Form C-144 July 21, 2008

District I

1625 N. French Dr., Hobbs, NM 88240

District II

1301 W. Grand Avenue, Artesia, NM 88210

District III

1000 Rio Brazos Road, Aztec, NM 87410

District IV

1222 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico

Energy Minerals and Natural Resources

Department

Oll Conservation Division

1220 South St. Francis Dr.

State of New Mexico

Energy Minerals and Natural Resources

Department

1220 South St. Francis Dr.

Santa Fe, NM 87505

For temporary pits, closed-loop systems, and below-grade tanks, submit to the appropriate NMOCD District Office.

For permanent pits and exceptions submit to the Santa Fe Environmental Bureau office and provide a copy to the appropriate NMOCD District Office.

Pit, Closed-Loop System, Below-Grade Tank, or							
Proposed Alternative Method Permit or Closure Plan Application							
Type of action: Permit of a pit, closed-loop system, below-grade tank, or proposed alternative method Closure of a pit, closed-loop system, below-grade tank, or proposed alternative method Modification to an existing permit Closure plan only submitted for an existing permitted or non-permitted pit, closed-loop system,							
below-grade tank, or proposed alternative method							
Instructions: Please submit one application (Form C-144) per individual pit, closed-loop system, below-grade tank or alternative request							
Please 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.							
Operator: Four Star Oil & Gas Company OGRID #: 131944							
Address: P.O. Box 36366 Houston, TX 77236							
Facility or well name: _Jicarilla C 14E							
API Number: <u>30-039-22720</u> OCD Permit Number:							
U/L or Qtr/Qtr Otr/Qtr D Section 27 Township 25N Range 5W County: Rio Arriba							
Center of Proposed Design: Latitude 36 375533° Longitude 107 353163° NAD: 1927 1983							
Surface Owner: Federal State Private Tribal Trust or Indian Allotment							
Pit: Subsection F or G of 19.15.17.11 NMAC Temporary:							
Subsection I of 19.15.17.11 NMAC							

Alternative Method:

Submittal of an exception request is required. Exceptions must be submitted to the Santa Fe Environmental Bureau office for consideration of approval.

Fencing: Subsection D of 19.15.17.11 NMAC (Applies to permanent pits, temporary pits, and below-grade tanks) Chain link, six feet in height, two strands of barbed wire at top (Required if located within 1000 feet of a permanent residence, school, institution or church) Four foot height, four strands of barbed wire evenly spaced between one and four feet Alternate. Please specify	hospital,
7. Netting: Subsection E of 19.15.17.11 NMAC (Applies to permanent pits and permanent open top tanks) Screen Netting Other Monthly inspections (If netting or screening is not physically feasible)	-
8. 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 19.15.3.103 NMAC	
9. Administrative Approvals and Exceptions: Justifications and/or demonstrations of equivalency are required. Please refer to 19.15.17 NMAC for guidance. Please check a box if one or more of the following is requested, if not leave blank: Administrative approval(s): Requests must be submitted to the appropriate division district or the Santa Fe Environmental Bureau consideration of approval. Exception(s): Requests must be submitted to the Santa Fe Environmental Bureau office for consideration of approval.	office for
Siting Criteria (regarding permitting): 19.15.17.10 NMAC Instructions: The applicant must demonstrate compliance for each siting criteria below in the application. Recommendations of accept material are provided below. Requests regarding changes to certain siting criteria may require administrative approval from the approoffice or may be considered an exception which must be submitted to the Santa Fe Environmental Bureau office for consideration of a Applicant must attach justification for request. Please refer to 19.15.17.10 NMAC for guidance. Siting criteria does not apply to dry above-grade tanks associated with a closed-loop system.	priate district pproval.
Ground water is less than 50 feet below the bottom of the temporary pit, permanent pit, or below-grade tank. - Please reference hydrogeologic report and printout from iWATERS database.	☐ 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). - Please reference the attached topographic map with distance rings. In addition, a field visit was conducted by Envirotech in July 2008 certifying that, at the time, there were no watercourses within the distance specified above.	☐ Yes ⊠ No
Within 300 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application. (Applies to temporary, emergency, or cavitation pits and below-grade tanks) - Please reference the attached aerial photo. In addition, a field visit was conducted by Envirotech in July 2008 certifying that, at the time, there were no referenced buildings within the distance specified above.	Yes No
Within 1000 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application. (Applies to permanent pits) - Please reference the attached aerial photo. In addition, a field visit was conducted by Envirotech in July 2008 certifying that, at the time, there were no referenced buildings within the distance specified above.	Yes No
Within 500 horizontal feet of a private, domestic fresh water well or spring that less than five households use for domestic or stock watering purposes, or within 1000 horizontal feet of any other fresh water well or spring, in existence at the time of initial application. - Please reference the attached iWATERS printout. In addition, a field visit was conducted by Envirotech in July 2008 certifying that, at the time, there were no wells or springs within the distances specified above.	☐ Yes ☑ No
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. The site is not within any known incorporated municipal boundaries, please reference the attached topographic map.	☐ Yes ☒ No
Within 500 feet of a wetland. - Please reference the attached topographic map with distance rings. In addition, a field visit was conducted by Envirotech in July 2008 certifying that, at the time, there were no wetlands within the distance specified above	☐ Yes ⊠ No
Within the area overlying a subsurface mine. - Please reference the attached topographic map	☐ Yes ☒ No
 Within an unstable area. Please reference the attached topographic map which includes FEMA flood map data. The map indicates the well site is outside of any known 100 year floodplains. 	☐ Yes ☒ No
Within a 100-year floodplain.	

11. <u>Temporary Pits, Emergency Pits, and Below-grade Tanks Permit Application Attachment Checklist</u> : 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. ☐ Hydrogeologic Report (Below-grade Tanks) - based upon the requirements of Paragraph (4) of Subsection B of 19.15.17.9 NMAC ☐ Hydrogeologic Data (Temporary and Emergency Pits) - based upon the requirements of Paragraph (2) of Subsection B of 19.15.17.9 NMAC ☐ Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15.17.10 NMAC ☐ 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 Boxes 14 through 18, if applicable) - 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: or Permit Number:
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. Geologic and Hydrogeologic Data (only for on-site closure) - based upon the requirements of Paragraph (3) of Subsection B of 19.15.17.9 Siting Criteria Compliance Demonstrations (only for on-site closure) - based upon the appropriate requirements of 19.15.17.10 NMAC 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 Boxes 14 through 18, if applicable) - 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:(Applies only to closed-loop system that use
above ground steel tanks or haul-off bins and propose to implement waste removal for closure)
Permanent Pits Permit Application 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. Hydrogeologic Report - based upon the requirements of Paragraph (1) of Subsection B of 19.15.17.9 NMAC Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15.17.10 NMAC Climatological Factors Assessment Certified Engineering Design Plans - based upon the appropriate requirements of 19.15.17.11 NMAC Dike Protection and Structural Integrity Design - based upon the appropriate requirements of 19.15.17.11 NMAC Leak Detection Design - based upon the appropriate requirements of 19.15.17.11 NMAC Liner Specifications and Compatibility Assessment - based upon the appropriate requirements of 19.15.17.11 NMAC Quality Control/Quality Assurance Construction and Installation Plan Operating and Maintenance Plan - based upon the appropriate requirements of 19.15.17.12 NMAC Freeboard and Overtopping Prevention Plan - based upon the appropriate requirements of 19.15.17.11 NMAC Nuisance or Hazardous Odors, including H ₂ S, Prevention Plan Emergency Response Plan Oil Field Waste Stream Characterization Monitoring and Inspection Plan Erosion Control Plan Closure Plan - based upon the appropriate requirements of Subsection C of 19.15.17.9 NMAC and 19.15.17.13 NMAC
Proposed Closure: 19.15.17.13 NMAC Instructions: Please complete the applicable boxes, Boxes 14 through 18, in regards to the proposed closure plan. Type: Drilling Workover Emergency Cavitation P&A Permanent Pit Below-grade Tank Closed-loop System Alternative Proposed Closure Method: Waste Excavation and Removal Waste Removal (Closed-loop systems only) On-site Closure Method (Only for temporary pits and closed-loop systems) In-place Burial On-site Trench Burial Alternative Closure Method (Exceptions must be submitted to the Santa Fe Environmental Bureau for consideration)
Waste Excavation and Removal Closure Plan Checklist: (19.15.17.13 NMAC) Instructions: Each of the following items must be attached to the closure plan. Please indicate, by a check mark in the box, that the documents are attached. ☐ Protocols and Procedures - based upon the appropriate requirements of 19.15.17.13 NMAC ☐ Confirmation Sampling Plan (if applicable) - based upon the appropriate requirements of Subsection F of 19.15.17.13 NMAC ☐ Disposal Facility Name and Permit Number (for liquids, drilling fluids and drill cuttings) ☐ 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 G of 19.15.17.13 NMAC

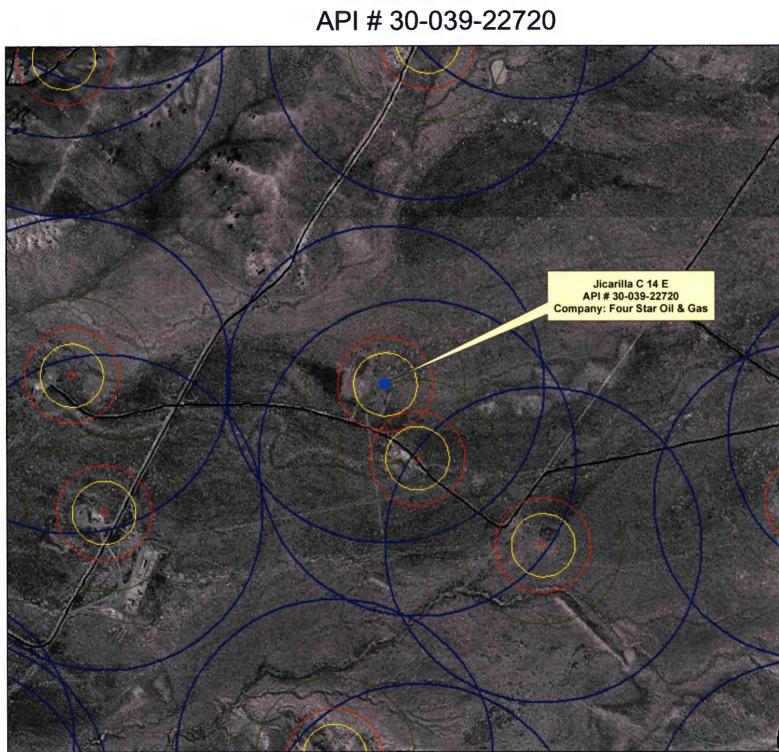
Waste Removal Closure For Closed-loop Systems That Utilize Above Ground Steel Tanks or Haul-off Bins Only: (19.15.17.13.1	D NMAC)					
Instructions: Please indentify the facility or facilities for the disposal of liquids, drilling fluids and drill cuttings. Use attachment if facilities are required.						
Disposal Facility Name: Disposal Facility Permit Number:	•					
Disposal Facility Name: Disposal Facility Permit Number:						
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) \(\subseteq \) 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	C					
Siting Criteria (regarding on-site closure methods only): 19.15.17.10 NMAC Instructions: Each siting criteria requires a demonstration of compliance in the closure plan. Recommendations of acceptable sou provided below. Requests regarding changes to certain siting criteria may require administrative approval from the appropriate disconsidered an exception which must be submitted to the Santa Fe Environmental Bureau office for consideration of approval. Just demonstrations of equivalency are required. Please refer to 19.15.17.10 NMAC for guidance.	trict office or may be					
Ground water is less than 50 feet below the bottom of the buried waste. - NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells	Yes No					
Ground water is between 50 and 100 feet below the bottom of the buried waste - NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells	Yes No					
Ground water is more than 100 feet below the bottom of the buried waste. - NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells	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). - Topographic map; Visual inspection (certification) of the proposed site	Yes No					
Within 300 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application. - Visual inspection (certification) of the proposed site; Aerial photo; Satellite image	Yes No					
Within 500 horizontal feet of a private, domestic fresh water well or spring that less than five households use for domestic or stock watering purposes, or within 1000 horizontal feet of any other fresh water well or spring, in existence at the time of initial application. - NM Office of the State Engineer - iWATERS database; Visual inspection (certification) of the proposed site						
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. - Written confirmation or verification from the municipality; Written approval obtained from the municipality	Yes No					
Within 500 feet of a wetland. - US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site	☐ Yes ☐ No					
Within the area overlying a subsurface mine. - Written confirmation or verification or map from the NM EMNRD-Mining and Mineral Division	Yes No					
Within an unstable area. - Engineering measures incorporated into the design; NM Bureau of Geology & Mineral Resources; USGS; NM Geological Society; Topographic map	☐ Yes ☐ No					
Within a 100-year floodplain FEMA map	☐ Yes ☐ No					
On-Site Closure Plan Checklist: (19.15.17.13 NMAC) Instructions: Each of the following items must be attached to the closure p by a check mark in the box, that the documents are attached. Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15.17.10 NMAC Proof of Surface Owner Notice - based upon the appropriate requirements of Subsection F of 19.15.17.13 NMAC Construction/Design Plan of Burial Trench (if applicable) based upon the appropriate requirements of 19.15.17.11 NMAC Construction/Design Plan of Temporary Pit (for in-place burial of a drying pad) - based upon the appropriate requirements of 19.15.17.13 NMAC Confirmation Sampling Plan (if applicable) - based upon the appropriate requirements of Subsection F of 19.15.17.13 NMAC Waste Material Sampling Plan - based upon the appropriate requirements of Subsection F of 19.15.17.13 NMAC Disposal Facility Name and Permit Number (for liquids, drilling fluids and drill cuttings or in case on-site closure standards can Soil Cover Design - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC Re-vegetation Plan - based upon the appropriate requirements of Subsection G of 19.15.17.13 NMAC	.15.17,11 NMAC					

Operator Application Certification: I hereby certify that the information submitted with this application is true, accurat	e and complete to the best of my knowledge and belief.
Name (Print): Rodney Bailey	Title: Waste & Water Group Lead
Signature: Signature:	Date: March 1, 2010
e-mail address: Bailerg@chevron.com	Telephone: (432) 687 7123
OCD Approval: Permit Application (including closure plan) Closure Plan	n (only) OCD Conditions (see attachment)
OCD Representative Signature:	Approval Date:
Title:	OCD Permit Number:
Closure Report (required within 60 days of closure completion): Subsection K Instructions: Operators are required to obtain an approved closure plan prior to The closure report is required to be submitted to the division within 60 days of the section of the form until an approved closure plan has been obtained and the closure	implementing any closure activities and submitting the closure report. e completion of the closure activities. Please do not complete this sure activities have been completed.
	Closure Completion Date:
Closure Method: Waste Excavation and Removal On-Site Closure Method Alternati If different from approved plan, please explain.	ve Closure Method Waste Removal (Closed-loop systems only)
	Disposal Facility Permit Number:
Disposal Facility Name: Were the closed-loop system operations and associated activities performed on or in	Disposal Facility Permit Number:
Yes (If yes, please demonstrate compliance to the items below) \(\subseteq \text{No} \)	rateus that will not be used for future service and operations.
Required for impacted areas which will not be used for future service and operation Site Reclamation (Photo Documentation) Soil Backfilling and Cover Installation Re-vegetation Application Rates and Seeding Technique	15:
24.	District by the standard of th
Closure Report Attachment Checklist: Instructions: Each of the following item mark in the box, that the documents are attached. Proof of Closure Notice (surface owner and division) Proof of Deed Notice (required for on-site closure) Plot Plan (for on-site closures and temporary pits) Confirmation Sampling Analytical Results (if applicable) Waste Material Sampling Analytical Results (required for on-site closure) Disposal Facility Name and Permit Number Soil Backfilling and Cover Installation Re-vegetation Application Rates and Seeding Technique Site Reclamation (Photo Documentation) On-site Closure Location: Latitude	
25.	
Operator Closure Certification: I hereby certify that the information and attachments submitted with this closure repbelief. I also certify that the closure complies with all applicable closure requirements.	
Name (Print):	Title:
Signature:	Date:
e-mail address:	Telephone:

Well Name & Number: JICARILLA C # 14E DATE: 7-25-02 API#: 3003922720 Initials: SG Lease #: Contract 34 Quarter/Quarter: D Section: 27 Township: 25 N Range: 5W Lat: <u>V 36. 375533°</u> Long: <u>W 107.353163°</u> Pit Tank #1: Manufacturer: MUR Tex (1). Serial #: NA DOM: NA Size NA bbl o If N/A – Dimensions: Diameter / 3 Height 3 Material: Steel____ Galvanized____ Fiberglass_X Tank Configuration: Double Wall____ Single Wall___ (Buried____ or Exposed___ Walls) Contents: Produced Water X Condensate Recycled Oil Tank Top Covering: Solid/Cone-top____ Netting X (Solid_FiberX) Secondary Containment: Yes X No____ Fencing around berm: Yes X No ○ Fence Type: Cattle Panel____ Field Fence X Barbwire Pit Tank #2: Manufacturer:_____ Serial #:_____ DOM:____ Size bbl If N/A – Dimensions: Diameter______ Height____ Steel____ Galvanized___ Material: Fiberglass Tank Configuration: Double Wall____ Single Wall___ (Buried___ or Exposed___ Walls) Contents: Produced Water___ Condensate___ Recycled Oil___ Tank Top Covering: Solid/Cone-top____ Netting___ (Solid_ Fiber__) Secondary Containment: Yes____ No___ Fencing around berm: Yes_____ No___ o Fence Type: Cattle Panel Field Fence Barbwire Above-Ground Tank #1: Manufacturer: NA DOM: NA Serial #: NA o If N/A – Dimensions: Diameter 13 Height 3 / Material: Steel____ Galvanized___ Fiberglass X

Contents: Produced Water X Condensate___ (State #__NA___) Recycled Oil____ Secondary Containment: Yes____ No_X Above-Ground Tank #2: Manufacturer:____ Serial #:____ DOM:____ Size____bbl ○ If N/A – Dimensions: Diameter_____ Height Steel____ Galvanized_ Material: Fiberglass Contents: Produced Water____ (State #_____) Recycled Oil___ Secondary Containment: Yes____ No____ Above-Ground Tank #3: Manufacturer: Serial #:____ Size____bbl DOM:____ ○ If N/A – Dimensions: Diameter_____ Height____ Galvanized____ Material: Steel____ Fiberglass_____ Contents: Produced Water____ (State #_____) Recycled Oil Secondary Containment: Yes No

Jicarilla C 14 E



Legend Mines; NMRGIS 200' buffer 300' buffer 500' buffer 1000' Buffer NWI wetland polygons Chevron/4 Star Locations Water Wells (iWaters) 00.00.02 0.04 0.06 0.08



Human Energy: W-



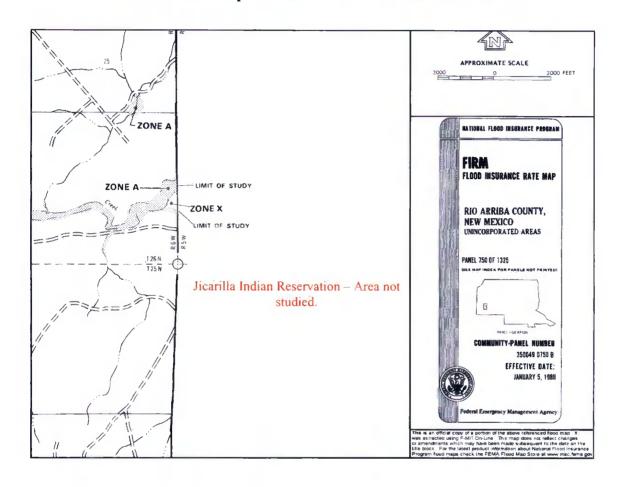
Measure any distance 1000ft or less of the following:

course any continuous flowing From wellhead to

school, church, hospital, etc. any permanent residence, From below-grade tanks to

Jicarilla C # 14 E API # 30-039-22720 Sec. 27 T25N R5W

** NO Fema Map/Information available for this location**



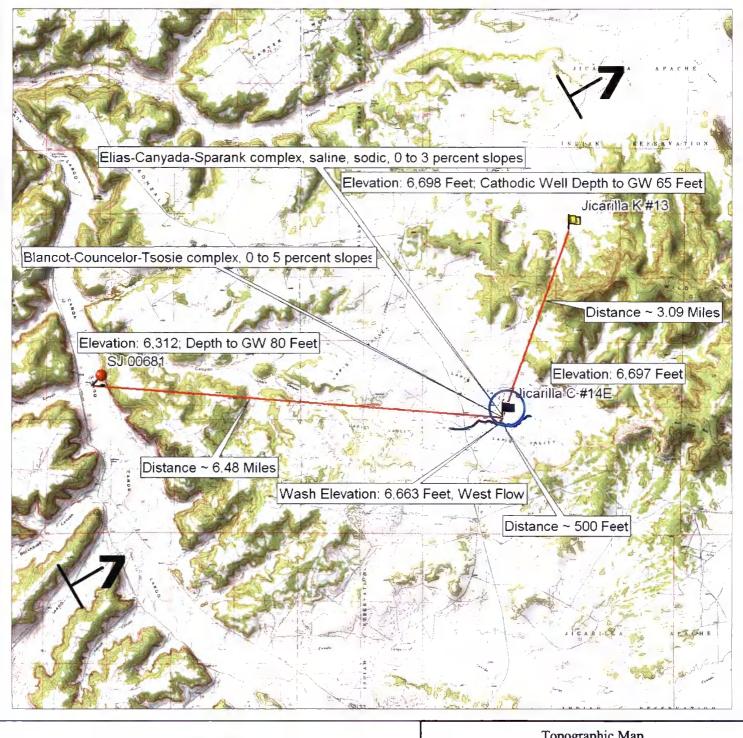
Jicarilla C #14E Groundwater Statement

The attached iWATERS database search and topographic map shows a water well approximately 6.48 miles to the west with a depth to groundwater of 80 feet. This water well is labeled on the topographic map with a red point. As evidenced on the attached topographic map, the water well is at an elevation approximately 385 feet lower than the Jicarilla C #14E well site, which is represented by a blue flag on the topographic map. The attached cathodic well data sheet for a cathodic well drilled in 1971 for the Jicarilla K #13 well site, owned and operated by ConocoPhillips, indicates that groundwater was encountered at 65 feet. This cathodic well data sheet is stamped as being accepted by the OCD in March of 1990. The Jicarilla K #13 well site is located approximately 3.09 miles to the north-east of the Jicarilla C #14E well site at an elevation approximately 1 foot higher than the Jicarilla C #14E well site. The Jicarilla K #13 well site is represented on the map by a yellow flag. The soil types at the Jicarilla C #14E well site are the Elias-Canyada-Sparank complex, saline, sodic, 0 to 3 percent slopes and Blancot-Councelor-Tsosie complex, 0 to 5 percent slopes. The Elias-Canyada-Tsosie complex is a well drained soil, characterized by clayey alluvium derived from sandstone and shale, with a moderate to high available water capacity. The Blancot-Councelor-Tsosie complex is a well drained soil, characterized by alluvium derived from sandstone and shale and/or eolian deposits derived from sandstone and shale. The nearest surface water is approximately 500 feet to the south-west of the Jicarilla C #14E well site at an elevation of 6,663 feet. This is a west flowing ephemeral wash that only exists during periods of heavy precipitation. This wash is a second order tributary of the Lapis Canyon Wash. The Jicarilla C #14E well site lies in the San Jose Formation Aquifer which dips at 7 degrees to the north-east (Frenzel, 1983); see Topographic Map for aquifer dip direction. The San Jose Formation ranges from less than 200 feet in the west and south to nearly 2,700 feet in the basin center between Cuba and Gobernador (Frenzel, 1983). These findings indicate that the depth to groundwater is greater than 50 feet from the bottom of the BGT at the Jicarilla C #14E well site. All above information, excluding the aquifer dip, was confirmed by a visual inspection performed by Envirotech, Inc.

The San Jose Formation (Tsj) is the youngest Tertiary unit in the San Juan Basin and was named by Simpson (1948, p. 277-283). It is of early Eocene age and as early as 1875 was correlated with the Wasatch Formation in Wyoming. The San Jose is the surface formation in the eastern two-thirds of the San Juan Basin. Although largely exposed in New Mexico, the San Jose also straddles the New Mexico/Colorado State boundaries. It outcrops in its west, south and northeast boundaries in a broad, and in some places irregular, southeasterly trending band in the Blanco Canyon to Largo Canyon area. On the east side, it rises structurally and outcrops in a narrow band along the west face of the Nacimiento Uplift forming the eastern boundary of the San Juan Basin. There are several smaller, isolated remnants of the San Jose Formation west of the central exposure. The San Jose has eroded deeply in some areas and because of differential resistance to erosion of its various sandstone and shale units, produces a large thickness variance and in some places formation of very rugged topographic expression (Baltz, 1967, p. 45). In some places it erodes to horseshoe-shaped badlands and massive cliffs. The San Jose overlays the nonresistant slope-forming Nacimiento Formation (Tn). Thickness of the San Jose ranges from less than 200' at the outcrop on the west and south sides to almost 2700 feet in the the Basin center (Stone, etal, p. 25). The thickness is 1300' or less on the southern part of the

Tapicitos Plateau where the San Jose structurally rises and its upper beds are eroded. In the Largo Plains area (Largo Canyon) which marks the western exposure of the preserved San Jose, more than half of the Formation was removed by erosion (Baltz, p. 46). The San Jose Formation contact is that of an angular unconformity surface with the underlying Paleocene-age Nacimiento Formation near the Nacimiento Uplift, but is slightly disconformable to conformable in the Basin center (Stone, etal, p. 25).

The San Jose Formation is comprised of four identifiable rock facies (in ascending order) called the Cuba Mesa, the Regina, the Llaves and the Tapicitos Members. These four members are only present in the far eastern part of the basin (Brimhall, 1973, p. 198). Within the preserved area, only the Cuba Mesa and Regina are widespread throughout the basin. The oldest Member of the San Jose is the Cuba Mesa (150-800 feet thick), which is largely a massive cliff-forming buff and yellow, rusty-weathering cross-bedded arkosic coarse-grained sandstone with lenticular reddish, green and gray shale beds (Baltz, p. 46). The Cuba Mesa is overlain in the southern two-thirds of the area by drab-colored variegated shale and interbedded soft to hard sandstones known as the Regina Member (100 to 1700 feet thick) and overlain in the northern one-third by a thick sequence of sandstone called the Llaves (50 to 1300 feet thick) which in turn intertongues and grades southward into the Regina. In the northeastern part of the area, the upper Llaves Member grades southward and westward into the red silty mudstones, siltstones and interbedded poorly consolidated sandstones of the Tapicitos Member (120-500 feet thick) (Stone, etal, p. 25).



LEGEND

Topographic Map Jicarilla C#14E Sec 27, Twp 25N, Rge 5W Rio Arriba County, New Mexico

7 Aquifer Strike & Dip



✓ Ephemeral Wash



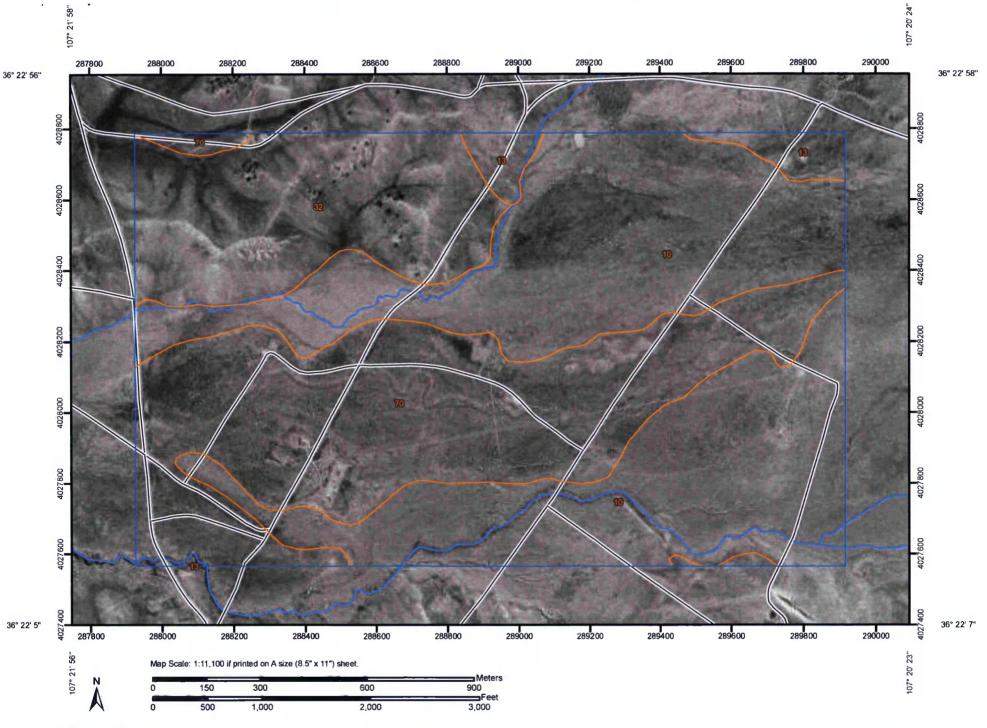


Distance

SCA	LE: N	rs		FIGURE	NO 1		REV
PRO	JECT NO	92270-	-0342	TIGORL	110.		
	_			REVISION	NS		
NO.	DATE	BY			DESCRIPTION	NC	
MAP	DRWN	JPM		DATE	8/6/09		



5796 U.S. HIGHWAY 64, FARMINGTON, NM 87401 505-632-0615



MAP LEGEND

Area of Interest (AOI)

Area of Interest (AOI)

Soils

Soil Map Units

Special Point Features

Blowout (+)

Borrow Pit X

Clay Spot Ж

Closed Depression

Gravel Pit X

Gravelly Spot ٨

Landfill

Lava Flow

Marsh or swamp

Mine or Quarry 52

Miscellaneous Water

Rock Outcrop

Perennial Water

Saline Spot

Sandy Spot

Severely Eroded Spot

Sinkhole

Slide or Slip

Sodic Spot

= Spoil Area

Stony Spot

Very Stony Spot

Wet Spot

Other

Special Line Features

Gully

Short Steep Slope

Other

Political Features

Cities

Water Features

Oceans

Streams and Canals

Transportation

+++

Rails Interstate Highways

US Routes

Major Roads

Local Roads

MAP INFORMATION

Map Scale: 1:11,100 if printed on A size (8.5" × 11") sheet.

The soil surveys that comprise your AOI were mapped at 1:24,000.

Please rely on the bar scale on each map sheet for accurate map measurements.

Source of Map: Natural Resources Conservation Service Web Soil Survey URL: http://websoilsurvey.nrcs.usda.gov Coordinate System: UTM Zone 13N NAD83

This product is generated from the USDA-NRCS certified data as of the version date(s) listed below.

Soil Survey Area: Jicarilla Apache Nation, Parts of Rio Arriba and

Sandoval Counties, New Mexico

Survey Area Data: Version 9, Dec 9, 2008

Date(s) aerial images were photographed: 10/5/1997

The orthophoto or other base map on which the soil lines were compiled and digitized probably differs from the background imagery displayed on these maps. As a result, some minor shifting of map unit boundaries may be evident.

Map Unit Legend

Map Unit Symbol	Map Unit Name	Acres in AOI	Percent of AOI
10	Elias-Canyada-Sparank complex, saline, sodic, 0 to 3 percent slopes	285.1	47.4%
13	Doakum-Betonnie fine sandy loams, 0 to 8 percent slopes	15.5	2.6%
32	Doakum very fine sandy loam, 1 to 6 percent slopes	100.7	16.8%
70	Blancot-Councelor-Tsosie complex, 0 to 5 percent slopes	199.7	33.2%
Totals for Area of Interes	st	601.0	100.0%

Jicarilla Apache Nation, Parts of Rio Arriba and Sandoval Counties, New Mexico

70—Blancot-Councelor-Tsosie complex, 0 to 5 percent slopes

Map Unit Setting

Elevation: 6,560 to 6,960 feet

Mean annual precipitation: 10 to 12 inches Mean annual air temperature: 47 to 50 degrees F

Frost-free period: 115 to 130 days

Map Unit Composition

Tsosie and similar soils: 30 percent Councelor and similar soils: 30 percent Blancot and similar soils: 30 percent

Description of Blancot

Setting

Landform: Valley sides

Landform position (three-dimensional): Rise

Down-slope shape: Concave Across-slope shape: Concave

Parent material: Alluvium derived from sandstone and shale

Properties and qualities

Slope: 1 to 5 percent

Depth to restrictive feature: More than 80 inches

Drainage class: Well drained

Capacity of the most limiting layer to transmit water (Ksat): Moderately high (0.20 to 0.60 in/hr)

Depth to water table: More than 80 inches

Frequency of flooding: None Frequency of ponding: None

Calcium carbonate, maximum content: 15 percent

Gypsum, maximum content: 5 percent

Maximum salinity: Nonsaline to very slightly saline (2.0 to 4.0 mmhos/

cm)

Sodium adsorption ratio, maximum: 13.0

Available water capacity: High (about 11.2 inches)

Interpretive groups

Land capability (nonirrigated): 6c

Ecological site: Loamy (R035XB001NM)

Typical profile

0 to 7 inches: Loam 7 to 26 inches: Clay loam 26 to 80 inches: Clay loam

Description of Councelor

Setting

Landform: Valley sides, drainageways, fans Landform position (three-dimensional): Rise

Down-slope shape: Concave Across-slope shape: Concave

Parent material: Alluvium derived from sandstone and shale and/or

eolian deposits derived from sandstone and shale

Properties and qualities

Slope: 1 to 5 percent

Depth to restrictive feature: More than 80 inches

Drainage class: Well drained

Capacity of the most limiting layer to transmit water (Ksat): Moderately high to high (0.60 to 2.00 in/hr)

Depth to water table: More than 80 inches

Frequency of flooding: None Frequency of ponding: None

Calcium carbonate, maximum content: 5 percent

Maximum salinity: Nonsaline to very slightly saline (0.0 to 4.0 mmhos/

cm)

Sodium adsorption ratio, maximum: 5.0

Available water capacity: Moderate (about 6.7 inches)

Interpretive groups

Land capability (nonirrigated): 6c Ecological site: Sandy (R035XB002NM)

Typical profile

0 to 2 inches: Fine sandy loam 2 to 32 inches: Fine sandy loam 32 to 60 inches: Loamy fine sand 60 to 80 inches: Sandy clay loam

Description of Tsosie

Setting

Landform: Drainageways, fans, valley sides Landform position (three-dimensional): Dip, rise

Down-slope shape: Concave Across-slope shape: Concave

Parent material: Alluvium derived from sandstone and shale

Properties and qualities

Slope: 0 to 3 percent

Depth to restrictive feature: More than 80 inches

Drainage class: Well drained

Capacity of the most limiting layer to transmit water (Ksat): Moderately high (0.20 to 0.60 in/hr)
Depth to water table: More than 80 inches

Frequency of flooding: None Frequency of ponding: None

Calcium carbonate, maximum content: 10 percent

Maximum salinity: Very slightly saline to slightly saline (4.0 to 8.0 mmhos/cm)

Himmos/Citi)

Sodium adsorption ratio, maximum: 10.0

Available water capacity: Moderate (about 8.9 inches)

Interpretive groups

Land capability (nonirrigated): 6c

Ecological site: Salt Flats (R035XB005NM)

Typical profile

0 to 2 inches: Clay loam 2 to 36 inches: Clay loam

36 to 80 inches: Stratified sandy loam to silty clay loam

Data Source Information

Soil Survey Area: Jicarilla Apache Nation, Parts of Rio Arriba and Sandoval

Counties, New Mexico

Survey Area Data: Version 9, Dec 9, 2008

Jicarilla Apache Nation, Parts of Rio Arriba and Sandoval Counties, New Mexico

10—Elias-Canyada-Sparank complex, saline, sodic, 0 to 3 percent slopes

Map Unit Setting

Elevation: 6,410 to 7,260 feet

Mean annual precipitation: 10 to 12 inches Mean annual air temperature: 47 to 53 degrees F

Frost-free period: 115 to 140 days

Map Unit Composition

Elias and similar soils: 45 percent Canyada and similar soils: 30 percent Sparank and similar soils: 20 percent

Riverwash: 2 percent

Description of Elias

Setting

Landform: Stream terraces

Landform position (three-dimensional): Tread

Down-slope shape: Concave Across-slope shape: Concave

Parent material: Alluvium derived from sandstone and shale

Properties and qualities

Slope: 0 to 3 percent

Depth to restrictive feature: More than 80 inches

Drainage class: Well drained

Capacity of the most limiting layer to transmit water

(Ksat): Moderately low to moderately high (0.06 to 0.20 in/hr)

Depth to water table: More than 80 inches

Frequency of flooding: Rare Frequency of ponding: None

Calcium carbonate, maximum content: 5 percent

Maximum salinity: Very slightly saline to moderately saline (4.0 to

16.0 mmhos/cm)

Sodium adsorption ratio, maximum: 30.0

Available water capacity: Moderate (about 8.8 inches)

Interpretive groups

Land capability (nonirrigated): 6s

Ecological site: Salt Flats (R035XB005NM)

Typical profile

0 to 1 inches: Fine sandy loam 1 to 10 inches: Clay loam

10 to 36 inches: Very fine sandy loam

36 to 80 inches: Stratified fine sandy loam to loam

Description of Canyada

Setting

Landform: Stream terraces

Landform position (three-dimensional): Tread

Down-slope shape: Concave Across-slope shape: Concave

Parent material: Alluvium derived from sandstone and shale

Properties and qualities

Slope: 0 to 3 percent

Depth to restrictive feature: More than 80 inches

Drainage class: Well drained

Capacity of the most limiting layer to transmit water

(Ksat): Moderately low to moderately high (0.06 to 0.20 in/hr)

Depth to water table: More than 80 inches

Frequency of flooding: Rare Frequency of ponding: None

Calcium carbonate, maximum content: 5 percent Maximum salinity: Nonsaline (0.0 to 2.0 mmhos/cm)

Sodium adsorption ratio, maximum: 10.0

Available water capacity: Moderate (about 7.0 inches)

Interpretive groups

Land capability (nonirrigated): 6c

Ecological site: Salt Flats (R035XB005NM)

Typical profile

0 to 1 inches: Silty clay 1 to 16 inches: Clay

16 to 41 inches: Fine sandy loam

41 to 80 inches: Sand

Description of Sparank

Setting

Landform: Stream terraces

Landform position (three-dimensional): Tread

Down-slope shape: Concave Across-slope shape: Concave

Parent material: Clayey alluvium derived from sandstone and shale

Properties and qualities

Slope: 0 to 3 percent

Depth to restrictive feature: More than 80 inches

Drainage class: Well drained

Capacity of the most limiting layer to transmit water

(Ksat): Moderately low to moderately high (0.06 to 0.20 in/hr)

Depth to water table: More than 80 inches

Frequency of flooding: Rare Frequency of ponding: None

Calcium carbonate, maximum content: 5 percent

Gypsum, maximum content: 2 percent

Counties, New Mexico

Maximum salinity: Nonsaline to very slightly saline (0.0 to 4.0 mmhos/

Sodium adsorption ratio, maximum: 10.0

Available water capacity: High (about 10.3 inches)

Interpretive groups

Land capability (nonirrigated): 7s

Ecological site: Salt Flats (R035XB005NM)

Typical profile

0 to 3 inches: Silty clay loam 3 to 14 inches: Silty clay 14 to 44 inches: Silty clay loam 44 to 60 inches: Silty clay

60 to 80 inches: Sandy clay loam

Description of Riverwash

Setting

Landform: Arroyos

Landform position (three-dimensional): Tread

Down-slope shape: Convex Across-slope shape: Convex

Parent material: Loamy mixed and/or sandy mixed and/or gravelly

Properties and qualities

Slope: 0 to 3 percent

Drainage class: Poorly drained

Capacity of the most limiting layer to transmit water (Ksat): High to

very high (6.00 to 20.00 in/hr)

Depth to water table: About 0 to 24 inches

Frequency of flooding: Frequent

Calcium carbonate, maximum content: 1 percent

Gypsum, maximum content: 1 percent

Maximum salinity: Nonsaline (0.0 to 2.0 mmhos/cm)

Sodium adsorption ratio, maximum: 1.0

Available water capacity: Very low (about 2.9 inches)

Typical profile

0 to 6 inches: Sand

6 to 80 inches: Stratified coarse sand to sandy loam

Data Source Information

Soil Survey Area: Jicarilla Apache Nation, Parts of Rio Arriba and Sandoval

Counties, New Mexico

Survey Area Data: Version 9, Dec 9, 2008

30-039-20292

DATA SHEET FOR DEEP GROUND BED CATHODIC PROTECTION WELLS NORTHWESTERN NEW MEXICO (Submit 3 copies to OCD Aztec Office)

Operator Southern Union Exploration Location: Unit E Sec. 11 Twp 25Rng 5
Name of Well/Wells or Pipeline Serviced Jicarilla K #13
Elevation 6698 Completion Date 8/27/71 Total Depth 320' Land Type * Cont 145
Casing, Sizes, Types & Depths n/a
If Casing is cemented, show amounts & types usedn/a
If Cement or Bentonite Plugs have been placed, show depths & amounts used n/a
Depths & thickness of water zones with description of water when possible
Fresh, Clear, Salty, Sulphur, Etc. water at 65'
Depths gas encountered: n/a
Type & amount of coke breeze used: 0 to 1/i" mesh coke breeze
Depths anodes placed: 315,305,285,275,265,255,240,230,220,210'
Depths vent pipes placed: n/a DECFIVED
Vent pipe perforations: n/a MARI 41990
Remarks: OIL CON. DIV
DIST. 3

If any of the above data is unavailable, please indicate so. Copies of all logs, including Drillers Log, Water Analyses & Well Bore Schematics should be submitted when available. Unplugged abandoned wells are to be included

^{*}Land Type may be shown: F-Federal; I-Indian; S-State; P-Fee. If Federal or Indian, add Lease Number.



New Mexico Office of the State Engineer Water Column/Average Depth to Water

(quarters are 1=NW 2=NE 3=SW 4=SE)

(quarters are smallest to largest) (NAD83 UTM in meters)

(In feet)

	Sub			Q	Q	Q				SUE 184	DYTA C	Depth D	epth V	Vater
POD Number	basin U	se	County	64	16	4	Sec	Tws	Rng	X		Well W	_	
SJ 00201	O	FM	RA		1	4	03	25N	06W	280124	4034064*	1346	500	846
SJ 00681	S	TK	RA	4	1	4	21	25N	06W	278527	4029227*		80	
SJ 00681 12	IF	R	RA	4	4	4	33	25N	06W	278833	4025662*	435		
										Δνοι	age Depth to	o Water	290 fe	et

Average Depth to Water: 290 feet

Minimum Depth: 80 feet

Maximum Depth: 500 feet

Record Count: 3

PLSS Search:

Township: 25N Range: 06W

BELOW GRADE TANK (BGT) DESIGN AND CONSTRUCTION PLAN

SUBMITTED TO:

ENVIRONMENTAL BUREAU,

NEW MEXICO OIL CONSERVATION DIVISION

ON BEHALF OF:

CHEVRON USA INC., CHEVRON MIDCONTINENT, L.P., AND FOUR STAR OIL & GAS

COMPANY
P.O. Box 730

AZTEC, NEW MEXICO 87410

(505) 333-1901

Chevron San Juan Basin Below Grade Tank Design and Construction Plan

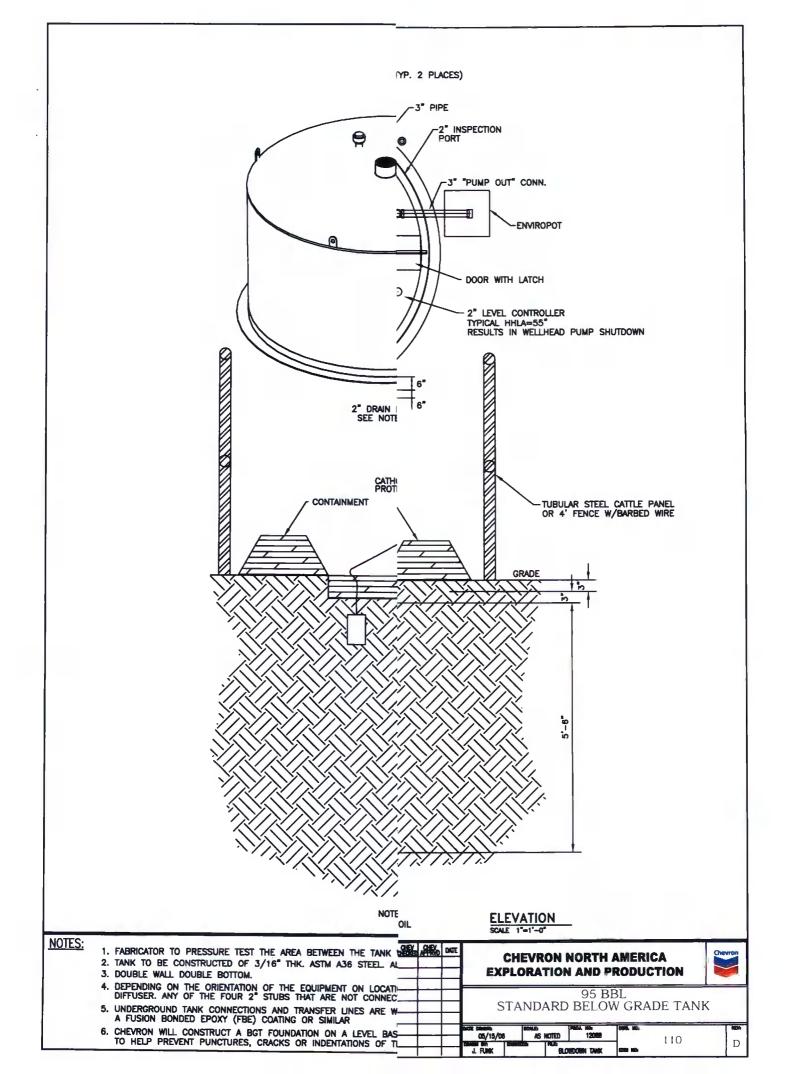
INTRODUCTION

In accordance with NMAC §§ 19.15.17.9(B)(4) and 19.15.17.11 Chevron (representing Chevron USA Inc, Chevron Midcontinent, L.P., and Four Star Oil & Gas Company) submits this Design and Construction Plan for below grade tanks (BGTs) in New Mexico. This Plan contains standard conditions that attach to multiple BGTs.

- 1. Chevron will design and construct a BGT to contain liquids and solids, prevent contamination of fresh water, and protect public health and the environment. NMAC § 19.15.17.11(A).
- 2. Chevron will post an upright sign not less than 12 inches by 24 inches with lettering not less than two inches in height in a conspicuous place on the fence surrounding the BGT, unless the BGT is located on a site where there is an existing well, signed in compliance with NMAC § 19.15.16.8, that is operated by Chevron. Chevron will post the sign in a manner and location such that a person can easily read the legend. The sign will provide the following information: Chevron's name; the location of the site by quarter-quarter or unit letter, section, township and range; and emergency telephone numbers. NMAC § 19.15.17.11(C).
- 3. Chevron will fence or enclose a BGT in a manner that prevents unauthorized access and will maintain the fences in good repair. Fences are not required if there is an adequate surrounding perimeter fence that prevents unauthorized access to the well site or facility, including the BGT. NMAC § 19.15.17.11(D)(1).
- 4. Chevron will fence or enclose a BGT located within 1000 feet of a permanent residence, school, hospital, institution or church with a chain link security fence, at least six feet in height with at least two strands of barbed wire at the top. Chevron will close and lock all gates associated with the fence when responsible personnel are not on-site. NMAC § 19.15.17.11(D)(2).
- 5. Chevron will fence BGTs to exclude livestock with a four foot fence that has at least four strands of barbed wire evenly spaced in the interval between one foot and four feet above ground level. NMAC § 19.15.17.11(D)(3). Chevron may install tubular steel cattle panels, as it determines appropriate (photo of cattle

- panel fence submitted to NMOCD, 24 June 2009). As illustrated on the attach photo.
- 6. Chevron will screen the permanent opening on the tank top with expanding steel mesh in order to render it non-hazardous to wildlife, including migratory birds. NMAC § 19.15.17.11(E).
- 7. Chevron's BGTs will be constructed with the design features illustrated on the attached drawing.
- 8. Only double-walled, double-bottomed BGTs will be installed.
- 9. Chevron will use 3/16" carbon steel which is resistant to the anticipated contents and resistant to damage from sunlight. NMAC § 19.15.17.11(I)(1).
- 10. Chevron will construct a BGT foundation on a level base free of rocks, debris, sharp edges or irregularities to help prevent punctures, cracks or indentations of the liner or tank bottom. NMAC § 19.15.17.11(I)(2).
- 11. Chevron will construct a BGT to prevent overflow and the collection of surface water run-on. NMAC § 19.15.17.11(l)(3). Chevron, or a contractor representing Chevron, will install a level control device to help prevent overflow from the BGT and will use berms and/or a diversion ditch to prevent surface run on from entering the BGT. NMAC §§ 19.15.17.11(I)(3), 19.15.17.12(A)(7), and 19.15.17.12(D)(1).
- 12. All BGTs, in which the side walls are not open for visible inspection for leaks, will be double walled with leak detection capability. NMAC § 19.15.17.11(I)(4)(b).
- 13. Chevron, as the operator of a below-grade tank constructed and installed prior to June 16, 2008 that does not meet all the requirements in Paragraphs (1) through (4) of Subsection I of 19.15.17.11 NMAC and is not included in Paragraph (6) of Subsection I of 19.15.17.11 NMAC, is not required to equip or retrofit the below-grade tank to comply with Paragraphs (1) through (4) of Subsection I of 19.15.17.11 NMAC so long as it demonstrates integrity. If the existing below-grade tank does not demonstrate integrity, the operator shall promptly remove that below-grade tank and install a below-grade tank that complies with Paragraphs (1) through (4) of Subsection I of 19.15.17.11 NMAC, as illustrated in the approved drawing. Chevron shall comply with the operational requirements of 19.15.17.12 NMAC.

14. Chevron, as the operator of a below-grade tank constructed and installed prior to June 16, 2008 that is single walled and where any portion of the tank sidewall is below the ground surface and not visible, shall equip or retrofit the below-grade tank to comply with Paragraphs (1) through (4) of Subsection I of 19.15.17.11 NMAC, or close it, within five years after June 16, 2008. If the existing below-grade tank does not demonstrate integrity, Chevron shall promptly remove that below-grade tank and install a below-grade tank that complies with Paragraphs (1) through (4) of Subsection I of 19.15.17.11 NMAC, as illustrated in the approved drawing. Chevron shall comply with the operational requirements of 19.15.17.12 NMAC.



BELOW GRADE TANK (BGT) OPERATING AND MAINTENANCE PLAN

SUBMITTED TO:

ENVIRONMENTAL BUREAU, NEW MEXICO OIL CONSERVATION DIVISION

ON BEHALF OF:

CHEVRON USA INC., CHEVRON MIDCONTINENT, L.P., AND FOUR STAR OIL & GAS COMPANY

P.O. Box 730

AZTEC, NEW MEXICO 87410

(505) 333-1901

Chevron

San Juan Basin

Below Grade Tank Operating and Maintenance Plan

INTRODUCTION

In accordance with NMAC §§ 19.15.17.9(B)(4) and 19.15.17.12 Chevron (representing Chevron USA Inc, Chevron Midcontinent, L.P., and Four Star Oil & Gas Company) submits this Operating and Maintenance Plan (O&M Plan) for below grade tanks (BGTs) in New Mexico. This O&M Plan contains standard conditions that attach to multiple BGTs. If needed for a particular BGT, a modified O&M Plan will be submitted to the New Mexico Oil Conservation Division (NMOCD or the division) for approval prior to implementation.

GENERAL PLAN:

- 1. Chevron, or a contractor representing Chevron, will operate and maintain a BGT to contain liquids and solids to prevent contamination of fresh water and to protect public health and environment. NMAC § 19.15.17.12(A)(1).
- 2. Chevron will not discharge into or store any hazardous waste in a BGT. NMAC § 19.15.17.12(A)(3).
- 3. If a BGT develops a leak or is penetrated below the liquid surface, Chevron will remove liquid above the damage within 48 hours, notify the appropriate division district office within 48 hours of discovery and will promptly repair the BGT. If a BGT develops a leak Chevron will remove liquid above the damage within 48 hours, notify the appropriate division district office within 48 hours of discovery and will promptly repair or replace the BGT. If replacement is required, the BGT will meet all specification included in the attached approved design drawing and comply with 19.15.17.11(I)(1-4).
- 4. If Chevron as an operator of a below-grade tank that was constructed and installed prior to June 16, 2008 that does not meet the requirements of Paragraphs (1) through (4) of Subsection I of 19.15.17.11 NMAC and discovers that the below-grade tank does not demonstrate integrity or that the below-grade tank develops any of the conditions identified in Paragraph (5) of Subsection A of 19.15.17.12 NMAC, then Chevron or their representative shall close the existing below-grade tank pursuant to the closure requirements of 19.15.17.13 NMAC and install a below-grade tank that complies with the requirements of Paragraphs

- (1) through (4) of Subsection I of 19.15.17.11 NMAC. NMAC § 19.15.17.12(D)(5). If replacement is required, the BGT will meet all specification included in the attached approved design drawing.
- 5. If Chevron as the operator of the below-grade tank that was constructed and installed prior to June 16, 2008 that does not comply with Paragraphs (1) through (4) of Subsection I of 19.15.17.11 NMAC and equips or retrofits the existing tank to comply with Paragraphs (1) through (4) of Subsection I of 19.15.17.11 NMAC, then Chevron or their representative shall visually inspect the area beneath the below-grade tank during the retrofit and document any areas that are wet, discolored or showing other evidence of a release on form C-141. Chevron shall demonstrate to the division whether the evidence of contamination indicates that an imminent threat to fresh water, public health, safety or the environment exists. If the division determines that the contamination does not pose an imminent threat to fresh water, public health, safety or the environment, the operator shall complete the retrofit or the replacement of the below-grade tank. If Chevron or division determines that the contamination poses an imminent threat to fresh water, public health, safety or the environment, then Chevron shall close the existing below-grade tank pursuant to the closure requirements of 19.15.17.13 NMAC prior to initiating the retrofit or replacement. NMAC § 19.15.17.12(D)(6). If replacement is required, the BGT will meet all specification included in the attached approved design drawing.
- 6. Chevron, or a contractor representing Chevron, will use berms and/or diversion ditches to prevent surface run-on from entering the BGT by diverting surface water run-on away from the bermed area. NMAC §§ 19.15.17.12(A)(7) and 19.15.17.12(D)(1).
- 7. Chevron, or a contractor representing Chevron, will not allow a BGT to overflow and will maintain adequate freeboard on existing BGTs by routine inspections utilizing pumper trucks whose routes are timed based on known production rates. Fluid is pumped out on this schedule. For newly constructed BGTs Chevron, or a contractor representing Chevron, will maintain adequate freeboard by installing level control devices that automatically shut off inflow to alleviate potential overtopping. NMAC § 19.15.17.12(D)(1) and 19.15.17.12(D)(4).
- 8. Chevron, or a contractor representing Chevron, will remove a visible or measurable layer of oil from the fluid surface of a BGT. NMAC § 19.15.17.12(D)(2).
 - **9.** Chevron, or a contractor representing Chevron, will inspect the BGT to assess compliance with NMAC § 19.15.17.12, Operational Requirements, at least once monthly and maintain a written record of each inspection for at least five (5) years. The approved inspection form is attached.

Chevron: New Mexico Inspection Form for Below Grade Tanks

Inspection	Date:	_

Bel	low Grade Tank (BGT) Location:		
	Does the BGT have adequate freeboard to prevent overflow;	yes	no
	Does the tank have visible leaks or sign of corrosion;	yes	no
	Do tank valves, flanges and hatches have visible leaks;	yes	no
	Is there evidence of significant spillage of produced liquids;	yes	no
	Is this a single of double wall tank;		
	Are berms and/or diversion ditches in place to prevent surface		
	run-on from entering the BGT;	yes	no
	Have visible or measurable layers of oil been removed from		
	liquid surface fluid;	yes	no

BELOW GRADE TANK (BGT) CLOSURE PLAN

SUBMITTED TO:

ENVIRONMENTAL BUREAU, NEW MEXICO OIL CONSERVATION DIVISION

ON BEHALF OF:

CHEVRON USA INC., CHEVRON MIDCONTINENT, L.P., AND FOUR STAR OIL & GAS

COMPANY
P.O. Box 730

AZTEC, NEW MEXICO 87410

(505) 333-1901

Chevron San Juan Basin Below Grade Tank Closure Plan

INTRODUCTION

In accordance with NMAC §§ 19.15.17.9(B)(4) and 19.15.17.13, Chevron (representing Chevron USA Inc, Chevron Midcontinent, L.P., and Four Star Oil & Gas Company) submits this Closure Plan for below grade tanks (BGTs) in New Mexico. This Closure Plan contains standard conditions that attach to multiple BGTs. If needed for a particular BGT, a modified Closure Plan for a proposed alternative closure will be submitted to the New Mexico Oil Conservation Division (NMOCD or the division) for approval prior to closure.

CLOSURE PLAN PROCEDURES AND PROTOCOLS (NMAC §§ 19.15.17.9(C) and 19.15.17.13).

- 1) Chevron, or a contractor acting on behalf of Chevron, will close a BGT within the time periods provided in NMAC § 19.15.17.13(A), or by an earlier date required by NMOCD to prevent an imminent danger to fresh water, public health, or the environment. NMAC § 19.15.17.13(A).
- 2) Chevron, or a contractor acting on behalf of Chevron, will close an existing BGT that does not meet the requirements of NMAC § 19.15.17.11(I)(1 through 4) or is not included in NMAC § 19.15.17.11(I)(5) within five years after June 16, 2008, if not retrofitted to comply with § 19.15.17.11(I)(1 through 4). NMAC § 19.15.17.13(A)(4).
- 3) Chevron shall close an existing below-grade tank that does not meet the requirements of Paragraphs (1) through (4) of Subsection I of 19.15.17.11 NMAC, if not retrofitted to comply with Paragraphs 1) through (4) of Subsection I of 19.15.17.11 NMAC, prior to any sale or change of operator pursuant to 19.15.9.9 NMAC.
- 4) Chevron, or a contractor acting on behalf of Chevron, will close a permitted BGT within 60 days of cessation of the BGT's operation or as required by the transitional provisions of NMAC § 19.15.17.17(B) in accordance with a closure plan that the appropriate division district office approves. NMAC §§ 19.15.17.13(A)(9) and 19.15.17.9(C).
- 5) In accordance with NMAC § 19.15.17.13(J)(1), Chevron will notify the surface owner by certified mail, return receipt requested, of its plans to close a BGT prior to beginning closure activities. Evidence of mailing of the notice to the address of the surface owner shown in the county tax records is sufficient to demonstrate compliance. Chevron will also notify the appropriate division district office verbally or by other means at least 72 hours, but not more than one week, prior to any closure operation. The notice shall include the operator's name and the location to be closed by unit letter, section, township and range. If the closure is associated with a particular well, then the notice shall also include the well's name, number and API number. NMAC § 19.15.17.13(J)(2).

- 6) Chevron, or a contractor acting on behalf of Chevron, will remove liquids and sludge from a BGT prior to implementing a closure method and will dispose of the liquids and sludge in a division approved facility. NMAC § 19.15.17.13(E)(1). A list of Chevron currently approved disposal facilities is included at the end of this document.
- 7) The proposed method of closure for this Closure Plan is waste excavation and removal. NMAC §§ 19.15.17.13 (E)(1).
- 8) Chevron, or a contractor acting on behalf of Chevron, shall remove the below-grade tank and dispose of it in a division-approved facility or recycle, reuse, or reclaim it in a manner that the appropriate division district office approves. When required, prior approval for disposal will be obtained. NMAC § 19.15.17.13(E)(2). Documentation regarding disposal of the BGT and its associated liner, if any, will be included in the closure report.
- 9) Waste generated during closure will be handled and disposed of in accordance with applicable laws. NMAC § 19.15.35.8(C)(1)(m) provides that plastic pit liners may be disposed at a solid waste facility without testing before disposal, provided they are cleaned well.
- 10) Chevron, or a contractor acting on behalf of Chevron, will remove on-site equipment associated with a BGT unless the equipment is required for some other purpose. NMAC § 19.15.17.13(E)(3).
- 11) Chevron, or a contractor acting on behalf of Chevron, will test the soils beneath the BGT to determine whether a release has occurred. At a minimum, 5 point composite samples will be collected along with individual grab samples from any area that is wet, discolored, or showing other evidence of a release. Samples will be analyzed for BTEX, TPH and chlorides to demonstrate that the benzene concentration, as determined by EPA SW-846 methods 8021B or 8260B or EPA method that the division approves, does not exceed 0.2mg/kg; total BTEX concentration, as determined by EPA SW-846 methods 8021B or 8260B or other EPA method that the division approves, does not exceed 50mg/kg; the TPH concentration, as determined by EPA method 418.1 or other EPA method that the division approves, does not exceed 100mg/kg; and the chloride concentration, as determined by EPA method 300.1 or other EPA method that the division approves, does not exceed 250mg/kg; or the background concentration, whichever is greater. Chevron, or a contractor acting on behalf of Chevron, will notify the NMOCD Division District office of its results on form C-141. NMAC § 19.15.17.13(E)(4).
- 12) If Chevron or the division determines that a release has occurred, Chevron will comply with NMAC §§ 19.15.29 and 19.15.30, as appropriate. NMAC § 19.15.17.13(E)(5).
- 13) If the sampling program demonstrates that a release has not occurred or that any release does not exceed the concentrations specified in NMAC § 19.15.17.13(E)(4), Chevron will backfill the excavation with compacted, non-waste containing, earthen materials; construct a division prescribed soil cover; re-contour and re-vegetate the site. The division-prescribed soil cover, recontouring and re-vegetation requirements shall comply with NMAC § 19.15.17.13)(G, H and I). NMAC § 19.15.17.13(E)(6).

- 14) As per NMAC § 19.15.17.13(G)(1), once Chevron has closed a BGT or is no longer using the BGT or an area associated with the BGT, Chevron will reclaim the BGT location and all areas associated with it including associated access roads not needed by the surface estate owner to a safe and stable condition that blends with the surrounding undisturbed area. Chevron will substantially restore impacted surface area to the condition that existed prior to its oil and gas operations by placement of soil cover as provided in NMAC § 19.15.17.13(H) (see below), recontour the location and associated areas to a contour that approximates the original contour and blends with the surrounding topography, and re-vegetate according to NMAC § 19.15.17.13(I). NMAC § 19.15.17.13(G)(1).
- 15) Chevron may propose an alternative to the re-vegetation requirement of NMAC § 19.15.17.13(G)(1) if it demonstrates that the proposed alternative effectively prevents erosion, and protects fresh water, human health and the environment. The proposed alternative must be agreed upon in writing by the surface owner. Chevron will submit the proposed alternative, with written documentation that the surface owner agrees to the alternative, to the division for approval. NMAC § 19.15.17.13(G)(2).
- 16) Soil cover for closures where Chevron has removed the pit contents or remediated the contaminated soil to the division's satisfaction will consist of the background thickness of topsoil or one foot of suitable material to establish vegetation at the site, whichever is greater. NMAC § 19.15.17.13(H)(1).
- 17) Chevron will construct the soil cover to the site's existing grade and prevent ponding of water and erosion of the cover material. NMAC § 19.15.17.13(H)(3).
- 18) As per NMAC § 19.15.17.13(I)(1) and 19.15.17.13(G)(2), Chevron will seed or plant disturbed areas during the first growing season after it is no longer using a BGT or an area associated with the BGT including access roads unless needed by the surface estate owner as evidenced by a written agreement with the surface estate owner, if any and written approval by NMOCD.
- 19) Seeding will be accomplished by drilling on the contour whenever practical or by other division approved methods. Chevron will obtain vegetative cover that equals 70% of the native perennial vegetative cover (un-impacted by overgrazing, fire or other intrusion damaging to native vegetation) consisting of at least three native plant species, including at least one grass, but not including noxious weeds, and maintain that cover through two successive growing seasons. During the two growing seasons that prove viability, Chevron will not artificially irrigate the vegetation. NMAC § 19.15.17.13(I)(2).
- 20) Chevron will notify the division when it has seeded or planted and when it successfully achieves re-vegetation. NMAC § 19.15.17.13(I)(5).
- 21) Seeding or planting will be repeated until Chevron successfully achieves the required vegetative cover. NMAC § 19.15.17.13(I)(3).

- 22) When conditions are not favorable for the establishment of vegetation, such as periods of drought, the division may allow Chevron to delay seeding or planting until soil moisture conditions become favorable or may require Chevron to use additional cultural techniques such as mulching, fertilizing, irrigating, fencing or other practices. NMAC § 19.15.17.13(I)(4).
- 23) As per NMAC § 19.15.17.13(K), within 60 days of closure completion, Chevron will submit a closure report containing the elements required by NMAC § 19.15.17.13(K) including:
 - i) Confirmation sampling results,
 - ii) A plot plan,
 - iii) Details on back-filling, capping and covering, where applicable, including revegetation application rates and seeding technique,
 - iv) Proof of closure notice to the surface owner, if any, and the division,
 - v) Name and permit number of disposal facility, and
 - vi) Photo documentation.
- 24) The closure report will be filed on NMOCD Form C-144. Chevron will certify that all information in the closure report and attachments is correct and that it has complied with all applicable closure requirements and conditions specified in the approved closure plan. NMAC § 19.15.17.13(K).
- 25) As requested, the following are the current Chevron approved Waste Disposal Sites for the identified waste streams:

Soils and Sludges

i) Envirotech Inc. Soil Remediation Facility, Permit No. NM-01-0011

Solids

ii) San Juan County Regional Land Fill (NMAC § 19.15.35.8 items only, with prior NMOCD approval when required)

<u>Liquids</u>

- i) Key Energy Disposal Facility, Permit No. NM-01-0009
- ii) Basin Disposals Facility, Permit No. NM-01-005.
- 26) These waste disposal sites are subject to change if their certification is lost or they are closed or other more appropriate, equally protective sites become available. Chevron will provide notice if such a change is affected.