

AUG 10 2013

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

For closed-loop ground steel tanks to implement PER OCD RULE 19.15.17, Form C-144clez is no longer required to be submitted, but the operator still has to use and to report to the OCD that Closed-Loop System is being used. Put this statement on all intents. During this procedure we plan to use the Closed-Loop System and haul contents to the required disposal.

For closure, please submit a Form C-144.

evolution of surface water, ground water or the governmental authority's rules, regulations or ordinances.

### Closed-Loop System Permit or Closure

(that only use above ground steel tanks or haul-off bins and)

Type of action: ☒ Permit

Instructions: Please submit one application (Form C-144 CLEZ) per individual closed-loop system that only use above ground steel tanks or haul-off bins and propose to implement.

Please be advised that approval of this request does not relieve the operator of liability should operation occur. Nor does approval relieve the operator of its responsibility to comply with any other applicable laws, rules, regulations or ordinances.

1. Operator: Chevron USA, Inc. OGRID #: 4323  
Address: 15 Smith Road Midland, TX 79705  
Facility or well name: BRININSTOOL 23 23 33 USA 2H  
API Number: 30-025- 41331 OCD Permit Number: FOR RECORD ONLY  
U/L or Qtr/Qtr P Section 23 Township 23 S Range 33E County: LEA  
Center of Proposed Design: Latitude 32.283186 Longitude 103.535423 NAD: ☒ 1927 ☐ 1983  
Surface Owner: ☒ Federal ☐ State ☐ Private ☐ Tribal Trust or Indian Allotment

2. ☒ Closed-loop System: Subsection H of 19.15.17.11 NMAC

Operation: ☒ Drilling a new well ☐ Workover or Drilling (Applies to activities which require prior approval of a permit or notice of intent) ☐ P&A  
☐ Above Ground Steel Tanks or ☒ Haul-off Bins

3. 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

4. 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.

☒ 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 Box 5) - 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: \_\_\_\_\_

5. 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 identify 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: CRI Disposal Facility Permit Number: NM-01-0006  
Disposal Facility Name: Sundance Disposal Disposal Facility Permit Number: NM-01-0003

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

6. 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): Bryan Arrant-Agent for Chevron USA, Inc. Title: Regulatory Specialist II

Signature: [Signature] Date: 04/07/2013

e-mail address: bryan.arrant@chk.com Telephone: (405)935-3782

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7. **OCD Approval:** ☐ Permit Application (including closure plan) ☐ Closure Plan (only)

OCD Representative Signature: \_\_\_\_\_ Approval Date: AUG 10 2013

Title: \_\_\_\_\_ OCD Permit Number: RECEIVED

8. **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: \_\_\_\_\_

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

*Instructions: Please identify 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

10.

**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): \_\_\_\_\_ Title: \_\_\_\_\_

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

e-mail address: \_\_\_\_\_ Telephone: \_\_\_\_\_

HOEBS OCD

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## **Closed Loop System**

RECEIVED

**BRININSTOOL 23 23 33 USA 2H  
Unit P, Sec. 23, T-23-S R-33-E  
Lea, Co., NM  
API# 30-025-**

Plans are to use a closed loop system with roll off bins in the drilling of this well. Operator will maintain all liquids and solids within the closed loop system in a safe manner in order to protect public health and the environment.

### **Operations and Maintenance:**

During each tour, the rig's crew will inspect and monitor the drilling fluids contained within the tank and monitor any spill which may occur. Should a spill, release or leak occur; the NMOCD District I office in Hobbs (575.393.6161) will be notified. Please note that notifications may be made earlier to the district office should a greater release occur in compliance with NMOCD's rules.

### **Closure:**

During and after drilling operations, any fluids and solids will be transported to Controlled Recovery, Inc. Permit # NM-01-0006.

The alternative disposal facility will be at Sundance Disposal. Permit # NM-01-0003.