

March 11, 2008

VIA: CERTIFIED MAIL

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

RE: **IRP-1160**
Final Remediation Report
Chevron North America Exploration and Production Company, Inc.
NW Eumont Unit Well #104, Unit C (NE/4, NW/4)
Section 14, Township 19 South, Range 36 East
Lea County, New Mexico

Dear Larry:

This report is submitted to the New Mexico Oil Conservation Division (OCD) on behalf of Chevron North America Exploration & Production Company (Chevron) by Larson & Associates, Inc. (LAI), its consultant, to present remediation results for a crude oil and produced water spill that occurred at the NW Eumont Unit Well #104 (Site) located in unit C (NE/4, NW/4), Section 14, Township 19 South, Range 36 East, in Lea County, New Mexico. The Site's latitude and longitude is 32° 39' 57.6" north and 103° 19' 37.4" west, respectively. Figure 1 presents a location and topographic map. Contact information for Chevron is as follows:

Name: Rodney Bailey
Address: 15 Smith Road
Midland, Texas 79705
Telephone: (432) 687-7123
Cell: (432) 894-3519
Email: bailerg@chevron.com

Chronology

On December 16, 2006, Rhombus Operating Co., Ltd. (Rhombus) reported the spill to the OCD and submitted an initial C-141. Rhombus' initial action included scraping about twenty-five (25) cubic yards of soil from the affected area, which was piled on the location. On December 20, 2006, the OCD issued a notice to Rhombus requiring it to delineate the vertical and horizontal extent of the spill due to shallow groundwater. On March 2, 2007, LAI conducted an investigation that included collecting soil samples to about 20 feet below ground surface (bgs) and analyzing the samples for benzene, toluene, ethylbenzene and xylene (BTEX), total petroleum hydrocarbons (TPH) and chloride. The extent of BTEX, TPH and chloride was determined from the investigation.

On January 3, 2008, the New Mexico State Land Office (SLO) contacted Chevron, as lessee of record, requested it to enforce corrective action within sixty (60) days. On January 17, 2007, the OCE approved a remediation plan that proposed excavation of soil to remediate the TPH below the recommended remediation action level (RRAL) of 100 milligrams per kilogram (mg/Kg) and reduce the chloride concentration.

RECEIVED

HOBBS

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HOBBS OCD

Setting

The predominant soil is the Kimbrough-Lea complex consisting of a gravelly to silt loam surface layer about 6 inches thick, which is underlain by caliche. No intermittent streams, lake or rivers are located within 1,000 horizontal feet of the Site, but the U.S.G.S. 7.5-minute series topographic map shows a depression about 200 feet west of the Site that may hold water during wet periods. No water wells are located within 1,000 horizontal feet of the Site. Data from the New Mexico State Engineer indicates that groundwater occurs in the Tertiary-age Ogallala formation at approximately 30 feet bgs.

Remediation Action Levels

The OCD has developed guidelines for remediation of crude oil spills (“Guidelines for Remediation of Leaks, Spills and Releases, August 13, 1993”) that contains RRAL for benzene, BTEX and TPH based on the following criteria:

| Ranking Criteria | Result | Ranking Score |
|--------------------------------|--------------------------|----------------------|
| Depth to Groundwater | <50 feet | 20 |
| Wellhead Protection Area | No | 0 |
| Distance to Surface Water Body | 200-1000 Horizontal Feet | 10 |
| | Total Score: | 30 |

The following RRAL are assigned to Site based on the total ranking score (30):

Benzene: 10 mg/Kg
BTEX: 50 mg/Kg
TPH: 100 mg/Kg

On March 2, 2007, the release was delineated by collecting split-spoon and jam tube samples to approximately 20 feet bgs at 6 locations (SB-1 through SB-6) using an air rotary rig. These samples were submitted under chain-of-custody control to an environmental laboratory, which analyzed the samples for BTEX, TPH and chloride. No benzene or BTEX was reported in the samples above the RRAL, but TPH exceeded the RRAL (100 mg/Kg) in the following samples:

| Location | Sample (Feet BGS) | TPH (mg/Kg) |
|-----------------|--------------------------|--------------------|
| SB-1 | 0 – 1 | 812 |
| SB-2 | 0 – 1 | 3,482 |
| SB-4 | 0 – 1 | 198.4 |
| SB-5 | 0 – 1 | 9,940 |
| SB-6 | 0 – 1 | 5,095 |

Chloride was delineated to the New Mexico Water Quality Control Commission (WQCC) domestic water quality standard for chloride, and decreased below 250 milligrams per kilogram (mg/Kg) in all samples collected at approximately 5 feet bgs, except BH6, where chloride was below 250 mg/Kg in the sample from approximately 15 feet bgs.

Remediation

Remediation commenced on February 11, 2008 and ended on March 4, 2008. An area measuring

Mr. Larry Johnson
March 10, 2008
Page 2

approximately 35,000 square feet or 0.8 acres was excavated from about 2 to 12 feet bgs. Approximately 5,530 cubic yards of soil was hauled to Lea Land Landfill located at mile marker #64 on U.S. Highway 62/180 between Hobbs and Carlsbad, New Mexico.

On February 14, 2008, February 18, 2008, February 20, 2008, February 27, 2008 and March 08, 2008, LAI personnel collected soil samples from the bottom and sides of the excavation. These samples were submitted under chain of custody control to Environmental Lab of Texas, Inc. (ELTI) located in Odessa, Texas, and were analyzed for TPH, including gasoline range organics (GRO) and diesel range organics (DRO) and chloride using EPA methods SW-846-8015 and 300, respectively. Table 1 presents a summary of the laboratory analysis. Figure 2 presents a site drawing showing the approximate limits of the spill, excavation and soil sample locations. Appendix A presents the laboratory reports. Appendix B presents photographs.

Referring to Table 1, the TPH concentration in the bottom (BS) samples and side (SS) samples was below 100 mg/Kg. The chloride concentration in the in-situ soil was reduced below 1,000 mg/Kg based on the soil sample analysis. Chevron requests approval to fill the excavation with clean soil and seed the area according to New Mexico Land Office requirements. Appendix C presents the initial and final C-141. You may contact Mr. Rodney Bailey with Chevron (432) 687-7123 or email bailerg@chevron.com. I may be reached with questions at (432) 687-0901 email mar@laenvironmental.com.

Sincerely,
Larson & Associates, Inc.



Mark J. Larson, P.G., C.P.G., C.G.W.P.
Sr. Project Manager / President

Encl.

cc: Rodney Bailey - Chevron
Jami Bailey - NMSLO
Thaddeus Kostrubala - NMSLO

Tables

Table 1
1RP-1160
Summary of Laboratory Analysis of Excavation Soil Samples
Chevron North America E & P Company, Inc., NW Eumont Unit Well #104
Unit C, Section 14, Township 19 South, Range 36 East
Lea County, New Mexico

| Sample Identification | Depth (Feet) | Position | Location | Sample Date | DRO (mg/Kg) | GRO (mg/Kg) | TPH (mg/Kg) | Chloride (mg/Kg) |
|--|--------------|-----------|---------------------|-------------|-------------|-------------|-------------|------------------|
| NMOCD Recommended Remediation Action Level: | | | | | | | 100 | |
| BS-1 | 1 | In-Situ | Bottom/South/Center | 2/14/2008 | <18.8 | <18.8 | <18.8 | 269 |
| BS-2 | 2 | Excavated | Bottom/South/Center | 2/14/2008 | <16.8 | <16.8 | <16.8 | 1,300 |
| | 3 | In-Situ | Bottom/South/Center | 3/3/2008 | -- | -- | -- | 90.4 |
| BS-3 | 3 | In-Situ | Bottom/South/Center | 2/14/2008 | <16.1 | <16.1 | <16.1 | 113 |
| BS-4 | 3 | Excavated | Bottom/South/West | 2/14/2008 | <15.6 | <15.6 | <15.6 | 1,020 |
| | 4 | In-Situ | Bottom/South/West | 3/3/2008 | -- | -- | -- | 615 |
| BS-5 | 3 | In-Situ | Bottom/South/East | 2/14/2008 | <15.4 | <15.4 | <15.4 | 210 |
| BS-6 | 3 | In-Situ | Bottom/Center/West | 2/14/2008 | <15.9 | <15.9 | <15.9 | 475 |
| BS-7 | 3 | In-Situ | Bottom/Center/East | 2/14/2008 | <15.9 | <15.9 | <15.9 | 487 |
| BS-8 | 1 | Excavated | Bottom/South/West | 2/14/2008 | <15.4 | <15.4 | <15.4 | 1,080 |
| | 2 | In-Situ | Bottom/South/West | 3/3/2008 | -- | -- | -- | 332 |
| BS-9 | 1 | In-Situ | Bottom/South/West | 2/14/2008 | <15.5 | <15.5 | <15.5 | 497 |
| BS-10 | 1 | Excavated | Bottom/Center/West | 2/14/2008 | <17.2 | <17.2 | <17.2 | 1,650 |
| | 2 | In-Situ | Bottom/Center/West | 3/3/2008 | -- | -- | -- | 32.7 |
| BS-11 | 1 | Excavated | Bottom/Center/West | 2/14/2008 | <16.6 | <16.6 | <16.6 | 1,160 |
| | 2 | In-Situ | Bottom/Center/West | 3/3/2008 | -- | -- | -- | 783 |
| BS-12 | 3 | In-Situ | Bottom/Center/West | 2/20/2008 | <15.9 | <15.9 | <15.9 | 425 |
| BS-13 | 12 | In-Situ | Bottom at Leak | 2/20/2008 | <16.3 | <16.3 | <16.3 | 493 |
| BS-14 | 10 | In-Situ | Bottom at Leak | 2/20/2008 | <17.0 | <17.0 | <17.0 | <5.66 |
| BS-15 | 1 | In-Situ | Bottom/Center/North | 2/20/2008 | <15.8 | <15.8 | <15.8 | 9.08 |
| BS-16 | 3 | In-Situ | Bottom/North/East | 2/20/2008 | <16.4 | <16.4 | <16.4 | 64.1 |
| BS-17 | 2 | In-Situ | Bottom/North/East | 2/20/2008 | <16.1 | <16.1 | <16.1 | 17 |
| BS-18 | 3 | In-Situ | Bottom/Center/East | 2/20/2008 | <16.2 | <16.2 | <16.2 | 763 |
| BS-19 | 2 | In-Situ | Bottom/Center/East | 2/20/2008 | <15.8 | <15.8 | <15.8 | 4.93 |
| *BS-20 | 1 | Excavated | Bottom/Center/East | 2/20/2008 | <16.8 | <16.8 | <16.8 | 2,160 |
| BS-21 | 3 | In-Situ | Bottom/North/East | 2/27/2008 | <15.4 | <15.4 | <15.4 | 16.8 |
| BS-22 | 3 | In-Situ | Bottom/Center/East | 2/27/2008 | <15.5 | <15.5 | <15.5 | 96.2 |
| BS-23 | 3 | In-Situ | Bottom/Center/East | 2/27/2008 | <15.6 | <15.6 | <15.6 | <5 |
| BS-24 | 3 | In-Situ | Bottom/Center/East | 2/27/2008 | <15.5 | <15.5 | <15.5 | 73.8 |
| BS-25 | 3 | In-Situ | Bottom/Center/East | 3/3/2008 | <15.6 | <15.6 | <15.6 | 465 |
| SS-1 | 2 | In-Situ | Side/South/East | 2/18/2008 | 16.1 | <15.4 | 16.1 | 207 |
| SS-2 | 2 | Excavated | Side/South/West | 2/18/2008 | 16.7 | <15.6 | 16.7 | 1,340 |
| | 3 | In-Situ | Side/South/West | 3/3/2008 | -- | -- | -- | 199 |
| SS-3 | 2 | In-Situ | Side/South/East | 2/18/2008 | <15.4 | <15.4 | <15.4 | 379 |
| SS-4 | 2 | Excavated | Side/Center/West | 2/18/2008 | 24.1 | <16.3 | 24.1 | 1,130 |
| | 3 | In-Situ | Side/Center/West | 3/3/2008 | -- | -- | -- | 626 |
| SS-5 | 2 | In-Situ | Side/Center/West | 2/20/2008 | <17.8 | <17.8 | <17.8 | 178 |
| SS-6A | 3 | In-Situ | Side/Source/West | 2/20/2008 | <16.3 | <16.3 | <16.3 | 391 |
| SS-6B | 6 | In-Situ | Side/Source/West | 2/20/2008 | <15.7 | <15.7 | <15.7 | 529 |
| SS-6C | 11 | In-Situ | Side/Source/West | 2/20/2008 | <16.9 | <16.9 | <16.9 | 21.3 |
| SS-7 | 9 | In-Situ | Side/Source/North | 2/20/2008 | <16.3 | <16.3 | <16.3 | 24.4 |
| SS-8 | 8 | In-Situ | Side/Source/East | 2/20/2008 | <16.2 | <16.2 | <16.2 | <5.40 |

Table 1
1RP-1160
Summary of Laboratory Analysis of Excavation Soil Samples
Chevron North America E & P Company, Inc., NW Eumont Unit Well #104
Unit C, Section 14, Township 19 South, Range 36 East
Lea County, New Mexico

| Sample Identification | Depth (Feet) | Position | Location | Sample Date | DRO (mg/Kg) | GRO (mg/Kg) | TPH (mg/Kg) | Chloride (mg/Kg) |
|--|--------------|----------|-----------------|-------------|-------------|-------------|-------------|------------------|
| NMOCD Recommended Remediation Action Level: | | | | | | | 100 | |
| SS-9 | 3 | In-Situ | Side/North/East | 2/20/2008 | <15.7 | <15.7 | <15.7 | 37.8 |
| SS-10 | 2 | In-Situ | Side/North/East | 2/20/2008 | <15.6 | <15.6 | <15.6 | 16.7 |
| SS-11 | 2 | In-Situ | Side/North/East | 2/20/2008 | <16.0 | <16.0 | <16.0 | 582 |
| SS-12 | 2 | In-Situ | Side/North | 2/27/2008 | <15.2 | <15.2 | <15.2 | 12.8 |
| SS-13 | 2 | In-Situ | Side/North/East | 2/27/2008 | <15.5 | <15.5 | <15.5 | 29.2 |
| SS-14 | 2 | In-Situ | Side/East | 2/27/2008 | <15.4 | <15.4 | <15.4 | 2.91 |
| SS-15 | 2 | In-Situ | Side/East | 3/3/2008 | <15.8 | <15.8 | <15.8 | 136 |

Notes: Analysis performed by Environmental Lab of Texas, Odessa, Texas

All results reported in milligrams per Kilogram (mg/Kg)

1. --: Sample was not analyzed
2. <: Below method detection limit
3. *: Refer to Sample BS-24 following additional soil excavation

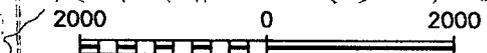
Figures

T-19-S

SITE LOCATION

GPS COORDINATE
N 32° 39' 57.6"
W 103° 19' 37.4"

R
36
E



Graphic Scale in Feet

CHEVRON NORTH AMERICA
EXPLORATION AND PRODUCTION COMPANY

Larson & Associates, Inc.
Environmental Consultants

LEGEND

31.68 ○ - WELL LOCATION (APPROXIMATE) AND DEPTH TO GROUNDWATER, FEET BGS

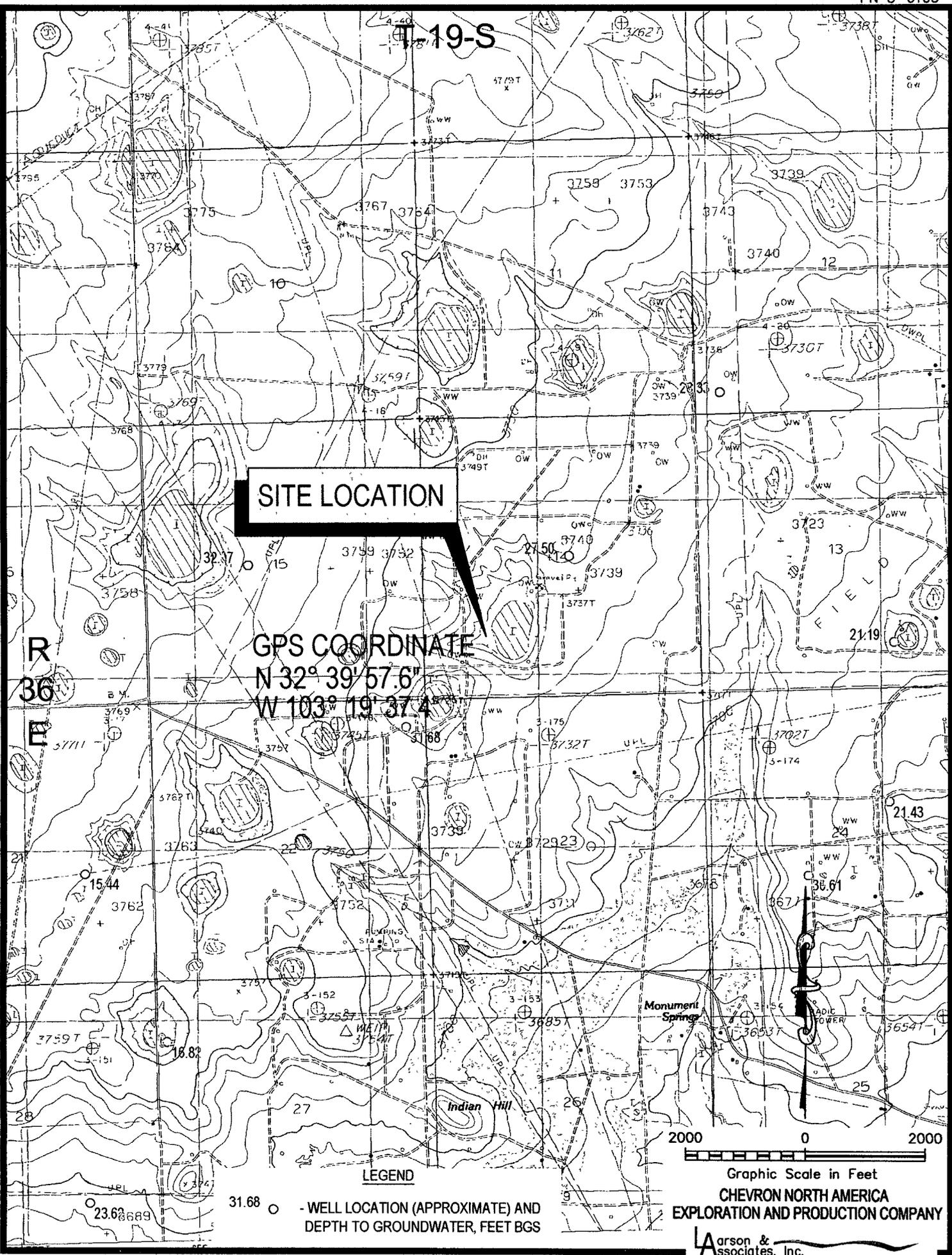
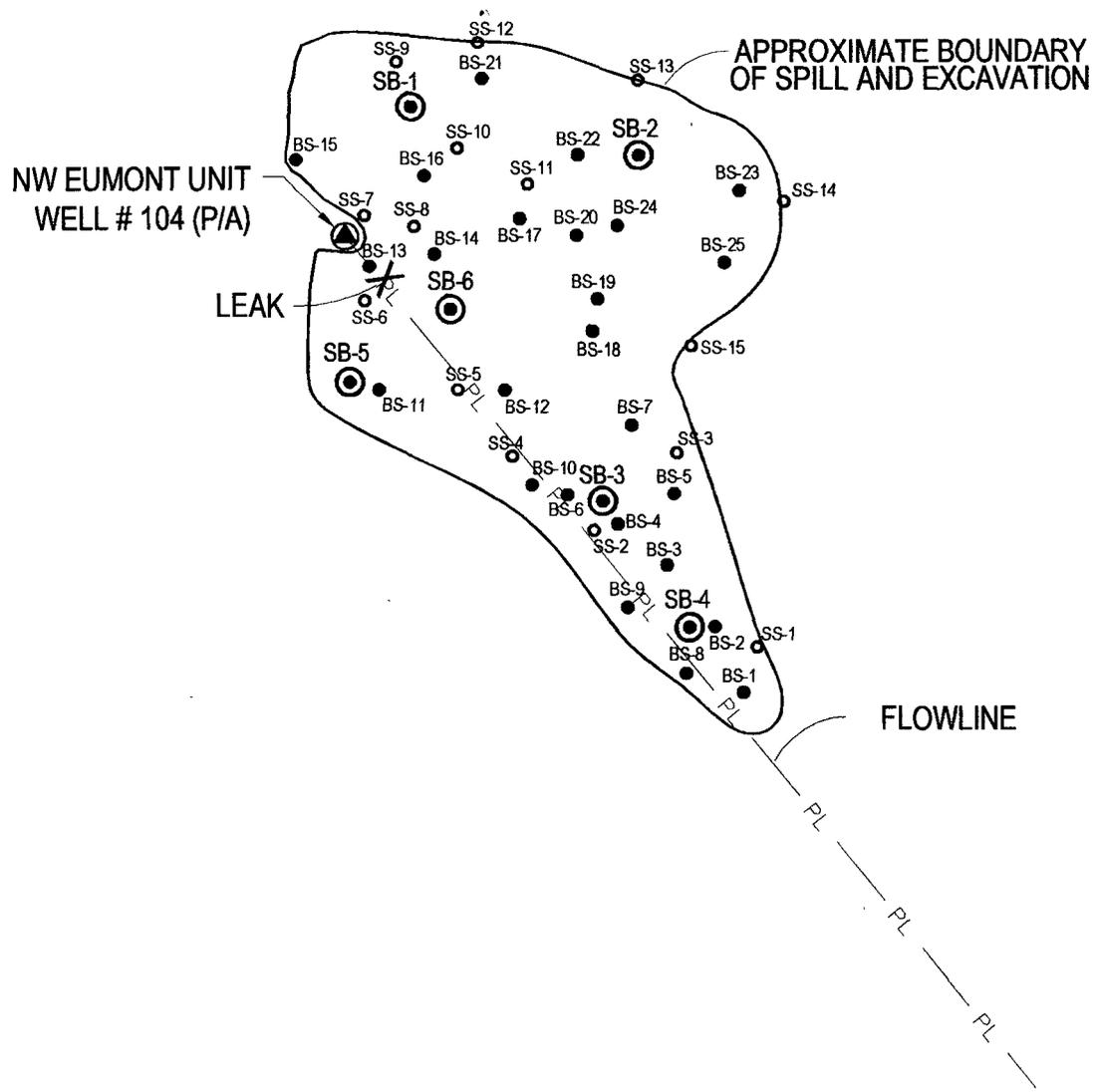
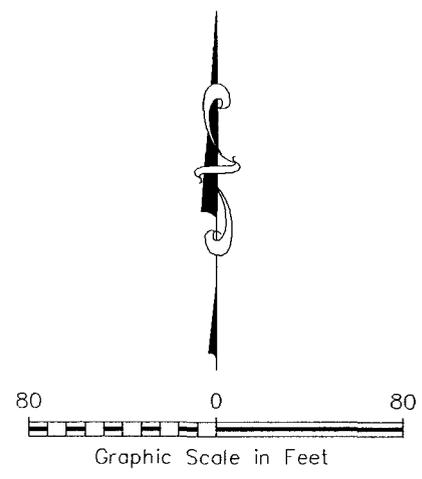


FIGURE 1 - SITE LOCATION



| LEGEND | |
|--------|---|
| SB-1 | SOIL BORING LOCATION, MARCH 2, 2007. |
| SS-1 | SOIL SAMPLE LOCATION (EXCAVATION SIDE). |
| BS-1 | SOIL SAMPLE LOCATION (EXCAVATION BOTTOM). |



CHEVRON NORTH AMERICA
EXPLORATION AND PRODUCTION COMPANY

Larson & Associates, Inc.
Environmental Consultants

FIGURE 2B - EXCAVATION DRAWING

Appendix A
Laboratory Reports
(CD ROM)

Appendix B

Photographs

CHEVRON NORTH AMERICA EXPLORATION AND PRODUCTION COMPANY
NW EUMONT UNIT WELL #104



1. NW Eumont Unit Well #104 Spill Area Looking South, March 2, 2007.



2. NW Eumont Unit Well #104 Spill Area Looking East, March 2, 2007.

CHEVRON NORTH AMERICA EXPLORATION AND PRODUCTION COMPANY
NW EUMONT UNIT WELL #104



3. NW Eumont Unit Well #104 Spill Area Looking Southeast, March 2, 2007.

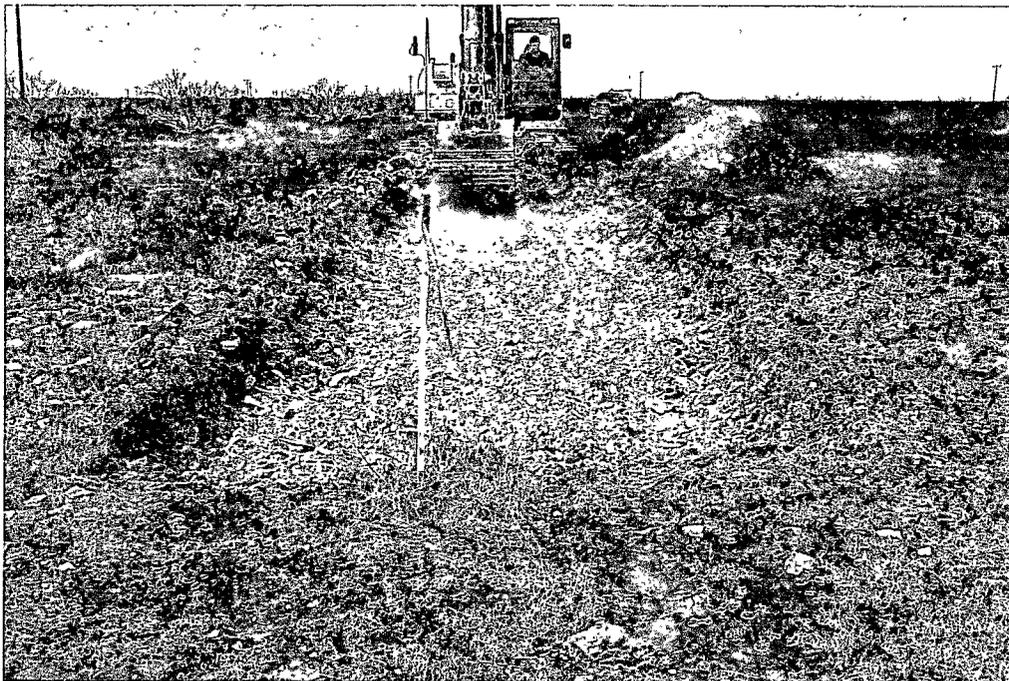


4. NW Eumont Unit Well #104 Spill Area Looking South, March 2, 2007.

CHEVRON NORTH AMERICA EXPLORATION AND PRODUCTION COMPANY
NW EUMONT UNIT WELL #104

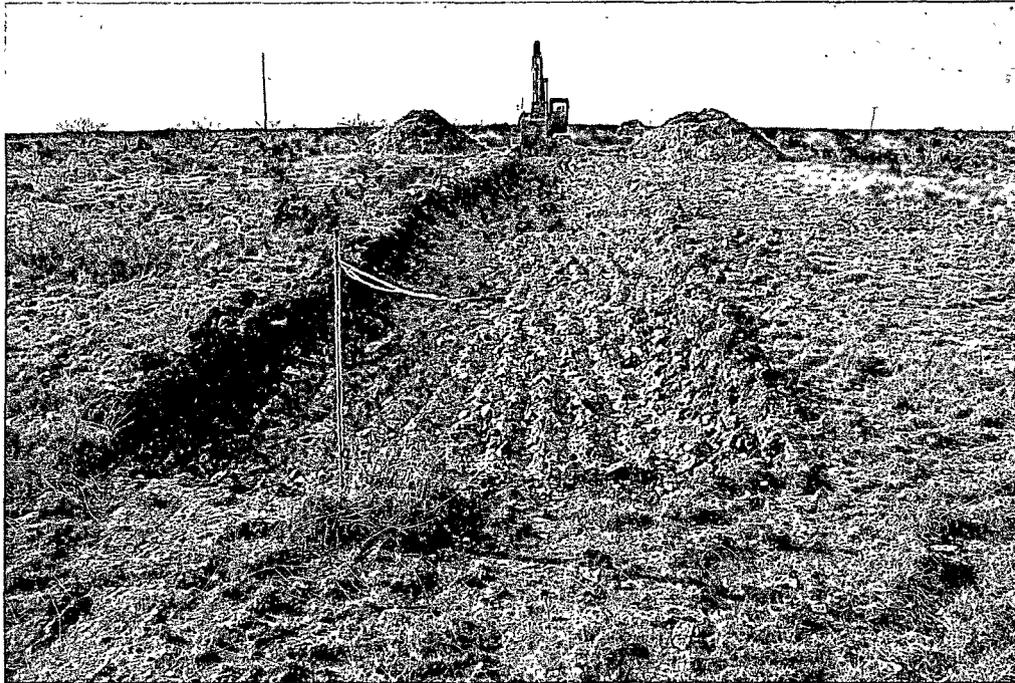


5. NW Eumont Unit Well #104 Spill Area Looking South March 2, 2007.



6. NW Eumont Unit Well #104 Spill Excavation Looking Northwest, February 11, 2008.

CHEVRON NORTH AMERICA EXPLORATION AND PRODUCTION COMPANY
NW EUMONT UNIT WELL #104



**7. NW Eumont Unit Well #104 Spill Excavation
Looking Northwest, Febuary 11, 2008.**



**8. NW Eumont Unit Well #104 Spill Excavation
Looking Northwest, Febuary 12, 2008.**

CHEVRON NORTH AMERICA EXPLORATION AND PRODUCTION COMPANY
NW EUMONT UNIT WELL #104



**9. NW Eumont Unit Well #104 Spill Excavation
Looking Northwest, February 14, 2008.**



**10. NW Eumont Unit Well #104 Spill Excavation
Looking Northwest, February 14, 2008.**

CHEVRON NORTH AMERICA EXPLORATION AND PRODUCTION COMPANY
NW EUMONT UNIT WELL #104

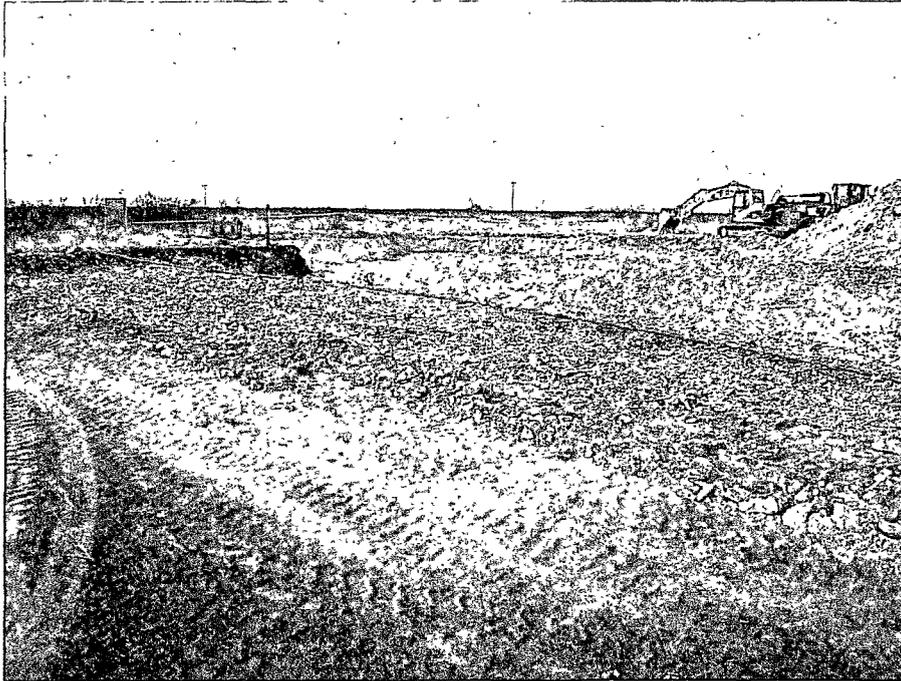


**11. NW Eumont Unit Well #104 Spill Excavation
Looking East, Febuary 14, 2008.**

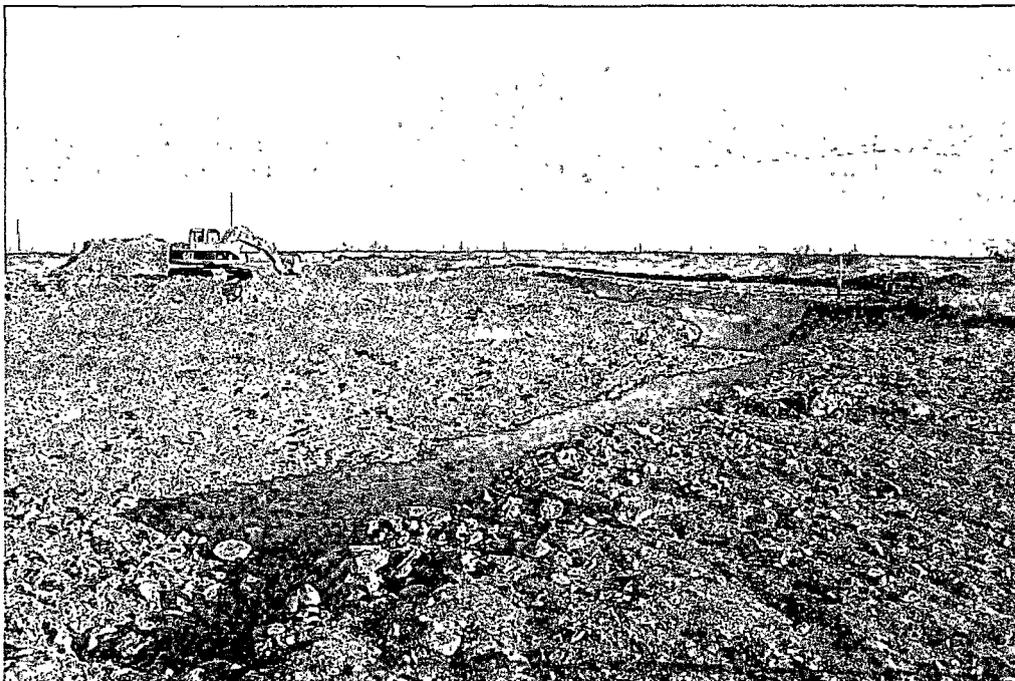


**12. NW Eumont Unit Well #104 Spill Excavation
Looking Northwest, Febuary 19, 2008.**

CHEVRON NORTH AMERICA EXPLORATION AND PRODUCTION COMPANY
NW EUMONT UNIT WELL #104



**13. NW Eumont Unit Well #104 Spill Excavation
Looking Northeast, February 19, 2008.**



**14. NW Eumont Unit Well #104 Spill Excavation
Looking South, February 25, 2008.**

CHEVRON NORTH AMERICA EXPLORATION AND PRODUCTION COMPANY
NW EUMONT UNIT WELL #104



**15. NW Eumont Unit Well #104 Spill Excavation
Looking Northeast, February 25, 2008.**



**16. NW Eumont Unit Well #104 Spill Excavation
Looking Southeast, March 3, 2008.**

CHEVRON NORTH AMERICA EXPLORATION AND PRODUCTION COMPANY
NW EUMONT UNIT WELL #104



**17. NW Eumont Unit Well #104 Spill Excavation
Looking South, March 3, 2008.**



**18. NW Eumont Unit Well #104 Spill Excavation
Looking East, March 3, 2008.**

CHEVRON NORTH AMERICA EXPLORATION AND PRODUCTION COMPANY
NW EUMONT UNIT WELL #104



**19. NW Eumont Unit Well #104 Spill Excavation
Looking Southeast, March 3, 2008.**



**20. NW Eumont Unit Well #104 Spill Excavation
Looking East, March 3, 2008.**

Appendix C
Initial and Final C-141

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 – RHOMBUS OPERATING CO LTD | Contact – MABRY KNIFFEN-WINGO | |
| Address – PO BOX 8316, MIDLAND, TX 79708 | Telephone No. – 432-683-8873 | |
| Facility Name – NORTHWEST EUMONT UNIT #104 | Facility Type – INJECTION WELL | |
| Surface Owner: State | Mineral Owner: State | Lease No. |

LOCATION OF RELEASE

| Unit Letter | Section | Township | Range | Feet from the | North/South Line | Feet from the | East/West Line | County |
|-------------|---------|----------|-------|---------------|------------------|---------------|----------------|--------|
| C | 14 | 19-S | 36-E | 660 | NORTH | 1980 | WEST | LEA |

Latitude _____ Longitude _____

NATURE OF RELEASE

| | | |
|--|---|--|
| Type of Release – SALT WATER | Volume of Release - Unknown | Volume Recovered - < 1 BBL |
| Source of Release – INJECTION LINE | Date and Hour of Occurrence – Unknown | Date and Hour of Discovery- 12/16/06 9:00 am |
| Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required | If YES, To Whom? Gary Wink | |
| By Whom? Don Harmon | Date and Hour 12/16/06 3:00 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.*
HOLE IN INJECTION LINE. DUG UP AND REPAIRED INJECTION LINE.

Describe Area Affected and Cleanup Action Taken.*
20' X 30' AROUND WELLHEAD, RUNOFF 50 YARDS INTO CATTLE TRAIL. NO ACTION TAKEN YET – WAITING ON STATE APPROVAL. PLAN ON DIGGING OUT NEWLY CONTAMINATED DIRT, HAULING IT TO AN APPROVED DISPOSAL SITE, AND REPLACING IT WITH FRESH DIRT.

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.

| | | | |
|-----------------|----------------------------------|----------------------------------|-----------------------------------|
| | | OIL CONSERVATION DIVISION | |
| Signature: | Approved by District Supervisor: | | |
| Printed Name: | Approval Date: | Expiration Date: | |
| Title: | Conditions of Approval: | | Attached <input type="checkbox"/> |
| E-mail Address: | | | |
| Date: | Phone: | | |

* Attach Additional Sheets If Necessary

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: Chevron North America E & P Company | Contact: Rodney Bailey |
| Address: 15 Smith, Rd., Midland, TX 79705 | Telephone No.: (432) 687-7123 (office) or (432) 894-3519 (cell) |
| Facility Name: NW Eumont Unit Well #104 | Facility Type: Plugged injection well |

| | | |
|------------------------------------|---------------|-----------|
| Surface Owner: State of New Mexico | Mineral Owner | Lease No. |
|------------------------------------|---------------|-----------|

LOCATION OF RELEASE

| | | | | | | | | |
|------------------|---------------|-----------------|--------------|----------------------|---------------------------|-----------------------|------------------------|-------------|
| Unit Letter C | Section 14 | Township 19S | Range 36E | Feet from the 660 | North/South Line North | Feet from the 1980 | East/West Line West | County: Lea |
|------------------|---------------|-----------------|--------------|----------------------|---------------------------|-----------------------|------------------------|-------------|

Latitude 32° 39' 57.6" North Longitude 103° 19' 37.4 West

NATURE OF RELEASE

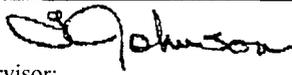
| | | |
|---|---|--|
| Type of Release: Produced Water | Volume of Release: Unknown | Volume Recovered: <1 bbl |
| Source of Release: Injection Line | Date and Hour of Occurrence: Unknown | Date and Hour of Discovery: 12/16/2006 @ 09:00 am |
| Was Immediate Notice Given? <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required | If YES, To Whom? Gary Wink | |
| By Whom? Dan Harman, Contract Pumper for Rhombus Operating Co, Ltd. | Date and Hour: 12/16/2006 @ 03:00 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.*
REC
MAR 13 08

Describe Cause of Problem and Remedial Action Taken.*
Rhombus Operating Co, Ltd reported to the OCD that hole developed in injection line, was dug up and repaired. Release occurred at dead end of injection line near the plugged well.
HOBB

Describe Area Affected and Cleanup Action Taken.* Rhombus Operating Co Ltd reported a 20' x 30' area around well head and runoff 50 yards into cattle trail. Waiting on state approval plan on digging out newly contaminated dirt, hauling it to an approved disposal site and replacing it with fresh dirt. About 50 cubic yards of affected soil was scrapped by Rhombus Operating Co, Ltd and piled on location. Release flowed south of well adjacent to injection line for about 300 feet. Affected area equals approximately 0.8-acres.

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: Mark J. Larson, Consultant to Chevron North America Exploration and Production Company |  Approved by District Supervisor: ENVIRONMENTAL ENGINEER | |
| Title: Sr. Project Manager / President | Approval Date: 3.13.08 | Expiration Date: — |
| E-mail Address: mark@laenvironmental.com | Conditions of Approval: | Attached <input type="checkbox"/> ARP-1160 |
| Date: March 11, 2008 | Phone: (432) 687-0901 | |