

**2RF - 120**

**Hayhurst Section 2  
Frac Ponds &  
Recycle Facility  
(East A & West B)  
Variance Request  
Inspection Schedule  
Approval**

**Chevron USA Inc  
July 31, 2020**

**From:** [LucasKamat, Susan, EMNRD](#)  
**To:** [Sule, Abdul A](#)  
**Cc:** [Yelvington, Priscilla](#); [Shi, Wei](#); [Vallejo, Tony](#); [Sanchez, Jessica L.](#)  
**Subject:** 2RF-120 Hayhurst Section 2 Frac Ponds & Recycling Facility Variance Request, Inspection Frequency  
**Date:** Friday, July 31, 2020 4:30:00 PM

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Good afternoon, Mr. Sule,

The New Mexico Oil Conservation Division ("OCD") has reviewed the recycling containment variance request and related documents for a reduced inspection schedule for 2RF-120 Hayhurst Section 2 Frac Ponds & Recycling Facility, received from Chevron USA ("Chevron") on May 12, 2020. Chevron requested a variances from 19.15.34 NMAC for the Hayhurst Section 2 Frac Ponds & Recycling Facility related to 19.15.34.10.C NMAC requirements for monthly inspections at the containment and 19.15.34.13.A NMAC requirements for weekly inspections of containments and the associated leak detection system when the containment contains fluids.

The OCD has approved the variance request to reduce inspection frequency with the following conditions,

- The 2RF-120 Hayhurst Section 2 Frac Ponds & Recycling Facility registration/permit expires on March 22, 2023.
- Chevron will continue to operate, maintain, and close the 2RF-120 Hayhurst Section 2 Frac Ponds & Recycling Facility in compliance with 19.15.34 NMAC, to include but not limited to: detailed inspection records, removal of trash/oil from containment, and monthly C-148 reporting for each recycling containment (even if there is zero activity).
- Water reuse and recycling from 2RF-120 Hayhurst Section 2 Frac Ponds & Recycling Facility is limited to wells owned or operated by Chevron OGRID # 4323.
- A minimum of 3-feet freeboard must be maintained in the recycling containment at all times during operations.
- Chevron will conduct, perform, and record inspections at 2RF-120 Hayhurst Section 2 Frac Ponds & Recycling Facility of the containments when they contain fluids on a bi-weekly frequency instead of the requested monthly frequency.

Please keep a copy of this electronic communication for your files, as no paper copy of the approval will be delivered. The signed C-147 will be saved in the 2RF-120 Hayhurst Section 2 Frac Ponds & Recycling Facility electronic file on the OCD website at <http://ocdimage.emnrd.state.nm.us/imaging//AEOrderFileView.aspx?appNo=pAB1805848475> within one (1) business day.

Please do not hesitate to contact me if you have any questions or comments.

Regards,  
Susan

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 April 3, 2017

## Recycling Facility and/or Recycling Containment

**Type of Facility:** ☐ Recycling Facility ☒ Recycling Containment\*  
**Type of action:** ☐ Permit ☐ Registration  
☐ Modification ☐ Extension  
☐ Closure ☒ Other (explain) inspection variance

\* 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 USA, Inc. (For multiple operators attach page with information) OGRID #: 4323  
Address: 6301 Deauville Blvd. Midland, TX 79706  
Facility or well name (include API# if associated with a well): Hayhurst New Mexico 2 Recycle Water Containment Structures  
OCD Permit Number: 2RF-120 (For new facilities the permit number will be assigned by the district office)  
U/L or Qtr/Qtr \_\_\_\_\_ Section \_\_\_\_\_ Township \_\_\_\_\_ Range \_\_\_\_\_ County: \_\_\_\_\_  
Surface Owner: ☐ Federal ☐ State ☐ Private ☐ Tribal Trust or Indian Allotment

2.  
☐ **Recycling Facility:**  
Location of recycling facility (if applicable): Latitude \_\_\_\_\_ Longitude \_\_\_\_\_ NAD83  
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 \_\_\_\_\_ Longitude \_\_\_\_\_ NAD83  
☐ For multiple or additional recycling containments, attach design and location information of each containment  
☐ Lined ☐ Liner type: Thickness \_\_\_\_\_ mil ☐ LLDPE ☐ HDPE ☐ PVC ☐ Other \_\_\_\_\_  
☐ String-Reinforced  
Liner Seams: ☐ Welded ☐ Factory ☐ Other \_\_\_\_\_ Volume: \_\_\_\_\_ bbl Dimensions: L \_\_\_\_\_ x W \_\_\_\_\_ x D \_\_\_\_\_  
☐ 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): Abdul Sule Title: Water Operations Supervisor  
 Signature:  Date: 5/12/2020  
 e-mail address: asule@chevron.com Telephone: 281-543-0080

11.

OCD Representative Signature:  Approval Date: July 31, 2020

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

☒ OCD Conditions Inspections shall be conducted every other week.

☒ Additional OCD Conditions on Attachment

## LucasKamat, Susan, EMNRD

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**From:** Sule, Abdul A <ASule@chevron.com>  
**Sent:** Tuesday, May 12, 2020 9:54 AM  
**To:** Enviro, OCD, EMNRD  
**Cc:** LucasKamat, Susan, EMNRD; Yelvington, Priscilla; Shi, Wei; Vallejo, Tony; Sanchez, Jessica L.  
**Subject:** [EXT] Chevron Request for RWCS Inspection Frequency Adjustment  
**Attachments:** SD 23 C147 RWCS Inspection Variance Request.pdf; SD 13 C147 RWCS Inspection Variance Request.pdf; HHNM 9&10 C147 RWCS Inspection Variance Request.pdf; HHNM 2 C147 RWCS Inspection Variance Request.pdf

**Importance:** High

Good Morning Susan,

Thank you for taking the time to take my call and discuss the questions I had around recycled water containment structure (RWCS) inspections. I appreciate you being understanding and flexible about the current environment we are all facing.

This email is to serve as a formal variance request for NMOCD to allow Chevron to temporarily reduce the frequency of the RWCS inspections when holding water. Chevron understands the inspection frequency per 19.15.34 NMAC requires weekly inspections when the structures hold water and monthly inspections when the structures are empty. Due to the ongoing global pandemic related to COVID-19 and associated social/physical distancing recommendations, we are requesting to reduce our inspection frequency from weekly to monthly to reduce workplace exposure potential. Chevron's RWCSs are not currently in active use with water coming in or going out for frac water operations and thus we feel a reduced frequency would be appropriate to request. Once Chevron resumes normal field coverage and operations, Chevron will re-implement weekly inspections. In support of this variance request, I have attached C-147s for the recycled water containment structures that this request applies to, which are as follows:

- 1RC-11: Salado Draw 23 Recycle Water Containment Structures
- 1RC-13: Salado Draw 13 Recycle Water Containment Structures
- 2RF-107: Hayhurst New Mexico 9&10 Recycle Water Containment Structures
- 2RF-120: Hayhurst New Mexico 2 Recycle Water Containment Structures

Please let us know at your earliest convenience if this variance request is amenable and approved by the NMOCD. Thank you, Susan for your consideration of this variance request.

***Abdul Sule***

*Water Ops Supervisor*

*Chevron Mid-Continent Business Unit*

*Cell: 281-543-0080 Work: 432-687-7559*

*6301 Deauville Blvd. Rm. S3406 Midland, TX 79706*