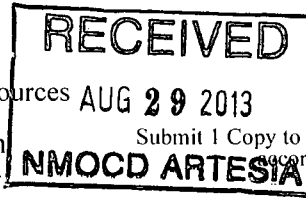


District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 S. First St., Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

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 August 8, 2011

Release Notification and Corrective Action

| | | | |
|---|--|--|--|
| Name of Company Chevron USA Inc. 4323 | | Contact David A. Pagano | |
| Address 15 Smith Rd., Midland, TX, 79705 | | Telephone No. wk: 575-396-4414X275 cell: 505-787-9816 | |
| Facility Name Skelly 907 BTY | | Facility Type Oil Production Batteries | |
| Surface Owner Federal BLM | | Mineral Owner Federal | |
| API No. | | | |

SKU 907 BTY (CTB) - Latitude: 32.819634 / Longitude: -103.872881

LOCATION OF RELEASE

| Unit Letter | Section | Township | Range | Feet from the | North/South Line | Feet from the | East/West Line | County |
|-------------|---------|----------|-------|---------------|------------------|---------------|----------------|--------|
| J | 22 | 17S | 31E | | | | | Eddy |

NATURE OF RELEASE

| | | |
|---|---|--|
| Type of Release Flare | Volume of Release 266 MSCF / Day | Volume Recovered 0 MSCF |
| Source of Release Flare | Date and Hour of Occurrence 08/27/13 10:00AM | Date and Hour of Discovery 08/27/13 10:00AM |
| Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required | If YES, To Whom? Bratcher, Mike, EMNRD | |
| By Whom? | Date and Hour 08/28/13 4:30 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.* N/A | | |
| Describe Cause of Problem and Remedial Action Taken.* Frontier has curtailed gas to complete maintenance/expansion at Maljamar Gas Plant causing sales line to pressure up beyond the operating pressure of our Battery leading us to flare some of the gas. Frontier is communicating that they could be curtailing the gas from several weeks to several months. | | |
| Describe Area Affected and Cleanup Action Taken.* Chevron will stay in close contact with frontier in order to stop flaring as soon as they were able to accept our gas in the sales line. | | |
| I hereby certify that the information given above is true and complete to the best of my knowledge and understand that pursuant to NMOC D 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 D 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 D 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: David Pagano | OIL CONSERVATION DIVISION | |
| Printed Name: David A. Pagano | Approved by Environmental Specialist: Accepted for record NMOC D | |
| Title: Health & Environmental Specialist | Approval Date: SEP 03 2013 | Expiration Date: |
| E-mail Address: dpagn@chevron.com | Conditions of Approval: | Attached <input type="checkbox"/> |
| Date: 08/29/12 Phone: 505-787-9816 | | |

* Attach Additional Sheets If Necessary

fJMW 1321131421

iJMW 7510

2RP-1890

Bratcher, Mike, EMNRD

From: Pagano, David (David.Pagano) <David.Pagano@chevron.com>
Sent: Thursday, August 29, 2013 9:47 AM
To: Pagano, David (David.Pagano); Bratcher, Mike, EMNRD
Cc: Moschetti, Nick (NMOS); DeLeon, Josepha; Nevarez, Joseph D
Subject: Initial C-141 & C-129 reports for the flaring at our Skelly 907 due to Frontier curtailing gas in our sales line
Attachments: C-129 - Skelly 907 Battery S.pdf; 20130827 C-141 Skelly 907 Bty Flare IS.pdf

Mike,

Here are the Initial C-141 & C-129 reports for the flaring at our Skelly 907 due to Frontier curtailing gas in our sales line while they complete and upgrade to their plant. Flaring started at 10:00AM on 8/27/13. Frontier is communicating that they will be curtailing our gas indefinitely which could mean from a few weeks to a few months. Once the sales line pressure is back up and we are no longer flaring I will send the final reports. You will find the wells associated with the 907 battery at the bottom of the email. Please let me know if you have any questions or need additional information.

Regards,

David A. Pagano

MCA Health & Environmental Specialist (Central Permian – Vacuum/Buckeye, Dollarhide & Sundown)

56 Texas Camp Rd., Lovington, NM 88260

☎ Phone: 575-396-4414 x275

☎ Cell: 505-787-9816

☎ Fax: 575-396-6913

dpagn@chevron.com

"CONFIDENTIALITY NOTICE: This message is confidential and may be privileged. If you believe that this email has been sent to you in error, please reply to the sender that you received the message; then please delete this email."

| Well | Battery |
|--------|-------------|
| SU 689 | SKELLY UNIT |
| SU 699 | SKELLY UNIT |
| SU 700 | SKELLY UNIT |
| SU 703 | SKELLY UNIT |
| SU 707 | SKELLY UNIT |
| SU 711 | SKELLY UNIT |
| SU 713 | SKELLY UNIT |
| SU 714 | SKELLY UNIT |
| SU 718 | SKELLY UNIT |
| SU 719 | SKELLY UNIT |
| SU 722 | SKELLY UNIT |
| SU 724 | SKELLY UNIT |
| SU 725 | SKELLY UNIT |
| SU 828 | SKELLY UNIT |
| SU 907 | SKELLY UNIT |
| SU 908 | SKELLY UNIT |
| SU 912 | SKELLY UNIT |

| | |
|--------|-------------|
| SU 914 | SKELLY UNIT |
| SU 930 | SKELLY UNIT |
| SU 931 | SKELLY UNIT |
| SU 933 | SKELLY UNIT |
| SU 936 | SKELLY UNIT |
| SU 937 | SKELLY UNIT |