District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 S. First St., Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources
Department
Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-147
Revised March 31, 2015

Recycling Facility and/or Recycling Containment

Type of Facility: ☒ Recycling Facility ☐ Recycling Containment*

Type of action: ☐ Permit ☐ Registration
☒ Modification ☐ Extension
☐ Closure ☐ Other (explain) _____

*** At the time C-147 is submitted to the division for a Recycling Containment, a copy shall be provided to the surface owner.**

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.

1.

Operator: Chevron U.S.A. Inc. (For multiple operators attach page with information) OGRID #: 4323

Address: 1400 Smith Street, Houston TX 77002

Facility or well name (include API# if associated with a well): "HH NM Sec 2 Frac Pond and Recycle Facility"

OCD Permit Number: 2RF-120 (For new facilities the permit number will be assigned by the district office)

U/L or Qtr/Qtr N Section 2 Township 26 South Range 27 East County: Eddy

Surface Owner: ☐ Federal ☒ State ☐ Private ☐ Tribal Trust or Indian Allotment

2.

☒ **Recycling Facility: (Location: U/L N, Section 2, T26S, R27E)**

Location of recycling facility (if applicable): Latitude 32.065644 Longitude -104.165003 NAD: ☐1927 ☒ 1983

Proposed Use: ☐ Drilling* ☒ Completion* ☐ Production* ☐ Plugging *

The re-use of produced water may NOT be used until fresh water zones are cased and cemented

☐ Other, ***requires permit for other uses. Describe use, process, testing, volume of produced water and ensure there will be no adverse impact on groundwater or surface water.***

☒ Fluid Storage

☒ Above ground tanks ☒ Recycling containment ☐ Activity permitted under 19.15.17 NMAC explain type_____

☐ Activity permitted under 19.15.36 NMAC explain type:_____ ☐ Other explain _____

☐ For multiple or additional recycling containments, attach design and location information of each containment **(see Part 3 below for Section 10 recycling containment and bottom of page 3 for Section 9 recycling containment location)**

☐ **Closure Report (required within 60 days of closure completion):** ☐ Recycling Facility Closure Completion Date:_____

3.

☐ **Recycling Containment:**

☐ Annual Extension after initial 5 years (attach summary of monthly leak detection inspections for previous year)

Center of Recycling Containment (if applicable): Latitude _____ Longitude _____ NAD: ☐1927 ☐ 1983

☐ For multiple or additional recycling containments, attach design and location information of each containment

☐ Lined ☐ Liner type: Thickness ____mil ☐ LLDPE ☐ HDPE ☐ PVC ☐ Other _____

☐ String-Reinforced

Liner Seams: ☐ Welded ☐ Factory ☐ Other Field Volume: _____bbl Dimensions: _____

☐ Recycling Containment Closure Completion Date:_____

4.

Bonding:

☒ Covered under bonding pursuant to 19.15.8 NMAC per 19.15.34.15(A)(2) NMAC **(These containments are limited to only the wells owned or operated by the owners of the containment.)**

☐ Bonding in accordance with 19.15.34.15(A)(1). Amount of bond $_____ **(work on these facilities cannot commence until bonding amounts are approved)**

☐ Attach closure cost estimate and documentation on how the closure cost was calculated.

5.

Fencing:

☐ Four foot height, four strands of barbed wire evenly spaced between one and four feet

☐ Alternate. Please specify)_____

6.

Signs:

☐ 12"x 24", 2" lettering, providing Operator's name, site location, and emergency telephone numbers

☐ Signed in compliance with 19.15.16.8 NMAC

7.

Variances:

Justifications and/or demonstrations that the proposed variance will afford reasonable protection against contamination of fresh water, human health, and the environment.

Check the below box only if a variance is requested:

☐ Variance(s): Requests must be submitted to the appropriate division district for consideration of approval. If a Variance is requested, include the variance information on a separate page and attach it to the C-147 as part of the application.

If a Variance is requested, it must be approved prior to implementation.

8.

Siting Criteria for Recycling Containment

Instructions: The applicant must provide attachments that demonstrate compliance for each siting criteria below as part of the application. Potential examples of the siting attachment source material are provided below under each criteria.

General siting

Ground water is less than 50 feet below the bottom of the Recycling Containment. NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells	☐ Yes ☐ No ☐ NA
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 ☐ NA
Within the area overlying a subsurface mine. - Written confirmation or verification or map from the NM EMNRD-Mining and Minerals 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
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 1000 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 spring or a fresh water well used for domestic or stock watering purposes, in existence at the time of initial application. - NM Office of the State Engineer - iWATERS database search; visual inspection (certification) of the proposed site	☐ 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

9.
Recycling Facility and/or Containment Checklist:
Instructions: Each of the following items must be attached to the application. Indicate, by a check mark in the box, that the documents are attached.

- ☐ Design Plan - based upon the appropriate requirements.
- ☐ Operating and Maintenance Plan - based upon the appropriate requirements.
- ☐ Closure Plan - based upon the appropriate requirements.
- ☐ Site Specific Groundwater Data -
- ☐ Siting Criteria Compliance Demonstrations –
- ☐ **Certify that notice of the C-147 (only) has been sent to the surface owner(s)**

10.
Operator Application Certification:
I hereby certify that the information and attachments submitted with this application are true, accurate and complete to the best of my knowledge and belief.

Name (Print): Tony Vallejo Title: Sr. Workforce Safety & Environmental Specialist - Factory

Signature: Tony Vallejo Date: 07/06/2021

e-mail address: VJUA@chevron.com Telephone: O: 432-687-7524 or C:325-450-1413

11.
OCD Representative Signature: _____ **Approval Date:** _____

Title: _____ **OCD Permit Number:** _____

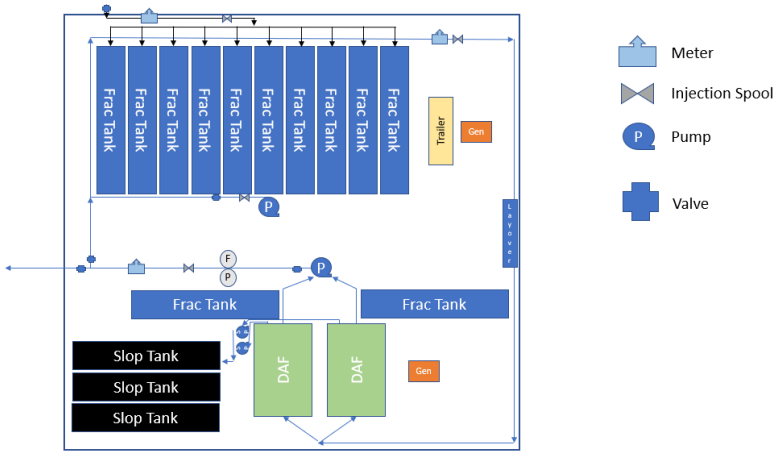
☐ OCD Conditions _____
☐ Additional OCD Conditions on Attachment

C-147 Modification notification (Hayhurst NM 2RF-120 (FRUs))

NMOCD,

Chevron MCBU is submitting this "Modification" notification for the Hayhurst NM Fixed Recycle Units (FRUs), due to re-installing rental equipment located at the section 2 SWD facility (2RF-120). The FRU will be used to treat produced water to enable its reuse as supply to meet our frac water demand. The goals of the FRU treatment process include separating oil from the produced water, oxidizing H2S if present, lowering the concentration of iron dissolved in the produced water, and killing bacteria.

Location and diagram for FRU equipment:



Red box below is where FRU equipment will be placed.

Thank you,

Tony Vallejo
HES Specialist - Factory Performance Support
Chevron MCBU
6301 Deauville Blvd/N3210
Midland, Tx 79706
O: 432-687-7524
C: 325-450-1413
jvallejo@chevron.com

Safety is as simple as ABC - Always Be Careful

District I
1625 N. French Dr., Hobbs, NM 88240
Phone:(575) 393-6161 Fax:(575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone:(575) 748-1283 Fax:(575) 748-9720
District III
1000 Rio Brazos Rd., Aztec, NM 87410
Phone:(505) 334-6178 Fax:(505) 334-6170
District IV
1220 S. St Francis Dr., Santa Fe, NM 87505
Phone:(505) 476-3470 Fax:(505) 476-3462

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
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Santa Fe, NM 87505

CONDITIONS

Action 35099

CONDITIONS

Operator: CHEVRON U S A INC 6301 Deauville Blvd Midland, TX 79706	OGRID: 4323
	Action Number: 35099
	Action Type: [C-147] Water Recycle Long (C-147L)

CONDITIONS

Created By	Condition	Condition Date
vvenegas	NMOCD has reviewed and approved the modification request for 2RF-120 - Hayhurst Sec 2 Frac Ponds and Recycle Facility [fAB1805848203] received from [4323] CHEVRON USA INC on July 6, 2021. [4323] CHEVRON USA is requesting a modification for the Hayhurst NM Fixed Recycle Units (FRUs), due to re-installing rental equipment located at the section 2 SWD facility (2RF-120 - Hayhurst Sec 2 Frac Ponds and Recycle Facility [fAB1805848203]). The FRU will be used to treat produced water to enable its reuse as supply to meet our frac water demand. The goals of the FRU treatment process include separating oil from the produced water, oxidizing H2S if present, lowering the concentration of iron dissolved in the produced water, and killing bacteria.	7/15/2021