

**2RF-120
Hayhurst NM Section 2
Frac Pond and Recycle
Facility ID
[fAB1805848203]
Extension of the
Cessation of Operations
February-July 2023.**

[4323] CHEVRON USA

Venegas, Victoria, EMNRD

From: Vallejo, Tony <JVallejo@chevron.com>
Sent: Tuesday, January 17, 2023 11:24 AM
To: Venegas, Victoria, EMNRD
Subject: RE: [EXTERNAL] RE: 2RF-120 Hayhurst NM Section 2 Frac Pond and Recycle Facility

Victoria,

Thank you very much for your review, providing the record information for our water usage, and for your amendment to the 6-month extension.
I will relay the message to the Water Team.

From: Venegas, Victoria, EMNRD <Victoria.Venegas@emnrd.nm.gov>
Sent: Tuesday, January 17, 2023 12:18 PM
To: Vallejo, Tony <JVallejo@chevron.com>
Subject: [**EXTERNAL**] RE: [EXTERNAL] RE: 2RF-120 Hayhurst NM Section 2 Frac Pond and Recycle Facility

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Good morning Mr. Vallejo,

This is what we have in our records:

- The last month of usage of 2RF-120 was July of 2022. The 20% 6-month period would run from August 2022 to January 2023.
- Then the additional 6 months period for the extension of the cessation of operations will be from February 2023 until the end of July 2023.
- You don't have to resubmit the extension request. I'll add an amendment in the facility file.

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



From: Vallejo, Tony <JVallejo@chevron.com>
Sent: Tuesday, January 17, 2023 7:31 AM
To: Venegas, Victoria, EMNRD <Victoria.Venegas@emnrd.nm.gov>
Subject: RE: [EXTERNAL] RE: 2RF-120 Hayhurst NM Section 2 Frac Pond and Recycle Facility

Thank you, ma'am.

Thank you,

Venegas, Victoria, EMNRD

From: Vallejo, Tony <JVallejo@chevron.com>
Sent: Thursday, January 5, 2023 10:13 AM
To: Venegas, Victoria, EMNRD
Subject: [EXTERNAL] RE: 2RF-120 Hayhurst NM Section 2 Frac Pond and Recycle Facility
Importance: High

CAUTION: This email originated outside of our organization. Exercise caution prior to clicking on links or opening attachments.

Good morning, Victoria,

I called this morning and left a voicemail regarding this email response below. The water team is not planning on utilizing 20% from this 2RF-120 RWCS in HHNM in February like we had planned. I know your approval was only through February 28th to be considered operational. The extension request was originally for 6 months to ensure we could make it through the end of March, so that we could submit the annual extension request for March 22 to reset the 6-month 20% water usage. Would you be able to approve this original extension approval (yellow highlighted below) through March 31st? This would help us out tremendously to ensure we keep our 2RF-120 RWCS operational for our future well pad frac.

Please call me at your earliest convenience to discuss at 325-450-3428 or reply as soon as possible for guidance and direction.

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



Safety is as simple as ABC - Always Be Careful

From: Vallejo, Tony
Sent: Thursday, December 8, 2022 3:16 PM
To: Venegas, Victoria, EMNRD <Victoria.Venegas@emnrd.nm.gov>
Subject: RE: 2RF-120 Hayhurst NM Section 2 Frac Pond and Recycle Facility

Victoria,

Thank you so much for OCD approval for this 6-month extension. However, I do see an issue with the extension dates below. If our last 20% usage of water was July 2022, then Dec 2022 is our 6-month deadline to meet the 20% usage. Therefore, our 6-month extension should be until May 2023 and not February 28, 2023 (highlighted in yellow below), just in case our frac schedule moves again.

Please advise if this above explanation is correct.

Note: I plan on submitting the annual extension request on February 22, 2023, to meet the March 22, 2023 expiration date for another year.

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



Safety is as simple as ABC - Always Be Careful

From: Venegas, Victoria, EMNRD <Victoria.Venegas@emnrd.nm.gov>

Sent: Thursday, December 8, 2022 2:30 PM

To: Vallejo, Tony <jvallejo@chevron.com>

Subject: [**EXTERNAL**] 2RF-120 Hayhurst NM Section 2 Frac Pond and Recycle Facility

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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. "Recommendation 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

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



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

Action 176675

CONDITIONS

Operator: CHEVRON U S A INC 6301 Deauville Blvd Midland, TX 79706	OGRID: 4323
	Action Number: 176675
	Action Type: [C-147] Water Recycle Long (C-147L)

CONDITIONS

Created By	Condition	Condition Date
vvenegas	None	1/17/2023