

**C-147 Extension request (Hayhurst NM 2RF-120)**

NMOCD,

Chevron MCBU is requesting a 6-month Extension” from NMOCD for our Hayhurst NM 2RF-120 (Section 2) Recycling Water Containments Structure (RWCS), due to well pad frac schedule shift for the next 6 months, which the last 20% water usage was July 2022. However, MCBU does have a well pad frac scheduled for February 2023, which will allow us to continue RWCS operations and reach our registration annual extension request that expires on March 22, 2023.

Thank you for your time and support.

Thank you,

***Tony Vallejo***

***Sr. Workforce Safety & Environmental Specialist - Factory***

***Chevron USA Inc. (MCBU)***  
6301 Deauville Blvd/N3210

Midland, Tx 79706  
C: [325-450-1413](tel:325-450-1413)  
[jvallejo@chevron.com](mailto:jvallejo@chevron.com)



***Safety is as simple as ABC - Always Be Careful***

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

Form C-147  
Revised March 31, 2015

## Recycling Facility and/or Recycling Containment

Type of Facility: ☒ Recycling Facility ☒ Recycling Containment\*  
Type of action: ☐ Permit ☐ Registration  
☐ Modification ☐ Extension  
☐ Closure ☒ Other (explain) RWCS 6-month extension

\* At the time C-147 is submitted to the division for a Recycling Containment, a copy shall be provided to the surface owner.

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: Chevron U.S.A. Inc. (For multiple operators attach page with information) OGRID #: 4323  
Address: 1400 Smith Street, Houston TX 77002  
Facility or well name (include API# if associated with a well): "HH NM Sec 2 Frac Pond and Recycle Facility"  
OCD Permit Number: 2RF-120 (A and B) (For new facilities the permit number will be assigned by the district office)  
U/L or Qtr/Qtr N Section 2 Township 26 South Range 27 East County: Eddy  
Surface Owner: ☐ Federal ☒ State ☐ Private ☐ Tribal Trust or Indian Allotment

2.

☒ **Recycling Facility:** (Location: U/L N, Section 2, T26S, R27E)  
Location of recycling facility (if applicable): Latitude 32.065644 Longitude -104.165003 NAD: ☐ 1927 ☒ 1983  
Proposed Use: ☐ Drilling\* ☒ Completion\* ☐ Production\* ☐ Plugging\*  
*\*The re-use of produced water may NOT be used until fresh water zones are cased and cemented*  
☐ Other, *requires permit for other uses. Describe use, process, testing, volume of produced water and ensure there will be no adverse impact on groundwater or surface water.*  
☒ Fluid Storage  
☒ Above ground tanks ☐ Recycling containment ☐ Activity permitted under 19.15.17 NMAC explain type \_\_\_\_\_  
☐ Activity permitted under 19.15.36 NMAC explain type: \_\_\_\_\_ ☐ Other explain \_\_\_\_\_  
☐ For multiple or additional recycling containments, attach design and location information of each containment  
☐ **Closure Report (required within 60 days of closure completion):** ☐ Recycling Facility Closure Completion Date: \_\_\_\_\_

3.

☒ **Recycling Containment:**  
☐ Annual Extension after initial 5 years (attach summary of monthly leak detection inspections for previous year)  
Center of Recycling Containment (if applicable): Latitude 32.071130 Longitude -104.166990 NAD: ☐ 1927 ☒ 1983  
☐ For multiple or additional recycling containments, attach design and location information of each containment  
☒ Lined ☒ Liner type: Thickness 60 mil ☐ LLDPE ☒ HDPE ☐ PVC ☒ Other \_\_\_\_\_  
☐ String-Reinforced  
Liner Seams: ☒ Welded ☐ Factory ☒ Other Field Volume: 587,330 bbl Dimensions: L 796' x W 683' x D 23'  
☐ Recycling Containment Closure Completion Date: \_\_\_\_\_

4.

**Bonding:**

- ☒ Covered under bonding pursuant to 19.15.8 NMAC per 19.15.34.15(A)(2) NMAC (These containments are limited to only the wells owned or operated by the owners of the containment.)
- ☐ Bonding in accordance with 19.15.34.15(A)(1). Amount of bond \$ \_\_\_\_\_ (work on these facilities cannot commence until bonding amounts are approved)
- ☐ Attach closure cost estimate and documentation on how the closure cost was calculated.

5.

**Fencing:**

- ☐ Four foot height, four strands of barbed wire evenly spaced between one and four feet
- ☐ Alternate. Please specify \_\_\_\_\_

6.

**Signs:**

- ☐ 12"x 24", 2" lettering, providing Operator's name, site location, and emergency telephone numbers
- ☐ Signed in compliance with 19.15.16.8 NMAC

7.

**Variances:**

Justifications and/or demonstrations that the proposed variance will afford reasonable protection against contamination of fresh water, human health, and the environment.

**Check the below box only if a variance is requested:**

- ☐ Variance(s): Requests must be submitted to the appropriate division district for consideration of approval. If a Variance is requested, include the variance information on a separate page and attach it to the C-147 as part of the application.

**If a Variance is requested, it must be approved prior to implementation.**

8.

**Siting Criteria for Recycling Containment**

**Instructions:** The applicant must provide attachments that demonstrate compliance for each siting criteria below as part of the application. Potential examples of the siting attachment source material are provided below under each criteria.

**General siting****Ground water is less than 50 feet below the bottom of the Recycling Containment.**

NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells

☐ Yes ☐ No  
☐ NA

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.

☐ Yes ☐ No  
☐ NA

- Written confirmation or verification from the municipality; written approval obtained from the municipality

Within the area overlying a subsurface mine.

☐ Yes ☐ No

- Written confirmation or verification or map from the NM EMNRD-Mining and Minerals Division

Within an unstable area.

☐ Yes ☐ No

- Engineering measures incorporated into the design; NM Bureau of Geology & Mineral Resources; USGS; NM Geological Society; topographic map

Within a 100-year floodplain. FEMA map

☐ 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).

☐ Yes ☐ No

- Topographic map; visual inspection (certification) of the proposed site

Within 1000 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application.

☐ Yes ☐ No

- Visual inspection (certification) of the proposed site; aerial photo; satellite image

Within 500 horizontal feet of a spring or a fresh water well used for domestic or stock watering purposes, in existence at the time of initial application.

☐ Yes ☐ No

- NM Office of the State Engineer - iWATERS database search; visual inspection (certification) of the proposed site

Within 500 feet of a wetland.

☐ Yes ☐ No

- US Fish and Wildlife Wetland Identification map; topographic map; visual inspection (certification) of the proposed site

9.

**Recycling Facility and/or Containment Checklist:**

**Instructions:** Each of the following items must be attached to the application. Indicate, by a check mark in the box, that the documents are attached.

- ☐ Design Plan - based upon the appropriate requirements.  
☐ Operating and Maintenance Plan - based upon the appropriate requirements.  
☐ Closure Plan - based upon the appropriate requirements.  
☐ Site Specific Groundwater Data -  
☐ Siting Criteria Compliance Demonstrations -  
☒ Certify that notice of the C-147 (only) has been sent to the surface owner(s)

10.

**Operator Application Certification:**

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

Name (Print): Tony Vallejo Title: Sr. Workforce Safety & Environmental Specialist - Factory  
Signature: Tony Vallejo Date: 12/1/2022  
e-mail address: jvallejo@chevron.com Telephone: O: 432-687-7524 or C: 325-450-1413

11.

OCD Representative Signature: Victoria Venegas Approval Date: 12/08/2022

Title: Environmental Specialist OCD Permit Number: 2RF-120

- ☒ OCD Conditions \_\_\_\_\_  
☒ Additional OCD Conditions on Attachment \_\_\_\_\_

HHNM (2RF-120) Section 2 West Weekly Inspections					
DATE (Week of)	BIRD DETERRENT ISSUES	FLUID IN LEAK DETECTION ISSUES	FENCE ISSUES	BERM OR LINER ISSUES	NOTES
9/5/2022	No	No	No	No	
9/10/2022	No	No	No	No	
9/17/2022	No	No	No	No	
9/24/2022	No	No	No	No	
10/1/2022	No	No	No	No	
10/8/2022	No	No	No	No	
10/13/2022	No	No	No	No	
10/22/2022	No	No	No	No	
10/30/2022	No	No	No	No	
11/5/2022	No	No	No	No	
11/15/2022	No	No	No	No	
11/19/2022	No	No	No	No	
11/29/2022	No	No	No	No	

HHNM (2RF-120) Section 2 East Weekly Inspections					
DATE (Week of)	BIRD DETERRENT ISSUES	FLUID IN LEAK DETECTION ISSUES	FENCE ISSUES	BERM OR LINER ISSUES	NOTES
9/5/2022					
9/10/2022					
9/17/2022					
9/24/2022					
10/1/2022					
10/8/2022					
10/13/2022	Yes				Bird deterrent system on order
10/22/2022	Yes				Bird deterrent is not working, but equipment is on order.
10/30/2022	Yes				Bird deterrent system on order
11/5/2022	Yes				Bird deterrent is not working, but equipment is on order.
11/15/2022	Yes				Bird deterrent system on order
11/19/2022	Yes				Bird deterrent system on order
11/29/2022	Yes				Bird deterrent system on order

**Venegas, Victoria, EMNRD**

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**From:** Venegas, Victoria, EMNRD  
**Sent:** Thursday, December 8, 2022 1:30 PM  
**To:** Vallejo, Tony  
**Subject:** 2RF-120 Hayhurst NM Section 2 Frac Pond and Recycle Facility  
**Attachments:** C-147 2RF-120 Hayhurst NM Section 2 Frac Pond and Recycle Facility 12.07.2022.pdf

**2RF-120 Hayhurst NM Section 2 Frac Pond and Recycle Facility**

Good morning Mr. Vallejo,

The Oil Conservation Division has reviewed the determination of cessation of operations extension request for 2RF-120 Hayhurst NM Section 2 Frac Pond and Recycle Facility ID [fAB1805848203] received from [4323] CHEVRON USA INC on December 1, 2022. The cessation for operations extension request is approved with the following conditions of approval:

- The 2RF-120 Hayhurst NM Section 2 Frac Pond and Recycle Facility registration/permit expires on March 22, 2023.
- [4323] CHEVRON USA INC must recycle at least 20% of the containments total fluid capacity no later than February 28, 2023, to be considered in operations.
- [4323] CHEVRON USA INC will maintain a liquid level in the containment that is at least equal to the weight of the liner plus 20%. [4323] CHEVRON USA INC may maintain a higher liquid level if they choose.
- [4323] CHEVRON USA INC will provide written notice to the OCD at least 72 hours, but no more than one week, prior to the recommencement of operations. Recommencement of recycling operations means that the operator plans to resume moving fluids through the containment and discharging fluids from the containment.
  - At the resumption of recycling operations, [4323] CHEVRON USA INC is required to perform an incremental fluid level test for containment liquid levels above the minimum liquid level.
  - [4323] CHEVRON USA INC will fill the containment. [4323] CHEVRON USA INC will pause filling operations at every 10% of total fluid capacity above the minimum level.
  - [4323] CHEVRON USA INC will maintain the liquid level for each 10% volume increase for 24 hours and inspect and operation the leak detection system at the end of the 24-hour period.
  - If there are no liquids present in the leak detection system, [4323] CHEVRON USA INC may proceed to fill the next 10% volume and repeat the process until the containment full design capacity minus the 3-feet of freeboard is reached. If liquids are present, [4323] CHEVRON USA INC should immediately cease the incremental fill test and perform a liner inspection. [4323] CHEVRON USA INC should provide written notice of the fluid detection and liner inspection findings through [OCD Online](#) using a C-147 (long form) with the "Other" box checked and "Notice of fluid detection" written as the explanation of "Other."
  - If the detected fluid is confirmed to be condensation, the OCD will issue a written approval to proceed with the incremental fluid level test.
  - If the detected fluid is confirmed to be produced water, [4323] CHEVRON USA INC must comply with 19.15.34.13 NMAC. [4323] CHEVRON USA INC must provide written notification through [OCD Online](#) on the actions taken to comply with 19.15.34.13 NMAC.
  - After fluid is detected in the leak detection system, the incremental fill test cannot continue until after a written approval to proceed is issued by the OCD.
  - [4323] CHEVRON USA INC must submit copies of the detailed containment inspection records for the prior three (3) months and a report detailing the incremental fluid level test process and results to through [OCD Online](#) using a C-147 (long form) with the "Other" box checked. "Recommencement of Operations - Incremental Fluid Level Test" should be written as the explanation of "Other." Form C-147 must be completed and include information in sections 1 General Information, 2 Recycling Facility, 3 Recycling Containment, 4 Bonding, and 10 Operator Application Certification. Section 9 Recycling Facility and/or Containment Checklist may also need to be partially completed. Operators should verify that the resumption of operations notification does not result in any changes to the recycling containment operating and

maintenance plan or the closure plan. If the recommencement of operations will affect the operating and maintenance plan or closure plan, operators should check those boxes in section 9 and provide updated plans or plan addendums as attachments to the C-147.

- [4323] CHEVRON USA INC will continue to operate, maintain, and close the 2RF-120 Hayhurst NM Section 2 Frac Pond and Recycle Facility in compliance with 19.15.34 NMAC, to include but not limited detailed inspection records, removal of trash/oil from containment, and monthly C-148 reporting (even if there is zero activity).
- Water reuse and recycling from 2RF-120 Hayhurst NM Section 2 Frac Pond and Recycle Facility is limited to wells owned or operated by [4323] CHEVRON USA INC.
- A minimum of 3-feet freeboard must always be maintained in the recycling containment during operations. [4323] CHEVRON USA INC may request a variance for an additional extension to the determination of cessation of operations, which will be reviewed on a case-by-case basis and evaluated on their merit. Extensions are considered for a maximum length of six months. Additional requests must be submitted to OCD (through [OCD Online](#)) on a Form C-147 (long form) as an Extension request and should include a variance request and summary per 19.15.34.16 NMAC and the detailed inspection records for the prior three (3) months.

**PLEASE NOTE: If after that 6-month extension period, the containment is not utilized at a minimum of 20% fluid capacity no additional extensions would be granted, and the operator would be directed to remove all fluids and proceed with the closure requirements**

Please let me know if you have any additional questions.

Regards,

**Victoria Venegas** • Environmental Specialist

Environmental Bureau

EMNRD - Oil Conservation Division

(575) 909-0269 | [Victoria.Venegas@emnrd.nm.gov](mailto:Victoria.Venegas@emnrd.nm.gov)

<https://www.emnrd.nm.gov/oed/>





**District I**

1625 N. French Dr., Hobbs, NM 88240  
Phone:(575) 393-6161 Fax:(575) 393-0720

**District II**

811 S. First St., Artesia, NM 88210  
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**District III**

1000 Rio Brazos Rd., Aztec, NM 87410  
Phone:(505) 334-6178 Fax:(505) 334-6170

**District IV**

1220 S. St Francis Dr., Santa Fe, NM 87505  
Phone:(505) 476-3470 Fax:(505) 476-3462

**State of New Mexico**  
**Energy, Minerals and Natural Resources**  
**Oil Conservation Division**  
**1220 S. St Francis Dr.**  
**Santa Fe, NM 87505**

CONDITIONS

Action 165343

**CONDITIONS**

Operator: CHEVRON U S A INC 6301 Deauville Blvd Midland, TX 79706	OGRID: 4323
	Action Number: 165343
	Action Type: [C-147] Water Recycle Long (C-147L)

**CONDITIONS**

Created By	Condition	Condition Date
vvenegas	The Oil Conservation Division has reviewed the determination of cessation of operations extension request for 2RF-120 Hayhurst NM Section 2 Frac Pond and Recycle Facility ID [FAB1805848203] received from [4323] CHEVRON USA INC on December 1, 2022. The cessation for operations extension request is approved with the following conditions of approval: • [4323] CHEVRON USA INC must recycle at least 20% of the containments total fluid capacity no later than February 28, 2023, to be considered in operations. PLEASE NOTE: If after that 6-month extension period, the containment is not utilized at a minimum of 20% fluid capacity, no additional extensions would be granted, and the operator would be directed to remove all fluids and proceed with the closure requirements	12/8/2022