District 1 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

HOBBS OCD

JUL 1 1 2012 Revised A

Form C-141 Revised August 8, 2011

Submit 1 Copy to appropriate District Office in accordance with 19.15.29 NMAC.

Release Notification and Corrective Action

| | OPERATOR Initial Report Final Report | | | |
|---|--------------------------------------|--|--|--|
| Name of Company CHEVRON U.S.A Inc. | Contact David Pagano | | | |
| Address 56 Texas Camp Road, Lovington, NM 88260 Telephone No. Office: 575-396-4414 ext 275 Cellular: 505-787-98 | | | | |
| Facility Name Lovington Paddock Unit #59 | Facility Type Oil Well | | | |

| S | Surface Owner | State of New Mexico | Mineral Owner | State of New Mexico | API No. | 30-025-03826 |
|---|--|---------------------|--|---------------------|---------|---|
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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 |
|-------------|---------|----------|-------|---------------|------------------|---------------|----------------|--------|
| G | 1 | 17.0S | 36.0E | | | | | Lea |

Latitude: 32.8656 / Longitude: -103.306

NATURE OF RELEASE

| Type of Release Produced Water Spill to land | Volume of Release 40 bbls of produced water | Volume Recovered 10 bbls of produced water | | |
|---|---|--|--|--|
| Source of Release | Date and Hour of Occurrence 06/04/06 | Date and Hour of Discovery 06/04/06 | | |
| Was Immediate Notice Given? | If YES, To Whom? | | | |
| By Whom? David Pagano | Date and Hour | | | |
| Was a Watercourse Reached? | If YES, Volume Impacting the Watercourse. | | | |
| If a Watercourse was Impacted, Describe Fully.* | | | | |
| Describe Cause of Problem and Remedial Action Taken.* On June 4, 2006, an estimated 40 barrels of produced water (10 barrels rec | covered) was released from a pipe in | a valve box. | | |
| Describe Area Affected and Cleanup Action Taken.* The approximate affected area was estimated at 200' x 200'. In 2010, Che Associates, Inc. (CRA), on behalf of Chevron Environmental Managemen to vertically and horizontally delineate the spill. On 6/27/12, Tom Larson conduct 2 additional boring samples to continue delineation. Once the res closure plan will be submitted. | t Company (CEMC) has taken over n with CRA met with the OCD, provid | emediation and conducted boring samples led sample results and received guidance to | | |
| I hereby certify that the information given above is true and complete to the regulations all operators are required to report and/or file certain release no public health or the environment. The acceptance of a C-141 report by the should their operations have failed to adequately investigate and remediate or the environment. In addition, NMOCD acceptance of a C-141 report do federal, state, or local laws and/or regulations. | otifications and perform corrective ac NMOCD marked as "Final Report" contamination that pose a threat to g | tions for releases which may endanger does not relieve the operator of liability ground water, surface water, human health | | |
| Signature: Davilly and | OIL CONSERVATION DIVISION | | | |
| Printed Name: David Pagano | Approved by Environmental Speciali | st: | | |
| Title: Health & Environmental Specialist | Approval Date: | Expiration Date: | | |
| | Conditions of Approval: | Attached | | |
| Date: 07/11/12 Phone: 505-787-9816 | | | | |

* Attach Additional Sheets If Necessary

PAC 0616540562

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