8920

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

Form C-144
July 21, 2008

For temporary pits, closed-loop systems, and below-grade tanks, submit to the appropriate NMOCD District Office.
For permanent pits and exceptions submit to the Santa Fe Environmental Bureau office and provide a copy to the appropriate NMOCD District Office.

Pit, Closed-Loop System, Below-Grade Tank, or Proposed Alternative Method Permit or Closure Plan Application

Type of action: ☐ Permit of a pit, closed-loop system, below-grade tank, or proposed alternative method
☒ Closure of a pit, closed-loop system, below-grade tank, or proposed alternative method
☐ Modification to an existing permit
☐ Closure plan only submitted for an existing permitted or non-permitted pit, closed-loop system, below-grade tank, or proposed alternative method

Instructions: Please submit one application (Form C-144) per individual pit, closed-loop system, below-grade tank or alternative request

Please be advised that approval of this request does not relieve the operator of liability should operations result in pollution of surface water, ground water or the environment. Nor does approval relieve the operator of its responsibility to comply with any other applicable governmental authority's rules, regulations or ordinances.

1.
Operator: Four Star Oil and Gas Company OGRID #: 131944
Address: Post Office Box 36366 Houston, TX 77236
Facility or well name: Horton Federal CB-27 #1
API Number: 30-045-28892 OCD Permit Number:
U/L or Qtr/Qtr K Section 27 Township 32N Range 12W County: San Juan
Center of Proposed Design: Latitude 36 955007° Longitude -108 055489° NAD: ☐1927 ☐ 1983
Surface Owner: ☒ Federal ☐ State ☐ Private ☐ Tribal Trust or Indian Allotment

2.
☐ **Pit:** Subsection F or G of 19.15.17.11 NMAC
Temporary: ☐ Drilling ☐ Workover
☐ Permanent ☐ Emergency ☐ Cavitation ☐ P&A
☐ Lined ☐ Unlined Liner type: Thickness _____mil ☐ LLDPE ☐ HDPE ☐ PVC ☐ Other _____
☐ String-Reinforced
Liner Seams: ☐ Welded ☐ Factory ☐ Other _____ Volume: _____bbl Dimensions: L_____ x W_____ D_____

RECEIVED
SEP 2011
OIL CONS. DIV. DIST. 3

3.
☐ **Closed-loop System:** Subsection H of 19.15.17.11 NMAC
Type of Operation: ☐ P&A ☐ Drilling a new well ☐ Workover or Drilling (Applies to activities which require prior approval of a permit or notice of intent)
☐ Drying Pad ☐ Above Ground Steel Tanks ☐ Haul-off Bins ☐ Other _____
☐ Lined ☐ Unlined Liner type: Thickness _____mil ☐ LLDPE ☐ HDPE ☐ PVC ☐ Other _____
Liner Seams: ☐ Welded ☐ Factory ☐ Other _____

4.
☒ **Below-grade tank:** Subsection I of 19.15.17.11 NMAC
Volume: 45 bbl Type of fluid: Produced Water
Tank Construction material: Steel
☐ Secondary containment with leak detection ☐ Visible sidewalls, liner, 6-inch lift and automatic overflow shut-off
☐ Visible sidewalls and liner ☒ Visible sidewalls only ☐ Other ___
Liner type: Thickness _____mil ☐ HDPE ☐ PVC ☒ Other None

5.
☐ **Alternative Method:**
Submittal of an exception request is required. Exceptions must be submitted to the Santa Fe Environmental Bureau office for consideration of approval.

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6.

Fencing: Subsection D of 19.15.17.11 NMAC *(Applies to permanent pits, temporary pits, and below-grade tanks)*

☐ Chain link, six feet in height, two strands of barbed wire at top *(Required if located within 1000 feet of a permanent residence, school, hospital, institution or church)*

☐ Four foot height, four strands of barbed wire evenly spaced between one and four feet

☐ Alternate. Please specify

7.

Netting: Subsection E of 19.15.17.11 NMAC *(Applies to permanent pits and permanent open top tanks)*

☐ Screen ☐ Netting ☐ Other_____

☐ Monthly inspections (If netting or screening is not physically feasible)

8.

Signs: Subsection C of 19.15.17.11 NMAC

☐ 12"x 24", 2" lettering, providing Operator's name, site location, and emergency telephone numbers

☒ Signed in compliance with 19.15.3.103 NMAC

9.

Administrative Approvals and Exceptions:

Justifications and/or demonstrations of equivalency are required. Please refer to 19.15.17 NMAC for guidance.

Please check a box if one or more of the following is requested, if not leave blank:

☐ Administrative approval(s): Requests must be submitted to the appropriate division district or the Santa Fe Environmental Bureau office for consideration of approval.

☐ Exception(s): Requests must be submitted to the Santa Fe Environmental Bureau office for consideration of approval.

10.

Siting Criteria (regarding permitting): 19.15.17.10 NMAC

Instructions: The applicant must demonstrate compliance for each siting criteria below in the application. Recommendations of acceptable source material are provided below. Requests regarding changes to certain siting criteria may require administrative approval from the appropriate district office or may be considered an exception which must be submitted to the Santa Fe Environmental Bureau office for consideration of approval. Applicant must attach justification for request. Please refer to 19.15.17.10 NMAC for guidance. **Siting criteria does not apply to drying pads or above-grade tanks associated with a closed-loop system.**

Ground water is less than 50 feet below the bottom of the temporary pit, permanent pit, or below-grade tank. - NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells	☐ Yes ☐ No
Within 300 feet of a continuously flowing watercourse, or 200 feet of any other significant watercourse or lakebed, sinkhole, or playa lake (measured from the ordinary high-water mark). - Topographic map; Visual inspection (certification) of the proposed site	☐ Yes ☐ No
Within 300 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application. *(Applies to temporary, emergency, or cavitation pits and below-grade tanks)* - Visual inspection (certification) of the proposed site; Aerial photo; Satellite image	☐ Yes ☐ No ☐ NA
Within 1000 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application. *(Applies to permanent pits)* - Visual inspection (certification) of the proposed site; Aerial photo; Satellite image	☐ Yes ☐ No ☐ NA
Within 500 horizontal feet of a private, domestic fresh water well or spring that less than five households use for domestic or stock watering purposes, or within 1000 horizontal feet of any other fresh water well or spring, in existence at the time of initial application. - NM Office of the State Engineer - iWATERS database search; Visual inspection (certification) of the proposed site	☐ Yes ☐ No
Within incorporated municipal boundaries or within a defined municipal fresh water well field covered under a municipal ordinance adopted pursuant to NMSA 1978, Section 3-27-3, as amended. - Written confirmation or verification from the municipality; Written approval obtained from the municipality	☐ Yes ☐ No
Within 500 feet of a wetland. - US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site	☐ Yes ☐ No
Within the area overlying a subsurface mine. - Written confirmation or verification or map from the NM EMNRD-Mining and Mineral Division	☐ Yes ☐ No
Within an unstable area. - Engineering measures incorporated into the design; NM Bureau of Geology & Mineral Resources; USGS; NM Geological Society; Topographic map	☐ Yes ☐ No
Within a 100-year floodplain. - FEMA map	☐ Yes ☐ No

11.
Temporary Pits, Emergency Pits, and Below-grade Tanks Permit Application Attachment Checklist: Subsection B of 19.15.17.9 NMAC
Instructions: Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the documents are attached.

- ☐ Hydrogeologic Report (Below-grade Tanks) - based upon the requirements of Paragraph (4) of Subsection B of 19.15.17.9 NMAC
- ☐ Hydrogeologic Data (Temporary and Emergency Pits) - based upon the requirements of Paragraph (2) of Subsection B of 19.15.17.9 NMAC
- ☐ Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15.17.10 NMAC
- ☐ Design Plan - based upon the appropriate requirements of 19.15.17.11 NMAC
- ☐ Operating and Maintenance Plan - based upon the appropriate requirements of 19.15.17.12 NMAC
- ☐ Closure Plan (Please complete Boxes 14 through 18. if applicable) - based upon the appropriate requirements of Subsection C of 19.15.17.9 NMAC and 19.15.17.13 NMAC

☐ Previously Approved Design (attach copy of design) API Number: _____ or Permit Number: _____

12.
Closed-loop Systems Permit Application Attachment Checklist: Subsection B of 19.15.17.9 NMAC
Instructions: Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the documents are attached.

- ☐ Geologic and Hydrogeologic Data (only for on-site closure) - based upon the requirements of Paragraph (3) of Subsection B of 19.15.17.9
- ☐ Siting Criteria Compliance Demonstrations (only for on-site closure) - based upon the appropriate requirements of 19.15.17.10 NMAC
- ☐ Design Plan - based upon the appropriate requirements of 19.15.17.11 NMAC
- ☐ Operating and Maintenance Plan - based upon the appropriate requirements of 19.15.17.12 NMAC
- ☐ Closure Plan (Please complete Boxes 14 through 18, if applicable) - based upon the appropriate requirements of Subsection C of 19.15.17.9 NMAC and 19.15.17.13 NMAC

☐ Previously Approved Design (attach copy of design) API Number: _____

☐ Previously Approved Operating and Maintenance Plan API Number: _____ *(Applies only to closed-loop system that use above ground steel tanks or haul-off bins and propose to implement waste removal for closure)*

13.
Permanent Pits Permit Application Checklist: Subsection B of 19.15.17.9 NMAC
Instructions: Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the documents are attached.

- ☐ Hydrogeologic Report - based upon the requirements of Paragraph (1) of Subsection B of 19.15.17.9 NMAC
- ☐ Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15.17.10 NMAC
- ☐ Climatological Factors Assessment
- ☐ Certified Engineering Design Plans - based upon the appropriate requirements of 19.15.17.11 NMAC
- ☐ Dike Protection and Structural Integrity Design - based upon the appropriate requirements of 19.15.17.11 NMAC
- ☐ Leak Detection Design - based upon the appropriate requirements of 19.15.17.11 NMAC
- ☐ Liner Specifications and Compatibility Assessment - based upon the appropriate requirements of 19.15.17.11 NMAC
- ☐ Quality Control/Quality Assurance Construction and Installation Plan
- ☐ Operating and Maintenance Plan - based upon the appropriate requirements of 19.15.17.12 NMAC
- ☐ Freeboard and Overtopping Prevention Plan - based upon the appropriate requirements of 19.15.17.11 NMAC
- ☐ Nuisance or Hazardous Odors, including H_2S, Prevention Plan
- ☐ Emergency Response Plan
- ☐ Oil Field Waste Stream Characterization
- ☐ Monitoring and Inspection Plan
- ☐ Erosion Control Plan
- ☐ Closure Plan - based upon the appropriate requirements of Subsection C of 19.15.17.9 NMAC and 19.15.17.13 NMAC

14.
Proposed Closure: 19.15.17.13 NMAC
Instructions: Please complete the applicable boxes, Boxes 14 through 18, in regards to the proposed closure plan.

Type: ☐ Drilling ☐ Workover ☐ Emergency ☐ Cavitation ☐ P&A ☐ Permanent Pit ☐ Below-grade Tank ☐ Closed-loop System ☐ Alternative

Proposed Closure Method:
- ☐ Waste Excavation and Removal
- ☐ Waste Removal (Closed-loop systems only)
- ☐ On-site Closure Method (Only for temporary pits and closed-loop systems)
  - ☐ In-place Burial ☐ On-site Trench Burial
- ☐ Alternative Closure Method (Exceptions must be submitted to the Santa Fe Environmental Bureau for consideration)

15.
Waste Excavation and Removal Closure Plan Checklist: (19.15.17.13 NMAC) ***Instructions: Each of the following items must be attached to the closure plan. Please indicate, by a check mark in the box, that the documents are attached.***

- ☐ Protocols and Procedures - based upon the appropriate requirements of 19.15.17.13 NMAC
- ☐ Confirmation Sampling Plan (if applicable) - based upon the appropriate requirements of Subsection F of 19.15.17.13 NMAC
- ☐ Disposal Facility Name and Permit Number (for liquids, drilling fluids and drill cuttings)
- ☐ Soil Backfill and Cover Design Specifications - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC
- ☐ Re-vegetation Plan - based upon the appropriate requirements of Subsection I of 19.15.17.13 NMAC
- ☐ Site Reclamation Plan - based upon the appropriate requirements of Subsection G of 19.15.17.13 NMAC

16.
Waste Removal Closure For Closed-loop Systems That Utilize Above Ground Steel Tanks or Haul-off Bins Only: (19.15.17.13.D NMAC)
Instructions: Please indentify the facility or facilities for the disposal of liquids, drilling fluids and drill cuttings. Use attachment if more than two facilities are required.

Disposal Facility Name: _____ Disposal Facility Permit Number: _____

Disposal Facility Name: _____ Disposal Facility Permit Number: _____

Will any of the proposed closed-loop system operations and associated activities occur on or in areas that *will not* be used for future service and operations?
☐ Yes (If yes, please provide the information below) ☐ No

Required for impacted areas which will not be used for future service and operations:
☐ Soil Backfill and Cover Design Specifications - - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC
☐ Re-vegetation Plan - based upon the appropriate requirements of Subsection I of 19.15.17.13 NMAC
☐ Site Reclamation Plan - based upon the appropriate requirements of Subsection G of 19.15.17.13 NMAC

17.
Siting Criteria (regarding on-site closure methods only): 19.15.17.10 NMAC
Instructions: Each siting criteria requires a demonstration of compliance in the closure plan. Recommendations of acceptable source material are provided below. Requests regarding changes to certain siting criteria may require administrative approval from the appropriate district office or may be considered an exception which must be submitted to the Santa Fe Environmental Bureau office for consideration of approval. Justifications and/or demonstrations of equivalency are required. Please refer to 19.15.17.10 NMAC for guidance.

Ground water is less than 50 feet below the bottom of the buried waste. - NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells	☐ Yes ☐ No ☐ NA
Ground water is between 50 and 100 feet below the bottom of the buried waste - NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells	☐ Yes ☐ No ☐ NA
Ground water is more than 100 feet below the bottom of the buried waste. - NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells	☐ Yes ☐ No ☐ NA
Within 300 feet of a continuously flowing watercourse, or 200 feet of any other significant watercourse or lakebed, sinkhole, or playa lake (measured from the ordinary high-water mark). - Topographic map; Visual inspection (certification) of the proposed site	☐ Yes ☐ No
Within 300 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application. - Visual inspection (certification) of the proposed site; Aerial photo; Satellite image	☐ Yes ☐ No
Within 500 horizontal feet of a private, domestic fresh water well or spring that less than five households use for domestic or stock watering purposes, or within 1000 horizontal feet of any other fresh water well or spring, in existence at the time of initial application. - NM Office of the State Engineer - iWATERS database; Visual inspection (certification) of the proposed site	☐ Yes ☐ No
Within incorporated municipal boundaries or within a defined municipal fresh water well field covered under a municipal ordinance adopted pursuant to NMSA 1978, Section 3-27-3, as amended. - Written confirmation or verification from the municipality; Written approval obtained from the municipality	☐ Yes ☐ No
Within 500 feet of a wetland. - US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site	☐ Yes ☐ No
Within the area overlying a subsurface mine. - Written confirmation or verification or map from the NM EMNRD-Mining and Mineral Division	☐ Yes ☐ No
Within an unstable area. - Engineering measures incorporated into the design; NM Bureau of Geology & Mineral Resources; USGS; NM Geological Society; Topographic map	☐ Yes ☐ No
Within a 100-year floodplain. - FEMA map	☐ Yes ☐ No

18.
On-Site Closure Plan Checklist: (19.15.17.13 NMAC) ***Instructions: Each of the following items must be attached to the closure plan. Please indicate, by a check mark in the box, that the documents are attached.***
☐ Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15.17.10 NMAC
☐ Proof of Surface Owner Notice - based upon the appropriate requirements of Subsection F of 19.15.17.13 NMAC
☐ Construction/Design Plan of Burial Trench (if applicable) based upon the appropriate requirements of 19.15.17.11 NMAC
☐ Construction/Design Plan of Temporary Pit (for in-place burial of a drying pad) - based upon the appropriate requirements of 19.15.17.11 NMAC
☐ Protocols and Procedures - based upon the appropriate requirements of 19.15.17.13 NMAC
☐ Confirmation Sampling Plan (if applicable) - based upon the appropriate requirements of Subsection F of 19.15.17.13 NMAC
☐ Waste Material Sampling Plan - based upon the appropriate requirements of Subsection F of 19.15.17.13 NMAC
☐ Disposal Facility Name and Permit Number (for liquids, drilling fluids and drill cuttings or in case on-site closure standards cannot be achieved)
☐ Soil Cover Design - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC
☐ Re-vegetation Plan - based upon the appropriate requirements of Subsection I of 19.15.17.13 NMAC
☐ Site Reclamation Plan - based upon the appropriate requirements of Subsection G of 19.15.17.13 NMAC

19.
Operator Application Certification:

I hereby certify that the information submitted with this application is true, accurate and complete to the best of my knowledge and belief.

Name (Print): _____ Title: _____

Signature: _____ Date: _____

e-mail address: _____ Telephone: _____

20.
OCD Approval: ☐ Permit Application (including closure plan) ☒ Closure ~~Plan (only)~~ ☐ OCD Conditions (see attachment)

OCD Representative Signature: Jonathan D. Kelly _____ **Approval Date:** 9/12/2011

Title: Compliance Officer **OCD Permit Number:** _____

21.
Closure Report (required within 60 days of closure completion): Subsection K of 19.15.17.13 NMAC

Instructions: Operators are required to obtain an approved closure plan prior to implementing any closure activities and submitting the closure report. The closure report is required to be submitted to the division within 60 days of the completion of the closure activities. Please do not complete this section of the form until an approved closure plan has been obtained and the closure activities have been completed.

☒ **Closure Completion Date:** June 28, 2011

22.
Closure Method:

☒ Waste Excavation and Removal ☐ On-Site Closure Method ☐ Alternative Closure Method ☐ Waste Removal (Closed-loop systems only)

☐ If different from approved plan, please explain.

23.
Closure Report Regarding Waste Removal Closure For Closed-loop Systems That Utilize Above Ground Steel Tanks or Haul-off Bins Only:

Instructions: Please indentify the facility or facilities for where the liquids, drilling fluids and drill cuttings were disposed. Use attachment if more than two facilities were utilized.

Disposal Facility Name: _____ Disposal Facility Permit Number: _____

Disposal Facility Name: _____ Disposal Facility Permit Number: _____

Were the closed-loop system operations and associated activities performed on or in areas that *will not* be used for future service and operations?

☐ Yes (If yes, please demonstrate compliance to the items below) ☐ No

Required for impacted areas which will not be used for future service and operations:

☐ Site Reclamation (Photo Documentation)
☐ Soil Backfilling and Cover Installation
☐ Re-vegetation Application Rates and Seeding Technique

24.
Closure Report Attachment Checklist: ***Instructions: Each of the following items must be attached to the closure report. Please indicate, by a check mark in the box, that the documents are attached.***

☒ Proof of Closure Notice (surface owner and division) **See Attached**
☐ Proof of Deed Notice (required for on-site closure) **Not Required**
☐ Plot Plan (for on-site closures and temporary pits) **Not Required**
☒ Confirmation Sampling Analytical Results (if applicable) **See Attached**
☐ Waste Material Sampling Analytical Results (required for on-site closure) **Not Required**
☐ Disposal Facility Name and Permit Number **No disposal of material/not a closed loop system**
☒ Soil Backfilling and Cover Installation **See Attached Photograph Page**
☒ Re-vegetation Application Rates and Seeding Technique **Pursuant to the BLM MOU and Approved Closure Plan**
☒ Site Reclamation (Photo Documentation) **See Attached Photograph Page**

On-site Closure Location: Latitude 36° 57.3' Longitude -108 5.132 NAD: ☐1927 ☒ 1983

25.
Operator Closure Certification:

I hereby certify that the information and attachments submitted with this closure report is true, accurate and complete to the best of my knowledge and belief. I also certify that the closure complies with all applicable closure requirements and conditions specified in the approved closure plan.

Name (Print): Ms. Laura Clenney Title: Facilities Engineer

Signature: Laura J. Clenney Date: 8/29/11

e-mail address: laura.clenney@chevron.com Telephone: (281) 881-0322

envirotech

September 9, 2011 Project Number 92270-0773

Mr. Brandon Powell
New Mexico Oil Conservation Division
1000 Rio Brazos Rd.
Aztec, NM 87410 Phone (505) 334-6178

RE: BELOW-GRADE TANK CLOSURE DOCUMENTATION FOR THE HORTON FEDERAL CB-27 #1 WELL SITE, SAN JUAN COUNTY, NEW MEXICO

Dear Mr. Powell:

On behalf of Chevron, North America, please find enclosed the Below Grade Tank (BGT) Closure Plan, Form C-141, Form C-144 and required documents for BGT closure activities conducted at the Horton Federal CB-27 #1 well site located in Section 27, Township 32 North, Range 12 West, San Juan County, New Mexico.

This report details results at or below the regulatory limits for all constituents analyzed, confirming a release had not occurred; see attached ***Analytical Results***. Envirotech, Inc. recommends no further action in regards to this incident.

We appreciate the opportunity to be of service. If you have any questions, or require any additional information, please contact our office at (505) 632-0615.

Respectfully Submitted,
ENVIROTECH, INC.

Toni McKnight, EIT
Environmental Project Manager
tmcknight@envirotech-inc.com

Enclosures: Below Grade Tank Closure Plan
Form C-141
Form C-144 and required documents

Email Cc: Laura Clenney – Chevron NA
Don Lindsey – Chevron NA

envirotech

BELOW GRADE TANK (BGT) CLOSURE PLAN

SITE NAME:

HORTON FEDERAL CB-27 #1WELL SITE
UNIT LETTER K, SECTION 27, TOWNSHIP 32N, RANGE 12W
SAN JUAN COUNTY, NEW MEXICO
LATITUDE: N36.955007° LONGITUDE: W108.0055489°

SUBMITTED TO:

MR. BRANDON POWELL
NEW MEXICO OIL CONSERVATION DIVISION
1000 RIO BRAZOS ROAD
AZTEC, NEW MEXICO 87410
(505) 334-6178 EXT 15

SUBMITTED BY:

MR. RODNEY BAILEY
CHEVRON NORTH AMERICA
P.O. BOX 370
AZTEC, NEW MEXICO 87410
(432) 687-7123

MARCH 2010

BELOW GRADE TANK (BGT) CLOSURE PLAN
CHEVRON NORTH AMERICA
HORTON FEDERAL CB-27 #1WELL SITE
SAN JUAN COUNTY, NEW MEXICO

TABLE OF CONTENTS

INTRODUCTION

Chevron North America would like to submit a closure plan for the below grade tank (BGT) at the Horton Federal CB-27 #1Well Site located in the NE ¼ SW ¼ of Section 27, Township 32N, Range 12W, San Juan County, New Mexico. This closure plan has been prepared in conformance with New Mexico Oil Conservation Division (NMOCD) procedures.

SCOPE OF CLOSURE ACTIVITIES

The purpose of this closure plan is to provide the details of activities involved in the closure of the BGT at the Horton Federal CB-27 #1Well Site. The following scope of closure activities has been designed to meet this objective:

1) Chevron North America shall submit a closure plan to the division's environmental bureau. Upon receipt of this plan the division shall review the current closure plan for adequacy and accordance with 19.15.17.9 Subsection C NMAC and 19.15.17.13 NMAC.
    a. **Closure Plan was submitted on March 1, 2010, to the division's environmental bureau, in accordance with 19.15.17.9 Subsection C NMAC and 19.15.17.13 NMAC.**

2) No less than 72 hours and no greater than one (1) week prior to BGT removal Chevron North America will provide written notification to the appropriate division district office, as in accordance with 19.15.17.13 Subsection J Paragraph (2) NMAC.
    a. **Please find attached the written notification to the district office sent on June 24, 2011.**

3) Chevron North America shall provide written notification to the surface owner no later than 24 hours prior to BGT removal. BLM will receive notification per a Sundry Notice, as in accordance with 19.15.17.13 Subsection J Paragraph (1) NMAC.
    a. **Please find attached the written notification and Certified Mail Certificate for land owner notification sent on June 25, 2011.**

4) Chevron North America or a contractor acting on behalf of Chevron will remove all liquids, and/or sludge, if applicable, prior to closure. Material will be disposed of at Envirotech's Landfarm, Permit # NM-01-0011, as in accordance with 19.15.17.13 Subsection E Paragraph (1) NMAC.
    a. **All waste material was removed from the BGT by Riley Services and transported to Envirotech's NMOCD approved Landfarm #2 as listed above; see attached Bill of Lading.**

5) Chevron North America or a contractor acting on behalf of Chevron will remove the BGT and all on-site equipment associated with this BGT that cannot or will not be reused on-site, as in accordance with 19.15.17.13 Subsection E Paragraphs (2) and (3) NMAC.
    a. **Chevron has removed the BGT and associated equipment that will not be reused on-site; see attached Site Photography.**

6) Once the BGT is removed a five (5) - point composite sample will be collected from directly below the tank or below the leak detection system if present. An additional discrete sample will be collected from any area that is wet, discolored, or showing other evidence of a release. All samples being collected will be analyzed for benzene and total BTEX via USEPA Method 8021, TPH via USEPA Method 418.1, and chlorides via USEPA 300.1, as in accordance with 19.15.17.13 Subsection E Paragraph (4) NMAC.

Sample ID	TPH (418.1)	Benzene	BTEX	Total Chlorides
Below BGT	36 ppm	<0.0009 ppm	<0.0012 ppm	20 ppm

7) Depending on soil sample results the area will be either backfilled or the area will be excavated.
   a. If soil samples pass the regulatory standards of 0.2 ppm benzene, 50 ppm BTEX, 100 ppm TPH, and 250 ppm or background concentration of chlorides, as in accordance with 19.15.17.13 Subsection E Paragraph (4) NMAC.
      i. Chevron North America or a contractor acting on behalf of Chevron will backfill the excavation or impacted area with non-waste containing, earthen material, in accordance with 19.15.17.13 Subsection E Paragraph (6) NMAC.
         1. **BGT pit was backfilled with clean earthen material in accordance with 19.15.17.13 Subsection E Paragraph (6) NMAC.**

      ii. Upon decommissioning of the well site Chevron North America or a contractor acting on behalf of Chevron will construct a divison-prescribed soil cover, substantially restore, recontour and re-vegetate the site, in accordance with 19.15.17.13 Subsections G, H, and I NMAC.
         1. **Well site is still in use – re-vegetation will occur upon the decommissioning of the well site.**

   b. If soil samples exceed the regulatory standards stated above.
      i. Chevron North America will submit a Release Notification by Form C-141 to the appropriate division district office, in accordance with 19.15.17.13 Subsection E Paragraph (4) NMAC.
      ii. Activities beyond this point will be in accordance with 19.15.3.116 NMAC and 19.15.11.19 NMAC.
         1. **Samples collected returned results at or below the regulatory standards stated above, indicating that a release has not occurred at this site.**

REPORTING

Reporting will occur within 60 days following the BGT closure and will consist of a form C-144 with all supporting data, and a form C-141 with all supporting data, if necessary. The supporting data will include analytical results, a site diagram, and other information related to the onsite activities.

We appreciate the opportunity to be of service. If you have any questions or require further information, please do not hesitate to contact our office at (505) 632-0615.

Respectfully Submitted:
Chevron North America

Rodney Bailey
Chevron North America
Exploration & Production Company

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: Four Star Oil and Gas Company	Contact: Ms. Laura Clenney
Address: Post Office Box 36366, Houston, TX 77236	Telephone No. (281) 881- 0322
Facility Name: Horton Federal CB-27 #1	Facility Type: Gas Well

Surface Owner: Federal	Mineral Owner:	Lease No.: N/A

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
K	27	32N	12W	1934	South	1794	West	San Juan

Latitude 36 955007° **Longitude** -108 0055489°

NATURE OF RELEASE

Type of Release: Produced Water	Volume of Release: No Release	Volume Recovered: Not Applicable
Source of Release: Below Grade Tank	Date and Hour of Occurrence: Not Applicable	Date and Hour of Discovery: Not Applicable
Was Immediate Notice Given? ☐ Yes ☐ No ☒ Not Required	If YES, To Whom?	
By Whom?	Date and Hour	
Was a Watercourse Reached? ☐ Yes ☒ No	If YES, Volume Impacting the Watercourse.	

If a Watercourse was Impacted, Describe Fully.*
No Release

Describe Cause of Problem and Remedial Action Taken.*
Produced water from a gas well at the above mentioned location formerly discharged into a Below Grade Tank (BGT) on location. The Below Grade Tank was removed on June 28, 2011. Soil sampling from directly beneath the tank in accordance with Subsection E of 19.15.17.13 NMAC was performed on June 28, 2011, indicated that a release has not occurred.

Describe Area Affected and Cleanup Action Taken.*
A five (5) point composite sample was collected from directly beneath the former BGT immediately once it was removed. The sample was analyzed in the field for total petroleum hydrocarbons (TPH) using USEPA Method 418.1, and in Envirotech's Analytical Laboratory for benzene and total BTEX using USEPA Method 8021 and for total chlorides using USEPA Method 4500B. The sample returned results at or below the 'Pit Rule" standards of 100 mg/kg TPH, 0.2 mg/kg benzene, 50 mg/kg total BTEX and 250 mg/kg total chlorides, confirming that a release had not occurred. Analytical results are attached for your reference.

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: Laura Clenney	Approved by District Supervisor:	
Title: Facilities Engineer	Approval Date:	Expiration Date:
E-mail Address: laura.clenney@chevron.com	Conditions of Approval:	Attached ☐
Date: 8/29/11 Phone: 281-881-0322		

* Attach Additional Sheets If Necessary

Toni McKnight

From: Clenney, Laura E [Laura.Clenney@chevron.com]
Sent: Wednesday, June 22, 2011 11:07 AM
To: Powell, Brandon, EMNRD
Cc: Lindsey, Don (LLIN); Toni McKnight
Subject: OCD Notification: Chevron Horton Federal CB-27 #001 , Below Ground Tank Removal Planned Starting 6/24

Brandon,

I am sending this note to satisfy our OCD notification requirement, regarding our planned removal beginning 6/24, of a Below Ground Pit Tank at this location. The pit tank will be removed and replaced with a buried double wall tank. The tank is being replaced in order to meet NMOCD regulations, because it was identified as a single wall below grade tank.

We will have Envirotech on site next week during the removal for sampling & remediation identification (if needed), and data gathering for the Final Report.

Location specifics:
Horton Federal CB-27 #001
API 30-045-28892
Section 27, T32N, R12W
San Juan County, NM

Please let me know if you have any questions.

Thanks,

Laura Clenney

Facilities Engineer
Chevron North America Exploration and Production
MidContinent/Alaska Business Unit
332 ROAD 3100
Aztec, NM 87410
Cell: 281.881.0322

Chevron

VIA CERTIFIED MAIL

June 17, 2011

James and Karen Lesher
5609 Cedarwood St
Farmington, NM 87402

RE: HORTON FEDERAL CB 27-1 WELL SITE: BELOW GRADE TANK CLOSURE NOTIFICATION

Mr. and Mrs. Lesher,

This letter serves as surface owner notification for Below Grade Tank closure activities at the Horton Federal CB 27-1 well site, owned and operated by Chevron U.S.A. Inc.. The Horton Federal CB 27-1 is located in Section 27 T32N R12W, San Juan County, New Mexico. Closure activities are anticipated to occur and be completed during the current month, June, 2011.

We appreciate the opportunity to be of service. If you have any questions or require additional information, please contact me at (713) 372-9914.

Respectfully Submitted,

Kevin Goldstein
Land Representative

Cc: Don Lindsey
Environmental Specialist
Chevron Midcontinent, L.P.
llin@chevron.com

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

James and Karen Lesher
5809 Cedarwood
Farmington, NM 87402

COMPLETE THIS SECTION ON DELIVERY

A. Signature
Karen Lesher — ☐ Agent ☐ Addressee

B. Received by (Printed Name) James D. Lesher — C. Date of Delivery 6/25/11

D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

3. Service Type
☑ Certified Mail ☐ Express Mail
☐ Registered ☐ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes

2. Article Number (Transfer from service label) 7010 3090 0002 4937 8588

PS Form 3811, February 2004 — Domestic Return Receipt — 102595-02-M-1540

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Bill of Lading

MANIFEST # 38934

PHONE: (505) 632-0615 • 5796 U.S. HIGHWAY 64 • FARMINGTON, NEW MEXICO 87401

DATE 6-28-11 JOB# 92270-0789

LOAD NO.	COMPLETE DESCRIPTION OF SHIPMENT						TRANSPORTING COMPANY			
	POINT OF ORIGIN	DESTINATION	MATERIAL	GRID	YDS	BBLS	COMPANY	TRK#	TIME	DRIVER SIGNATURE
1	Chevron	BF LFII	tank	I-24		5	Riley	17034	1608	Ignacio Toledo
	Horton Fed		Bottoms			5				
	CB 27#1									

RESULTS:

<287	CHLORIDE TEST	1
	PAINT FILTER TEST	1

LANDFARM EMPLOYEE: Gary Robinson

Certification of above receival & placement

NOTES:

"I certify the material hauled from the above location has not been added to or mixed with, and is the same material received from the above mentioned Generator, and that no additional materials have been added."

TRANSPORTER CO. Riley NAME IGNACIO TOLEDO SIGNATURE Ignacio Toledo

COMPANY CONTACT Laura Clenney PHONE _____ DATE 6-28-11

Signatures required prior to distribution of this legal document.

White - Company Records, Yellow - Billing, Pink - Customer

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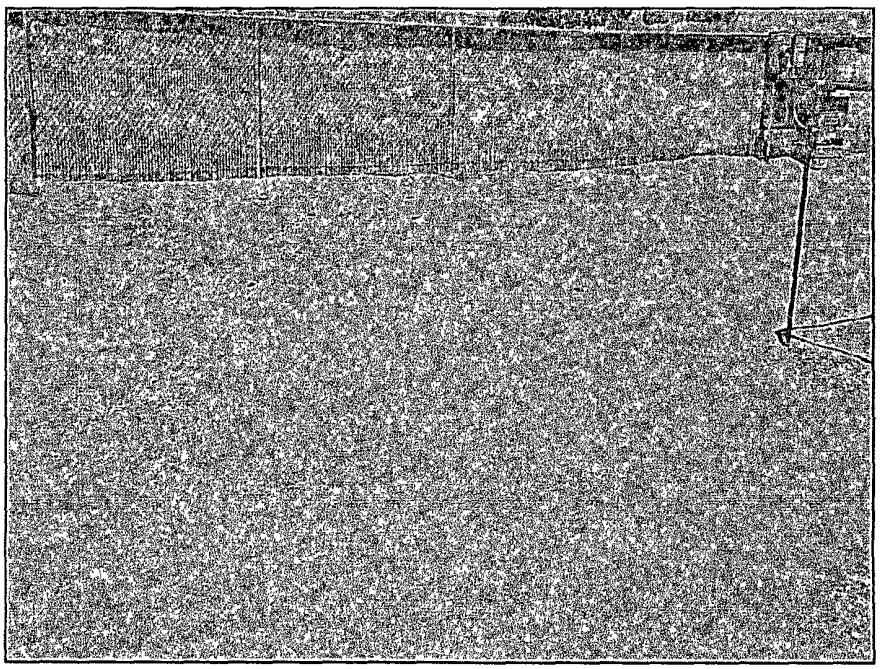
CHEVRON NORTH AMERICA
HORTON FEDERAL CB-27 #1 WELL SITE
SITE PHOTOGRAPHY
PROJECT NO. 92270-0773

Picture 1: Former Below Grade Tank



Picture 2: Backfilled Below Grade Tank Pit

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EPA METHOD 418.1
TOTAL PETROLEUM HYDROCARBONS

Client:	Chevron North America	Project #:	92270-0773
Sample No.:	1	Date Reported:	8/3/2011
Sample ID:	Below BGT	Date Sampled:	6/28/2011
Sample Matrix:	Soil	Date Analyzed:	6/28/2011
Preservative:	Cool	Analysis Needed:	TPH-418.1
Condition:	Cool and Intact		

Parameter	Concentration (mg/kg)	Det. Limit (mg/kg)
Total Petroleum Hydrocarbons	**36**	**5.0**

ND = Parameter not detected at the stated detection limit.

References: Method 418.1, Petroleum Hydrocarbons, Total Recoverable, Chemical Analysis of Water and Waste, USEPA Storet No. 4551, 1978.

Comments: **Horton Federal CB-27 #1**

Instrument calibrated to 200 ppm standard. Zeroed before each sample

Analyst

Toni McKnight, EIT
Printed

Review

Robyn Heidbrier, EIT
Printed

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CONTINUOUS CALIBRATION
EPA METHOD 418.1
TOTAL PETROLEUM
HYDROCARBONS

Cal. Date: 28-Jun-11

Parameter	Standard Concentration mg/L	Concentration Reading mg/L
TPH	100	
	200	195
	500	
	1000	

The accepted percent relative deviation (%RSD) of the calibration factor is less than 20% over the working range.

Analyst — Date: 8/3/2011

Toni McKnight, EIT
Print Name

Review — Date: 8/3/2011

Robyn Heidbrier, EIT
Print Name

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Field Chloride

Client:	Chevron North America	Project #:	92270-0773
Sample No.:	1	Date Reported:	8/3/2011
Sample ID:	Below BGT	Date Sampled:	6/28/2011
Sample Matrix:	Soil	Date Analyzed:	6/28/2011
Preservative:	Cool	Analysis Needed:	Chloride
Condition:	Cool and Intact		

Parameter	Concentration (mg/kg)	Det. Limit (mg/kg)
Field Chloride	**ND**	**28.0**

ND = Parameter not detected at the stated detection limit.

References: "Standard Methods for the Examination of Water and Wastewater", 18th ed., 1992
Hach Company Quantab Titrators for Chloride

Comments: **Horton Federal CB-27 #1**

Analyst

Toni McKnight, EIT
Printed

Review

Robyn Heidbrier, EIT
Printed

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Analytical Laboratory

EPA METHOD 8021
AROMATIC VOLATILE ORGANICS

Client:	Chevron	Project #:	92270-0773
Sample ID:	Below BGT	Date Reported:	06-29-11
Laboratory Number:	58728	Date Sampled:	06-28-11
Chain of Custody:	12049	Date Received:	06-28-11
Sample Matrix:	Soil	Date Analyzed:	06-29-11
Preservative:	Cool	Date Extracted:	06-28-11
Condition:	Intact	Analysis Requested:	BTEX
		Dilution:	10

Parameter	Concentration (ug/Kg)	Det. Limit (ug/Kg)
Benzene	**ND**	**0.9**
Toluene	**ND**	**1.0**
Ethylbenzene	**ND**	**1.0**
p,m-Xylene	**ND**	**1.2**
o-Xylene	**ND**	**0.9**
Total BTEX	**ND**	

ND - Parameter not detected at the stated detection limit.

Surrogate Recoveries:	Parameter	Percent Recovery
	Fluorobenzene	**106 %**
	1,4-difluorobenzene	**123 %**
	Bromochlorobenzene	**139 %**

References: Method 5030B, Purge-and-Trap, Test Methods for Evaluating Solid Waste, SW-846, USEPA, December 1996.

Method 8021B, Aromatic Volatile Organics, Test Methods for Evaluating Solid Waste, SW-846, USEPA, December 1996.

Comments: **Horton Federal C8-27 #1**

Analyst

Review

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EPA METHOD 8021
AROMATIC VOLATILE ORGANICS

Client:	N/A	Project #:	N/A
Sample ID:	0629BBLK QA/QC	Date Reported:	06-29-11
Laboratory Number:	58728	Date Sampled:	N/A
Sample Matrix:	Soil	Date Received:	N/A
Preservative:	N/A	Date Analyzed:	06-29-11
Condition:	N/A	Analysis:	BTEX
		Dilution:	10

Calibration and Detection Limits (ug/L)	I-Cal RF:	C-Cal RF:	%Diff. Accept. Range 0 - 15%	Blank Conc	Detect. Limit
Benzene	2.7323E+006	2.7378E+006	0.2%	ND	0.1
Toluene	9.7487E+005	9.7683E+005	0.2%	ND	0.1
Ethylbenzene	6.9687E+005	6.9827E+005	0.2%	ND	0.1
p,m-Xylene	6.9687E+005	6.9827E+005	0.2%	ND	0.1
o-Xylene	5.4127E+005	5.4235E+005	0.2%	ND	0.1

Duplicate Conc. (ug/Kg)	Sample	Duplicate	%Diff.	Accept Range	Detect. Limit
Benzene	ND	ND	0.0%	0 - 30%	0.9
Toluene	ND	ND	0.0%	0 - 30%	1.0
Ethylbenzene	ND	ND	0.0%	0 - 30%	1.0
p,m-Xylene	ND	ND	0.0%	0 - 30%	1.2
o-Xylene	ND	ND	0.0%	0 - 30%	0.9

Spike Conc. (ug/Kg)	Sample	Amount Spiked	Spiked Sample	% Recovery	Accept Range
Benzene	ND	500	508	102%	39 - 150
Toluene	ND	500	503	101%	46 - 148
Ethylbenzene	ND	500	517	103%	32 - 160
p,m-Xylene	ND	1000	1,020	102%	46 - 148
o-Xylene	ND	500	514	103%	46 - 148

ND - Parameter not detected at the stated detection limit.

Dilution: Spike and spiked sample concentration represent a dilution proportional to sample dilution.

References:
Method 5030B, Purge-and-Trap, Test Methods for Evaluating Solid Waste, SW-846, USEPA, December 1996.
Method 8021B, Aromatic and Halogenated Volatiles by Gas Chromatography Using Photoionization and/or Electrolytic Conductivity Detectors, SW-846, USEPA December 1996.

Comments: **QA/QC for Samples 58728-58729**

Analyst

Review

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Chloride

Client:	Chevron	Project #:	92270-0773
Sample ID:	Below BGT	Date Reported:	06/29/11
Lab ID#:	58728	Date Sampled:	06/28/11
Sample Matrix:	Soil	Date Received:	06/28/11
Preservative:		Date Analyzed:	06/29/11
Condition:	Intact	Chain of Custody:	12049

Parameter	Concentration (mg/Kg)
Total Chloride	**20**

Reference: U.S.E.P.A., 4500B, "Methods for Chemical Analysis of Water and Wastes", 1983.
Standard Methods For The Examination of Water And Waste Water", 18th ed., 1992.

Comments: **Horton Federal CB-27 #1**

Analyst

Review

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RUSH

CHAIN OF CUSTODY RECORD

12049

Client: CHEVRON	Project Name / Location: HORTON FEDERAL CB-27 #1
Client Address:	Sampler Name: T. McKNIGHT
Client Phone No.:	Client No.: 92270-0773

ANALYSIS / PARAMETERS

Sample No./ Identification	Sample Date	Sample Time	Lab No.	Sample Matrix	No./Volume of Containers	Preservative $HgCl_2$	Preservative HCl	Preservative Cool	TPH (Method 8015)	BTEX (Method 8021)	VOC (Method 8260)	RCRA 8 Metals	Cation / Anion	RCI	TCLP with H/P	PAH	TPH (418.1)	CHLORIDE				Sample Cool	Sample Intact
Below BGT	June 28, 2011	10:43	58728	(Soil) Sludge Solid Aqueous	1/4oz			✓		✓								✓				Y	Y
				Soil Sludge Solid Aqueous																			
				Soil Sludge Solid Aqueous																			
				Soil Sludge Solid Aqueous																			
				Soil Sludge Solid Aqueous																			
				Soil Sludge Solid Aqueous																			
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				Soil Sludge Solid Aqueous																			
				Soil Sludge Solid Aqueous																			
				Soil Sludge Solid Aqueous																			

Relinquished by: (Signature)	Date	Time	Received by: (Signature)	Date	Time
Toni McKnight	6/28/11	12:33	Randi Vaquera	6/28/11	12:33
Relinquished by: (Signature)			Received by: (Signature)		
Relinquished by: (Signature)			Received by: (Signature)		

RUSH

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