

## C-144 Modification request (SD 14 23 FED P305 [fJMB2232256614])

Date: 10/23/2024

NMOCD,

Chevron MCBU kindly requests a modification from NMOCD to cancel the constructing of the temporary reserve pit for the <u>SD 14 23 FED P305 [fJMB2232256614]</u>, which was approved on 11/18/22.

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.

Best regards,

Vera Zhongke Liu

Lead HSE Factory Support Specialist, MCBU

### **Chevron Americas Exploration and Production**

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Chevron USA Incorporated Chevron USA Inc. 6301 Deauville Blvd Midland, TX 79706 Tel 325-450-1413 <u>District I</u> 1625 N. French Dr., Hobbs, NM 88240 <u>District II</u> 811 S. First St., Artesia, NM 88210 <u>District III</u> 1000 Rio Brazos Road, Aztec, NM 87410 <u>District IV</u> 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 **Page 2 of 8** Form C-144 Revised April 3, 2017

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         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
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.
I.         Operator:         OGRID #:         4323
Address: <u>6301 Deauville Blvd., Midland, TX 79706</u>
Facility or well name: <u>SD 14 23 FED P305 (305H, 204H, 306H, 205H, 307H, 206H, 308H)</u>
API Number:       Pending       OCD Permit Number:
U/L or Qtr/QtrO, B Section 11, 14 Township 26S Range 32E County: Lea
Center of Proposed Design: Latitude <u>32.05005</u> Longitude <u>-103.64420</u> NAD83
Surface Owner: 🛛 Federal 🗌 State 🗌 Private 🗋 Tribal Trust or Indian Allotment
□ Pit:       Subsection F, G or J of 19.15.17.11 NMAC         Temporary:       □ Drilling       □ Workover         □ Permanent       □ Emergency       □ Cavitation       □ P&A       □ Multi-Well Fluid Management       Low Chloride Drilling Fluid       □ yes ☑ no         ☑ Lined       □ Unlined       Liner type:       Thickness       40       mil       □ LLDPE ☑ HDPE □ PVC       Other
3. 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
4.
Submittal of an exception request is required. Exceptions must be submitted to the Santa Fe Environmental Bureau office for consideration of approval.
5. Fencing: Subsection D of 19.15.17.11 NMAC (Applies to permanent pits, temporary pits, and below-grade tanks)

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

Screen Netting Other

6.

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.

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. 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	☐ 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
<ul> <li>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)</li> <li>Written confirmation or verification from the municipality; Written approval obtained from the municipality See Figures 2 &amp; 7</li> </ul>	🗌 Yes 🛛 No
<ul> <li>Within the area overlying a subsurface mine. (Does not apply to below grade tanks)</li> <li>Written confirmation or verification or map from the NM EMNRD-Mining and Mineral Division See Figure 4</li> </ul>	🗌 Yes 🛛 No
<ul> <li>Within an unstable area. (Does not apply to below grade tanks)</li> <li>Engineering measures incorporated into the design; NM Bureau of Geology &amp; Mineral Resources; USGS; NM Geological Society; Topographic map</li> <li>See Figures 6, 8, 9, Appendix G</li> </ul>	🗌 Yes 🛛 No
<ul> <li>Within a 100-year floodplain. (Does not apply to below grade tanks)</li> <li>FEMA map See Figure 3</li> </ul>	🗌 Yes 🛛 No
Below Grade Tanks	
<ul> <li>Within 100 feet of a continuously flowing watercourse, significant watercourse, lakebed, sinkhole, wetland or playa lake (measured from the ordinary high-water mark).</li> <li>Topographic map; Visual inspection (certification) of the proposed site</li> </ul>	🗌 Yes 🗌 No
<ul> <li>Within 200 horizontal feet of a spring or a fresh water well used for public or livestock consumption;.</li> <li>NM Office of the State Engineer - iWATERS database search; Visual inspection (certification) of the proposed site</li> </ul>	🗌 Yes 🗌 No
Temporary Pit using Low Chloride Drilling Fluid (maximum chloride content 15,000 mg/liter)	
<ul> <li>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.)</li> <li>Topographic map; Visual inspection (certification) of the proposed site</li> </ul>	🗌 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	🗌 Yes 🗌 No
<ul> <li>Within 100 feet of a wetland.</li> <li>US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site</li> </ul>	🗌 Yes 🗌 No
Temporary Pit Non-low chloride drilling fluid	
<ul> <li>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).</li> <li>Topographic map; Visual inspection (certification) of the proposed site See Figure 6</li> </ul>	🗌 Yes 🛛 No
<ul> <li>Within 300 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application.</li> <li>Visual inspection (certification) of the proposed site; Aerial photo; Satellite image See Figure 2</li> </ul>	🗌 Yes 🛛 No
<ul> <li>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;</li> <li>NM Office of the State Engineer - iWATERS database search; Visual inspection (certification) of the proposed site See Appendices A, B, and Figures 1 &amp; 2</li> </ul>	🗌 Yes 🕅 No
<ul> <li>Within 300 feet of a wetland.</li> <li>US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site See Figures 2, 5, &amp; 6</li> </ul>	🗌 Yes 🛛 No
<u>Permanent Pit or Multi-Well Fluid Management Pit</u>	
<ul> <li>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).</li> <li>Topographic map; Visual inspection (certification) of the proposed site</li> </ul>	🗌 Yes 🗌 No
<ul> <li>Within 1000 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application.</li> <li>Visual inspection (certification) of the proposed site; Aerial photo; Satellite image</li> </ul>	🗌 Yes 🗌 No
<ul> <li>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.</li> <li>NM Office of the State Engineer - iWATERS database search; Visual inspection (certification) of the proposed site</li> </ul>	🗌 Yes 🗌 No
<ul> <li>Within 500 feet of a wetland.</li> <li>US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site</li> </ul>	🗌 Yes 🗌 No
10. Temporary Pits, Emergency Pits, and Below-grade Tanks Permit Application Attachment Checklist: Subsection B of 19.15.17.9 N	IMAC
Instructions: Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the doc attached.	cuments are
<ul> <li>Hydrogeologic Report (Below-grade Tanks) - based upon the requirements of Paragraph (4) of Subsection B of 19.15.17.9 NMAC</li> <li>Hydrogeologic Data (Temporary and Emergency Pits) - based upon the requirements of Paragraph (2) of Subsection B of 19.15.17.9</li> <li>See Appendix C</li> </ul>	NMAC
<ul> <li>Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15.17.10 NMAC Attached</li> <li>Design Plan - based upon the appropriate requirements of 19.15.17.11 NMAC See Appendix D</li> <li>Operating and Maintenance Plan - based upon the appropriate requirements of 19.15.17.12 NMAC See Appendix E</li> <li>Closure Plan (Please complete Boxes 14 through 18, if applicable) - based upon the appropriate requirements of Subsection C of 19.</li> <li>and 19.15.17.13 NMAC See Appendix F</li> </ul>	15.17.9 NMAC
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 doc 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         and 19.15.17.13 NMAC	
<ul> <li>Hydrogeologic Data - based upon the requirements of Paragraph (4) of Subsection B of 19.15.17.9 NMAC</li> <li>Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15.17.10 NMAC</li> </ul>	

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 a 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         Quality Control/Quality Assurance Construction and Installation Plan         Operating and Maintenance Plan - based upon the appropriate requirements of 19.15.17.11 NMAC         Nuisance or Hazardous Odors, including H <sub>2</sub> S, Prevention Plan         Emergency Response Plan         Oil Field Waste Stream Characterization         Monitoring and Inspection Plan         Errosion Control Plan         Closure Plan - based upon the appropriate requirements of 19.15.17.9 NMAC and 19.15.17.13 NMAC	locuments 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 Fit         □       □ 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	uid 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	attached to the
<sup>15.</sup> <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 source provided below. Requests regarding changes to certain siting criteria require justifications and/or demonstrations of equivalency. Pa 19.15.17.10 NMAC for guidance.	
<ul> <li>Ground water is less than 25 feet below the bottom of the buried waste.</li> <li>NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells</li> <li>See Appendices A &amp; B, and Figure 7</li> </ul>	☐ Yes ⊠ No ☐ NA
<ul> <li>Ground water is between 25-50 feet below the bottom of the buried waste</li> <li>NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells</li> <li>See Appendices A &amp; B, and Figure 7</li> </ul>	□ Yes ⊠ No □ NA
<ul> <li>Ground water is more than 100 feet below the bottom of the buried waste.</li> <li>NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells</li> <li>See Appendices A &amp; B, and Figure 7</li> </ul>	⊠ Yes □ No □ NA
<ul> <li>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).</li> <li>Topographic map; Visual inspection (certification) of the proposed site See Figure 6</li> </ul>	🗌 Yes 🛛 No
<ul> <li>Within 300 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application.</li> <li>Visual inspection (certification) of the proposed site; Aerial photo; Satellite image</li> <li>See Figure 2</li> </ul>	🗌 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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<ul> <li>NM Office of the State Engineer - iWATERS database; Visual inspective See Appendices A &amp; B, and Figure 7</li> </ul>	ection (certification) of the proposed site	
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 See Figures 2, 5 & 6	inspection (certification) of the proposed site	🗌 Yes 🛛 No
<ul> <li>Within incorporated municipal boundaries or within a defined municipal free adopted pursuant to NMSA 1978, Section 3-27-3, as amended.</li> <li>Written confirmation or verification from the municipality; Written a See Figure 2</li> </ul>	-	🗌 Yes 🖾 No
<ul> <li>Within the area overlying a subsurface mine.</li> <li>Written confirmation or verification or map from the NM EMNRD- See Figure 4</li> </ul>	Mining and Mineral Division	🗌 Yes 🛛 No
<ul> <li>Within an unstable area.</li> <li>Engineering measures incorporated into the design; NM Bureau of C Society; Topographic map</li> <li>See Figures 6, 8, &amp; 9, Appendix G</li> </ul>	Geology & Mineral Resources; USGS; NM Geological	🗌 Yes 🛛 No
Within a 100-year floodplain. - FEMA map See Figure 3		🗌 Yes 🛛 No
<ul> <li>On-Site Closure Plan Checklist: (19.15.17.13 NMAC) Instructions: Each by a check mark in the box, that the documents are attached.</li> <li>Siting Criteria Compliance Demonstrations - based upon the appropriate requirem</li> <li>Construction/Design Plan of Burial Trench (if applicable) based upor</li> <li>Construction/Design Plan of Temporary Pit (for in-place burial of a dr See Appendix D</li> <li>Protocols and Procedures - based upon the appropriate requirements of Confirmation Sampling Plan (if applicable) - based upon the appropriate requirements</li> <li>Disposal Facility Name and Permit Number (for liquids, drilling fluid See Appendix F</li> <li>Soil Cover Design - based upon the appropriate requirements of Subse</li> <li>Site Reclamation Plan - based upon the appropriate requirements of Subse</li> </ul>	ate requirements of 19.15.17.10 NMAC Attached ents of Subsection E of 19.15.17.13 NMAC in the appropriate requirements of Subsection K of 19.15.17. rying pad) - based upon the appropriate requirements of 19. f 19.15.17.13 NMAC See Appendix F ate requirements of 19.15.17.13 NMAC See Appendix F ents of 19.15.17.13 NMAC See Appendix F s and drill cuttings or in case on-site closure standards cann ection H of 19.15.17.13 NMAC See Appendix F ection H of 19.15.17.13 NMAC See Appendix F	11 NMAC 15.17.11 NMAC
<ul><li>17.</li><li>Operator Application Certification:</li><li>I hereby certify that the information submitted with this application is true, a</li></ul>	accurate and complete to the best of my knowledge and beli	ef
Name (Print): <u>Vera Zhongke Liu</u>	Title:         Lead HSE Factory Support Specialist	
Signature: The m	Date: <u>10/23/2024</u>	
e-mail address: veraliu@chevron.com	Telephone: <u>505-934-8195</u>	
18. OCD Approval:  Permit Application (including closure plan)  Close	ure Plan (only) OCD Conditions (see attachment)	
OCD Representative Signature:	Approval Date:	
Title:	OCD Permit Number:	
<sup>19.</sup> <u>Closure Report (required within 60 days of closure completion)</u> : 19.15.1 Instructions: Operators are required to obtain an approved closure plan p The closure report is required to be submitted to the division within 60 day section of the form until an approved closure plan has been obtained and t	rior to implementing any closure activities and submitting s of the completion of the closure activities. Please do not	
20.		·····
Closure Method:	Iternative Closure Method 🗌 Waste Removal (Closed-lo	oop systems only)

Form C-144 Released to Imaging: 10/25/2024 2:15:18 PM

e-mail address:\_

21.		
Closure Report Attachment Checklist: Instructions: E	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	n)	
Proof of Deed Notice (required for on-site closure f	or private land only)	
Plot Plan (for on-site closures and temporary pits)		
Confirmation Sampling Analytical Results (if applied	cable)	
Waste Material Sampling Analytical Results (require	red for on-site closure)	
Disposal Facility Name and Permit Number	·	
Soil Backfilling and Cover Installation		
Re-vegetation Application Rates and Seeding Tech	nique	
Site Reclamation (Photo Documentation)		
On-site Closure Location: Latitude	Longitude	NAD: 1927 1983
22.		
<b>Operator Closure Certification:</b>		
I hereby certify that the information and attachments subm	nitted 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 app		
5 1 11	1	
Name (Print):	Title:	
Signature:	Date:	

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Telephone: \_

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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

mporary Pit Plan (C-144T)
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#### CONDITIONS

Created By	Condition	Condition Date
joseph.kennedy	Temporary pit never constructed so request for cancelation is approved, and it is now closed out in the OCD system	10/25/2024

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