

Venegas, Victoria, EMNRD

From: Venegas, Victoria, EMNRD
Sent: Tuesday, February 9, 2021 4:16 PM
To: Vallejo, Tony; Enviro, OCD, EMNRD; Bratcher, Mike, EMNRD
Cc: Jones, Cullen M; Visairo, Omar; Smith, Brooke
Subject: 2RF-107 Hayhurst Sections 9 and 10 Recycling Facility. Extension of Cessation of Operations Approval.

2RF-107 Hayhurst Sections 9 and 10 Recycling Facility. Extension of Cessation of Operations Approval

Good afternoon, Mr. Vallejo.

NMOC has reviewed the determination of cessation of operations extension request for 2RF-107 Hayhurst Sections 9 and 10 Recycling Facility, received from Chevron USA on January 12, 2021. The cessation for operations extension and variance request is approved with the following conditions of approval:

- The 2RF-107 Hayhurst Sections 9 and 10 Recycling Facility registration/permit expires on November 18, 2021.
- The 2RF-107 Hayhurst Sections 9 and 10 Recycling Facility is approved for an extension of operations from April 1, 2020 through September 30, 2021.
- 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 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.
 - If liquids are present, Chevron should 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 [OCD Online](#) using a C- 147 (long form) with the "Other" box checked and "Notice of fluid detection" written as the explanation of "Other".
 - If the detected fluid is confirmed to be produced water, Chevron must comply with 19.15.34.13 NMAC.
 - 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 through the [OCD Online](#) using a C-147 (long form) with the "Other" box checked. "Recommencement of Operations - Incremental Fluid Level Test" should be written as the

explanation of "Other." Form C-147 must be completed and include information in sections 1 General Information, 2 Recycling Facility, 3 Recycling Containment, 4 Bonding, and 10 Operator Application Certification. Section 9 Recycling Facility and/or Containment Checklist may also need to be partially completed. 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.

- If there was no produced water detected in the leak detection system and there are no changes to the operating and maintenance plan or closure plan, Chevron may proceed with the resumption of operations.
- If there was produced water detected in the leak detection system or there were changes to the operating and maintenance plan or closure plan, Chevron cannot proceed with the resumption of operations until OCD approves the C-147.
- Chevron will continue to operate, maintain, and close the 2RF-107 Hayhurst Sections 9 and 10 Recycling Facility in compliance with 19.15.34 NMAC, to include but not limited to: detailed inspection records, removal of trash/oil from containment, and monthly C-148 reporting for each recycling containment (even if there is zero activity).
- Water reuse and recycling from 2RF-107 Hayhurst Sections 9 and 10 Recycling Facility is limited to wells owned or operated by Chevron OGRID # 4323.
- A minimum of 3-feet freeboard must be maintained in the recycling containment at all times during operations.
- Chevron should notify the surface owner of the cessation of operations extension request by August 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 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 2RF-107 Hayhurst Sections 9 and 10 Recycling Facility electronic file on the OCD website at:

<https://ocdimage.emnrd.state.nm.us/imaging/AEOrderFileView.aspx?appNo=pMLB1701252467>

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

Victoria Venegas • Environmental Specialist

Environmental Bureau

EMNRD - Oil Conservation Division

811S. First St. | Artesia, NM 88210

(575) 909-0269 | Victoria.Venegas@state.nm.us

<http://www.emnrd.state.nm.us/OCD/>

