')	72	64
H11004-4	SB-2 (4.5'-5')	115	128
H11004-5	SB-2 (9.5'-10')	356	16
H11004-6	SB-2 (14.5'-15')	846	32
Quality Control		24.5	500
True Value QC		25.0	500
% Recovery		97.9	100
Relative Percent Difference		9.8	0.0
METHODS: EPA 600/4-79-020		375.4	SM 4500 ClB

NOTE: Analyses performed on 1:4 w:v aqueous extracts.

[Signature]
 Chemist

04-13-06
 Date

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 client for 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 thirty (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.



ATTACHMENT 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: 20082
Project Name: State A #26 Battery
Location: UL-L, Section 26, Township 19 South, Range 36 East
Boring Number: SB-1 Surface Elevation: 3684-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: 4-05-06 Time: 0800 hrs Completion Date: 4-05-06 Time: 1015 hrs
0900	SS	6	dry	0	400		5	5' SOIL, brown
0925	SS	6	dry	0	160		10	
0952	SS	6	dry	0	160		15	15' SAND STONE, tan End of Soil Boring at 15' bgs
							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: 20082

Project Name: State A #26 Battery

Location: UL-L, Section 26, Township 19 South, Range 36 East

Boring Number: SB-2

Surface Elevation: 3684-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: 4-06-06 Time: 1030 hrs
								Completion Date: 4-06-06 Time: 1245 hrs
1050	SS	6	dry	0	240		5	
1106	SS	6	dry	0	160		10	
1150	SS	6	dry	0	160		15	15' SAND STONE, tan
								End of Soil Boring at 15' bgs
							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

ATTACHMENT IV

INITIAL NMOCD FORM C-141 (3-10-06)

INITIAL NMOCD FORM C-141 (2-22-07)

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

Form C-141
Revised October 10, 2003

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

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 – CHEVRONTEXACO		Contact – Danny Lovell	
Address – P.O. Box 1949 Eunice NM 88231		Telephone No. – 505-394-1242 (office), (505) 390-0866 (cell)	
Facility Name – State A #26 BTY		Facility Type – Production	
Surface Owner—State of New Mexico		Mineral Owner – State of New Mexico	
		Lease No.	

LOCATION OF RELEASE

Unit Letter L	Section 26	Township 19S	Range 36E	Feet from the North/South Line	Feet from the East/West Line	County Lea
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Latitude _____ Longitude _____

NATURE OF RELEASE

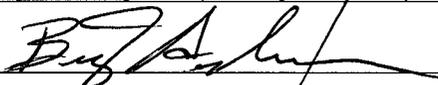
Type of Release – Produced water	Volume of Release 15 BW	Volume Recovered – 0 BW
Source of Release – 2" PRV on Heater Treater	Date and Hour of Occurrence 3/7/06 @ ~ 11:30 p.m	Date and Hour of Discovery 3/8/06 @ 1 00 am
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? Pat Caperton	
By Whom? Larry Williams	Date and Hour 3/8/06 @ 5.30 p.m	
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.*
FWKO and Heater Treater domed out sending all fluids to gas sales. Sales line pressured up causing PRV on treater to pop off and release fluid.

Describe Area Affected and Cleanup Action Taken * Fluid was contained within bermed area of battery.

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 Danny Lovell	Approved by District Supervisor.	
Title. Operations Rep	Approval Date	Expiration Date
E-mail Address lovd@chevrontexaco.com	Conditions of Approval.	
Date 3/10/06	Phone. 505- 394-1242	Attached <input type="checkbox"/>

* Attach Additional Sheets If Necessary

*Needs
Action Copy*

District I
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State of New Mexico
Energy Minerals and Natural Resources
Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-141
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Release Notification and Corrective Action

OPERATOR

Initial Report Final Report

Name of Company - Chevron USA Inc	Contact - Billy Anderson
Address - 2401 Ave O, Eunice NM 88231	Telephone No. - 505-394-1237
Facility Name - State A 26	Facility Type - Tank Battery

Surface Owner - State of New Mexico	Mineral Owner	Lease No.
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LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County LEA
L	26	19S	36E					

26'

Latitude _____ Longitude _____

NATURE OF RELEASE

Type of Release - Produced water	Volume of Release 9 bbls	Volume Recovered - 8 bbls
Source of Release - water line between water knockout and water tank	Date and Hour of Occurrence 2/22/07 @ 9:15 am	Date and Hour of Discovery 2/22/07 @ 9:15 am
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? Pat Caperton	
By Whom? Billy Anderson	Date and Hour 2/22/07 3:57 pm	
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.* had a pinhole leak in line going from water knockout to water tank, shut down wells, picked up water,		
Describe Area Affected and Cleanup Action Taken.* Inside tank battery containment, picked up most of water		

*EPI IS DEEP AREA
AS PER BILLY - WILL
SUBMIT PLAN TO OCD*

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>Billy Anderson</i>	OIL CONSERVATION DIVISION	
Printed Name: <i>Billy Anderson</i>	Approved by District Supervisor: <i>[Signature]</i>	
Title: <i>HES Champion</i>	Approval Date: <i>3 19 07</i>	Expiration Date: _____
E-mail Address: <i>BillyAnderson@Chevron.com</i>	Conditions of Approval: _____	Attached <input type="checkbox"/>
Date: <i>2-27-07</i> Phone: <i>441-5438</i>		

* Attach Additional Sheets If Necessary

*facility - f PACO 708026590
incident - n PACO 708026682
application - p PACO 708026772*

RP#1221

District I
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State of New Mexico
Energy Minerals and Natural Resources

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Santa Fe, NM 87505

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side of form

Release Notification and Corrective Action

OPERATOR

Initial Report Final Report

Name of Company – Chevron USA Inc	Contact – Billy Anderson	
Address – 2401 Ave O, Eunice NM 88231	Telephone No. – 505-394-1237	
Facility Name – State A 26	Facility Type – Tank Battery	
Surface Owner—State of New Mexico	Mineral Owner	Lease No.

LOCATION OF RELEASE

Unit Letter	Section 26	Township 19S	Range 36E	Feet from the	North/South Line	Feet from the	East/West Line	County LEA
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Latitude _____ Longitude _____

NATURE OF RELEASE

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By Whom? Billy Anderson	Date and Hour 2/22/07 3:57 pm	
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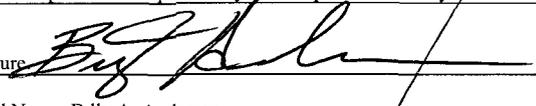
WTR 201

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Describe Area Affected and Cleanup Action Taken.*
Inside tank battery containment, picked up most of water

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Signature 	<u>OIL CONSERVATION DIVISION</u>	
Printed Name. Billy A. Anderson	Approved by District Supervisor.	
Title HES Specialist	Approval Date	Expiration Date.
E-mail Address BillyAnderson@chevron.com	Conditions of Approval.	Attached <input type="checkbox"/>
Date 2-23-07	Phone. (505) 394-1237	

* Attach Additional Sheets If Necessary