<u>District I</u> 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

JUL 29 2013

RECEIVED

Form C-141 Revised August 8, 2011

NMOCDIARTESIAN printed District Office in with 19.15.29 NMAC.

Oil Conservation Division 1220 South St. Francis Dr. Santa Fe, NM 87505

| Release Notification and Corrective Action | |
|---|--|
| NMW 1321133503 | OPERATOR Initial Report Final Report |
| 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 940 BTY | Facility Type Oil Production Batteries |
| Surface Owner Federal BLM Mineral Owner Federal API No. 30-015-32599 | |
| SKU 940 BTY - Latitude: 32.824393 / Longitude: -103.864209 * Please include | |
| LOCATION OF RELEASE APT#'s When avail. | |
| Unit Letter Section Township Range Feet from the Nort D 22 17S 31E | th/South Line Feet from the East/West Line County Eddy |
| NATURE OF RELEASE | |
| Type of Release Flare | Volume of Release 2984 MSCF / Volume Recovered 0 MSCF Day |
| Source of Release Flare | Date and Hour of Occurrence Date and Hour of Discovery 07/28/13 06:00PM 07/28/13 06:00PM |
| Was Immediate Notice Given? ☐ Yes ☐ No ☐ Not Required | If YES, To Whom? Bratcher, Mike, EMNRD |
| By Whom? | Date and Hour 07/29/13 4:30 PM |
| Was a Watercourse Reached? ☐ Yes ☒ 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 shut in sales line to complete maintenance/expansion at Maljamar Gas Plant. Expect to be down for 7-10 days. | |
| | |
| Describe Area Affected and Cleanup Action Taken.* | |
| Chausan will stay in along contract with fronting in order to stay floring an array and the sales line. | |
| 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 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: David Pagom | |
| Printed Name: David A. Pagano | Approved by Environmental Specialist and By Mily Democra |
| Title: Health & Environmental Specialist | Approval Date: Expiration Date: |
| E-mail Address: dpgn@chevron.com | Conditions of Approval: |
| Date: 07/29/12 Phone: 505-787-9816 | |
| Attach Additional Sheets If Necessary Remediation per OCD Rule & Guidelines, & 2 R P 1774 | |
| like approval by BLM. SUBMIT REMEDIATION | |