

**C-147 Bonding Modification & Annual Extension request (Salado Draw 1RF-13)**

Date: 2/16/24

NMOCD,

Chevron MCBU is requesting a bonding modification from NMOCD for our 1RF-13 - Salado Draw 13 Recycled Water Containment Structures - Section 13W Containment, Facility ID [fTO1716430540] (Recycling Water Containment Structure; RWCS), due to allowing options to comply with the conditions of approval of utilizing 20% fluid capacity during a 6-month period. Currently, existing bonding C-147 (1RF-13) only allows Chevron MCBU to utilize the fluid capacity. Modifying the bonding will allow sharing the RWCS fluid with other companies/parties who have drilling/fracking operations in the area. An additional benefit of this modified bonding may also decrease surface disturbance of building multiple RWCSs in the area in the future.

Current, existing C-147 (1RF-13):

- 1RF-13 - Salado Draw 13 Recycled Water Containment Structures - Section 13W Containment, Facility ID [fTO1716430540] will operate as originally permitted. [4323] CHEVRON USA INC will comply with all conditions previously approved for permit 1RF-13 - Salado Draw 13 Recycled Water Containment Structures - Section 13W Containment, Facility ID [fTO1716430540]. No changes will be made to operation, maintenance and monitoring procedures, or closure procedures.

Chevron MCBU is also requesting an annual extension from NMOCD for our 1RF-13 - Salado Draw 13 Recycled Water Containment Structures - Section 13W Containment, Facility ID [fTO1716430540]. Enclosed is the C-147 form, summary of monthly inspections, and leak detection for the Salado Draw T26S R32E Sections 13 Recycling Containment. For original site plans and submittals, please refer to the facility's original registration application, 1RF-13 with previous annual extension approval from 4/16/23 thru 4/16/24. In accordance with NMAC 19.15.34.10 RECYCLING CONTAINMENTS, Chevron MCBU is requesting a one-year extension.

- 19.15.34.10 (C) NMAC states: "Registered recycling containments may be operated for five years from the date on which the registration is filed with the division. The operator may extend the allowed time on an annual basis thereafter with division approval if, 30 days prior to the registration expiration, the operator files a form C-147 with an attached summary showing all monthly inspections at the containment, including the monitoring of the leak detection system, showing the containment's integrity has not been compromised."

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

O: [432-687-7524](tel:432-687-7524)

C: [325-450-1413](tel:325-450-1413)

jvallejo@chevron.com



Safety is as simple as ABC - Always Be Careful

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 March 31, 2015

Recycling Facility and/or Recycling Containment

Type of Facility: ☐ Recycling Facility ☒ Recycling Containment*
Type of action: ☐ Permit ☐ Registration
☒ Modification ☒ Extension
☐ Closure ☒ Other (explain) Annual Extension request from
Annual Extension approved from April 16, 2024 to April 16, 2025. VV. 02/21/2024.

04/16/2023 to 04/16/2024 for 1RF-13

* 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 U.S.A. Inc. (For multiple operators attach page with information) OGRID #: 4323
Address: 1400 Smith Street, Houston TX 77002
Facility or well name (include API# if associated with a well): Salado Draw T26S R32E Sections 13 Recycling Containment
OCD Permit Number: 1RF-13 (For new facilities the permit number will be assigned by the district office)
U/L or Qtr/Qtr M Section 13 Township 26 South Range 32 East County: Lea
Surface Owner: ☒ Federal ☐ State ☐ Private ☐ Tribal Trust or Indian Allotment

2.

☐ **Recycling Facility:**

Location of recycling facility (if applicable): Latitude _____ Longitude _____ NAD: ☐ 1927 ☐ 1983

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 32.038060 Longitude -103.636220 NAD: ☐ 1927 ☒ 1983

☐ For multiple or additional recycling containments, attach design and location information of each containment

☒ Lined ☒ Liner type: Thickness 60 mil ☐ LLDPE ☒ HDPE ☐ PVC ☐ Other _____

☐ String-Reinforced

Liner Seams: ☒ Welded ☐ Factory ☒ Other Field Volume: 644,161 bbl Dimensions: L 925' x W 700' x D 23'

☐ 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 \$ 1,168,651.93 (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): Tony Vallejo Title: Sr. Workforce Safety & Environmental Specialist - FactorySignature: Tony Vallejo Date: 2/16/2024e-mail address: jvallejo@chevron.com Telephone: 325-450-1413

11.

OCD Representative Signature: Victoria Venegas Approval Date: 02/21/2024Title: Environmental Specilist OCD Permit Number: 1RF-13☒ OCD Conditions☒ Additional OCD Conditions on Attachment



2401 Pecos Ave.
P.O. Box 827
Artesia, NM 88210

An American company,
reshaping the earth, one location at a time.

((575) 748-1238
Fax (575) 748-1230

February 8, 2024

Attn: Tony

RE: Salado Draw Section 13 Frac Ponds

Tony,

To furnish labor, equipment and materials to remove liners from both ponds and haul off to dispose of, then use a D8 dozer and scrapers to push walls back into the middle of the ponds then recontour the area with the surrounding area so that it drains properly. This cost does not include pulling any water out of the ponds if there is any to dispose of and or any dust control during reclamation. Total Lump sum below.

Liner removal: \$ 771,439.20

Fence removal: \$39,994.73.

Labor: \$ 353,400.00

Seed mix & installation: \$ 3,818.00

Total Lump Sum: \$1,168,651.93

If you have any questions, please call.

Respectfully Submitted,

Eric Owens

Project Manager

e.owens@sweattconstruction.com

Cell: (575) 513-8753

Salado Draw (1RF-13) Section 13 East Weekly Inspections					
DATE (Week of)	BIRD DETERRENT ISSUES	FLUID IN LEAK DETECTION ISSUES	FENCE ISSUES	BERM OR LINER ISSUES	NOTES
2/4/2023	No	No	No	No	no issues
2/11/2023	No	No	No	No	no issues
2/18/2023	No	No	No	No	no issues
2/25/2023	No	No	No	No	no issues
3/4/2023	No	No	No	No	no issues
3/11/2023	No	No	No	No	no issues
3/18/2023	No	No	No	No	no issues
3/25/2023	No	No	No	No	no issues
4/1/2023	No	No	No	No	no issues
4/8/2023	No	No	No	No	no issues
4/15/2023	No	No	No	No	no issues
4/22/2023	No	No	No	No	no issues
4/29/2023	No	No	No	No	no issues
5/6/2023	No	No	No	No	no issues
5/13/2023	No	No	No	No	no issues
5/20/2023	No	No	No	No	no issues
5/27/2023	No	No	No	No	no issues
6/3/2023	No	No	No	No	no issues
6/10/2023	No	No	No	No	no issues
6/17/2023	No	No	No	No	no issues
6/24/2023	No	No	No	No	no issues
7/1/2023	No	No	No	No	no issues
7/8/2023	No	No	No	No	no issues
7/15/2023	No	No	No	No	no issues
7/22/2023	No	No	No	No	no issues
7/29/2023	No	No	No	No	no issues
8/5/2023	No	No	No	No	no issues
8/12/2023	No	No	No	No	no issues
8/19/2023	No	No	No	No	no issues
8/26/2023	No	No	No	No	no issues
9/2/2023	No	No	No	No	no issues
9/9/2023	No	No	No	No	no issues
9/16/2023	No	No	No	No	no issues
9/23/2023	No	No	No	No	no issues
9/30/2023	No	No	No	No	no issues
10/7/2023	No	No	No	No	no issues
10/14/2023	No	No	No	No	no issues
10/21/2023	No	No	No	No	no issues
10/28/2023	No	No	No	No	no issues
11/4/2023	No	No	No	No	no issues
11/11/2023	No	No	No	No	no issues
11/18/2023	No	No	No	No	no issues
11/25/2023	No	No	No	No	no issues
12/2/2023	No	No	No	No	no issues
12/9/2023	No	No	No	No	no issues
12/16/2023	No	No	No	No	no issues
12/23/2023	No	No	No	No	no issues
12/30/2023	No	No	No	No	no issues
1/6/2024	No	No	No	No	no issues
1/13/2024	No	No	No	No	no issues
1/20/2024	No	No	No	No	no issues
1/27/2024	No	No	No	No	no issues
2/3/2024	No	No	No	No	no issues
2/10/2024	No	No	No	No	no issues

Salado Draw (1RF-13) Section 13 West Weekly Inspections					
DATE (Week of)	BIRD DETERRENT ISSUES	FLUID IN LEAK DETECTION ISSUES	FENCE ISSUES	BERM OR LINER ISSUES	NOTES
2/4/2023	No	No	No	No	no issues
2/11/2023	No	No	No	No	no issues
2/18/2023	No	No	No	No	no issues
2/25/2023	No	No	No	No	no issues
3/4/2023	No	No	No	No	no issues
3/11/2023	No	No	No	No	no issues
3/18/2023	No	No	No	No	no issues
3/25/2023	No	No	No	No	no issues
4/1/2023	No	No	No	No	no issues
4/8/2023	No	No	No	No	no issues
4/15/2023	No	No	No	No	no issues
4/22/2023	No	No	No	No	no issues
4/29/2023	No	No	No	No	no issues
5/6/2023	No	No	No	No	no issues
5/13/2023	No	No	No	No	no issues
5/20/2023	No	No	No	No	no issues
5/27/2023	No	No	No	No	no issues
6/3/2023	No	No	No	No	no issues
6/10/2023	No	No	No	No	no issues
6/17/2023	No	No	No	No	no issues
6/24/2023	No	No	No	No	no issues
7/1/2023	No	No	No	No	no issues
7/8/2023	No	No	No	No	no issues
7/15/2023	No	No	No	No	no issues
7/22/2023	No	No	No	No	no issues
7/29/2023	No	No	No	No	no issues
8/5/2023	No	No	No	No	no issues
8/12/2023	No	No	No	No	no issues
8/19/2023	No	No	No	No	no issues
8/26/2023	No	No	No	No	no issues
9/2/2023	No	No	No	No	no issues
9/9/2023	No	No	No	No	no issues
9/16/2023	No	No	No	No	no issues
9/23/2023	No	No	No	No	no issues
9/30/2023	No	No	No	No	no issues
10/7/2023	No	No	No	No	no issues
10/14/2023	No	No	No	No	no issues
10/21/2023	No	No	No	No	no issues
10/28/2023	No	No	No	No	no issues
11/4/2023	No	No	No	No	no issues
11/11/2023	No	No	No	No	no issues
11/18/2023	No	No	No	No	no issues
11/25/2023	No	No	No	No	no issues
12/2/2023	No	No	No	No	no issues
12/9/2023	No	No	No	No	no issues
12/16/2023	No	No	No	No	no issues
12/23/2023	No	No	No	No	no issues
12/30/2023	No	No	No	No	no issues
1/6/2024	No	No	No	No	no issues
1/13/2024	No	No	No	No	no issues
1/20/2024	No	No	No	No	no issues
1/27/2024	No	No	No	No	no issues
2/3/2024	No	No	No	No	no issues
2/10/2024	No	No	No	No	no issues

Venegas, Victoria, EMNRD

From: Venegas, Victoria, EMNRD
Sent: Wednesday, February 21, 2024 2:34 PM
To: Vallejo, Tony
Subject: 1RF-13 - SALADO DRAW 13 RECYCLED WATER CONTAINMENT STRUCTURES - SECTION 13W CONTAINMENT, FACILITY ID [FTO1716430540]
Attachments: C-147 1RF-13 - Salado Draw 13 Recycled Water Containment Structures - Section 13W Containment 02.21.2024.pdf

1RF-13 - SALADO DRAW 13 RECYCLED WATER CONTAINMENT STRUCTURES - SECTION 13W CONTAINMENT, FACILITY ID [FTO1716430540]

Good afternoon Mr. Vallejo,

NMOCD has reviewed the documentation submitted by [4323] CHEVRON USA INC on 2/16/2024 Application ID 315284, requesting one year of annual extension for 1RF-13 - SALADO DRAW 13 RECYCLED WATER CONTAINMENT STRUCTURES - SECTION 13W CONTAINMENT, FACILITY ID [FTO1716430540] and a permit modification to allow 1RF-13 - SALADO DRAW 13 RECYCLED WATER CONTAINMENT STRUCTURES - SECTION 13W CONTAINMENT, FACILITY ID [FTO1716430540] to be used to deliver fluids to wells not owned or operated by Chevron.

The registration/permit annual extension request is approved with the following conditions of approval:

- The 1RF-13 - SALADO DRAW 13 RECYCLED WATER CONTAINMENT STRUCTURES - SECTION 13W CONTAINMENT, FACILITY ID [FTO1716430540] is approved for one (1) year of operation from the date of the previous registration/permit expiration date of April 16, 2024. The new registration/permit expiration date is April 16, 2025.
- [4323] CHEVRON USA INC will continue to operate, maintain, and close the 1RF-13 - SALADO DRAW 13 RECYCLED WATER CONTAINMENT STRUCTURES - SECTION 13W CONTAINMENT, FACILITY ID [FTO1716430540] in compliance with 19.15.34 NMAC, to include but not limited to the performance of weekly inspections regardless of fluid levels in the containment; recording of detailed inspection reports; removal of debris, foreign objects and oil from the containment; and monthly reporting of recycling and reuse of produced water, drilling fluids, and liquid oil field waste via from C-148.
- [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.
- If less than 20% of the total fluid capacity is utilized every consecutive six months, operation of the facility is considered ceased and notification of cessation of operations should be sent electronically to [OCD Online](#). An extension to extend the cessation of operations, not to exceed six months, may be submitted using a C-147 form through [OCD Online](#).
PLEASE NOTE: For future extension of cessations of operations requests, OCD will grant an additional 6-months to operate the containment. However, if after that 6-month period, the containment was 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.
- A minimum of 3-feet freeboard must be maintained in the recycling containment at all times.
- [4323] CHEVRON USA INC will comply with 19.15.29 NMAC Releases in the event of any release of produced water or produced water or other oil field wastes at 1RF-13 - SALADO DRAW 13 RECYCLED WATER CONTAINMENT STRUCTURES - SECTION 13W CONTAINMENT, FACILITY ID [FTO1716430540]. [4323] CHEVRON USA INC will comply with all other OCD rules.
- [4323] CHEVRON USA INC must perform weekly inspections of the containment and leak detection system.

- If [4323] CHEVRON USA INC wishes to extend the registration/permit past the April 16, 2025, a registration/permit extension request must be submitted to OCD. Extension requests are reviewed on a case-by-case basis and evaluated on their merit. Extensions are considered for a maximum length of one year. Additional requests must be submitted to OCD through the [OCD Online](#) system on a Form C-147 (long form) as an Extension request and should include a formal extension request letter, a summary of the prior registration/permit period inspection reports, and the copies of the detailed inspection records for the prior permit period. The extension request should be submitted no later than March 16, 2025.

The requested permit modification to allow 1RF-13 - SALADO DRAW 13 RECYCLED WATER CONTAINMENT STRUCTURES - SECTION 13W CONTAINMENT, FACILITY ID [FTO1716430540] to be used to deliver fluids to wells not owned or operated by [4323] CHEVRON USA INC is approved with the following conditions of approval:

- [4323] CHEVRON USA INC will operate 1RF-13 - SALADO DRAW 13 RECYCLED WATER CONTAINMENT STRUCTURES - SECTION 13W CONTAINMENT, FACILITY ID [FTO1716430540] as originally permitted.
- [4323] CHEVRON USA INC will comply with all conditions previously approved for the 1RF-13 - SALADO DRAW 13 RECYCLED WATER CONTAINMENT STRUCTURES - SECTION 13W CONTAINMENT, FACILITY ID [FTO1716430540] permit.
- No changes to the operations procedures, maintenance, monitoring procedures, or closure procedures will be made aside from the requested modification.
- The closure cost estimated provided in the modification request in the amount of \$1,168,651.93 meets the requirements of NMAC 19.15.34.14 CLOSURE AND SITE RECLAMATION REQUIREMENTS FOR RECYCLING CONTAINMENTS.
- The financial assurance should be mailed to:

EMNRD - Oil Conservation Division
Administration & Compliance Bureau
Attn: Bond Administrator
1220 S. St. Francis Drive | Santa Fe, NM 87505.
(505) 660-2501

- NMOCD will notify you when the bond has been received and approved.

Please let me know if you have any additional questions.

Regards,

Victoria Venegas • Environmental Specialist

Environmental Bureau

EMNRD - Oil Conservation Division

506 W. Texas Ave. Artesia, NM 88210

(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 315284

CONDITIONS

Operator: CHEVRON U S A INC 6301 Deauville Blvd Midland, TX 79706	OGRID: 4323
	Action Number: 315284
	Action Type: [C-147] Water Recycle Long (C-147L)

CONDITIONS

Created By	Condition	Condition Date
vvenegas	• The 1RF-13 - SALADO DRAW 13 RECYCLED WATER CONTAINMENT STRUCTURES - SECTION 13W CONTAINMENT, FACILITY ID [FTO1716430540] is approved for one (1) year of operation from the date of the previous registration/permit expiration date of April 16, 2024. The new registration/permit expiration date is April 16, 2025. The requested permit modification to allow 1RF-13 - SALADO DRAW 13 RECYCLED WATER CONTAINMENT STRUCTURES - SECTION 13W CONTAINMENT, FACILITY ID [FTO1716430540] to be used to deliver fluids to wells not owned or operated by [4323] CHEVRON USA INC is approved	2/21/2024