

**C-147 Bonding Modification request (Hayhurst NM 2RF-120)**

Date: 10/11/2023

NMOCD,

Chevron MCBU is requesting a bonding modification from NMOCD for our 2RF-120 HAYHURST NM SECTION 2 FRAC POND & RECYCLE FACILITY (Recycling Water Containments Structure; RWCS), due to allowing options to comply with the conditions of approval of utilizing 20% fluid capacity during a 6-month period. Currently, existing bonding C-147 (2RF-120) only allows Chevron MCBU to utilize the fluid capacity. Modifying the bonding will allow sharing the RWCS fluid with other companies/parties who have drilling/fracking operations in the area. An additional benefit of this modified bonding may also decrease surface disturbance of building multiple RWCSs in the area in the future.

Current, existing C-147 (2RF-120):

- 2RF-120 – HAYHURST NM SECTION 2 FRAC POND & RECYCLE FACILITY ID [pAB1805848475] will operate as originally permitted. [4323] CHEVRON USA INC will comply with all conditions previously approved for permit 2RF-120 - HAYHURST NM SECTION 2 FRAC POND & RECYCLE FACILITY ID [pAB1805848475]. No changes will be made to operation, maintenance and monitoring procedures, or closure procedures.

Thank you for your time and support.

**Thank you,
Tony Vallejo**

Sr. Workforce Safety & Environmental Specialist - Factory

Chevron USA Inc. (MCBU)

6301 Deauville Blvd/N3210

Midland, Tx 79706

O: [432-687-7524](tel:432-687-7524)

C: [325-450-1413](tel:325-450-1413)

jvallejo@chevron.com



Safety is as simple as ABC - Always Be Careful

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 (A and B) (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
☐ **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 32.071130 Longitude -104.166990 NAD: ☐ 1927 ☒ 1983
☐ For multiple or additional recycling containments, attach design and location information of each containment
☒ Lined ☒ Liner type: Thickness 60 mil ☐ LLDPE ☒ HDPE ☐ PVC ☒ Other _____
☐ String-Reinforced
Liner Seams: ☒ Welded ☐ Factory ☒ Other Field Volume: 587,330 bbl Dimensions: L 796' x W 683' x D 23'
☐ 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 \$ 802,000 (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.

☐ Yes ☐ No
☐ NA

- Written confirmation or verification from the municipality; written approval obtained from the municipality

Within the area overlying a subsurface mine.

☐ Yes ☐ No

- Written confirmation or verification or map from the NM EMNRD-Mining and Minerals Division

Within an unstable area.

☐ Yes ☐ No

- Engineering measures incorporated into the design; NM Bureau of Geology & Mineral Resources; USGS; NM Geological Society; topographic map

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).

☐ Yes ☐ No

- Topographic map; visual inspection (certification) of the proposed site

Within 1000 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application.

☐ Yes ☐ No

- Visual inspection (certification) of the proposed site; aerial photo; satellite image

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.

☐ Yes ☐ No

- NM Office of the State Engineer - iWATERS database search; visual inspection (certification) of the proposed site

Within 500 feet of a wetland.

☐ Yes ☐ No

- US Fish and Wildlife Wetland Identification map; topographic map; visual inspection (certification) of the proposed site

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: 10/11/2023

e-mail address: jvallejo@chevron.com Telephone: 325-450-1413

11.

OCD Representative Signature: Victoria Venegas **Approval Date:** 10/13/2023

Title: Environmental Specialist **OCD Permit Number:** 2RF-120

- ☒ OCD Conditions
☒ Additional OCD Conditions on Attachment



2401 Pecos Ave.
P.O. Box 827
Artesia, NM 88210

An American company,
reshaping the earth, one location at a time.

((575) 748-1238
Fax (575) 748-1230

October 11, 2023

Attn: Esther

RE: HH NM SECTION 2 FRAC PONDS

Esther,

To furnish labor, equipment and materials to remove liners from both ponds and haul off to dispose of, then use a D8 dozer and scrapers to push walls back into the middle of the ponds then recontour the area with the surrounding area so it drains properly. This cost does not include pulling any water out of the ponds if there is any and or dust control, does not include seed which I did not see in the paperwork. The total lump sum is below.

Liner removal: \$573,790.00
Dirt work: \$ 193,320.00
Fence Removal: \$33,915.00
Total Lump Sum: \$ 801,025.00

If you have any questions, please call.

Respectfully Submitted,

Eric Owens
Project Manager
e.owens@sweattconstruction.com
Cell: (575) 513-8753

Venegas, Victoria, EMNRD

From: Venegas, Victoria, EMNRD
Sent: Friday, October 13, 2023 2:08 PM
To: Vallejo, Tony
Subject: 2RF-120 HAYHURST NM SECTION 2 FRAC POND AND RECYCLE FACILITY ID [FAB1805848203]
Attachments: C-147 2RF-120 Hayhurst NM Section 2 Frac Pond and Recycle Facility Modification.pdf

2RF-120 HAYHURST NM SECTION 2 FRAC POND AND RECYCLE FACILITY ID [FAB1805848203]

Good afternoon Mr. Vallejo,

NMOCD has reviewed the recycling containment permit modification and related documents, submitted by [4323] CHEVRON USA INC on 10/11/2023, for 2RF-120 HAYHURST NM SECTION 2 FRAC POND AND RECYCLE FACILITY ID [FAB1805848203]. [4323] CHEVRON USA INC requested a permit modification to allow 2RF-120 HAYHURST NM SECTION 2 FRAC POND AND RECYCLE FACILITY ID [FAB1805848203] to be used to deliver fluids to wells not owned or operated by Chevron. The requested permit modification is approved with the following conditions of approval:

- [4323] CHEVRON USA INC will operate 2RF-120 HAYHURST NM SECTION 2 FRAC POND AND RECYCLE FACILITY ID [FAB1805848203] as originally permitted.
- [4323] CHEVRON USA INC will comply with all conditions previously approved for the 2RF-120 HAYHURST NM SECTION 2 FRAC POND AND RECYCLE FACILITY ID [FAB1805848203] permit.
- No changes to the operations procedures, maintenance, monitoring procedures, or closure procedures will be made aside from the requested modification.
- The closure cost estimated provided in the modification request in the amount of \$801,025.00 meets the requirements of NMAC 19.15.34.14 CLOSURE AND SITE RECLAMATION REQUIREMENTS FOR RECYCLING CONTAINMENTS. The financial assurance should be mailed to:
EMNRD - Oil Conservation Division
Attn: Bond Administrator
1220 S. St. Francis Drive
Santa Fe, NM 87505.
(505) 660-2501
- NMOCD will notify you when the bond has been received and approved.

Please let me know if you have any additional questions.

Regards,

Victoria Venegas • Environmental Specialist

Environmental Bureau

EMNRD - Oil Conservation Division

506 W. Texas Ave. Artesia, NM 88210

(575) 909-0269 | Victoria.Venegas@emnrd.nm.gov

<https://www.emnrd.nm.gov/oed/>



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
1220 S. St Francis Dr.
Santa Fe, NM 87505

CONDITIONS

Action 274745

CONDITIONS

Operator: CHEVRON U S A INC 6301 Deauville Blvd Midland, TX 79706	OGRID: 4323
	Action Number: 274745
	Action Type: [C-147] Water Recycle Long (C-147L)

CONDITIONS

Created By	Condition	Condition Date
vvenegas	[4323] CHEVRON USA INC requested a permit modification to allow 2RF-120 HAYHURST NM SECTION 2 FRAC POND AND RECYCLE FACILITY ID [FAB1805848203] to be used to deliver fluids to wells not owned or operated by Chevron. The requested permit modification is approved with the following conditions of approval: • [4323] CHEVRON USA INC will operate 2RF-120 HAYHURST NM SECTION 2 FRAC POND AND RECYCLE FACILITY ID [FAB1805848203] as originally permitted. • [4323] CHEVRON USA INC will comply with all conditions previously approved for the 2RF-120 HAYHURST NM SECTION 2 FRAC POND AND RECYCLE FACILITY ID [FAB1805848203] permit.	10/13/2023