State of New Mexico District I 1625 N. French Dr., Hobbs, NM 88240. **Energy Minerals and Natural Resources** Department 1301 W. Grand Avenue, Artesia, NM 88210 District III Von Conservation Division 1000 Rio Brazos Road, Aztec, NM 87410 1220 South St. Francis Dr. 1220 S. St. Francis Dr., Santa Fe, NM 87400 4 FM 1Sa28 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: _Moseley 1 #2						
API Number: _30-045-33472						
U/L or Qtr/Qtr Otr/Qtr D Section 1 Township 31N Range 13W County: San Juan						
Center of Proposed Design: Latitude 36 932016° Longitude 108 158798° NAD: 1927 1983						
Surface Owner: Federal State Private Tribal Trust or Indian Allotment						
2.						
Pit: Subsection F or G of 19.15.17.11 NMAC						
Temporary: Drilling Workover						
Permanent Emergency Cavitation P&A						
Lined Unlined Liner type: Thicknessmil LLDPE HDPE PVC Other						
☐ String-Reinforced						
Liner Seams: Welded Factory Other Volume: bbl Dimensions: L x W x D						
3. Closed-loop System: Subsection H of 19.15.17.11 NMAC						
Type of Operation: P&A Drilling a new well Workover or Drilling (Applies to activities which require prior approval of a permit or notice of intent)						
☐ Drying Pad ☐ Above Ground Steel Tanks ☐ Haul-off Bins ☐ Other						
Lined Unlined Liner type: Thicknessmil LLDPE HDPE PVC Other						
Liner Seams: Welded Factory Other						
4.						
Below-grade tank: Subsection I of 19.15.17.11 NMAC						
Volume: 95 bbl Type of fluid: Produced Water						
Tank Construction material: <u>Steel</u>						
Secondary containment with leak detection Wisible sidewalls, liner, 6-inch lift and automatic overflow shut-off						

Alternative Method:

Liner type: Thickness _

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

_mil 🔲 HDPE 🗌 PVC 🔲 Other _

☐ Visible sidewalls and liner ☐ Visible sidewalls only ☐ Other ☐

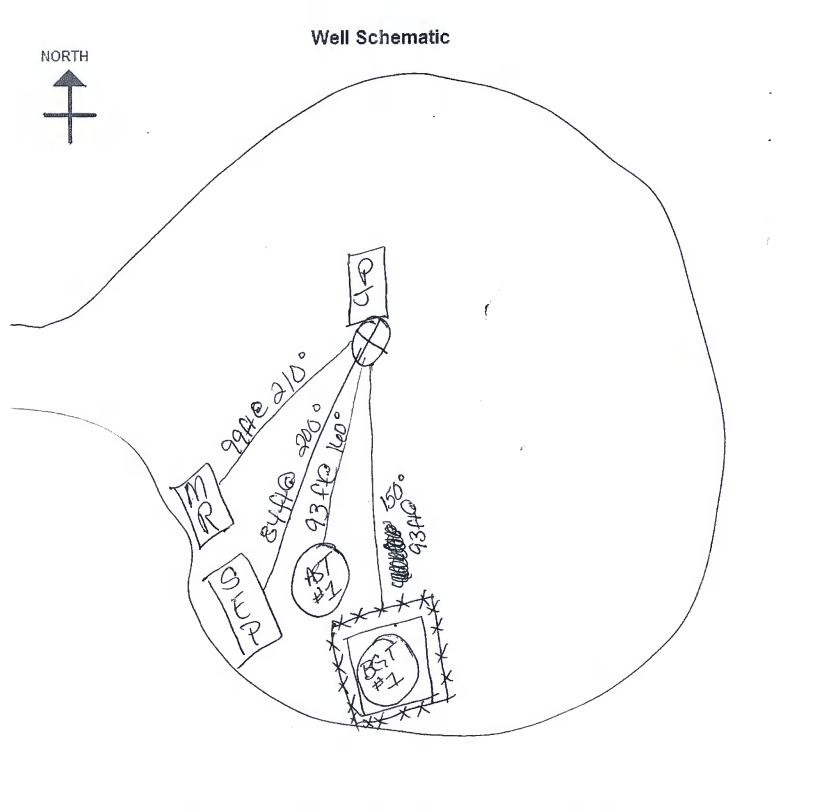
6. Fencing: Subsection D of 19.15.17.11 NMAC (Applies to permanent pits, temporary pits, and below-grade tanks)	
Chain link, six feet in height, two strands of barbed wire at top (Required if located within 1000 feet of a permanent residence, school,	hospital,
institution or church) Four foot height, four strands of barbed wire evenly spaced between one and four feet	
Netting: Subsection E of 19.15.17.11 NMAC (Applies to permanent pits and permanent open top tanks)	
☐ Screen ☐ Netting ☒ Other Solid	
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	
Signed in compliance with 17.13.3.103 Name	
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	office for
consideration of approval. Exception(s): Requests must be submitted to the Santa Fe Environmental Bureau office for consideration of approval.	
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	☐ Yes ☑ No
the time, there were no wells or springs within the distances specified above. 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
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.	

Temporary Pits, Emergency Pits, and Below-grade Tanks 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. 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 19.15.17.12 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
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 19.15.17.12 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:
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 Oil Field Waste Stream Characterization Monitoring and Inspection Plan Erosion Control 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 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 <i>will not</i> be used for future ser \[\sum \text{Yes} \text{ (If yes, please provide the information below) } \sum \text{No} \]	vice and operations?							
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 G of 19.15.17.13 NMAC Site Reclamation Plan - based upon the appropriate requirements of Subsection G of 19.15.17.13 NMAC								
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 sour provided below. Requests regarding changes to certain siting criteria may require administrative approval from the appropriate disting considered 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.	rict 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	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. - 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 plan. Please indicate, 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 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 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 Waste Material Sampling Plan - based upon the appropriate requirements of Subsection F of 19.15.17.13 NMAC Sicil Cover Design - based upon the appropriate requirements of Subsection I 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								

Operator Application Certification: I hereby certify that the information submitted with this application is true, accurate	and complete to the best of my knowledge and belief.
Name (Print): Rodney Bailey	Title: Waste & Water Group Lead
Signature: Solar	Date: March 1, 2010
e-mail address: Bailerg@chevron.com	Telephone: (432) 687 7123
OCD Approval: Permit Application (including closure plan) Closure Plan	(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 a 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. completion of the closure activities. Please do not complete this ure activities have been completed.
	Closure Completion Date:
Closure Method: Waste Excavation and Removal On-Site Closure Method Alternative If different from approved plan, please explain.	ve Closure Method Waste Removal (Closed-loop systems only)
Closure Report Regarding Waste Removal Closure For Closed-loop Systems T Instructions: Please indentify the facility or facilities for where the liquids, drillin two facilities were utilized.	hat Utilize Above Ground Steel Tanks or Haul-off Bins Only: g fluids and drill cuttings were disposed. Use attachment if more than
	Disposal Facility Permit Number:
Disposal Facility Name:	
Were the closed-loop system operations and associated activities performed on or in Yes (If yes, please demonstrate compliance to the items below) No	areas 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	s:
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 Longitud	
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 requirement	
Name (Print):	Title:
Signature:	Date:
e-mail address:	Telephone:

Well Name & Number: 1005eley 1 API#: <u>30045 33472</u> Quarter/Quarter: D Section: Township: 3/N Range: 1300 Lat: 1136 932616 Long: 10-108.168798 Pit Tank #1: Manufacturer:____ DOM: 9-07 Serial #:CHFOLO(X05 ○ If N/A – Dimensions: Diameter /2 ′ Height (0 Material: Steel X Galvanized Fiberglass Tank Configuration: Double Wall X Single Wall (Buried or Exposed X Walls) Contents: Produced Water \(\text{\alpha} \) Condensate \(\text{Recycled Oil} \) Tank Top Covering: Solid/Cone-top X Netting (Solid X Fiber) Secondary Containment: Yes No Fencing around berm: Yes X No o Fence Type: Cattle Panel X Field Fence Barbwire Pit Tank #2: Manufacturer:____ Serial #:____ DOM:____ Size____bbl o 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: APTS (LOGNEY DU MAR Trucko Serial #: 3|5|2 DOM: 8-200| Size UOO bbl o If N/A – Dimensions: Diameter | 2 Height 20 Secondary Containment: Yes____ No_X Above-Ground Tank #2: Manufacturer:____ __ DOM:__ Serial #: _ Size___bbl ○ If N/A – Dimensions: Diameter_____ Height____ Material: Steel____ Galvanized____ Fiberglass Contents: Produced Water ____ (State #_____) Recycled Oil Secondary Containment: Yes____ No___ Above-Ground Tank #3: Manufacturer:_____ DOM:____ Serial #: Size____bbl ○ If N/A – Dimensions: Diameter_____ Height____ Material: Steel____ Galvanized____ Fiberglass Contents: Produced Water ____ Condensate ____ (State #_____) Recycled Oil ____ Secondary Containment: Yes No



Schematic Key:	Control and the Control of the Contr			
Separator	SEP	Artificial Lift A	Condensate Tank	COND
Compressor	COM	Meter Run Me	ETER RUN	
Dehydrator	DEH	Well Head 🔘	Water Tank	WATER

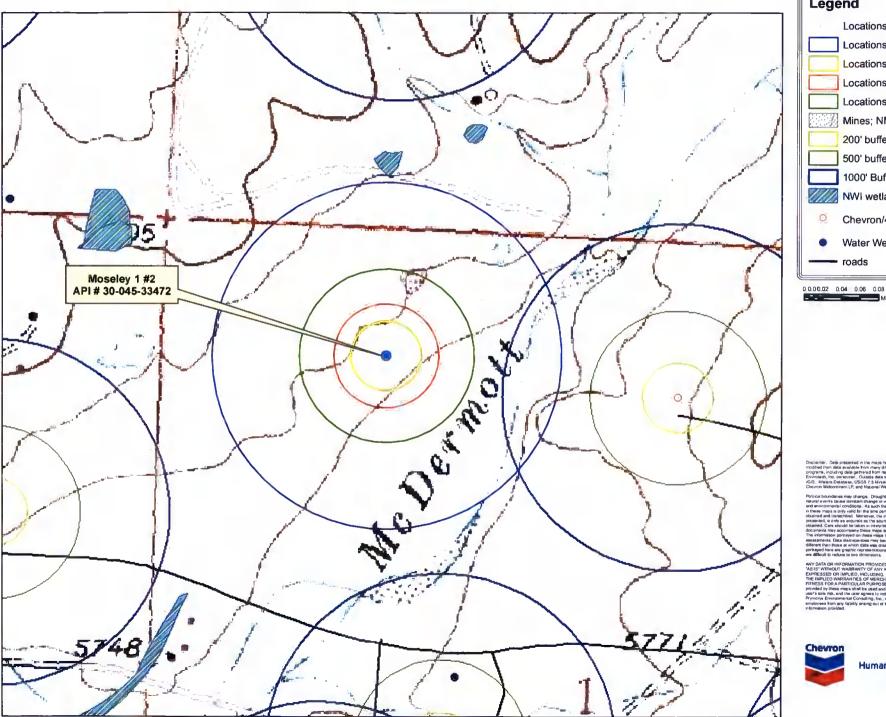
Measure any distance 1000ft or less of the following:

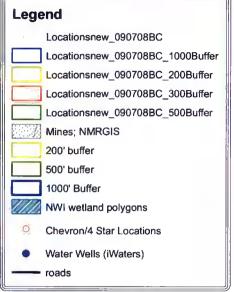
• From wellhead to any continuous flowing or significant water course.

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

N/A

Moseley 1 #2 API # 30-045-33472





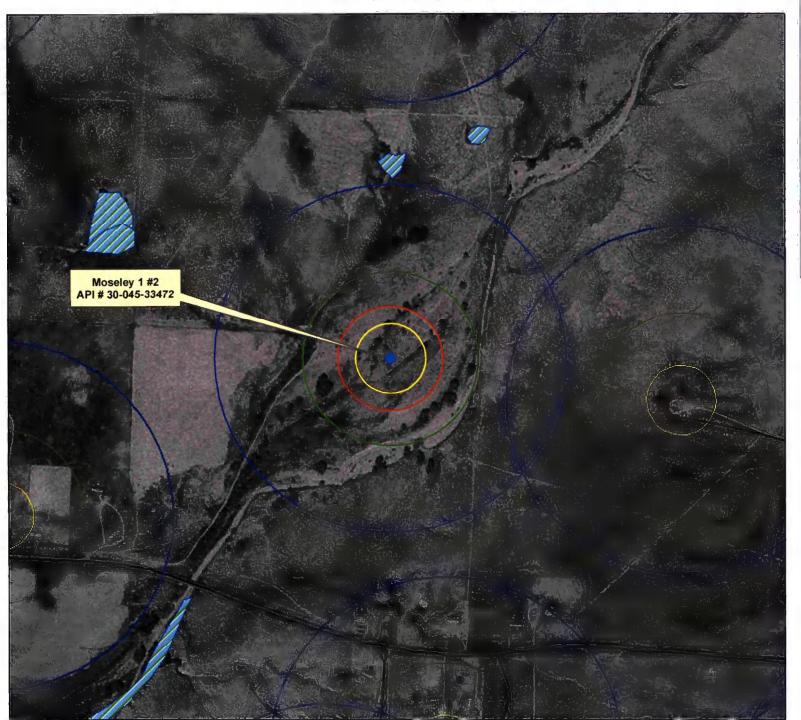
Disclaimer, Data presented in the maps has been obtain modified from data available from many different environ programs, including data gardened from many different environ programs, including data data the submitted burner of the program of the programs of the program

ANY DATA OR INFORMATION PROVIDED BY THESE MAPS IS ALSO STREAM TO ANALYSIS AND ANALYSIS AND ANALYSIS AND ANALYSIS ANALYSI





Moseley 1 #2 API # 30-045-33472





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Declariner. Data presented in the rings has been obtained or modelfed from date evaluable from many different sharper and program, including date gathered from registrate descriptions by Enviroled; his personnel. Coulded date sources included Enviroled; his personnel. Coulded date of Coundaries Maps. CCIS.* Waters Describes; USCS 7.5 Minute Quarterings Maps.

Publication boundaries may change. O bought, precipitation and other breaded with a cause contrast diverge in operation distribution, and environmental consideration. As such the information provided the linear image is only wide for the time proof in which in the case, and the linear image is only wide for the time proof in which in the case, as presented, a only as accurate in this sources from which it were contained. Ones about the such as in resigning threase desir. Whiteh about the case of the contained of the case of the case of the case of the case of the documents in rely accomplishy these image and should be interested to the case of the case of the case of the case of the documents in the case of the case of the case of the case of the documents of the case of the case of the case of the case of the documents of the case of the case of the case of the documents of the case of the case of the case of the case of the documents of the case of the case of the case of the case of the documents of the case of the case of the case of the documents of the case of the case of the case of the documents of the case of the case of the case of the documents of the documents of the case of the case of the case of the documents of documents of the documents of the documents of the documents

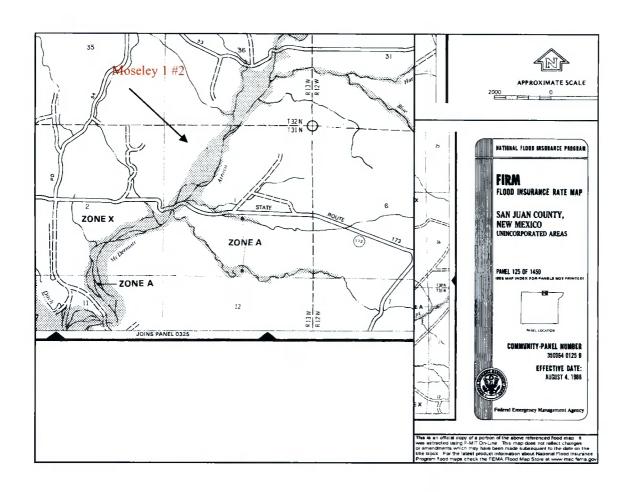
ANY DATA OR INFORMATION PROMDED BY THESE MAPS IS TAS IS WITHOUT WARRANTY OR ANY INIQUE THERE PARKESSED OR AMILEO INCLUDING, BUT NOT LIMITED TO, THE MINITED WARRANTY OR ANY INIQUE THE TO THE MINITED WARRANT SE OF MERCHANTAINT IT WAD DEPOYED BY THE MINITED WARRANT SE OF MERCHANTAINT IT WAD DEPOYED BY THE MINISTRANCE OF THE MINISTRANCE O



Human Energy



Moseley 1 #2 API # 30-045-33472 NW ¹/₄ NW ¹/₄ Sec. 1 T31N R13W

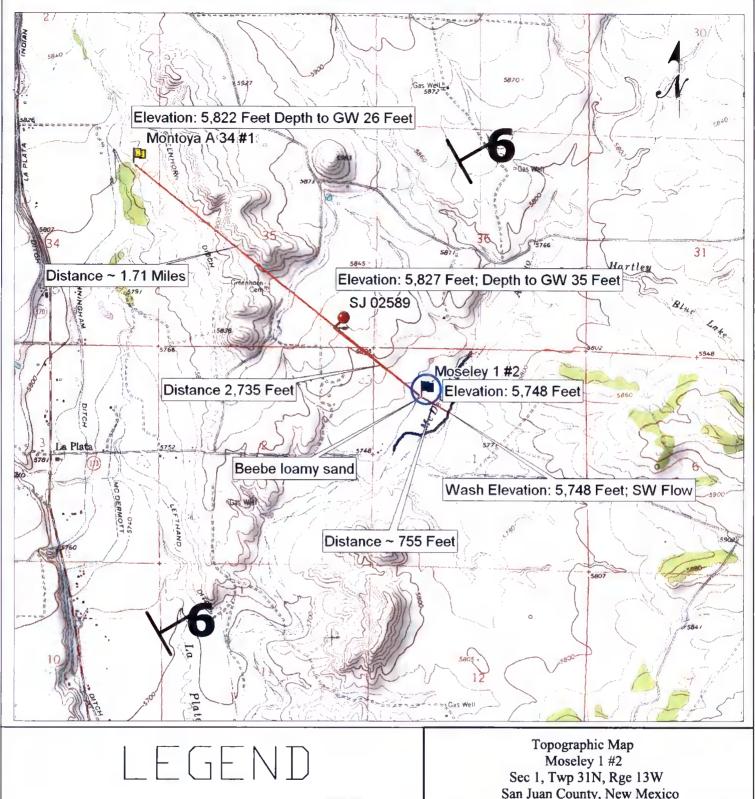


Moseley 1 #2 Groundwater Statement

The attached iWATERS database search and topographic map shows a water well approximately 2,735 feet to the north-west with a depth to groundwater of 35 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 79 feet higher than the Moseley 1 #2 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 1990 for the Montoya A-34 #1 well site shows that groundwater was encountered at 26 feet. This cathodic well data sheet is stamped as being accepted by the OCD in January of 1991. The Montoya A-34 #1 well site is approximately 1.71 miles north-west of the Moseley 1 #2 well site at an elevation approximately 74 feet higher than the Moseley 1 #2 well site. The Montoya A-34 #1 well site is labeled on the topographic map with a yellow flag. The soil type at the Moseley 1 #2 well site is Beebe loamy sand. This is a well drained soil, characterized by stream alluvium derived from igneous and sedimentary rock, with a low available water capacity. The nearest wash is approximately 755 feet to the southeast of the Moseley 1 #2 well site at an elevation of 5,748 feet. This is a south-west flowing ephemeral wash which only flows during periods of heavy precipitation. This wash is the McDermott Arroyo. The Moseley 1 #2 well site lies in the Nacimiento Formation Aquifer which dips at 6 degrees to the north-east (Frenzel, 1983); see Topographic Map for aquifer dip direction. The Nacimiento Formation lies at the surface in a broad belt at the western and southern edges of the central basin and dips beneath the San Jose Formation in the basin center. (Frenzel, 1983) These findings indicate that the depth to groundwater may not be greater than 50 feet from the bottom of the BGT at the Moseley 1 #2 well site. All above information, excluding the aquifer dip, was confirmed by a visual inspection performed by Envirotech, Inc.

The Nacimiento Formation (Tn) is Paleocene in age and grades laterally into the Animas Formation (Tka) around Dulce, New Mexico thickening considerably around Durango, Colorado. The Animas occurs at the same stratigraphic interval as the Nacimientos (Fassett and Hinds, 1971, p. 34). The Nacimiento sits unconformably to conformably below the San Jose Formation, outcrops in a broad band inside the southern and western boundaries of the central basin and rises structurally as a narrow band along the west side of the Nacimiento Uplift (Baltz, 1967, p. 35). The Nacimiento is the surface formation in the eastern third of the San Juan Basin, and being nonresistant, erodes to low rounded hills or the formation of badlands-type physiography distinctive from the much more resistant overlying San Jose Formation. The Nacimiento Formation is present in only the southern two-thirds of the Basin where it conformably both overlies and intertongues with the much thinner Ojo Alamo Sandstone (Fassett, 1974, p. 229). Thickness ranges from 800 feet in the southern part to nearly 2232 feet (Stone, etal, 1983, p. 30) in the subsurface of the northern part. In the eastern outcrops, the thickness is less than 500 feet to nearly 1400 feet due to folding and erosion (Baltz, 1967, p. 1). In general, the total thickness of the Nacimiento thickens from the basin margins towards the basin center. The Nacimiento in the southern area is comprised predominantly of drab interbedded black and gray claystones and siltstones with some discontinuous relatively unconsolidated white, medium to coarse-grained arkosic sandstone with a few

interbedded resistant sandstone strata (Stone, etal, 1983, p.30). To the north, the Naciemento Formation contains a much greater proportion of sandstone, and at some localized places more than 50 percent (Baltz, 1967, p. 1), although most of the sandstones extend only a few thousand feet (Brimhall, 1973, p. 201). Overall, the environment of deposition is predominantly lake deposits and to a lesser extent localization in stream channels (Brimhall, 1973, p. 201).



San Juan County, New Mexico

▲ Aquifer Strike & Dip

✓ Ephemeral Wash

FIGURE NO. PROJECT N092270-0342 REVISIONS

REV



SCALE:

DATE

MAP DRWN JPM

envirotech

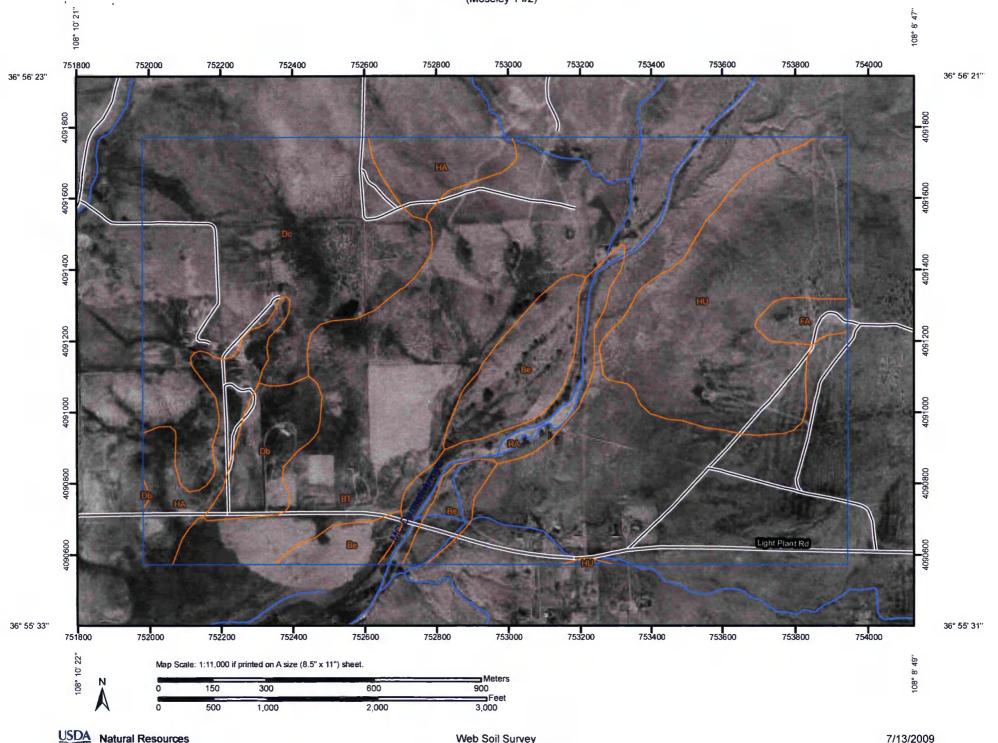
DESCRIPTION

7/13/09

Well Area Soil Type Distance

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

DATE



MAP LEGEND

Area of Interest (AOI)

Area of Interest (AOI)

Soils

Soil Map Units

Special Point Features

Blowout (0)

Borrow Pit X

Clay Spot Ж

Closed Depression

Gravel Pit. ×

Gravelly Spot

Landfill

Lava Flow

Marsh or swamp

Mine or Quarry

0 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

12111

Rails Interstate Highways



US Routes



Major Roads



Local Roads

MAP INFORMATION

Map Scale: 1:11,000 if printed on A size (8.5" × 11") sheet.

The soil surveys that comprise your AOI were mapped at 1:63,360.

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 12N NAD83

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

Soil Survey Area: San Juan County, New Mexico, Eastern Part Survey Area Data: Version 9, Feb 20, 2009

Date(s) aerial images were photographed: 10/13/1997

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

San Juan County, New Mexico, Eastern Part (NM618)							
Map Unit Symbol	Map Unit Name	Acres in AOI	Percent of AOI				
Be	Beebe loamy sand	38.1	6.6%				
ВТ	Blancot-Notal association, gently sloping	262.4	45.3%				
Db	Doak loam, 1 to 3 percent slopes	18.2	3.1%				
Dc	Doak loam, 3 to 5 percent slopes	115.7	20.0%				
FA	Farb-Persayo-Rock outcrop complex, moderately steep	6.5	1.1%				
НА	Haplargids-Blackston-Torriorthents complex, very steep	36.6	6.3%				
HU	Huerfano-Muff-Uffens complex, gently sloping	83.7	14.4%				
RA	Riverwash	18.5	3.2%				
Totals for Area of Inte	rest	579.8	100.0%				

San Juan County, New Mexico, Eastern Part

Be—Beebe loamy sand

Map Unit Setting

Elevation: 4,800 to 6,000 feet

Mean annual precipitation: 6 to 10 inches

Mean annual air temperature: 51 to 55 degrees F

Frost-free period: 140 to 160 days

Map Unit Composition

Beebe and similar soils: 90 percent

Description of Beebe

Setting

Landform: Flood plains

Landform position (three-dimensional): Talf

Down-slope shape: Linear Across-slope shape: Linear

Parent material: Stream alluvium derived from igneous and

sedimentary rock

Properties and qualities

Slope: 0 to 1 percent

Depth to restrictive feature: More than 80 inches

Drainage class: Well 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: More than 80 inches

Frequency of flooding: Frequent Frequency of ponding: None

Calcium carbonate, maximum content: 1 percent

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

cm)

Available water capacity: Low (about 3.6 inches)

Interpretive groups

Land capability classification (irrigated): 4e

Land capability (nonirrigated): 7e

Ecological site: Sandy (R035XB002NM)

Typical profile

0 to 6 inches: Loamy sand 6 to 81 inches: Sand

Data Source Information

Soil Survey Area: San Juan County, New Mexico, Eastern Part

Survey Area Data: Version 9, Feb 20, 2009

30-045-24399

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

Operator	UNOCAL		Location	: UnitS	Sec. 34 Tv	/p_32_Rng_13
	l/Wells or Pip					
-	Completion				_	
If Casing is	s cemented, sh	ow amounts	& types u	sed_NA=NON	E	
If Cement or	r Bentonite Pl	ugs have be	en placed	l, show dep	oths & ar	nounts used
Fresh, Clean	ickness of wat r, Salty, Sulp ased from 0' to 40	hur, Etc. 26				
Type a amou.	encountered:		1,100 1001			······································
Depths vent	pipes placed: 130'	0' to 200' d	еер			
Vent pipe pe	erforations:_F	rom 100% to 20	00' deep - 1	aser slotted		
logs, includ	ne above data ding Drillers d when availab	Log, Water	Analyses	& Well Box	re Schema	atics should

*Land Type may be shown: F-Federal; I-Indian; S-State; P-Fee.

If Federal or Indian, add Lease Number.

JAN3 01991 OIL CON. DIV



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

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

		(quarte				allest	to larg	est)	(NA	NTU 88DA	1 in meters)		(In fee	t)
202 1	Sub			Q									Depth \	
POD Number	basin Use	County	64	16	4	Sec	Tws	Rng		X	Y	Well	WaterC	olumn
SJ 00339	DOM	l SJ	1	1	4	22	32N	13W		216027	4096502*	50	12	38
SJ 00340	IRR	SJ	3	1	4	22	32N	13W		216027	4096302*	50	12	38
SJ 00736	DOM	I SJ		1	4	22	32N	13W		216128	4096403*	40	15	25
SJ 00906 X	DOM	l SJ		4	3	22	32N	13W		215702	4096009*	86	26	60
SJ 00922	DOM	l SJ	4	1	3	22	32N	13W		215415	4096322*	27	12	15
SJ 01079	DOM	l SJ		3	3	34	32N	13W		215206	4092785*	100	30	70
SJ 01187	DOM	l SJ	4	4	3	10	32N	13W		215912	4099125*	24	9	15
SJ 01285	MON	l SJ	4	1	3	28	32N	13W		213760	4094770*	27		
SJ 01353	DOM	l SJ		3	4	10	32N	13W		216219	4099216*		38	
SJ 01439	DOM	l SJ		3	4	10	32N	13W		216219	4099216*	45	25	20
SJ 01549	DOM	l SJ		1	2	15	32N	13W		216212	4098819*	47	28	19
SJ 01943	IRR	SJ			4	34	32N	13W		216209	4092951*	8	3	5
SJ 02068	DOM	l SJ			2	15	32N	13W		216407	4098623*	45	16	29
SJ 02350	DOM	l SJ	1	3	2	15	32N	13W		216105	4098521*	26		
SJ 02558	DOM	l SJ	4	2	3	15	32N	13W		215880	4097928*	41	23	18
SJ 02577	DOM	l SJ		4	4	34	32N	13W		216409	4092731*	30	15	15
SJ 02589	DOM	l SJ	2	3	3	35	32N	13W		216909	4092811*	60	35	25
SJ 02704	DOM	l SJ	2	4	1	22	32N	13W		215840	4096916*	25	12	13
SJ 02705	DOM	l SJ	2	4	1	22	32N	13W		215840	4096916*	25	12	13
SJ 02783	DOM	SJ	4	3	3	35	32N	13W		216909	4092611*	62	48	14
SJ 02847	MIN	SJ	1	4	4	22	32N	13W		216408	4096089*	1255	0	1255
SJ 02848	MIN	SJ	3	4	2	22	32N	13W		216444	4096695*	608	50	558
SJ 02865	DOM	SJ	2	3	2	15	32N	13W		216305	4098521*	44	29	15
SJ 02890	DOM	SJ	2	1	4	15	32N	13W		216299	4098116*	55	30	25
SJ 02901	DOM	SJ	2	2	4	34	32N	13W		216523	4093246*	50		
SJ 02918	DOM	SJ	2	4	3	22	32N	13W		215801	4096108*	51	30	21
SJ 02934	DOM	SJ	1	1	4	15	32N	13W		216099	4098116*	34	18	16
SJ 02985	DOM	SJ	2	1	2	15	32N	13W		216311	4098918*	47	25	22
SJ 03037	DOM	l SJ	3	4	1	34	32N	13W		215524	4093478*	100		

*UTM location was derived from PLSS - see Help

			(quarte	rs a	re s	ma	allest	to larg	est)	(NAD83 UTN	/I in meters)	. 3 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 -	(In fee	et)
POD Number	Sub basin	Use	County	Q 64	TO THE		Sec	Tws	Rng	X	Ý	Sec. 18. 18. 17. 5	20th of B 1	Water Column
SJ 03066		STK	SJ	2	2	2	34	32N	13W	216545	4094053*	41	28	13
SJ 03090		DOM	SJ	1	1	3	35	32N	13W	216725	4093232*	59	47	12
SJ 03111		DOM	SJ	4	1	2	22	32N	13W	216270	4097108*	19	6	13
SJ 03123		DOM	SJ	1	4	3	27	32N	13W	215543	4094485*	30		
SJ 03256		DOM	SJ	2	4	1	34	32N	13W	215724	4093678*	21	6	15
SJ 03524		STK	SJ	1	4	3	27	32N	13W	215543	4094485*	33	10	23
SJ 03525		STK	SJ	1	3	4	27	32N	13W	215948	4094470*	71	12	59
SJ 03635		DOM	SJ	4	2	4	34	32N	13W	216523	4093046*	44	35	9
										Aver	age Depth	to Wate	r: 21	feet
											Minimu	m Deptl	n: 0	feet

Maximum Depth:

50 feet

Record Count: 37

PLSS Search:

Township: 32N Range: 13W

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

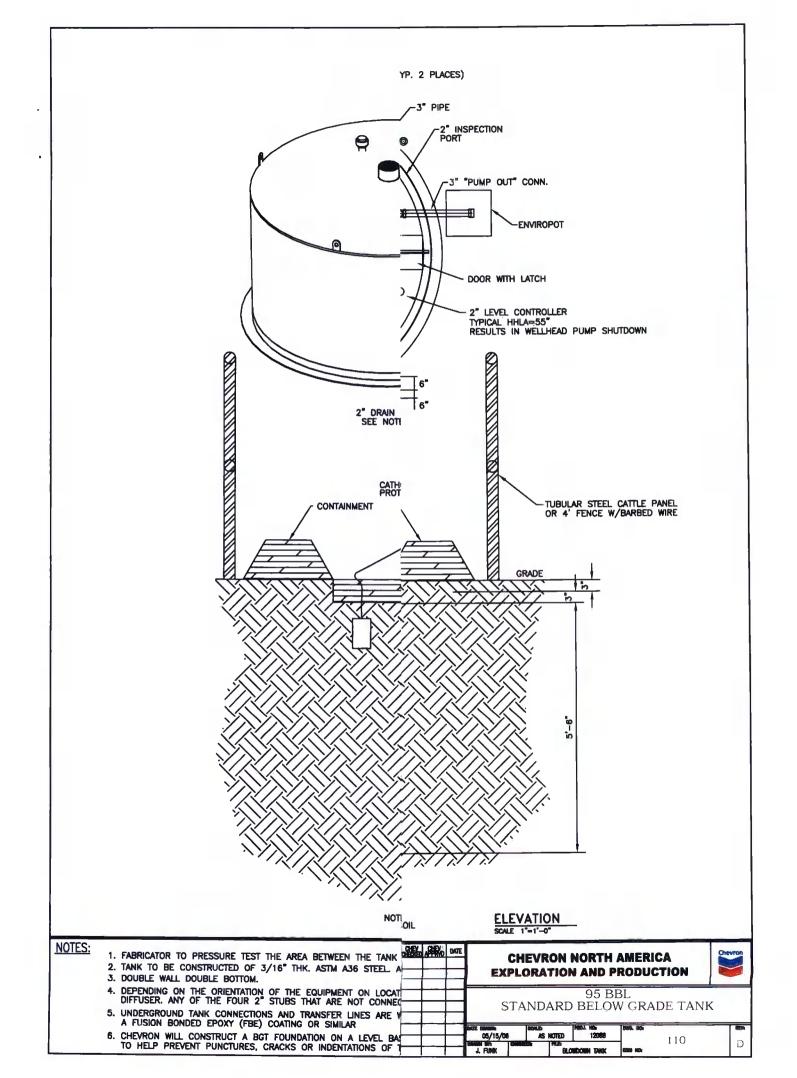
INTRODUCTION

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(I)(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:	

Below 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:	ves	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.