

**C-147 6-Month Extension & Annual Extension request (Hayhurst NM 2RF-120)**

Date: 2/29/24

NMOCD,

Chevron MCBU is requesting a "6-month Extension" from NMOCD for our Hayhurst NM 2RF-120 (Section 2) Recycling Water Containments Structure (RWCS) from April 1st – September 31st, 2024. September 2023 was the last month recycled water was utilized meeting the 20% usage. We will be exceeding the six months of not utilizing >20% of the total fluid capacity as of March 31, 2024, due to frac schedule changes.

Chevron MCBU is also requesting an annual extension from NMOCD for our 2RF-120 Hayhurst NM Section 2 Frac Pond and Recycle Facility. Enclosed is the C-147 form, summary of monthly inspections, and leak detection for the 2RF-120 Hayhurst NM Section 2 Frac Pond and Recycle Facility. 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)  
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[jvallejo@chevron.com](mailto: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) Extension of cessation of

operations request from April 1<sup>st</sup> thru September 31<sup>st</sup>, 2024 & Annual Extension request from 3/22/24 to 3/22/25 for  
2FR-120

\* 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): "HH NM Sec 2 Frac Pond and Recycle Facility"  
OCD Permit Number: 2RF-120 (A and B) (For new facilities the permit number will be assigned by the district office)  
U/L or Qtr/Qtr N Section 2 Township 26 South Range 27 East County: Eddy  
Surface Owner: ☐ Federal ☒ State ☐ Private ☐ Tribal Trust or Indian Allotment

2.

☒ **Recycling Facility:** (Location: U/L N, Section 2, T26S, R27E)  
Location of recycling facility (if applicable): Latitude 32.065644 Longitude -104.165003 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 32.071130 Longitude -104.166990 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: 587,330 bbl Dimensions: L 796' x W 683' 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 \$ 802,000 (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 - Factory

Signature: Tony Vallejo Date: 2/29/24

e-mail address: jvallejo@chevron.com Telephone: 325-450-1413

11.

OCD Representative Signature: Victoria Venegas Approval Date: 03/11/2024

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

☒ OCD Conditions \_\_\_\_\_

☒ Additional OCD Conditions on Attachment

HHNM (2RF-120) Section 2 West Weekly Inspections					
DATE	BIRD DETERRENT ISSUES	FLUID IN LEAK DETECTION ISSUES	FENCE ISSUES	BERM OR LINER ISSUES	NOTES
2/27/2023	No	No	No	No	
3/6/2023	No	No	No	No	
3/13/2023	No	No	No	No	
3/20/2023	No	No	No	No	
3/27/2023	No	No	No	No	
4/3/2023	No	No	No	No	
4/10/2023	No	No	No	No	
4/17/2023	No	No	No	No	
4/24/2023	No	No	No	No	
5/1/2023	No	No	No	No	
5/8/2023	No	No	No	No	
5/15/2023	No	No	No	No	
5/22/2023	No	No	No	No	
5/29/2023	No	No	No	No	
6/5/2023	No	No	No	No	
6/12/2023	No	No	No	No	
6/19/2023	No	No	No	No	
6/26/2023	No	No	No	No	
7/3/2023	No	No	No	No	
7/10/2023	No	No	No	No	
7/17/2023	No	No	No	No	
7/24/2023	No	No	No	No	
7/31/2023	No	No	No	No	
8/7/2023	No	No	No	No	
8/14/2023	No	No	No	No	
8/21/2023	No	No	No	No	
8/28/2023	No	No	No	No	
9/4/2023	No	No	No	No	
9/11/2023	No	No	No	No	
9/18/2023	No	No	No	No	
9/25/2023	No	No	No	No	
10/2/2023	No	No	No	No	
10/9/2023	No	No	No	No	
10/16/2023	No	No	No	No	
10/23/2023	No	No	No	No	
10/30/2023	No	No	No	No	
11/6/2023	No	No	No	No	
11/13/2023	No	No	No	No	
11/20/2023	No	No	No	No	
11/27/2023	No	No	No	No	
12/4/2023	No	No	No	No	
12/11/2023	No	No	No	No	
12/18/2023	No	No	No	No	
12/25/2023	No	No	No	No	
1/1/2024	No	No	No	No	
1/8/2024	No	No	No	No	
1/15/2024	No	No	No	No	
1/22/2024	No	No	No	No	
1/29/2024	No	No	No	No	
2/5/2024	No	No	No	No	
2/12/2024	No	No	No	No	
2/19/2024	No	No	No	No	
2/26/2024	No	No	No	No	

HHNM (2RF-120) Section 2 East Weekly Inspections					
DATE	BIRD DETERRENT ISSUES	FLUID IN LEAK DETECTION ISSUES	FENCE ISSUES	BERM OR LINER ISSUES	NOTES
2/27/2023	No	No	No	No	
3/6/2023	Yes	No	No	No	Bird Deterrent needs replacement
3/13/2023	Yes	No	No	No	Bird Deterrent needs replacement
3/20/2023	No	No	No	No	Bird Deterrent replaced and working
3/27/2023	No	No	No	No	
4/3/2023	No	No	No	No	
4/10/2023	No	No	No	No	
4/17/2023	No	No	No	No	
4/24/2023	No	No	No	No	
5/1/2023	No	No	No	No	
5/8/2023	No	No	No	No	
5/15/2023	No	No	No	No	
5/22/2023	No	No	No	No	
5/29/2023	No	No	No	No	
6/5/2023	No	No	No	No	
6/12/2023	No	No	No	No	
6/19/2023	No	No	No	No	
6/26/2023	No	No	No	No	
7/3/2023	No	No	No	No	
7/10/2023	No	No	No	No	
7/17/2023	No	No	No	No	
7/24/2023	No	No	No	No	
7/31/2023	No	No	No	No	
8/7/2023	No	No	No	No	
8/14/2023	No	No	No	No	
8/21/2023	No	No	No	No	
8/28/2023	No	No	No	No	
9/4/2023	No	No	No	No	
9/11/2023	No	No	No	No	
9/18/2023	No	No	No	No	
9/25/2023	No	No	No	No	
10/2/2023	No	No	No	No	
10/9/2023	No	No	No	No	
10/16/2023	No	No	No	No	
10/23/2023	No	No	No	No	
10/30/2023	No	No	No	No	
11/6/2023	No	No	No	No	
11/13/2023	No	No	No	No	
11/20/2023	No	No	No	No	
11/27/2023	No	No	No	No	
12/4/2023	No	No	No	No	
12/11/2023	No	No	No	No	
12/18/2023	No	No	No	No	
12/25/2023	No	No	No	No	
1/1/2024	No	No	No	No	
1/8/2024	No	No	No	No	
1/15/2024	No	No	No	No	
1/22/2024	No	No	No	No	
1/29/2024	No	No	No	No	
2/5/2024	No	No	No	No	
2/12/2024	No	No	No	No	
2/19/2024	No	No	No	No	Aeration down;work order requested
2/26/2024	No	No	No	No	Aeration down;work order submitted

**Venegas, Victoria, EMNRD**

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**From:** Venegas, Victoria, EMNRD  
**Sent:** Monday, March 11, 2024 3:28 PM  
**To:** Vallejo, Tony  
**Subject:** 2RF-120 Hayhurst NM Section 2 Frac Pond and Recycle Facility ID [fAB1805848203]  
**Attachments:** C-147 2RF-120 HAYHURST NM SECTION 2 FRAC POND AND RECYCLE FACILITY ID [FAB1805848203] 03.11.2024.pdf

**2RF-120 Hayhurst NM Section 2 Frac Pond and Recycle Facility ID [fAB1805848203].**

Good morning Mr. Vallejo,

The Oil Conservation Division has reviewed the registration/permit annual extension request received from [4323] CHEVRON USA INC on February 29, 2024, for 2RF-120 Hayhurst NM Section 2 Frac Pond and Recycle Facility ID [fAB1805848203]. The requested annual extension is approved with the following conditions of approval:

- 2RF-120 Hayhurst NM Section 2 Frac Pond and Recycle Facility ID [fAB1805848203] is approved for one (1) year of operation from the date of the previous registration/permit expiration date of March 22, 2024. The new registration/permit expiration date is March 22, 2025.
- [4323] CHEVRON USA INC will continue to operate, maintain, and close the 2RF-120 Hayhurst NM Section 2 Frac Pond and Recycle Facility ID [fAB1805848203] 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.
- [4323] CHEVRON USA INC will comply with 19.15.29 NMAC Releases in the event of any release at 2RF-120 Hayhurst NM Section 2 Frac Pond and Recycle Facility ID [fAB1805848203]. [4323] CHEVRON USA INC will comply with all other OCD rules.
- If [4323] CHEVRON USA INC wishes to extend the registration/permit past the March 22, 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 through OCD Online on a Form C-147 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 February 22, 2025.

The Oil Conservation Division has reviewed the determination of the cessation of operations extension request received from [4323] CHEVRON USA INC on February 29, 2024, for 2RF-120 Hayhurst NM Section 2 Frac Pond and Recycle Facility ID [fAB1805848203]. The requested extension of the cessation of operations is approved with the following conditions of approval:

- The 2RF-120 Hayhurst NM Section 2 Frac Pond and Recycle Facility ID [fAB1805848203] registration/permit expires on March 22, 2025.
- The 2RF-120 Hayhurst NM Section 2 Frac Pond and Recycle Facility ID [fAB1805848203] extension of the cessation of operations is approved from April 1<sup>st</sup> – September 31<sup>st</sup>, 2024. **However, if after this 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.**

- [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 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. "Recommencement 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).
- A minimum of 3-feet freeboard must always be maintained in the recycling containment during operations.

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](mailto:Victoria.Venegas@emnrd.nm.gov)  
<https://www.emnrd.nm.gov/oecd/>





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**District III**  
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**District IV**  
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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 319048

CONDITIONS

Operator: CHEVRON U S A INC 6301 Deauville Blvd Midland, TX 79706	OGRID: 4323
	Action Number: 319048
	Action Type: [C-147] Water Recycle Long (C-147L)

CONDITIONS

Created By	Condition	Condition Date
vvenegas	• 2RF-120 Hayhurst NM Section 2 Frac Pond and Recycle Facility ID [fAB1805848203] is approved for one (1) year of operation from the date of the previous registration/permit expiration date of March 22, 2024. The new registration/permit expiration date is March 22, 2025. f [4323] CHEVRON USA INC wishes to extend the registration/permit past the March 22, 2025, a registration/permit extension request must be submitted to OCD no later than February 22, 2025.	3/11/2024
vvenegas	• The 2RF-120 Hayhurst NM Section 2 Frac Pond and Recycle Facility ID [fAB1805848203] extension of the cessation of operations is approved from April 1st – September 31st, 2024. However, if after this 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.	3/11/2024