

Venegas, Victoria, EMNRD

From: Venegas, Victoria, EMNRD
Sent: Wednesday, January 6, 2021 10:59 AM
To: 'Vallejo, Tony'; Bratcher, Mike, EMNRD
Cc: 'Jones, Cullen M'; 'Visairo, Omar'; 'Smith, Brooke'
Subject: 1RF-11 Salado Draw Section 23 Recycling Facility and Containment.

1RF-11 Salado Draw Section 23 Recycling Facility and Containment. Cessation of operation extension request. Approval with conditions.

Mr. Vallejo,

The Oil Conservation Division has reviewed the determination of cessation of operations extension request for 1RF-11 Salado Draw Section 23 Recycling Facility and Containment, received from Chevron USA on September 21, 2020. The cessation for operations extension request is approved with the following conditions of approval:

- The 1RF-11 Salado Draw Section 23 Recycling Facility and Containment registration/permit expires on December 16, 2021.
- The 1RF-11 Salado Draw Section 23 Recycling Facility and Containment extension of cessation of operations is approved from November 1, 2020 through April 30, 2021.
- Chevron must recycle at least 68,090 bbls of produced water from pond 1 and 73,521 bbls of produced water from pond 2 no later than May 31, 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.
- 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. 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 (through the [OCD Online](#) system) using a C-147 (long form) with the "Other" box checked and "Notice of fluid detection" written as the explanation of "Other."
 - If the detected fluid is confirmed to be 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 through the [OCD Online](#) system 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-11 Salado Draw Section 23 Recycling Facility and Containment 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-11 Salado Draw Section 23 Recycling Facility and Containment 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 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 (through the [OCD Online](#) system) 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.

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-11 Salado Draw Section 23 Recycling Facility and Containment electronic file on the OCD website at:

<https://ocdimage.emnrd.state.nm.us/imaging/AEOrderFileView.aspx?appNo=pTO1706148913>

Regards,

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