

Venegas, Victoria, EMNRD

From: Enviro, OCD, EMNRD
Sent: Tuesday, December 8, 2020 1:58 PM
To: Venegas, Victoria, EMNRD
Subject: Fw: 1RF-13 Salado Draw Section 13 Recycling Containments Structures Extension Request, Cessation of Operations (September 2020 to February 2021)

From: Vallejo, Tony <JVallejo@chevron.com>
Sent: Monday, August 31, 2020 9:15 AM
To: Enviro, OCD, EMNRD
Cc: Smith, Brooke; Jones, Cullen M; Visairo, Omar; Shi, Wei; Sule, Abdul A; Grady, Kayla; LucasKamat, Susan, EMNRD
Subject: [EXT] RE: 1RF-13 Salado Draw Section 13 Recycling Containments Structures Extension Request, Cessation of Operations (September 2020 to February 2021)

NMOCD (Susan),

Chevron MCBU is submitting this cancellation notification for the approved C-147 "Extension" request that should have started on Sept. 1, 2020 for the Salado Draw RWCS (1RF-13) due to having utilized >20% recycled water from ponds 1 (west) & 2 (east) for frac'ing in the month of August, which is operational and within the 6 month window from April 2020 when we used >20% of recycled water from the combined RWCS.

As of this morning, August 31, 2020, both RWCS (ponds west and east) combined has utilized ~329,000 bbls of water for the frac.

Thank you,

Tony Vallejo
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Safety is as simple as ABC - Always Be Careful

From: LucasKamat, Susan, EMNRD <Susan.LucasKamat@state.nm.us>
Sent: Tuesday, August 04, 2020 3:24 PM
To: Vallejo, Tony <JVallejo@chevron.com>
Cc: Connett, Clark <Clark.Connett@chevron.com>; Jones, Cullen M <CullenJones@chevron.com>; Visairo, Omar <Omar.Visairo@chevron.com>; Shi, Wei <Wei.Shi@chevron.com>; Sule, Abdul A <ASule@chevron.com>; Grady, Kayla <KaylaGrady@chevron.com>
Subject: [**EXTERNAL**] 1RF-13 Salado Draw Section 13 Recycling Containments Structures Extension Request, Cessation of Operations (September 2020 to February 2021)

Good afternoon, Mr. Vallejo.

The Oil Conservation Division (“OCD”) has reviewed the determination of cessation of operations extension request for 1RF-13 Salado Draw Section 13 Recycling Containments Structure, received from Chevron USA (“Chevron”) on May 19, 2020. The cessation for operations extension request is approved with the following conditions of approval.

- The 1RF-13 Salado Draw Section 13 Recycling Containments Structure registration/permit expires on April 16, 2022.
- The 1RF-13 Salado Draw Section 13 Recycling Containments Structure extension of cessation of operations is approved from September 1, 2020 through February 28, 2021.
- Chevron must recycle at least 62,018 bbls of produced water from pond 1 and 66,813 bbls of produced water from pond 2 no later than February 28, 2021, to be considered in operations.
- Chevron will maintain a liquid level in the containment that is at least equal to the weight of the liner plus 20%. Chevron may maintain a higher liquid level if they choose. The 0.5 ft minimum liquid level calculation and the 0.5 ft minimum liquid level included in the variance request is approved.
- Chevron will provide written notice to the OCD (email to ocd.enviro@state.nm.us) at least 72 hours, but no more than one week, prior to the recommencement of operations. Recommencement of recycling operations means that the operator plans to resume moving fluids through the containment and discharging fluids from the containment.
 - At the resumption of recycling operations, Chevron is required to perform an incremental fluid level test for containment liquid levels above the minimum liquid level.
 - Chevron will fill the containment. Chevron will pause filling operations at every 10% of total fluid capacity above the minimum level.
 - Chevron will maintain the liquid level for each 10% volume increase for 24 hours and inspect and operation the leak detection system at the end of the 24-hour period.
 - If there are no liquids present in the leak detection system, Chevron may proceed to fill the next 10% volume and repeat the process until the containment full design capacity minus the 3-feet of freeboard is reached. eat the process until the containment full de reached.
 - If liquids are present, Chevron should immediately cease the incremental fill test and perform a liner inspection. Chevron should provide written notice of the fluid detection and liner inspection findings to the OCD (email to ocd.enviro@state.nm.us) using a C-147 (long form) with the “Other” box checked and “Notice of fluid detection” written as the explanation of “Other.”
 - Upon notification of fluid detection in the leak detection system, the OCD will verify the source of water (condensation versus produced water).
 - If the detected fluid is confirmed to be condensation, the OCD will issue a written approval to proceed with the incremental fluid level test.
 - If the detected fluid is confirmed to be produced water, Chevron must comply with [19.15.34.13](#) NMAC. Chevron must provide written notification (email to ocd.enviro@state.nm.us) on the actions taken to comply with [19.15.34.13](#) NMAC.
 - After fluid is detected in the leak detection system, the incremental fill test cannot continue until after a written approval to proceed is issued by the OCD.
 - Chevron must submit copies of the detailed containment inspection records for the prior three (3) months and a report detailing the incremental fluid level test process and results to the OCD.Enviro mailbox using a C-147 (long form) with the “Other” box checked. “Recommencement of Operations - Incremental Fluid Level Test” should be written as the explanation of “Other.” Form C-147 must be completed and include information in sections 1 General Information, 2 Recycling Facility, 3 Recycling Containment, 4 Bonding, and 10

Operator Application Certification. Section 9 Recycling Facility and/or Containment Checklist may also need to be partially completed. Operators should verify that the resumption of operations notification does not result in any changes to the recycling containment operating and maintenance plan or the closure plan. If the recommencement of operations will affect the operating and maintenance plan or closure plan, operators should check those boxes in section 9 and provide updated plans or plan addendums as attachments to the C-147.

- Chevron will continue to operate, maintain, and close the 1RF-13 Salado Draw Section 13 Recycling Containments Structure in compliance with 19.15.34 NMAC, to include but not limited detailed inspection records, removal of trash/oil from containment, and monthly C-148 reporting (even if there is zero activity).
- Water reuse and recycling from 1RF-13 Salado Draw Section 13 Recycling Containments Structure is limited to wells owned or operated by Chevron (OGRID # 4323).
- A minimum of 3-feet freeboard must always be maintained in the recycling containment during operations.
- Chevron should notify the surface owner of the cessation of operations extension request by January 31, 2021.
- Chevron may request a variance for an additional extension to the determination of cessation of operations, which will be reviewed on a case-by-case basis and evaluated on their merit. Extensions are considered for a maximum length of six months. Additional requests must be submitted to OCD (email to ocd.enviro@state.nm.us) on a Form C-147 (long form) as an Extension request and should include a variance request and summary per [19.15.34.16](#) NMAC and the detailed inspection records for the prior three (3) months. The extension request should be submitted no later than September 30, 2020.

Please keep a copy of this electronic communication for your files, as no paper copy of the approval will be delivered. The signed C-147 will be saved in 1RF-13 Salado Draw Section 13 Recycling Containments Structure electronic file on the OCD website at <http://ocdimage.emnrd.state.nm.us/imaging//AEOrderFileView.aspx?appNo=pTO1716430758> within 24 hours.

Please do not hesitate to contact me if you have any questions or comments.

Regards,
Susan

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