

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

Initial Report Final Report

Name of Company	Chevron USA	Contact	Kim Klahsen
Address	HCR 60 Box 423 Lovington, NM 88260	Telephone No.	(575) 396-4414 x 128 or (432) 894-3298 (cell)
Facility Name	Skelly #963	Facility Type	Production Well

Surface Owner:	State	Mineral Owner:	State	API # 30-015-34646
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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	15	17S	31E	330	South	2310	East	Eddy

Latitude N 32.82832° Longitude W 103.85645°

NATURE OF RELEASE

Type of Release	Produced Water	Volume of Release	0 bbl oil / 5.4 bbl water	Volume Recovered	0 bbl fluids
Source of Release	Flow line	Date and Hour of Occurrence	11/08/09 12:00 PM	Date and Hour of Discovery	11/08/09 14:00 PM
Was Immediate Notice Given?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Required	If YES, To Whom?	Artesia Office, NMOCD		
By Whom?	Larry Ridenour	Date and Hour	11/08/09 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.*

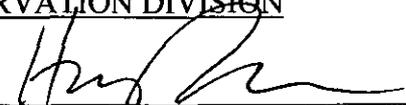
Describe Cause of Problem and Remedial Action Taken.*

A flowline burst causing a release of 5.4 bbls of produced water. The well was shut in to prevent additional release and the extent of the spill was determined on the ground surface.

Describe Area Affected and Cleanup Action Taken.*

Visibly impacted soil was removed from an area measuring approximately 60' x 15' and disposed at an NMOCD approved facility. Soil samples were collected on 2/15/10. Additional soil was excavated and removed from the site, until further sampling confirmed that chloride concentrations were below 1,000 mg/kg and TPH concentrations were below 5,000 mg/kg at the site. Figures are attached that show the site location (Fig #1) and the soil sample locations (Fig #2). Laboratory data and chain of custody documentation is also attached.

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:	<u>OIL CONSERVATION DIVISION</u>		
Printed Name: Kim Klahsen	Approved by District Supervisor: 		
Title: HES Specialist	Approval Date: <u>3/10/10</u>	Expiration Date: <u>N/A</u>	
E-mail Address: <u>KDKL@chevron.com</u>	Conditions of Approval: <u>Final</u>		Attached <input type="checkbox"/>
Date: <u>5/10/10</u> Phone: (575) 396-4414 x 128			

* Attach Additional Sheets If Necessary

2RP-674