

C-144 Modification request (SD 24 13 FED P365 [fJMB2221636513])

NMOCD,

Chevron MCBU <u>kindly requests a modification from NMOCD</u> to **cancel** the construction of the temporary reserve pit for the SD 24 13 FED P365 [fJMB2221636513], which was approved on 8/4/22.

Drilling with earthen reserve pits, aka open-loop drilling, requires a significant increase in fluid volume and surface disturbance compared to the alternative closed-loop (without earthen pits) drilling. In most areas there is evidence to suggest that the cost of sending drilled cuttings to a disposal facility outweighs the cost of ownership (construction, remediation, permitting, etc). There is reason to suggest that the cost of ownership in fact outweighs the cost of drilled cuttings and fluid disposal in New Mexico. While the Drilling Operations team continues to analyze this issue, I see benefit to continuing operations as we have been to benefit the rig team while protecting the environment the best we can.

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: <u>325-450-1413</u> jvallejo@chevron.com

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Safety is as simple as ABC - Always Be Careful

Chevron USA Incorporated Chevron USA Inc. 6301 Deauville Blvd Midland, TX 79706 Tel 325-450-1413 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-144 Revised April 3, 2017

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For temporary pits, below-grade tanks, and multi-well fluid management pits, submit to the appropriate NMOCD District Office. **For permanent pits** submit to the Santa Fe Environmental Bureau office and provide a copy to the appropriate NMOCD District Office.

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

Type of action: Below grade tank registration

Permit of a pit or proposed alternative method

Amended by VVIX Closure of a pit, below-grade tank, or proposed alternative method

Modification to an existing permit/or registration

Closure plan only submitted for an existing permitted or non-permitted pit, below-grade tank,

or proposed alternative method

11/03/2023

Instructions: Please submit one application (Form C-144) per individual pit, 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: Chevron USA Inc. OGRID #:4323
Address: 6301 Deauville Blvd., Midland, TX 79706
Facility or well name: <u>SD 24 13 FED P365 (421H, 422H, 423H, 309H, 310H, 207H, 208H)</u>
API Number: 30-025-51402 (421H) OCD Permit Number: [fJMB2221636513]
U/L or Qtr/QtrK, L, M, N Section _24 Township _26S Range _32E County: _Lea
Center of Proposed Design: Latitude <u>32.02452</u> Longitude <u>-103.63274</u> NAD83
Surface Owner: 🛛 Federal 🗌 State 🗌 Private 🗌 Tribal Trust or Indian Allotment
2. $\sum \mathbf{P}'_{\mathbf{r}} = 0.1 $ $\mathbf{r}'_{\mathbf{r}} = \mathbf{r}_{\mathbf{r}} = 0.10151711$ NMAC
Pit: Subsection F, G or J of 19.15.17.11 NMAC Torm or graph Drilling Workeyer
Temporary: \square Drilling \square Workover
□ Permanent □ Emergency □ Cavitation □ P&A □ Multi-Well Fluid Management Low Chloride Drilling Fluid □ yes ⊠ no
□ Lined □ Unlined Liner type: Thickness <u>40</u> mil □ LLDPE □ PVC □ Other
String-Reinforced
Liner Seams: 🛛 Welded 🗌 Factory 🗋 Other Volume: <u>1 x 17,900 bbl, 1 x 10,800 bbl</u> Dimensions: L <u>291 f</u> t x W <u>196 ft</u> x D <u>8 ft</u>
3
3. Below-grade tank: Subsection I of 19.15.17.11 NMAC
Below-grade tank: Subsection I of 19.15.17.11 NMAC
Below-grade tank: Subsection I of 19.15.17.11 NMAC Volume: bbl Type of fluid:
Below-grade tank: Subsection I of 19.15.17.11 NMAC Volume: bbl Type of fluid: Tank Construction material: Secondary containment with leak detection Visible sidewalls, liner, 6-inch lift and automatic overflow shut-off
Below-grade tank: Subsection I of 19.15.17.11 NMAC Volume: bbl Tank Construction material:
Below-grade tank: Subsection I of 19.15.17.11 NMAC Volume: bbl Type of fluid: Tank Construction material:
Below-grade tank: Subsection I of 19.15.17.11 NMAC Volume: bbl Type of fluid: Tank Construction material:
Below-grade tank: Subsection I of 19.15.17.11 NMAC Volume:bbl Type of fluid: Tank Construction material: 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: Thicknessmil □ HDPE □ PVC □ Other 4. Alternative Method:
Below-grade tank: Subsection I of 19.15.17.11 NMAC Volume:
Below-grade tank: Subsection I of 19.15.17.11 NMAC Volume:
Below-grade tank: Subsection I of 19.15.17.11 NMAC Volume:
Below-grade tank: Subsection I of 19.15.17.11 NMAC Volume:
Below-grade tank: Subsection I of 19.15.17.11 NMAC Volume:

Netting:	Subsection E of 19.15.17.11 NMAC	(Applies to	permanent	pits and	permanent o	pen to	p tanks)

Screen Netting Other_

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

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 19.15.16.8 NMAC

Variances 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:

Variance(s): Requests must be submitted to the appropriate division district for consideration of approval. See Variance Requests Exception(s): Requests must be submitted to the Santa Fe Environmental Bureau office for consideration of approval.

Exception(s). Requests must be submitted to the Santa re Environmental Bureau office for consideration of app

9. <u>Siting Criteria (regarding permitting)</u>: 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. Siting criteria does not apply to drying pads or above-grade tanks.

General siting	
Ground water is less than 25 feet below the bottom of a low chloride temporary pit or below-grade tank. - NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells	□ Yes □ No ⊠ NA
Ground water is less than 50 feet below the bottom of a Temporary pit, permanent pit, or Multi-Well Fluid Management pit. - □ NM Office of the State Engineer - iWATERS database search; □ USGS; □ Data obtained from nearby wells See Appendices A, B, Figure 7	☐ 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. (Does not apply to below grade tanks) Written confirmation or verification from the municipality; Written approval obtained from the municipality See Figures 2 & 7 	🗌 Yes 🖾 No
 Within the area overlying a subsurface mine. (Does not apply to below grade tanks) Written confirmation or verification or map from the NM EMNRD-Mining and Mineral Division See Figure 4 	🗌 Yes 🛛 No
 Within an unstable area. (Does not apply to below grade tanks) Engineering measures incorporated into the design; NM Bureau of Geology & Mineral Resources; USGS; NM Geological Society; Topographic map See Figures 6, 8, 9, Appendix G 	🗌 Yes 🛛 No
Within a 100-year floodplain. (Does not apply to below grade tanks) FEMA map See Figure 3 	🗌 Yes 🖾 No
Below Grade Tanks	
 Within 100 feet of a continuously flowing watercourse, significant watercourse, lakebed, sinkhole, wetland or playa lake (measured from the ordinary high-water mark). Topographic map; Visual inspection (certification) of the proposed site 	🗌 Yes 🗌 No
 Within 200 horizontal feet of a spring or a fresh water well used for public or livestock consumption;. NM Office of the State Engineer - iWATERS database search; Visual inspection (certification) of the proposed site 	🗌 Yes 🗌 No
Temporary Pit using Low Chloride Drilling Fluid (maximum chloride content 15,000 mg/liter)	
 Within 100 feet of a continuously flowing watercourse, or any other significant watercourse or within 200 feet of any lakebed, sinkhole, or playa lake (measured from the ordinary high-water mark). (Applies to low chloride temporary pits.) Topographic map; Visual inspection (certification) of the proposed site 	🗌 Yes 🗌 No
Within 300 feet from a occupied 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 200 horizontal feet of a spring or a private, domestic fresh water well used by less than five households for domestic or stock watering purposes, or 300feet of any other fresh water well or spring, in existence at the time of the initial application. NM Office of the State Engineer - iWATERS database search; Visual inspection (certification) of the proposed site			
 Within 100 feet of a wetland. US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site 	🗌 Yes 🗌 No		
Temporary Pit Non-low chloride drilling fluid			
 Within 300 feet of a continuously flowing watercourse, or any other significant watercourse, or within 200 feet of any lakebed, sinkhole, or playa lake (measured from the ordinary high-water mark). Topographic map; Visual inspection (certification) of the proposed site See Figure 6 	🗌 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 See Figure 2 	🗌 Yes 🛛 No		
 Within 500 horizontal feet of a spring or a private, domestic fresh water well used by less than five households for domestic or stock watering purposes, or 1000 feet of any other fresh water well or spring, in the existence at the time of the initial application; NM Office of the State Engineer - iWATERS database search; Visual inspection (certification) of the proposed site See Appendices A, B, and Figures 1 & 2 	🗌 Yes 🛛 No		
 Within 300 feet of a wetland. US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site See Figures 2, 5, & 6 	🗌 Yes 🛛 No		
Permanent Pit or Multi-Well Fluid Management Pit			
 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 1000 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 spring or a fresh water well used for domestic or stock watering purposes, 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 500 feet of a wetland. US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site 	🗌 Yes 🗌 No		
 10. 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 See Appendix C ☑ Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15.17.10 NMAC Attached ☑ Design Plan - based upon the appropriate requirements of 19.15.17.12 NMAC See Appendix E ☑ 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 See Appendix F 			
Previously Approved Design (attach copy of design) API Number: or Permit Number:			
11. Multi-Well Fluid Management Pit 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. 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 A List of wells with approved application for permit to drill associated with the pit. 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 Hydrogeologic Data - based upon the requirements of Paragraph (4) of Subsection B of 19.15.17.10 NMAC Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15.17.10 NMAC 			

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Previously Approved Design (attach copy of design) API Number: or Permit Number:	
12. 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 orattached. 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 Quality Control/Quality Assurance Construction and Installation Plan Operating and Maintenance Plan - based upon the appropriate requirements of 19.15.17.11 NMAC Musiance or Hazardous Odors, including H ₂ S, Prevention Plan Errosion Control Plan Oil Field Waste Stream Characterization Monitoring and Inspection Plan Erosion Control Plan Closure Plan - based upon the appropriate requirements of 19.15.17.9 NMAC and 19.15.17.13 NMAC	documents are
 13. Proposed Closure: 19.15.17.13 NMAC See Appendix F 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 Multi-well FI 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 	luid Management Pit
14. Waste Excavation and Removal Closure Plan Checklist: (19.15.17.13 NMAC) Instructions: Each of the following items must be a 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 C 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 H of 19.15.17.13 NMAC Site Reclamation Plan - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC	
15. <u>Siting Criteria (regarding on-site closure methods only)</u> : 19.15.17.10 NMAC Instructions: Each siting criteria requires a demonstration of compliance in the closure plan. Recommendations of acceptable sour provided below. Requests regarding changes to certain siting criteria require justifications and/or demonstrations of equivalency. P 19.15.17.10 NMAC for guidance.	rce material are Please refer to
 Ground water is less than 25 feet below the bottom of the buried waste. NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells See Appendices A & B, and Figure 7 	□ Yes ⊠ No □ NA
 Ground water is between 25-50 feet below the bottom of the buried waste NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells See Appendices A & B, and Figure 7 	☐ 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 See Appendices A & B, and Figure 7 	⊠ Yes □ No □ NA
 Within 100 feet of a continuously flowing watercourse, or 200 feet of any other significant watercourse, lakebed, sinkhole, or playa lake (measured from the ordinary high-water mark). Topographic map; Visual inspection (certification) of the proposed site See Figure 6 	🗌 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 See Figure 2 	🗌 Yes 🛛 No
Within 300 horizontal feet of a private, domestic fresh water well or spring used for domestic or stock watering purposes, in existence at the time of initial application.	🗌 Yes 🛛 No

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 NM Office of the State Engineer - iWATERS database; Visual inspection (certification) of the proposed site See Appendices A & B, and Figure 7 			
Written confirmation or verification from the municipality; Written approval obtained from the municipality	🗌 Yes 🖾 No		
Within 300 feet of a wetland. US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site See Figures 2, 5 & 6	🗌 Yes 🛛 No		
 Within incorporated municipal boundaries or within a defined municipal fresh water well field covered under a municipal or adopted pursuant to NMSA 1978, Section 3-27-3, as amended. Written confirmation or verification from the municipality; Written approval obtained from the municipality See Figure 2 	rdinance 🗌 Yes 🖾 No		
 Within the area overlying a subsurface mine. Written confirmation or verification or map from the NM EMNRD-Mining and Mineral Division See Figure 4 	🗌 Yes 🖾 No		
 Within an unstable area. Engineering measures incorporated into the design; NM Bureau of Geology & Mineral Resources; USGS; NM Geology Society; Topographic map See Figures 6, 8, & 9, Appendix G 	logical 🗌 Yes 🛛 No		
Within a 100-year floodplain. - FEMA map See Figure 3	🗌 Yes 🛛 No		
 Inf. 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 Attached Proof of Surface Owner Notice - based upon the appropriate requirements of Subsection E of 19.15.17.13 NMAC Construction/Design Plan of Burial Trench (if applicable) based upon the appropriate requirements of Subsection K 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 19.15.17.13 NMAC See Appendix D Protocols and Procedures - based upon the appropriate requirements of 19.15.17.13 NMAC See Appendix F Confirmation Sampling Plan - based upon the appropriate requirements of 19.15.17.13 NMAC See Appendix F Disposal Facility Name and Permit Number (for liquids, drilling fluids and drill cuttings or in case on-site closure standards cannot be achieved) See Appendix F Soil Cover Design - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC See Appendix F Sici Reclamation Plan - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC See Appendix F 			
 <u>Operator Application Certification</u>: I hereby certify that the information submitted with this application is true, accurate and complete to the best of my knowled 	lge and belief.		
Name (Print): Tony Vallejo Title: Sr. Workforce Safety & Enviro			
Signature: <u>Tony Vallajo</u> Date: <u>11/1/2023</u>			
e-mail address: jvallejo@chevron.com Telephone: <u>325-450-1413</u>			
18. <u>OCD Approval</u> : Permit Application (including closure plan) X Closure Plan (bh/h/)/ OCD Conditions (see attac	hment)		
OCD Representative Signature: Victoria Venegas Approval Date:	:11/03/2023		
Environmental Specialist OCD Permit Number: SD 24 13 FED	P365 [fJMB2221636513]		
19. <u>Closure Report (required within 60 days of closure completion)</u> : 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:			
20. 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.			

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e-mail address:_____

21.		
Closure Report Attachment Checklist: Instructions: Ed	ach of the following items must be attache	d 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)	
Proof of Deed Notice (required for on-site closure for	or private land only)	
Plot Plan (for on-site closures and temporary pits)		
Confirmation Sampling Analytical Results (if applic	able)	
Waste Material Sampling Analytical Results (require	ed for on-site closure)	
Disposal Facility Name and Permit Number	,	
Soil Backfilling and Cover Installation		
Re-vegetation Application Rates and Seeding Techn	ique	
Site Reclamation (Photo Documentation)		
On-site Closure Location: Latitude	Longitude	NAD: 1927 1983
22. Operator Closure Certification:		
	itted with this cleanne non out is true account	and complete to the heat of my Imerylades and
I hereby certify that the information and attachments submit		
belief. I also certify that the closure complies with all appl	icable closure requirements and conditions	specified in the approved closure plan.
Name (Print):	Title:	
Signature:		

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Telephone: _____

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 Phone:(575) 748-1283 Fax:(575) 748-9720

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

Operator:	OGRID:
CHEVRON U S A INC	4323
6301 Deauville Blvd	Action Number:
Midland, TX 79706	281647
	Action Type:
	[C-144] Temporary Pit Plan (C-144T)

CONDITIONS Created By Condition Condition Date Chevron MCBU requested a modification from NMOCD to cancel the construction of the temporary reserve pit for SD 24 13 FED P365 [fJMB2221636513], 11/3/2023 vvenegas which was approved on 08/04/22. This request has been approved and facility [fJMB2221636513] is closed. Form C-144 can be found at: https://ocdimage.emnrd.nm.gov/imaging/FacilityFileView.aspx?facility=fJMB2221636513

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CONDITIONS

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