

Ocotillo ENVIRONMENTAL

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

RECEIVED

May 19, 2008

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

MAY 21 2008

HOBBS OCD

**Re: Request for Closure, Chevron Midcontinent Alaska
C. H. Weir B Disposal Line (1RP #1783)
Unit Letter O (SW/4, SE/4), Section 12, Township 20 South, Range 37 East,
Lea County, New Mexico
(N 32.58235', W 103.20321')**

Dear Mr. Johnson:

Chevron MidContinent Alaska (Chevron) has retained Ocotillo Environmental, LLC (Ocotillo) to remediate impacts to soil from a leak at a disposal line located approximately 200 feet west of the C. H. Weir B well. The well is located in the southwest quarter (SW/4) of the southeast quarter (SE/4), Section 12, Township 20 South, Range 37 East, Lea County, New Mexico (Site). Approximately 20 barrels of produced water was released from the injection line on November 30, 2007, and approximately 6 barrels was recovered from the site. A C-141 was submitted to the New Mexico Oil Conservation Division (NMOCD) on December 3, 2007. Groundwater was thought to be at a depth of approximately 68 feet below ground surface (bgs). Figure 1 shows the site location.

Initial Investigation

A Spill Remediation Workplan, reporting results from soil samples collected from the bottom (at a depth of 4 feet bgs) and sides of the initial excavation, was submitted to the NMOCD on February 7, 2008. TPH and BTEX concentrations were below the RRALs in all samples collected from the excavation. Chloride concentrations in all samples exceeded the recommended clean up standard of 250 mg/kg. Chevron proposed to conduct excavation of the impacted soil until confirmation samples collected from the bottom and sides of the excavation report chloride concentrations below 250 mg/kg.

A Spill Delineation Workplan, reporting results from additional soil samples collected from the bottom (to a depth of 21 feet bgs) of the excavation, was submitted to the NMOCD on March 14, 2008. As vertical delineation was not achieved at a depth of 21 feet bgs, Chevron proposed to install a minimum of three (3) soil borings at the site in order to determine the horizontal and vertical limits of the chloride impact, and submit an ammended Remediation Workplan to the NMOCD following completion of the delineation activities and receipt of final laboratory results. Table 1 presents a summary of the laboratory analysis of soil samples from the excavation. Figure 2 shows the locations of the sample points.

An Ammended Spill Remediation Workplan was submitted to the NMOCD on April 21, 2008. The Workplan reported results of the installation of four (4) soil borings, south, west and north of the excavated area. Table 2 presents a summary of the laboratory analysis of soil samples collected from the soil borings. Figure 2 shows the locations of the soil borings.

Referring to Table 2, chloride concentrations in samples from boring BH-1 were above the recommended remediation standard of 250 mg/kg from a depth of 20 feet to 32 feet bgs, and a depth of 45 to 47 feet bgs. Samples collected from boring BH-2 reported chloride concentrations above 250 mg/kg from a depth of 10 to 57 feet bgs, and from 65 to 67 feet bgs. Samples collected from boring BH-3 reported chloride concentrations above 250 mg/kg from the surface to a depth of 22 feet bgs, and from 30 to 42 feet bgs. Samples collected from boring BH-4 reported chloride concentrations above 250 mg/kg from the surface to a depth of 2 feet bgs, and from 10 to 42 feet bgs.

As the depth to groundwater was originally thought to be at a depth of 68 feet bgs, soil boring BH-2 was allowed to remain open until the boring was checked for the presence of groundwater. After a period of approximately six hours from the time of the boring installation, soil boring BH-2 was checked for the presence of groundwater using a groundwater level indicator. Neither groundwater or moist soil at the bottom of the bore-hole was found, and all soil borings were plugged with bentonite.

Ammended Spill Remediation Workplan Proposal

Chevron proposed to conduct excavation of the impacted soil in the area encompassed by soil borings BH-1, BH-3 and BH-4 to a depth of approximately ten (10) feet bgs. Additional soil would be excavated to the west of boring BH-3 and to the north of boring BH-4 until soil samples reported a chloride concentration of less than 250 mg/kg at both the surface, and at a depth of ten (10) feet bgs.

Upon completion of excavation activities and the removal of all excavated soil to an NMOCD approved disposal facility, Chevron proposed to cover the entire area with a 20 mil plastic liner (at a depth of 10 feet bgs), and backfill to surface grade with clean soil.

On April 23, 2008, you made a verbal request for the installation of one (1) additional soil boring at the site in order to determine an accurate depth to groundwater. At that time, Chevron proposed to complete horizontal delineation at the site, to a depth of three (3) feet bgs while waiting for a drilling crew to be available.

Current Investigation and Remediation

On April 28, 2008, soil samples were collected to the north, west and east of the excavation at a depth of three (3) feet bgs, until field chloride testing reported chloride concentrations below 250 mg/kg. All soil samples were delivered to Cardinal Lab by chain-of-custody documentation for laboratory analysis of chlorides. Table 3 provides a summary of the chloride concentrations in soil samples collected for horizontal delineation. Figure 3 shows the sample locations. Laboratory results are included in Appendix A.

Mr. Larry Johnson
Page 3
May 19, 2008

Referring to Table 3 and Figure 3, horizontal delineation of the spill was achieved at a depth of three (3) feet bgs. Additional soil was removed from the area to encompass the dimensions of the horizontal limits of the spill. All soil was hauled to an NMOCD approved disposal facility.

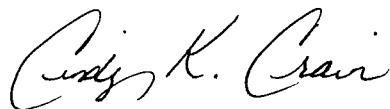
On May 7, 2008, a soil boring (BH-5) was installed approximately five (5) feet west of the western edge of the excavation in order to determine an accurate depth to groundwater. The soil boring was drilled to a depth of 120 feet bgs and did not encounter damp soil or any indications of the presence of groundwater during drilling. The borehole was allowed to remain open for a period of approximately 24 hours and a water level indicator was used to determine any accumulated presence of groundwater. The borehole was dry and was plugged with bentonite. A borehole log is included as Appendix B.

On May 8, 2008, I verbally conveyed to you the absence of groundwater at the site and the results of the horizontal delineation activities. At that time, you granted verbal approval to line the excavation with a 20 mil plastic liner, and backfill with clean soil.

On May 12, 2008, a 20 mil plastic liner was installed over the entire excavation, at a depth of three (3) feet bgs, and the excavation was backfilled to surface with clean soil from May 13 to May 15, 2008. The surface was contoured to grade, and will be re-seeded in the near future.

A final Release Notification and Corrective Action Form (C141) is attached as the final page of this report. Chevron respectfully requests that this spill site be closed. If you have any questions or need additional information, please call Mr. Bill Anderson at (575) 394-1247, or myself at (575) 441-7244. We may also be reached by email at BillyAnderson@chevron.com or Cindy.Crain@gmail.com.

Sincerely,
Ocotillo Environmental, LLC

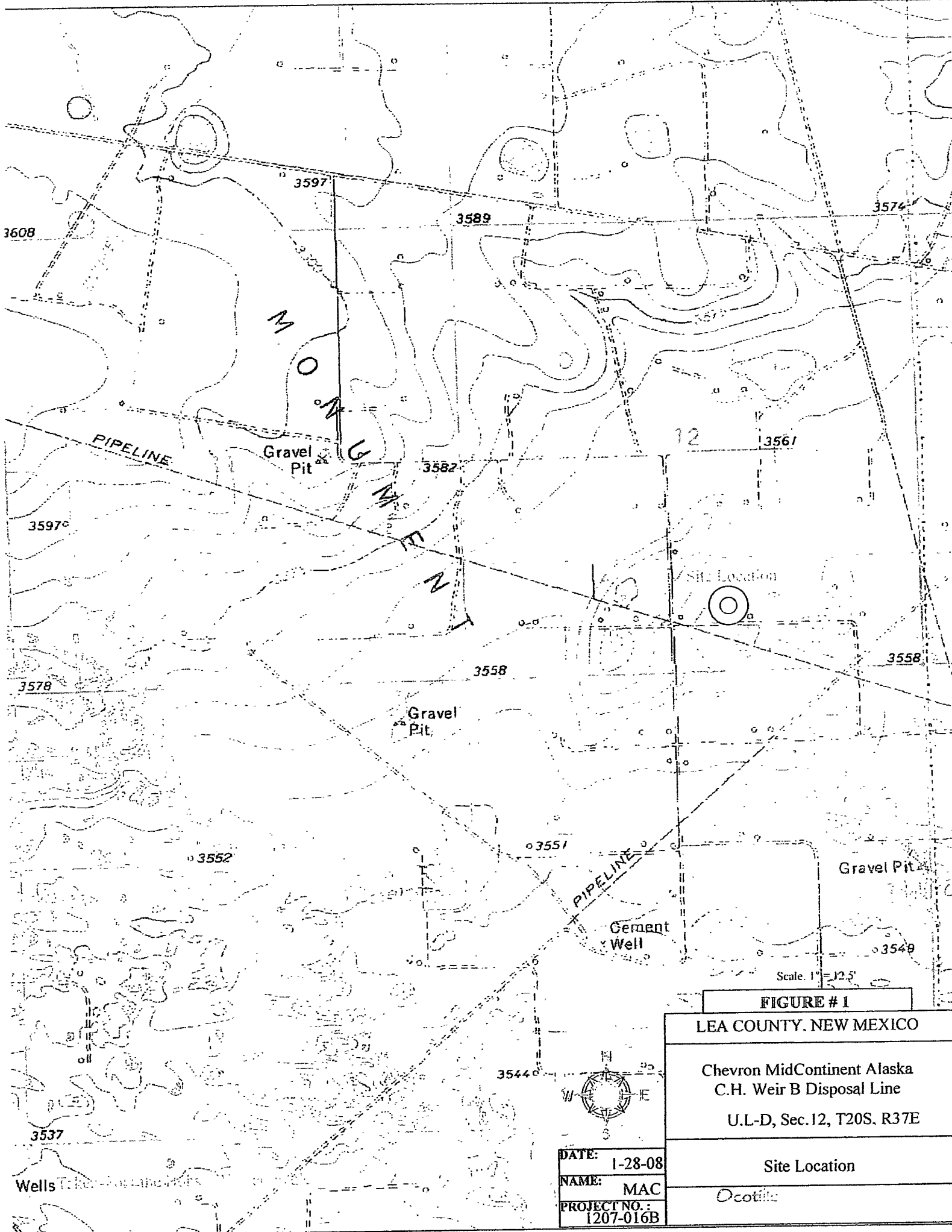


Cindy K. Crain, P.G.
Environmental Manager

cc: Bill Anderson, Chevron

FIGURES

.



Scale: 1" = 12.5'

FIGURE # 1

LEA COUNTY, NEW MEXICO

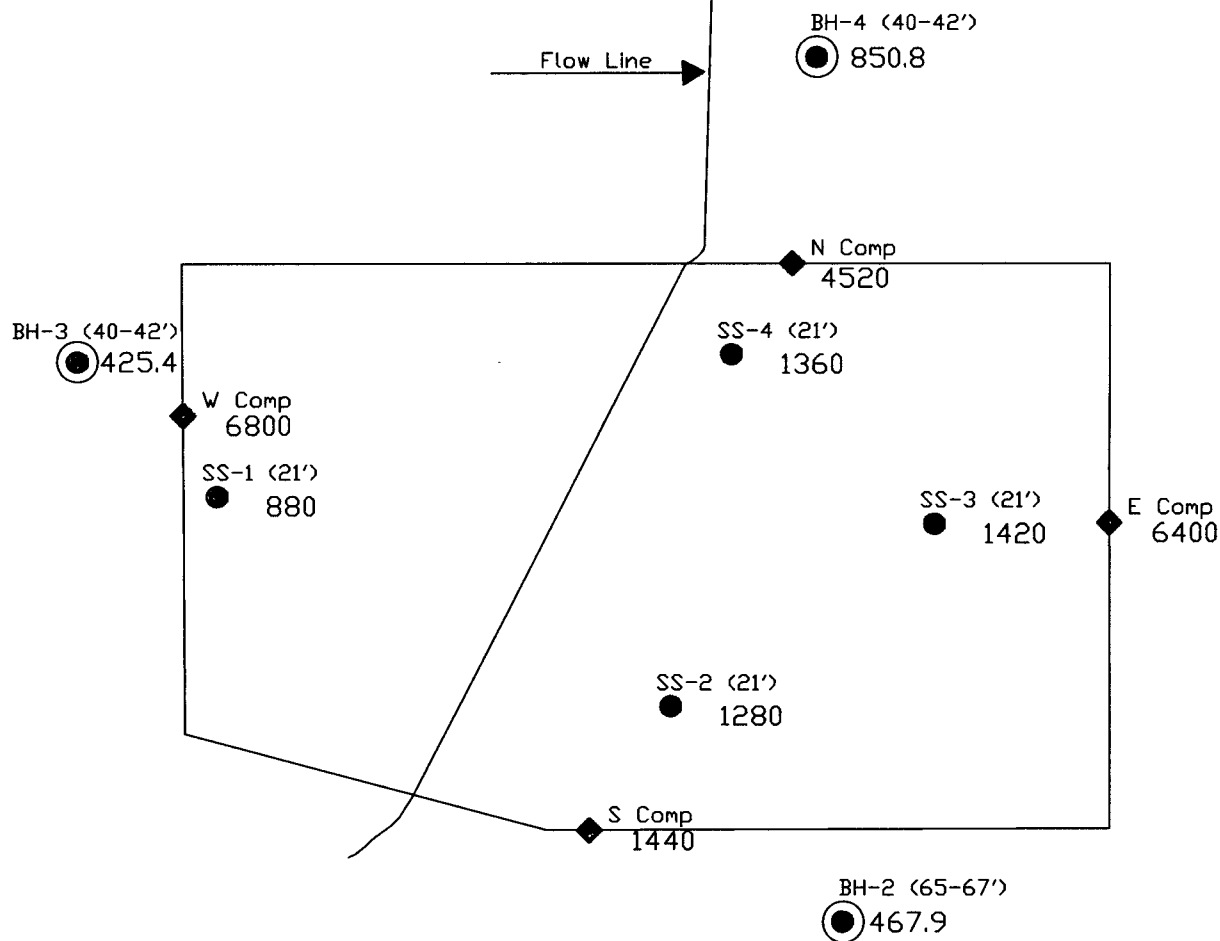
**Chevron MidContinent Alaska
C.H. Weir B Disposal Line
U.L-D, Sec. 12, T20S, R37E**

Site Location

Dec 11/12

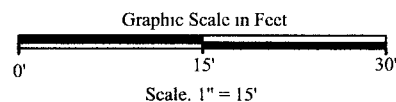
DATE: 1-28-08
NAME: MAC
PROJECT NO.: 1207-016B

Wells: Ticker, ...



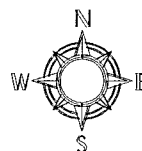
GPS Coordinates

SS-1	N.32.58239°	W.103.20321°
SS-2	N.32.58234°	W.103.20319°
SS-3	N.32.58238°	W.103.20315°
SS-4	N.32.58240°	W.103.20318°
BH-1	N.32.58220°	W.103.20322°
BH-2	N.32.58228°	W.103.20316°
BH-3	N.32.58236°	W.103.20335°
BH-4	N.32.58245°	W.103.20316°



LEGEND

- SS-1 (21')
● 880
Soil Sample Location with Depth (feet bgs) and Chloride Concentration (mg/kg)
- ◆ S Comp
1440
Composite Sample Location with Chloride Concentration (mg/kg)
- BH-1 (45-47')
● 893.3
Soil Boring Location with Depth (feet bgs) and Chloride Concentration (mg/kg)



BH-1 (45-47')

● 893.3

DATE: 4-19-08
NAME: JTC
PROJECT NO.: 1207-016B

FIGURE # 2

LEA COUNTY, NEW MEXICO

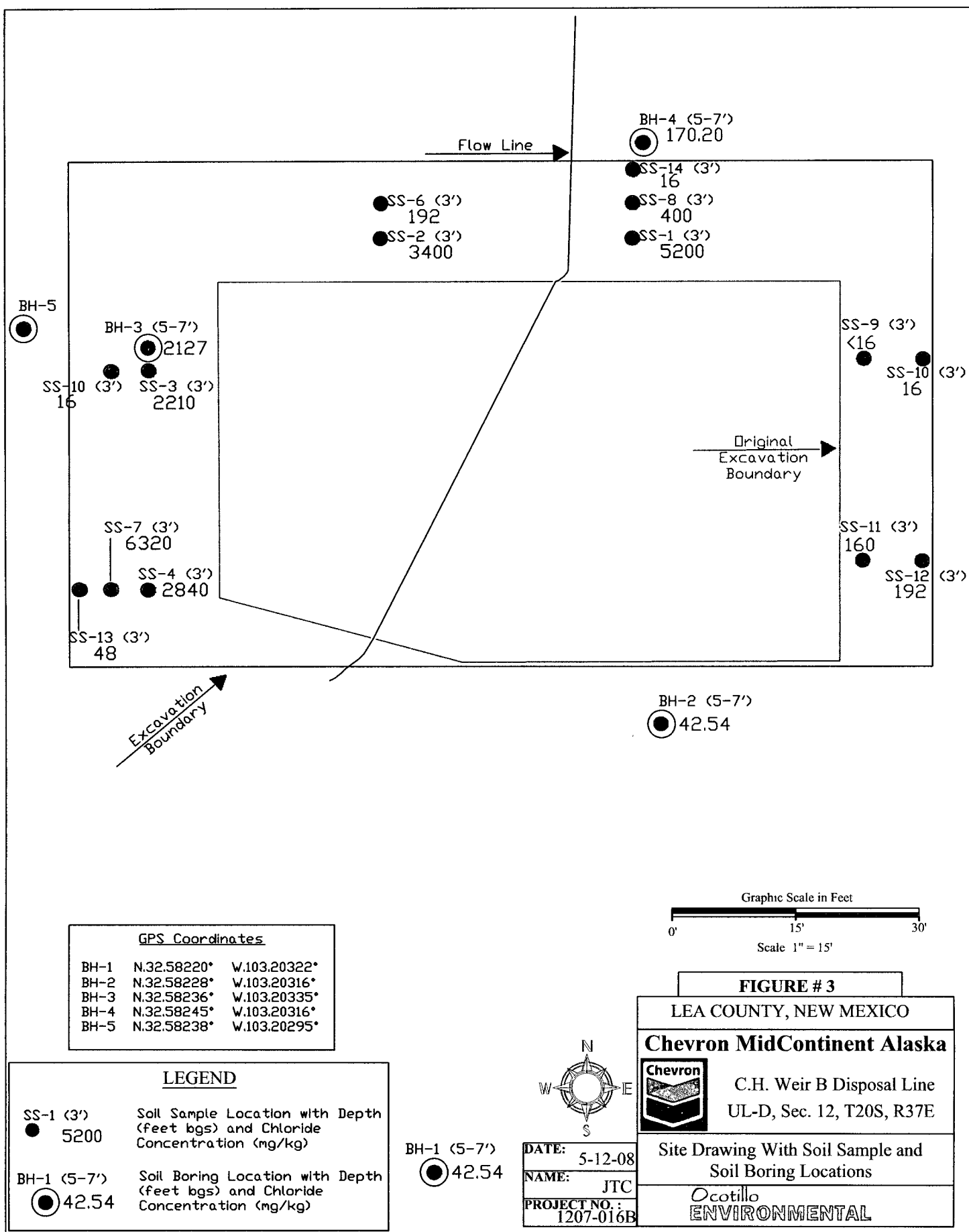
Chevron MidContinent Alaska



C.H. Weir B Disposal Line
UL-D, Sec. 12, T20S, R37E

Site Drawing With Soil Sample and
Soil Boring Locations

Ocotillo
ENVIRONMENTAL



TABLES

Table 1:
Summary of Laboratory Analysis of Soil Samples from Excavation
Chevron MidContinent Alaska, C. H. Weir B Disposal Line
Unit Letter D, Section 12, Township 20 South, Range 37 East
Lea County, New Mexico

Sample Date	Soil Sample Number	Sample Depth (feet BGS)	TPH - GRO (C6 - C10) (mg/kg)	TPH - DRO (>C10 - C28) (mg/kg)	Total TPH (mg/kg)	Benzene (mg/kg)	Total BTEX (mg/kg)	Chloride (mg/kg)
WQCC Standard					1,000	10	50	250
1/21/08	SS-1	4	<10.0	<10.0	<20.0	<0.002	<0.006	3,680
3/6/08	SS-1	6	---	---	---	---	---	4,240
3/6/08	SS-1	8	---	---	---	---	---	4,800
3/6/08	SS-1	10	---	---	---	---	---	2,520
3/6/08	SS-1	12	---	---	---	---	---	4,840
3/6/08	SS-1	14	---	---	---	---	---	3,920
3/6/08	SS-1	16	---	---	---	---	---	4,440
3/10/08	SS-1	18	---	---	---	---	---	3,320
3/10/08	SS-1	21	---	---	---	---	---	880
1/21/08	SS-2	4	<10.0	<10.0	<20.0	<0.002	<0.006	5,080
3/6/08	SS-2	6	---	---	---	---	---	5,760
3/6/08	SS-2	8	---	---	---	---	---	4,800
3/6/08	SS-2	10	---	---	---	---	---	4,800
3/6/08	SS-2	12	---	---	---	---	---	6,080
3/6/08	SS-2	14	---	---	---	---	---	5,440
3/6/08	SS-2	16	---	---	---	---	---	1,800
3/10/08	SS-2	18	---	---	---	---	---	1,380
3/10/08	SS-2	21	---	---	---	---	---	1,280
1/21/08	SS-3	4	<10.0	<10.0	<20.0	<0.002	<0.006	7,800
3/6/08	SS-3	6	---	---	---	---	---	5,120
3/6/08	SS-3	8	---	---	---	---	---	5,200
3/6/08	SS-3	10	---	---	---	---	---	5,360
3/6/08	SS-3	12	---	---	---	---	---	5,040
3/6/08	SS-3	14	---	---	---	---	---	2,640
3/6/08	SS-3	16	---	---	---	---	---	4,280
3/10/08	SS-3	18	---	---	---	---	---	1,740
3/10/08	SS-3	21	---	---	---	---	---	1,420
1/21/08	SS-4	4	<10.0	89.0	89.0	<0.002	<0.006	5,520
3/6/08	SS-4	6	---	---	---	---	---	1,840
3/6/08	SS-4	8	---	---	---	---	---	1,040
3/6/08	SS-4	10	---	---	---	---	---	1,140
3/6/08	SS-4	12	---	---	---	---	---	---
3/6/08	SS-4	14	---	---	---	---	---	---
3/6/08	SS-4	16	---	---	---	---	---	848
3/10/08	SS-4	18	---	---	---	---	---	896
3/10/08	SS-4	21	---	---	---	---	---	1,360
1/21/08	S Wall Comp	---	<10.0	37.9	37.9	<0.002	<0.006	1,440
1/21/08	E Wall Comp	---	<10.0	<10.0	<20.0	<0.002	<0.006	6,400
1/21/08	N Wall Comp	---	<10.0	<10.0	<20.0	<0.002	<0.006	4,520
1/21/08	W Wall Comp	---	<10.0	<10.0	<20.0	0.005	0.013	6,800

Notes:

1. BGS: Depth in feet below ground surface
2. mg/kg: Milligrams per kilogram
3. ---: No Data Available
4. <: Less than method detection limit

Table 2:
Summary of Laboratory Analysis of Soil Samples from Soil Borings
Chevron MidContinent Alaska, C. H. Weir B Disposal Line
Unit Letter D, Section 12, Township 20 South, Range 37 East
Lea County, New Mexico

Sample Date	Soil Boring	Sample Depth (feet BGS)	Chloride (mg/kg)
WQCC Standard			250
4/2/08	BH-1	0-2	42.54
4/2/08	BH-1	5-7	42.54
4/2/08	BH-1	10-12	148.90
4/2/08	BH-1	15-17	191.40
4/2/08	BH-1	20-22	659.40
4/2/08	BH-1	25-27	723.20
4/2/08	BH-1	30-32	1,276.00
4/2/08	BH-1	35-37	212.70
4/2/08	BH-1	40-42	127.60
4/2/08	BH-1	45-47	893.30
4/2/08	BH-2	0-2	297.80
4/2/08	BH-2	5-7	42.54
4/2/08	BH-2	10-12	1,064.00
4/2/08	BH-2	15-17	3,403.00
4/2/08	BH-2	20-22	2,127.00
4/2/08	BH-2	25-27	2,871.00
4/2/08	BH-2	30-32	1,489.00
4/2/08	BH-2	35-37	872.10
4/2/08	BH-2	40-42	1,106.00
4/2/08	BH-2	45-47	425.40
4/2/08	BH-2	50-52	680.60
4/2/08	BH-2	55-57	574.30
4/2/08	BH-2	60-62	106.40
4/2/08	BH-2	65-67	467.90
4/2/08	BH-3	0-2	723.20
4/2/08	BH-3	5-7	2,127.00
4/2/08	BH-3	10-12	1,234.00
4/2/08	BH-3	15-17	680.60
4/2/08	BH-3	20-22	701.90
4/2/08	BH-3	25-27	3.40
4/2/08	BH-3	30-32	319.10
4/2/08	BH-3	35-37	361.60
4/2/08	BH-3	40-42	425.40
4/2/08	BH-4	0-2	319.10
4/2/08	BH-4	5-7	170.20
4/2/08	BH-4	10-12	2,340.00
4/2/08	BH-4	15-17	2,765.00
4/2/08	BH-4	20-22	765.10
4/2/08	BH-4	25-27	1,276.00
4/2/08	BH-4	30-32	893.30
4/2/08	BH-4	35-37	850.80
4/2/08	BH-4	40-42	850.80

Notes.

- 1 BGS: Depth in feet below ground surface
- 2 mg/kg Milligrams per kilogram
3. --- No Data Available
- 4 < Less than method detection limit

Table 3:
Summary of Laboratory Analysis of Soil Samples from Delineation Activities
Chevron MidContinent Alaska, C. H. Weir B Disposal Line
Unit Letter D, Section 12, Township 20 South, Range 37 East
Lea County, New Mexico

Sample Date	Soil Sample Number	Sample Depth (feet BGS)	Sample Location	Chloride (mg/kg)	Soil Status
WQCC Standard				250	
4/28/08	SS-1	3	NE	5200	Excavated
4/28/08	SS-8	3	NE	400	Excavated
5/9/08	SS-14	3	NE	16	<i>In Situ</i>
4/28/08	SS-2	3	NW	3400	Excavated
4/28/08	SS-6	3	NW	192	<i>In Situ</i>
4/28/08	SS-3	3	West Side (North)	2210	Excavated
4/28/08	SS-10	3	West Side (North)	16	<i>In Situ</i>
4/28/08	SS-4	3	West Side (South)	2840	Excavated
4/28/08	SS-7	3	West Side (South)	6320	Excavated
4/28/08	SS-13	3	West Side (South)	48	<i>In Situ</i>
4/28/08	SS-11	3	East Side (South)	160	Excavated
4/28/08	SS-12	3	East Side (South)	192	<i>In Situ</i>
4/28/08	SS-9	3	East Side (North)	<16	Excavated
4/28/08	SS-10	3	East Side (North)	16	<i>In Situ</i>

Notes:

1. BGS: Depth in feet below ground surface
2. mg/kg: Milligrams per kilogram
3. < Less than method detection limit

APPENDIX A

ANALYTICAL DATA AND CHAIN OF CUSTODY DOCUMENTATION



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

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

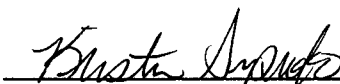
Receiving Date: 04/28/08
Reporting Date: 04/29/08
Project Owner: CHEVRON (1207-016B)
Project Name: C. H. WIER B
Project Location: LEA CO., NM

Analysis Date: 04/29/08
Sampling Date: 04/28/08
Sample Type: SOIL
Sample Condition: INTACT
Sample Received By: ML
Analyzed By: KS

LAB NO.	SAMPLE ID	Cl ⁻ (mg/kg)
H14721-1	SS POINT #1 @ 3'	5,200
H14721-2	SS POINT #2 @ 3'	3,400
H14721-3	SS POINT #3 @ 3'	2,210
H14721-4	SS POINT #4 @ 3'	2,840
H14721-5	SS POINT #5 @ 3'	176
H14721-6	SS POINT #6 @ 3'	192
H14721-7	SS POINT #7 @ 3'	6,320
H14721-8	SS POINT #8 @ 3'	400
H14721-9	SS POINT #9 @ 3'	< 16
H14721-10	SS POINT #10 @ 3'	16
H14721-11	SS POINT #11 @ 3'	160
H14721-12	SS POINT #12 @ 3'	192
H14721-13	SS POINT #13 @ 3'	48
Quality Control		510
True Value QC		500
% Recovery		102
Relative Percent Difference		2.0

METHOD: Standard Methods	4500-Cl ⁻ B
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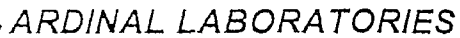
Note: Analyses performed on 1:4 w:v aqueous extracts.


Chemist

04/29/08
Date

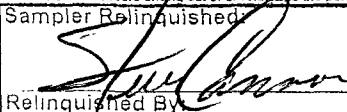
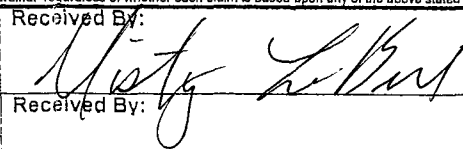
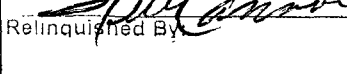
H14721 OCO

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. Results relate only to the samples identified above. This report shall not be reproduced except in full with written approval of Cardinal Laboratories.



(505) 393-2326 Fax (505) 393-2476

CHAIN-OF-CUSTODY AND ANALYSIS REQUEST

Company Name: Ocotillo Environmental LLC				BILL TO				ANALYSIS REQUEST																													
Project Manager: Cindy Crain				P.O. #:																																	
Address: 2125 French Dr.				Company: Ocotillo																																	
City: Hobbs State: NM Zip: 88240				Attn:																																	
Phone #: 575-441-7244 Fax #: 432-272-0304				Address:																																	
Project #: 1207-016B Project Owner: Chevron				City:																																	
Project Name: C.H. Wier B				State: Zip:																																	
Project Location: Lea Co. N.M.				Phone #:																																	
Sampler Name: Steve Cannon				Fax #:																																	
FOR LAB USE ONLY																																					
Lab I.D.		Sample I.D.		CONTAINERS		MATRIX		PRESERV.		SAMPLING		Chloride																									
				#																																	
				(G)RAB OR (C)OMP.		GROUNDWATER		WASTEWATER		SOIL		SLUDGE		OTHER :		ACID/BASE:		ICE / COOL		OTHER :		DATE		TIME													
H14721-1		35 Point #1 @ 3'		G 1						✓												4-28-08		3:10		✓											
-2		35 Point #2 "		G 1						✓												"		1:40		✓											
-3		35 Point #3 "		G 1						✓												"		1:47		✓											
-4		35 Point #4 "		G 1						✓												"		1:52		✓											
-5		35 Point #5 "		G 1						✓												"		2:03		✓											
-6		35 Point #6 "		G 1						✓												"		2:15		✓											
-7		35 Point #7 "		G 1						✓												"		2:30		✓											
-8		35 Point #8 "		G 1						✓												"		3:12		✓											
-9		35 Point #9 "		G 1						✓												"		2:37		✓											
-10		35 Point #10		G 1						✓												"		2:50		✓											
<p>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 analysis. 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 relating to the performance of services hereunder by Cardinal, regardless of whether such claim is based upon any of the above stated reasons or otherwise.</p> <p>Terms and Conditions: Interest will be charged on all accounts more than 30 days past due at the rate of 24% per annum from the original date of invoice and all costs of collections, including attorney's fees.</p>																																					
Sampler Relinquished: 				Date: 4-28-08		Received By: 				Phone Result: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No				Add'l Phone #:				Fax Result: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No				Add'l Fax #:				REMARKS: 575-441-7244 Fax # 432-272-0304 Rush! ASAP Please!											
Relinquished By: 				Date:		Received By:																															
Delivered By: (Circle One)				Temp.		Sample Condition				CHECKED BY:																											
Sampler - UPS - Bus - Other:						Cool Intact				(Initials)																											
						<input type="checkbox"/> Yes <input type="checkbox"/> No				<input type="checkbox"/> Yes <input type="checkbox"/> No																											

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



CARDINAL LABORATORIES

101 East Marland, Hobbs, NM 88240

(505) 393-2326 Fax (505) 393-2476

CHAIN-OF-CUSTODY AND ANALYSIS REQUEST

Page 2 of 2

Company Name: <u>Ocotillo Environmental LLC</u>				BILL TO				ANALYSIS REQUEST											
Project Manager: <u>Cindy Crain</u>				P.O. #:															
Address: <u>2125 French Dr.</u>				Company: <u>Ocotillo</u>															
City: <u>Hobbs</u> State: <u>NM</u> Zip: <u>88240</u>				Attn:															
Phone #: <u>575-441-7244</u> Fax #: <u>432-272-0304</u>				Address:															
Project #: <u>1207-0166</u> Project Owner: <u>Chevron</u>				City:															
Project Name: <u>C.H. Wier B</u>				State: Zip:															
Project Location: <u>Lea Co N.M.</u>				Phone #:															
Sampler Name: <u>Steve Cannon</u>				Fax #:															
FOR LAB USE ONLY																			
Lab I.D.		Sample I.D.		(G)RAB OR (C)OMP. # CONTAINERS		MATRIX		PRESERV.		SAMPLING									
						GROUNDWATER													
						WASTEWATER													
						SOIL													
						OIL													
						SLUDGE													
						OTHER:													
						ACID/BASE:													
						ICE / COOL													
						OTHER:													
										DATE		TIME							
<u>H14721-11</u>		<u>SS Point #11 @ 3'</u>		<u>G 1</u>								<u>4-28-08</u>		<u>3:00</u>		<u>✓</u>			
<u>-12</u>		<u>SS Point #12 "</u>		<u>G 1</u>								<u>"</u>		<u>3:06</u>		<u>✓</u>			
<u>-13</u>		<u>SS Point #13 "</u>		<u>G 1</u>								<u>"</u>		<u>3:28</u>		<u>✓</u>			

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.

Terms and Conditions: Interest will be charged on all accounts more than 30 days past due at the rate of 24% per annum from the original date of invoice, and all costs of collections, including attorney's fees.

Sampler Relinquished By: <u>Steve Cannon</u>		Date: <u>4-28-08</u>	Received By: <u>City Lab</u>		Phone Result: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Add'l Phone #:
Relinquished By: <u>Steve Cannon</u>		Time: <u>4:20</u>	Received By: <u>City Lab</u>		Fax Result: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Add'l Fax #:
Delivered By: (Circle One) Sampler - UPS - Bus - Other:		Date:	Temp:		REMARKS: <u>575-441-7244</u> <u>Ext # 432-272-0304</u> <u>Rush! ASAP Please</u>	
		Time:	Sample Condition Cool Intact <input type="checkbox"/> Yes <input type="checkbox"/> No		CHECKED BY: <u>UAB</u>	

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



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

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

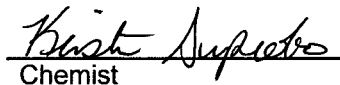
Receiving Date: 05/09/08
Reporting Date: 05/09/08
Project Owner: CHEVRON (1207-016B)
Project Name: C.H. WIER B
Project Location: LEA COUNTY, NM

Analysis Date: 05/09/08
Sampling Date: 05/09/08
Sample Type: SOIL
Sample Condition: INTACT
Sample Received By: ML
Analyzed By: KS

LAB NO.	SAMPLE ID	Cl ⁻ (mg/kg)
H14786-1	SS #14 @ 3' (NORTH SIDE)	16
Quality Control		500
True Value QC		500
% Recovery		100
Relative Percent Difference		< 0.1

METHOD: Standard Methods 4500-Cl⁻B

Note: Analysis performed on a 1:4 w:v aqueous extract.


Chemist

05/09/08
Date

H14786 OCO

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. Results relate only to the samples identified above. This report shall not be reproduced except in full with written approval of Cardinal Laboratories.



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CHAIN-OF-CUSTODY AND ANALYSIS REQUEST

Page ____ of ____

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APPENDIX B

SOIL BORING LOG

Client: Chevron Midcontinent Alaska

Project: C. H. Weir B Disposal Line

Project No.: 1207-016B

Location: NW/4, NW/4, Sec. 12, T20S, R37E

Log: BH-5

Page: 1 of 1

Geologist: C. Crain

Depth	Symbol	Description	Sample Number	Sample Type	Sample Recovery	Field Chloride ppm		Analytical Data
						500	1500	
0		Ground Surface						
5		Silty Sand Dark reddish brown silty sand, very fine grained quartz sand, well sorted, loose, dry						
10								
15		Clayey Sand Light gray to reddish brown clayey sand, very fine grained, dry						
20								
25								
30		Caliche Pinkish gray caliche, indurated with quartz sand, dry						
35								
40		Silty Clay Reddish brown silty clay, very fine grained, moderately well sorted, dense, dry						
45								
50								
55		Clay Dark red to purple clay, very fine grained, dense, dry						
60								
65								
70								
75								
80								
85								
90								
95								
100								
105								
110								
115								
120		TD at 120' bgs						
125								

Ocotillo Environmental, LLC

2125 French Drive
Hobbs, NM 88240
(505) 393-6371

Drill Method: Air Rotary

Drill Date: 5/7/08

Hole Size: 4"

Elevation: NA

Checked by: CKC

Drilled by: Scarborough Drilling

C141 DOCUMENTATION

RECEIVED

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
FEB 13 2008
Submit 2 Copies to appropriate
District Office in accordance
with Rule 116 on back
of form

HOBBS OGD**Release Notification and Corrective Action****OPERATOR**☒ Initial Report☐ Final Report

Name of Company CHEVRON	Contact Larry Williams
Address P.O. Box 1949 Eunice NM. 88231	Telephone No. 505-394-1247 (office), 505-390-7165 (cell)
Facility Name- C H Weir B Battery #13 ✓	Facility Type - Production Battery

Surface Owner- Trent Stradley	Mineral Owner - Trent Stradley	API# 30-025-30119
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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
O	12	20S	37E					Lea

Latitude _____ Longitude _____

NATURE OF RELEASE

Type of Release- Produced Water	Volume of Release 20 BW	Volume Recovered- 6 BBI
Source of Release- 3" poly & PVC pipe connection	Date and Hour of Occurrence- 11/30/2007 10:25 am	Date and Hour of Discovery 11/30/2007 10:25 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 12/3/2007 11:10 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.*


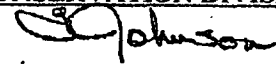
Water transfer line going from battery to Skaggs disposal got small leak in connection between poly and PVC pipe. Picked up standing water and disposed of it at a third party disposal. Dug out leak and made repairs.

Describe Area Affected and Cleanup Action Taken.* 15' x 20' area off the West side pad of MB Weir B 13. We will dig up and haul off known contaminated soil and test for chlorides. Then proceed with cleanup as needed.

Chlorides 32,000 ppm

Ground water 70'

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: Larry Williams	Approved by District Supervisor  ENVIRONMENTAL ENGINEER	
Title: Production Rep	Approval Date: 2.13.08	Expiration Date: 5.13.08
E-mail Address: LCWL@chevron.com	Conditions of Approval:	Attached <input type="checkbox"/>
Date: 12/03/2007 Phone: 505-394-1247		1 RP # 1783

* Attach Additional Sheets If Necessary

f C040808 031475

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
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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	Contact Larry Williams
Address P.O. Box 1949 Eunice NM. 88231	Telephone No. 505-394-1247 (office), 505-390-7165 (cell)
Facility Name- C H Weir B Battery (#13Y) IRP #1783	Facility Type - Production Battery

Surface Owner- S & W Cattle Co./ Trent Stradley	Mineral Owner - Mary B Weir	Lease No. API # 30-025-30119
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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
O	12	20S	37E					Lea

Latitude N 32.58228° Longitude W 103.20316°

NATURE OF RELEASE

Type of Release- Produced Water	Volume of Release 20 BW	Volume Recovered- 6 BBI
Source of Release- 3" poly & PVC pipe connection	Date and Hour of Occurrence- 11/30/2007 10:25 am	Date and Hour of Discovery 11/30/2007 10:25 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	RECEIVED MAY 21, 2008 HOBBS OCL
By Whom? Larry Williams	Date and Hour 12/3/2007 11:10 am	
Was a Watercourse Reached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, Volume Impacting the Watercourse.	

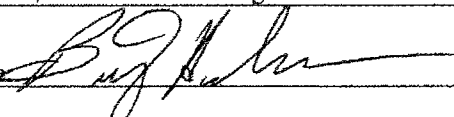

If a Watercourse was Impacted, Describe Fully.*

Describe Cause of Problem and Remedial Action Taken.*

Water transfer line going from battery to Skaggs disposal got small leak in connection between poly and PVC pipe. Picked up standing water and disposed of it at a third party disposal. Dug out leak and made repairs.

Describe Area Affected and Cleanup Action Taken.* Soil in a 102' x 55' area off the West side of the MB Weir B 13 well pad was excavated to a depth of three feet bgs and hauled to an NMOCD approved disposal facility. Soil samples were collected at 3' bgs, and all sample results reported chloride concentrations below 250 mg/kg at that depth. A soil boring was drilled to a depth of 120' bgs to determine depth to groundwater at the site. No groundwater was present. The area was lined with a 20 mil plastic liner and backfilled with clean soil.

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: Billy Anderson	Approved by District Supervisor  ENVIRONMENTAL ENGINEER	
Title: HES Specialist	Approval Date: 5.21.08	Expiration Date: _____
E-mail Address: billyanderson@chevron.com	Conditions of Approval: _____	Attached <input type="checkbox"/> IRP # 1783
Date: 5/14/08 Phone: 505-394-1237		

* Attach Additional Sheets If Necessary