

Jones, Brad A., EMNRD

From: Clenney, Laura E <Laura.Clenney@chevron.com>
Sent: Wednesday, August 08, 2012 3:48 PM
To: Jones, Brad A., EMNRD
Cc: Barnes, Leslie (LeslieBarnes)
Subject: Chevron Below Ground Tank Replacements

Brad,

Chevron is planning to replace the following 12 BGT's in 2012, beginning in mid to late August with a planned completion in late October. Each site is listed in the table below. Identified in the 5th column of the table is the BGT targeted for removal, so you can reference it from the respective C-144's.

We are in the process of revising the C144 packages, beginning with the Keys Com #001 and Mexico Federal B #001 packages which should arrive at your office the week of August 13th.

Well Name	API	Global Positioning Coordinates	ULSTR	Pit Tank/ BGT
KEYS COM #001	30-045-07641	36.678344/107.910790	N-32-29N-10W	BGT #1
MEXICO FEDERAL B #001	30-045-07575	36.67821/107.903642	N-9 -28N-10W	BGT #1
RINCON UNIT #011	30-039-06648	36.511551/ 107.51163	K-6 -26N-06W	BGT #1
RINCON UNIT #083	30-039-07005	36.564423/ 107.433258	B-23-27N-06W	BGT #1
RINCON UNIT #085	30-039-07072	36.577438/ 107.55613	H-15-27N-07W	BGT #1
RINCON UNIT #093	30-039-06539	36.495069/ 107.539531	P-11-26N-07W	BGT #1
RINCON UNIT #100A	30-039-21972	36.543428/ 107.434117	J-26-27N-06W	BGT #1
RINCON UNIT #101	30-039-06693	36.512185/ 107.532949	L-1 -26N-07W	BGT #1
RINCON UNIT #136	30-039-82376	36.564792/ 107.540523	A-23-27N-07W	BGT #1
RINCON UNIT #159	30-039-07071	36.57653/ 107.505573	G-18-27N-06W	BGT #1
RINCON UNIT #171	30-039-06944	36.555018/ 107.478559	M-21-27N-06W	BGT #1
RINCON UNIT #176	30-039-82373	36.534753/ 107.530862	5-31-27N-06W	BGT #1

Please let me know if you need additional information in order to process the approval of these BGT packages.

Thanks,

Laura Clenney
Facilities Engineer - San Juan FMT
Laura.Clenney@Chevron.com

Chevron North America Exploration and Production
Mid-Continent Business Unit
332 ROAD 3100
Aztec, NM 87410

Tel 505 333 1950
Mobile 281 881 0322

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, 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-144
July 21, 2008

For temporary pits, closed-loop systems, and below-grade tanks, submit to the appropriate NMOCD District Office.
For permanent pits and exceptions submit to the Santa Fe Environmental Bureau office and provide a copy to the appropriate NMOCD District Office.

2010 MAR 4 PM 1 23

Pit, Closed-Loop System, Below-Grade Tank, or
Proposed Alternative Method Permit or Closure Plan Application

- Type of action: ☒ Permit of a pit, closed-loop system, below-grade tank, or proposed alternative method
☐ Closure of a pit, closed-loop system, below-grade tank, or proposed alternative method
☐ Modification to an existing permit
☐ Closure plan only submitted for an existing permitted or non-permitted pit, closed-loop system, below-grade tank, or proposed alternative method

Instructions: Please submit one application (Form C-144) per individual pit, closed-loop system, below-grade tank or alternative request

Please 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: Four Star Oil & Gas Company OGRID #: 131944
Address: P.O. Box 36366 Houston, TX 77236
Facility or well name: Mexico Federal B #1
API Number: 30-045-07575 OCD Permit Number: _____
U/L or Qtr/Qtr Qtr/Qtr N Section 9 Township 28 N Range 10W County: San Juan
Center of Proposed Design: Latitude 36.672821 Longitude 107.903642 NAD: ☐ 1927 ☐ 1983
Surface Owner: ☐ Federal ☐ State ☐ Private ☐ Tribal Trust or Indian Allotment

2.
☐ **Pit:** Subsection F or G of 19.15.17.11 NMAC
Temporary: ☐ Drilling ☐ Workover
☐ Permanent ☐ Emergency ☐ Cavitation ☐ P&A
☐ Lined ☐ Unlined Liner type: Thickness _____ mil ☐ LLDPE ☐ HDPE ☐ PVC ☐ Other _____
☐ String-Reinforced
Liner Seams: ☐ Welded ☐ Factory ☐ Other _____ Volume: _____ bbl Dimensions: L _____ x W _____ x D _____

3.
☐ **Closed-loop System:** Subsection H of 19.15.17.11 NMAC
Type of Operation: ☐ P&A ☐ Drilling a new well ☐ Workover or Drilling (Applies to activities which require prior approval of a permit or notice of intent)
☐ Drying Pad ☐ Above Ground Steel Tanks ☐ Haul-off Bins ☐ Other _____
☐ Lined ☐ Unlined Liner type: Thickness _____ mil ☐ LLDPE ☐ HDPE ☐ PVC ☐ Other _____
Liner Seams: ☐ Welded ☐ Factory ☐ Other _____

4.
☒ **Below-grade tank:** Subsection I of 19.15.17.11 NMAC
Volume: 95 bbl Type of fluid: Produced Water
Tank Construction material: Steel
☐ Secondary containment with leak detection ☐ Visible sidewalls, liner, 6-inch lift and automatic overflow shut-off
☐ Visible sidewalls and liner ☒ Visible sidewalls only ☒ Other Buried
Liner type: Thickness _____ mil ☐ HDPE ☐ PVC ☒ Other None

5.
☐ **Alternative Method:**
Submittal of an exception request is required. Exceptions must be submitted to the Santa Fe Environmental Bureau office for consideration of approval.

6.

Fencing: Subsection D of 19.15.17.11 NMAC (*Applies to permanent pits, temporary pits, and below-grade tanks*)

- ☐ Chain link, six feet in height, two strands of barbed wire at top (*Required if located within 1000 feet of a permanent residence, school, hospital, institution or church*)
- ☐ Four foot height, four strands of barbed wire evenly spaced between one and four feet
- ☒ Alternate. Please specify None

7.

Netting: Subsection E of 19.15.17.11 NMAC (*Applies to permanent pits and permanent open top tanks*)

- ☐ Screen ☐ Netting ☒ Other Solid
- ☐ Monthly inspections (If netting or screening is not physically feasible)

8.

Signs: Subsection C of 19.15.17.11 NMAC

- ☐ 12"x 24", 2" lettering, providing Operator's name, site location, and emergency telephone numbers
- ☒ Signed in compliance with 19.15.3.103 NMAC

9.

Administrative Approvals and Exceptions:

Justifications and/or demonstrations of equivalency are required. Please refer to 19.15.17 NMAC for guidance.

Please check a box if one or more of the following is requested, if not leave blank:

- ☒ Administrative approval(s): Requests must be submitted to the appropriate division district or the Santa Fe Environmental Bureau office for consideration of approval.
- ☐ Exception(s): Requests must be submitted to the Santa Fe Environmental Bureau office for consideration of approval.

10.

Siting Criteria (regarding permitting): 19.15.17.10 NMAC

Instructions: The applicant must demonstrate compliance for each siting criteria below in the application. Recommendations of acceptable source material are provided below. Requests regarding changes to certain siting criteria may require administrative approval from the appropriate district office or may be considered an exception which must be submitted to the Santa Fe Environmental Bureau office for consideration of approval. Applicant must attach justification for request. Please refer to 19.15.17.10 NMAC for guidance. Siting criteria does not apply to drying pads or above-grade tanks associated with a closed-loop system.

Ground water is less than 50 feet below the bottom of the temporary pit, permanent pit, or below-grade tank. - Please reference hydrogeologic report and printout from iWATERS database.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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). - Please reference the attached topographic map with distance rings. In addition, a field visit was conducted by Envirotech in July 2008 certifying that, at the time, there were no watercourses within the distance specified above.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Within 300 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application. (Applies to temporary, emergency, or cavitation pits and below-grade tanks) - Please reference the attached aerial photo. In addition, a field visit was conducted by Envirotech in July 2008 certifying that, at the time, there were no referenced buildings within the distance specified above.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> NA
Within 1000 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application. (Applies to permanent pits) - Please reference the attached aerial photo. In addition, a field visit was conducted by Envirotech in July 2008 certifying that, at the time, there were no referenced buildings within the distance specified above.	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> NA
Within 500 horizontal feet of a private, domestic fresh water well or spring that less than five households use for domestic or stock watering purposes, or within 1000 horizontal feet of any other fresh water well or spring, in existence at the time of initial application. - Please reference the attached iWATERS printout. In addition, a field visit was conducted by Envirotech in July 2008 certifying that, at the time, there were no wells or springs within the distances specified above.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
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. The site is not within any known incorporated municipal boundaries, please reference the attached topographic map.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Within 500 feet of a wetland. - Please reference the attached topographic map with distance rings. In addition, a field visit was conducted by Envirotech in July 2008 certifying that, at the time, there were no wetlands within the distance specified above	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Within the area overlying a subsurface mine. - Please reference the attached topographic map	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Within an unstable area. - Please reference the attached topographic map which includes FEMA flood map data. The map indicates the well site is outside of any known 100 year floodplains.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Within a 100-year floodplain. - FEMA map	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

11.

Temporary Pits, Emergency Pits, and Below-grade Tanks Permit Application Attachment Checklist: Subsection B of 19.15.17.9 NMAC**Instructions:** Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the documents are attached.

- ☒ Hydrogeologic Report (Below-grade Tanks) - based upon the requirements of Paragraph (4) of Subsection B of 19.15.17.9 NMAC
☐ Hydrogeologic Data (Temporary and Emergency Pits) - based upon the requirements of Paragraph (2) of Subsection B of 19.15.17.9 NMAC
☐ Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15.17.10 NMAC
☒ Design Plan - based upon the appropriate requirements of 19.15.17.11 NMAC
☒ Operating and Maintenance Plan - based upon the appropriate requirements of 19.15.17.12 NMAC
☒ Closure Plan (Please complete Boxes 14 through 18, if applicable) - based upon the appropriate requirements of Subsection C of 19.15.17.9 NMAC and 19.15.17.13 NMAC
☐ Previously Approved Design (attach copy of design) API Number: _____ or Permit Number: _____

12.

Closed-loop Systems Permit Application Attachment Checklist: Subsection B of 19.15.17.9 NMAC**Instructions:** Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the documents are attached.

- ☐ Geologic and Hydrogeologic Data (only for on-site closure) - based upon the requirements of Paragraph (3) of Subsection B of 19.15.17.9
☐ Siting Criteria Compliance Demonstrations (only for on-site closure) - based upon the appropriate requirements of 19.15.17.10 NMAC
☐ Design Plan - based upon the appropriate requirements of 19.15.17.11 NMAC
☐ Operating and Maintenance Plan - based upon the appropriate requirements of 19.15.17.12 NMAC
☐ Closure Plan (Please complete Boxes 14 through 18, if applicable) - based upon the appropriate requirements of Subsection C of 19.15.17.9 NMAC and 19.15.17.13 NMAC
☐ Previously Approved Design (attach copy of design) API Number: _____
☐ Previously Approved Operating and Maintenance Plan API Number: _____ (Applies only to closed-loop system that use above ground steel tanks or haul-off bins and propose to implement waste removal for closure)

13.

Permanent Pits Permit Application Checklist: Subsection B of 19.15.17.9 NMAC**Instructions:** Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the documents are attached.

- ☐ Hydrogeologic Report - based upon the requirements of Paragraph (1) of Subsection B of 19.15.17.9 NMAC
☐ Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15.17.10 NMAC
☐ Climatological Factors Assessment
☐ Certified Engineering Design Plans - based upon the appropriate requirements of 19.15.17.11 NMAC
☐ Dike Protection and Structural Integrity Design - based upon the appropriate requirements of 19.15.17.11 NMAC
☐ Leak Detection Design - based upon the appropriate requirements of 19.15.17.11 NMAC
☐ Liner Specifications and Compatibility Assessment - based upon the appropriate requirements of 19.15.17.11 NMAC
☐ Quality Control/Quality Assurance Construction and Installation Plan
☐ Operating and Maintenance Plan - based upon the appropriate requirements of 19.15.17.12 NMAC
☐ Freeboard and Overtopping Prevention Plan - based upon the appropriate requirements of 19.15.17.11 NMAC
☐ Nuisance or Hazardous Odors, including H₂S, Prevention Plan
☐ Emergency Response Plan
☐ Oil Field Waste Stream Characterization
☐ Monitoring and Inspection Plan
☐ Erosion Control Plan
☐ Closure Plan - based upon the appropriate requirements of Subsection C of 19.15.17.9 NMAC and 19.15.17.13 NMAC

14.

Proposed Closure: 19.15.17.13 NMAC**Instructions:** Please complete the applicable boxes, Boxes 14 through 18, in regards to the proposed closure plan.

- Type: ☐ Drilling ☐ Workover ☐ Emergency ☐ Cavitation ☐ P&A ☐ Permanent Pit ☒ Below-grade Tank ☐ Closed-loop System
☐ Alternative
 Proposed Closure Method: ☒ Waste Excavation and Removal
☐ Waste Removal (Closed-loop systems only)
☐ On-site Closure Method (Only for temporary pits and closed-loop systems)
☐ In-place Burial ☐ On-site Trench Burial
☐ Alternative Closure Method (Exceptions must be submitted to the Santa Fe Environmental Bureau for consideration)

15.

Waste Excavation and Removal Closure Plan Checklist: (19.15.17.13 NMAC) **Instructions:** Each of the following items must be attached to the closure plan. Please indicate, by a check mark in the box, that the documents are attached.

- ☒ Protocols and Procedures - based upon the appropriate requirements of 19.15.17.13 NMAC
☒ Confirmation Sampling Plan (if applicable) - based upon the appropriate requirements of Subsection F of 19.15.17.13 NMAC
☒ Disposal Facility Name and Permit Number (for liquids, drilling fluids and drill cuttings)
☒ Soil Backfill and Cover Design Specifications - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC
☒ Re-vegetation Plan - based upon the appropriate requirements of Subsection I of 19.15.17.13 NMAC
☒ Site Reclamation Plan - based upon the appropriate requirements of Subsection G of 19.15.17.13 NMAC

16.

Waste Removal Closure For Closed-loop Systems That Utilize Above Ground Steel Tanks or Haul-off Bins Only: (19.15.17.13.D NMAC)

Instructions: Please identify the facility or facilities for the disposal of liquids, drilling fluids and drill cuttings. Use attachment if more than two facilities are required.

Disposal Facility Name: _____ Disposal Facility Permit Number: _____

Disposal Facility Name: _____ Disposal Facility Permit Number: _____

Will any of the proposed closed-loop system operations and associated activities occur on or in areas that *will not* be used for future service and operations?

☐ Yes (If yes, please provide the information below) ☐ No

Required for impacted areas which will not be used for future service and operations:

☐ Soil Backfill and Cover Design Specifications - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC

☐ Re-vegetation Plan - based upon the appropriate requirements of Subsection I of 19.15.17.13 NMAC

☐ Site Reclamation Plan - based upon the appropriate requirements of Subsection G of 19.15.17.13 NMAC

17.

Siting Criteria (regarding on-site closure methods only): 19.15.17.10 NMAC

Instructions: Each siting criteria requires a demonstration of compliance in the closure plan. Recommendations of acceptable source material are provided below. Requests regarding changes to certain siting criteria may require administrative approval from the appropriate district office or may be considered an exception which must be submitted to the Santa Fe Environmental Bureau office for consideration of approval. Justifications and/or demonstrations of equivalency are required. Please refer to 19.15.17.10 NMAC for guidance.

Ground water is less than 50 feet below the bottom of the buried waste.

- NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells

☐ Yes ☐ No

☐ NA

Ground water is between 50 and 100 feet below the bottom of the buried waste

- NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells

☐ Yes ☐ No

☐ NA

Ground water is more than 100 feet below the bottom of the buried waste.

- NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells

☐ Yes ☐ No

☐ NA

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 300 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 private, domestic fresh water well or spring that less than five households use for domestic or stock watering purposes, or within 1000 horizontal feet of any other fresh water well or spring, in existence at the time of initial application.

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

☐ Yes ☐ No

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

Within 500 feet of a wetland.

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

☐ Yes ☐ No

Within the area overlying a subsurface mine.

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

18.

On-Site Closure Plan Checklist: (19.15.17.13 NMAC) **Instructions:** Each of the following items must be attached to the closure plan. Please indicate, by a check mark in the box, that the documents are attached.

☐ Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15.17.10 NMAC

☐ Proof of Surface Owner Notice - based upon the appropriate requirements of Subsection F of 19.15.17.13 NMAC

☐ Construction/Design Plan of Burial Trench (if applicable) based upon the appropriate requirements of 19.15.17.11 NMAC

☐ Construction/Design Plan of Temporary Pit (for in-place burial of a drying pad) - based upon the appropriate requirements of 19.15.17.11 NMAC

☐ Protocols and Procedures - based upon the appropriate requirements of 19.15.17.13 NMAC

☐ Confirmation Sampling Plan (if applicable) - based upon the appropriate requirements of Subsection F of 19.15.17.13 NMAC

☐ Waste Material Sampling Plan - based upon the appropriate requirements of Subsection F of 19.15.17.13 NMAC

☐ Disposal Facility Name and Permit Number (for liquids, drilling fluids and drill cuttings or in case on-site closure standards cannot be achieved)

☐ Soil Cover Design - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC

☐ Re-vegetation Plan - based upon the appropriate requirements of Subsection I of 19.15.17.13 NMAC

☐ Site Reclamation Plan - based upon the appropriate requirements of Subsection G of 19.15.17.13 NMAC

19.

Operator Application Certification:

I hereby certify that the information submitted with this application is true, accurate and complete to the best of my knowledge and belief.

Name (Print): Rodney Bailey Title: Waste & Water Group Lead

Signature:  Date: March 1, 2010

e-mail address: Bailerg@chevron.com Telephone: (432) 687 7123

20.

OCD Approval: ☒ Permit Application (including closure plan) ☐ Closure Plan (only) ☐ OCD Conditions (see attachment)

OCD Representative Signature:  Approval Date: 8/13/12

Title: Environmental Engineer OCD Permit Number: _____

21.

Closure Report (required within 60 days of closure completion): Subsection K of 19.15.17.13 NMAC

Instructions: Operators are required to obtain an approved closure plan prior to implementing any closure activities and submitting the closure report. The closure report is required to be submitted to the division within 60 days of the completion of the closure activities. Please do not complete this section of the form until an approved closure plan has been obtained and the closure activities have been completed.

☐ Closure Completion Date: _____

22.

Closure Method:

☐ Waste Excavation and Removal ☐ On-Site Closure Method ☐ Alternative Closure Method ☐ Waste Removal (Closed-loop systems only)
☐ If different from approved plan, please explain.

23.

Closure Report Regarding Waste Removal Closure For Closed-loop Systems That Utilize Above Ground Steel Tanks or Haul-off Bins Only:

Instructions: Please identify the facility or facilities for where the liquids, drilling fluids and drill cuttings were disposed. Use attachment if more than two facilities were utilized.

Disposal Facility Name: _____ Disposal Facility Permit Number: _____

Disposal Facility Name: _____ Disposal Facility Permit Number: _____

Were the closed-loop system operations and associated activities performed on or in areas that *will not* be used for future service and operations?

☐ Yes (If yes, please demonstrate compliance to the items below) ☐ No

Required for impacted areas which will not be used for future service and operations:

- ☐ Site Reclamation (Photo Documentation)
☐ Soil Backfilling and Cover Installation
☐ Re-vegetation Application Rates and Seeding Technique

24.

Closure Report Attachment Checklist: *Instructions: Each of the following items must be attached to the closure report. Please indicate, by a check mark in the box, that the documents are attached.*

- ☐ Proof of Closure Notice (surface owner and division)
☐ Proof of Deed Notice (required for on-site closure)
☐ Plot Plan (for on-site closures and temporary pits)
☐ Confirmation Sampling Analytical Results (if applicable)
☐ Waste Material Sampling Analytical Results (required for on-site closure)
☐ Disposal Facility Name and Permit Number
☐ Soil Backfilling and Cover Installation
☐ Re-vegetation Application Rates and Seeding Technique
☐ Site Reclamation (Photo Documentation)

On-site Closure Location: Latitude _____ Longitude _____ NAD: ☐ 1927 ☐ 1983

25.

Operator Closure Certification:

I hereby certify that the information and attachments submitted with this closure report is true, accurate and complete to the best of my knowledge and belief. I also certify that the closure complies with all applicable closure requirements and conditions specified in the approved closure plan.

Name (Print): _____ Title: _____

Signature: _____ Date: _____

e-mail address: _____ Telephone: _____

• Well Name & Number: Mexico Federal B #1 DATE: 7-25-08
 • API #: 3004507575 Initials: RLK
 • Lease #: NM048569
 • Quarter/Quarter: N Section: 9 Township: 28N Range: 10W
 • Lat: 36.672821 Long: -107.903642

• Pit Tank #1: Manufacturer: Process Equipment and Service Co
 • Serial #: T-2272 DOM: 1998 Size 95 bbl
 ○ If N/A – Dimensions: Diameter _____ Height _____
 • Material: Steel X Galvanized _____ Fiberglass _____
 • Tank Configuration: Double Wall _____ Single Wall X (Buried X or Exposed _____ Walls)
 • Contents: Produced Water X Condensate _____ Recycled Oil X *Labeled Produced water*
 • Tank Top Covering: Solid/Cone-top X Netting _____ (Solid _____ Fiber _____)
 • Secondary Containment: Yes X No _____
 • Fencing around berm: Yes _____ No X
 ○ Fence Type: Cattle Panel _____ Field Fence _____ Barbwire _____

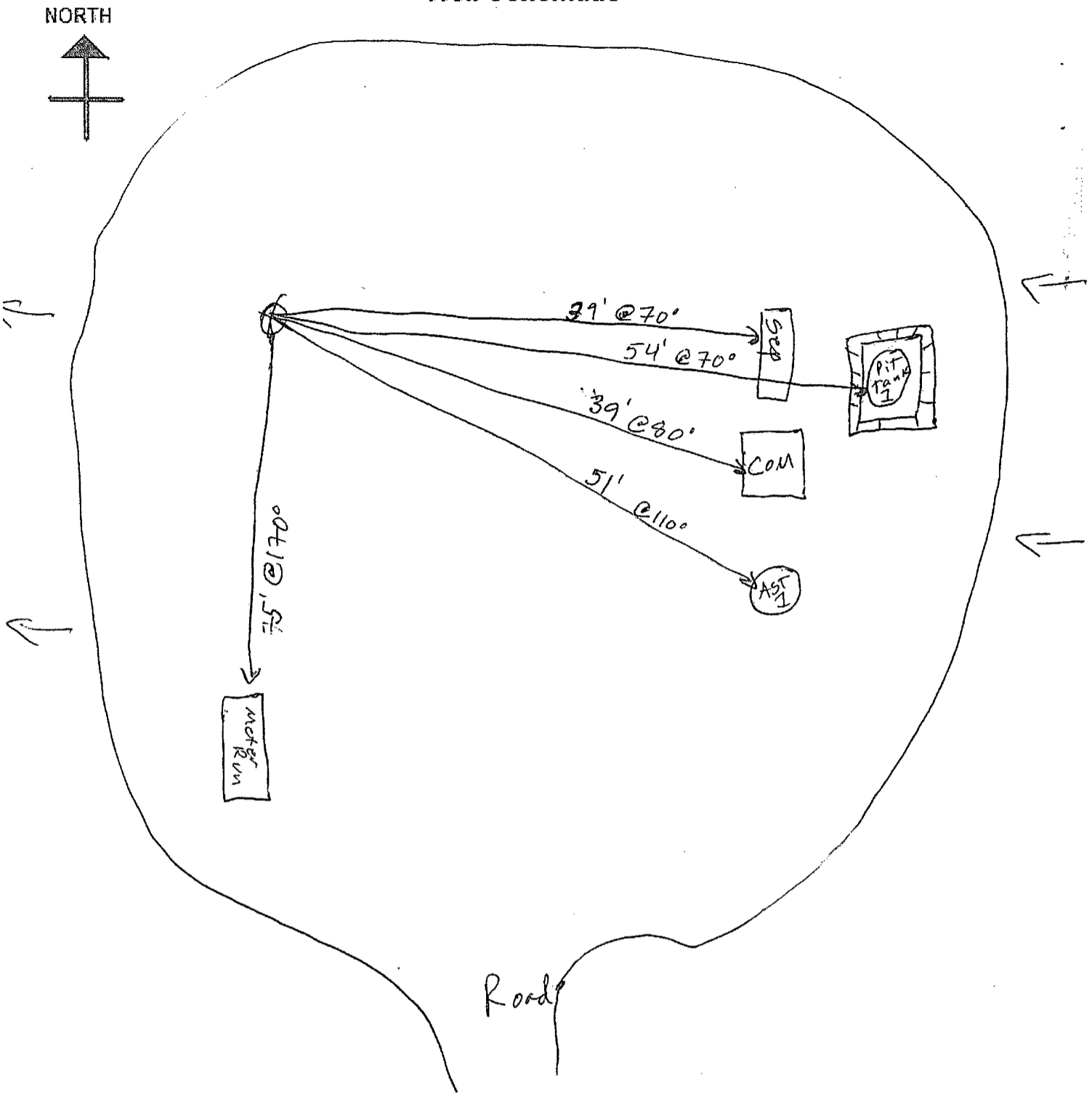
• Pit Tank #2: Manufacturer: _____
 • Serial #: _____ DOM: _____ Size _____ bbl
 ○ If N/A – Dimensions: Diameter _____ Height _____
 • Material: Steel _____ Galvanized _____ Fiberglass _____
 • Tank Configuration: Double Wall _____ Single Wall _____ (Buried _____ or Exposed _____ Walls)
 • Contents: Produced Water _____ Condensate _____ Recycled Oil _____
 • Tank Top Covering: Solid/Cone-top _____ Netting _____ (Solid _____ Fiber _____)
 • Secondary Containment: Yes _____ No _____
 • Fencing around berm: Yes _____ No _____
 ○ Fence Type: Cattle Panel _____ Field Fence _____ Barbwire _____

• Above-Ground Tank #1: Manufacturer: EPS, Inc
 • Serial #: 94512 DOM: 3/95 Size 1000 ~~gal~~ gal
 ○ If N/A – Dimensions: Diameter _____ Height _____
 • Material: Steel X Galvanized _____ Fiberglass _____
 • Contents: Produced Water _____ Condensate _____ (State # _____) Recycled Oil _____
 • Secondary Containment: Yes _____ No X

• Above-Ground Tank #2: Manufacturer: _____
 • Serial #: _____ DOM: _____ Size _____ bbl
 ○ If N/A – Dimensions: Diameter _____ Height _____
 • Material: Steel _____ Galvanized _____ Fiberglass _____
 • Contents: Produced Water _____ Condensate _____ (State # _____) Recycled Oil _____
 • Secondary Containment: Yes _____ No _____

• Above-Ground Tank #3: Manufacturer: _____
 • Serial #: _____ DOM: _____ Size _____ bbl
 ○ If N/A – Dimensions: Diameter _____ Height _____
 • Material: Steel _____ Galvanized _____ Fiberglass _____
 • Contents: Produced Water _____ Condensate _____ (State # _____) Recycled Oil _____
 • Secondary Containment: Yes _____ No _____

Well Schematic



Schematic Key:

Separator

SEP

Artificial Lift

AL

Condensate Tank

COND

Compressor

COM

Meter Run

METER RUN

Dehydrator

DEH

Well Head



Water Tank

WATER

Measure any distance 1000ft or less of the following:

• From wellhead to any continuous flowing or significant water course. N/A

• From below-grade tanks to any permanent residence, school, church, hospital, etc. N/A

Chevron Midcontinent, LP
BGT Permit Siting Criteria Summary Sheet
Mexico Federal B #1

- Groundwater is estimated to be 83 feet below the bottom of the below-grade tank (BGT). This was calculated using information from the **NMOSE Water Column/Average Depth to Water Report** and the **Topographic Map**. Two (2) water wells were identified approximately 1057 meters (3,468 feet) and 1,718 meters (1.07 miles) from the BGT. The depth to groundwater from the top of casing (TOC) of these wells is 190 feet and 140 feet respectively. The elevation of the water wells is 5,762 feet and 5,775 feet respectively. Due to the distances of the water wells from the well site, water well data was not used in the determination of depth to groundwater. The Creighton Canyon Wash is estimated to be 875 feet west of the BGT and at an elevation of 5,700 feet. The surface elevation of the BGT is approximately 5,788 feet. The BGT is buried approximately five (5) feet below the surface elevation giving the bottom of the BGT an elevation of approximately 5,783 feet. Due to the proximity of the BGT to the canyon rim, it is estimated that the depth to groundwater is 83 feet from the bottom of the BGT during periods of significant precipitation when groundwater is highest.
- The below-grade tank is not within 300 feet of a continuously flowing watercourse, or 200 feet of any other significant watercourse or lakebed, sinkhole, or playa lake. The nearest continuously flowing watercourse is the San Juan River estimated to be 2.0 miles north of the BGT. The nearest significant watercourse is the Creighton Canyon Wash estimated to be 875 feet west of the BGT; see attached **Topographic Map**. (The red dot on the topographic map indicates the location of the BGT.) There are no lakebeds, sinkholes, or playa lakes within the mapped area of the well site.
- The below-grade tank is not within 300 feet of a permanent residence, school, hospital, institution, or church in existence at the time of initial application; see the **Aerial Map**. (The red dot on the aerial map indicates the location of the BGT.) The nearest permanent residence is estimated to be 5,000 feet north of the BGT and indicated on the attached **Aerial Map**. The nearest school, hospital, institution, or church is at least 3.75 miles from the BGT and not within the mapped area of the well site.
- The BGT is not within 500 horizontal feet of a private, domestic fresh water well or spring that less than five households use for domestic or stock watering purposes, or within 1000 horizontal feet of any other fresh water well or spring, in existence at the time of initial application. There are no freshwater springs within 1000 feet of the BGT as indicated on the attached **Topographic Map**. The **NMOSE Water Column/Average Depth to Water Report** revealed two (2) registered water wells within 1800 meters (5,906 feet) of the BGT. The closest water well is estimated to be 3,468 feet from the BGT and is shown on the attached **Topographic Map**.
- The below-grade tank is not 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; see the attached **Municipal Boundary Map**. (The Bloomfield City Limits are colored purple and the BGT is indicated by a red dot on the **Municipal Boundary Map**.)
- The below-grade tank is not within 500 feet of a wetland; see the attached **Topographic Map** and **U.S. Fish and Wildlife Service National Wetlands Inventory Map**. Any wetlands on the topographic map are noted in dark blue. The nearest wetland area is identified as a freshwater pond and estimated to be 1.20 miles northwest of the BGT.
- The below-grade tank is not within an area overlying a subsurface mine; see the attached **NM EMNRD-Mining and Mineral Division Map**. The nearest mine is an aggregate and stone mine located approximately five (5) miles west of the BGT.
- The below-grade tank is not within an unstable area; see the attached **USGS Geologic Map** and **USGS Karst Map**. The site is indicated on the map by a red square. The nearest Karst Features are approximately 80 miles southeast of the site and are beyond the area of the **USGS Karst Map**. The underlying geology is comprised of the Nacimiento Formation, a heterogeneous nonmarine formation composed of shale, siltstone, and sandstone.
- The well site is outside of any known 100 year floodplains as evidenced on the attached **FIRM Flood Insurance Rate Map**. (Any floodplains would be indicated by blue dotted hatching on the map.)

HYDROGEOLOGIC REPORT

Mexico Federal B #1 Hydrogeologic Report

Topography and Surface Hydrology

The Mexico Federal B #1 well site is located in what is considered the Colorado River Basin, within the Bloomfield, New Mexico, United States Geological Survey (USGS) 7.5-minute Quadrangle Map approximately 3.75 miles to the southeast of the Bloomfield, New Mexico, municipal boundary; see attached *Municipal Boundary Map*. The largest, continuously flowing streams of the Colorado River Basin are the Animas and San Juan Rivers. The San Juan River is the closest continuously flowing waterway to the site and is approximately 2.0 miles north of the site. Most stream channels within the Colorado River Basin are ephemeral, with some being intermittent (Stone et al., 1983). The tributaries of the San Juan River that contribute large quantities of water during precipitation events are Canyon Largo, Gallegos Canyon, Chaco River, and the La Plata River. The Mexico Federal B #1 well site is on the eastern slope of Creighton Canyon approximately 875 feet east of the Creighton Canyon Wash. The general topographic slope of the site is to the north, parallel to the Creighton Canyon Wash, which flows to the San Juan River approximately 2.0 miles north of the well site. Storm water runoff flows off of the Mexico Federal B #1 well site toward the north and then follows storm water channels on the slope to the west toward the bottom of Creighton Canyon. The nearest significant watercourse is the Creighton Canyon Wash which is approximately 875 feet to the west of the well site. The Creighton Canyon wash is an ephemeral wash that only exists during periods of heavy precipitation and a first order tributary to the San Juan River; see attached *Topographic Map*.

Wetland areas can be found to the north in the San Juan River Valley and to the east where Armenta Canyon joins the San Juan River Valley. The nearest wetland area to the Mexico Federal B #1 well site is approximately 1.20 miles to the northwest along the southern ridge of the San Juan River Valley. These wetland areas are identified as freshwater ponds in accordance with the attached *U.S. Fish and Wildlife Service National Wetlands Inventory Map*. The nearest identified 100 year flood zone is approximately 1500 feet to the northwest of the well site within Zone A of Creighton Canyon; see attached *Firm Flood Insurance Rate Map*.

Residential areas are mostly within the San Juan River Valley to the north and within the Bloomfield City Municipal Boundaries. The closest permanent residence is approximately 5,000 feet to the north of the Mexico Federal B #1 well site. The nearest schools are all located within the Bloomfield City Municipal Boundaries as well as the majority of the churches and institutions. The closest hospital is located within Farmington, New Mexico, approximately 15 miles west of Bloomfield.

The only mining activities identified are to the west of the Mexico Federal B #1. The mining activities are Aggregate and Stone Mines and the nearest mine is approximately five (5) miles west of the well site. A few mines are scattered between Bloomfield and Farmington and west of Farmington; see attached *NM EMNRD – Mining and Mineral Division Map*.

Soil

The San Juan Basin contains a wide range of soil types, with the northwest part of the basin, including the bulk of the drainage area of the Chaco and San Juan Rivers, characterized by light-colored, cool, desertic soil types. The higher elevations bordering the basin are characterized by moderately dark to dark mountain soils, and the area in between the two zones being characterized by dark-colored, western plateau soils. The majority of the soils within the basin is of alluvial valley fill and consists of gravel, sand, silt, and clay (Stone et al., 1983). The soil type in the area of the Mexico Federal B #1 well site is the Badland unit. The unit consists of weathered shale containing up to five (5) percent calcium carbonate and five (5) percent gypsum. The unit is very steep and ranges between five (5) and 80 percent sloping grade. It is a somewhat excessively drained soil with a very low available water capacity. The depth to paralithic bedrock is between zero (0) and two (2) inches. The underlying bedrock is mainly weathered sandstone with visible outcrops along the canyon rim to the west of the well site. The unit is found between the elevations of 4,800 feet and 6,400 feet. Mean annual precipitation is between 6 to 10 inches per year (*Natural Resources Conservation Service Soil Survey*).

Geology and Groundwater Hydrology

The area geology is comprised of mostly sandstone, mudstone, and siltstone. Karst features are formed by the dissolution of soluble rocks, such as limestone and dolomite, and can be characterized by springs, caves, sinkholes. The nearest documented karst features are approximately 80 miles southeast of the well site in accordance with a search of karst features conducted from the *New Mexico Institute of Mining and Technological Petroleum Recovery Research Center Webb Mapping Portal*. The information used to create the karst feature search was compiled using data from the *United States Geological Survey (USGS) Digital Engineering Aspects of Karst Map web site*. The identified karst features consist of fissures, tubes and caves generally less than 1,000 feet long, 50 feet or less vertical extent, in moderately to steeply dipping beds of carbonate rock.

Most water supplies in the San Juan Basin are from groundwater that is accessed through wells completed within the surficial valley-fill deposits of Quaternary age and sandstones of Tertiary, Cretaceous, Jurassic, and Triassic age. The Keys COM #1 well site lies in the Nacimiento Formation and aquifer which dips at 6 degrees to the north-east (Stone et al., 1983). The Nacimiento Formation lies at the surface in a broad belt at the western and southern edges of the central basin and dips beneath the San Jose Formation in the basin center (Stone et al., 1983).

The Nacimiento Formation (Tn) is Paleocene in age and grades laterally into the Animas Formation (Tka) around Dulce, New Mexico thickening considerably around Durango, Colorado. The Animas occurs at the same stratigraphic interval as the Nacimientos (Stone et al., 1983). The Nacimiento sits unconformably to conformably below the San Jose Formation, outcrops in a broad band inside the southern and western boundaries of the central basin and rises structurally as a narrow band along the west side of the Nacimiento Uplift (Stone et al., 1983). The Nacimiento is the surface formation in the eastern third of the San Juan Basin, and being nonresistant, erodes to low rounded hills or the formation of badlands-type physiography distinctive from the much more resistant overlying San Jose Formation. The Nacimiento Formation is present in only the southern two-thirds of the Basin where it conformably both overlies and intertongues with the much thinner Ojo Alamo Sandstone (Stone et al., 1983). Thickness ranges from 800 feet in the southern part to nearly 2232 feet (Stone et al., 1983) in the subsurface of the northern part. In the eastern outcrops, the thickness is less than 500 feet to nearly 1400 feet due to folding and erosion (Stone et al., 1983). In general, the total thickness of the Nacimiento thickens from the basin margins towards the basin center. The Nacimiento in the southern area is comprised predominantly of drab interbedded black and gray claystones and siltstones with some discontinuous relatively unconsolidated white, medium to coarse-grained arkosic sandstone with a few interbedded resistant sandstone strata (Stone et al., 1983). To the north, the Nacimiento Formation contains a much greater proportion of sandstone, and at some localized places more than 50 percent (Stone et al., 1983), although most of the sandstones extend only a few thousand feet (Stone et al., 1983). Overall, the environment of deposition is predominantly lake deposits and to a lesser extent localization in stream channels (Brimhall, 1973, p. 201).

The nearest registered water well determined by a radius search of 1800 meters (5,906 feet) from the center of the BGT on the Mexico Federal B #1 well site is approximately 1057 meters (3,468 feet) northeast of the BGT with a depth of groundwater of 190 feet below the top of casing. A second water well was identified within the 1800 meter search at approximately 1,718 meters (1.07 miles) northeast from the center of the BGT with a depth to ground water of 140 feet below the top of casing; see attached *New Mexico Office of the State Engineer Water Column/Average Depth to Water Report* and *Topographic Map*. Due to the distances of the water wells from the well site, water well data was not used in the determination of depth to groundwater and there were no identified springs within the mapped vicinity site. The Creighton Canyon Wash is the nearest significant watercourse to the Mexico Federal B #1 well site and a first order tributary to the San Juan River. The wash is dry almost year round and flows only during significant precipitation events where the surface water flows to the north into the San Juan River. The BGT on the Mexico Federal B #1 well site is approximately 875 feet to the east of the Creighton Canyon Wash and approximately 2.0 miles south of the San Juan River. The surface elevation of the BGT is approximately 5,788 feet. The BGT is buried approximately five (5) feet below the surface elevation giving the bottom of the BGT an elevation of approximately 5,783 feet. The Creighton Canyon Wash directly to the west of the well site is at an elevation of approximately 5,700 feet. The elevation difference from the bottom of the BGT to the Creighton Canyon Wash is approximately 83 feet. Due to the proximity of the BGT to the canyon rim, it is estimated that the depth to groundwater is 83 feet from the bottom of the BGT; see attached *Topographic Map*.

Resources

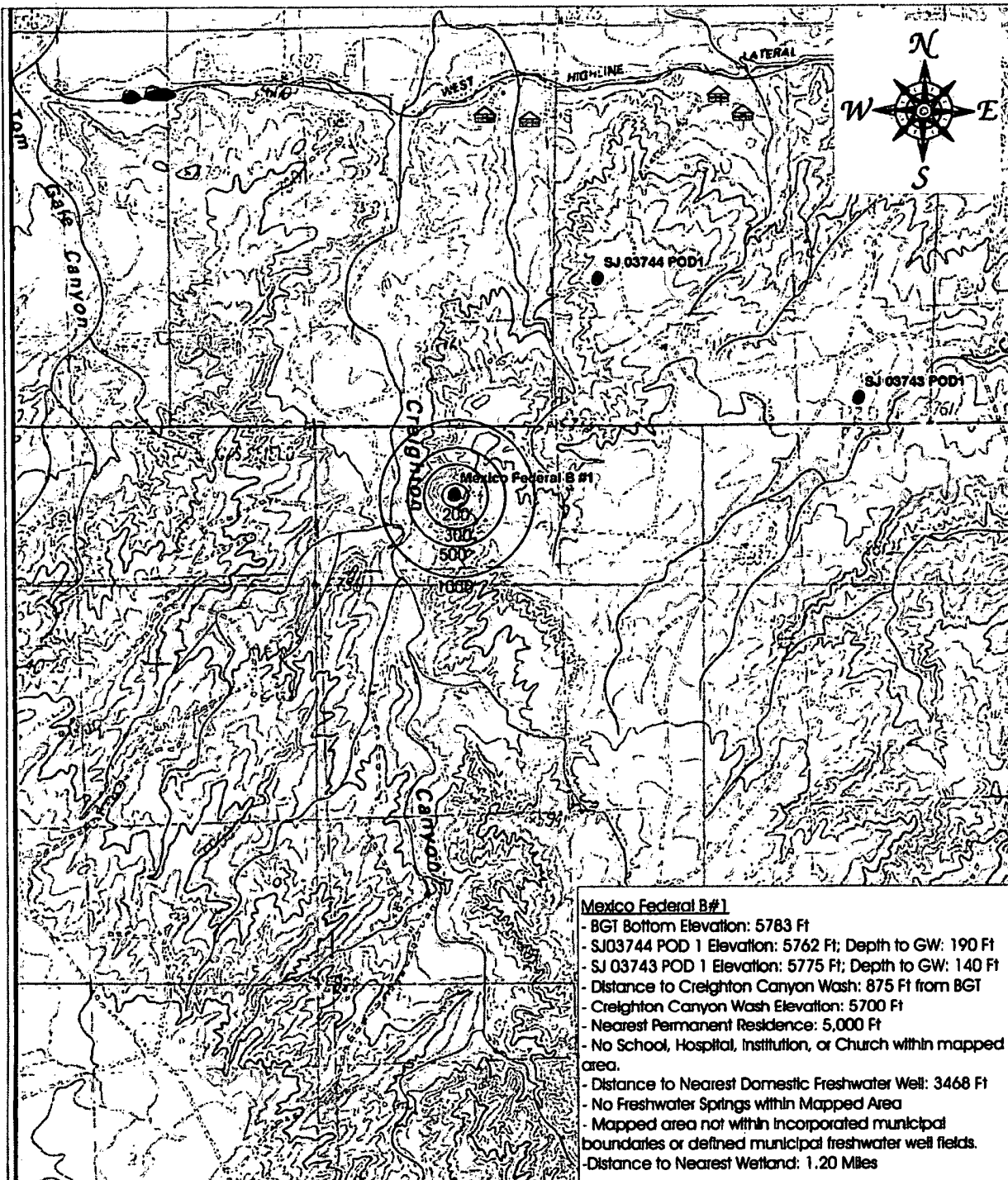
New Mexico Office of the State Engineer (NMOSE) New Mexico Water Right Reporting System (iWaters database)

Stone et al., 1983, Hydrogeology and Water Resources of the San Juan Basin, New Mexico: Socorro, New Mexico Bureau of Mines and Mineral Resources Hydrologic Report 6, 70 p.

Natural Resources Conservation Service Soil Survey web page

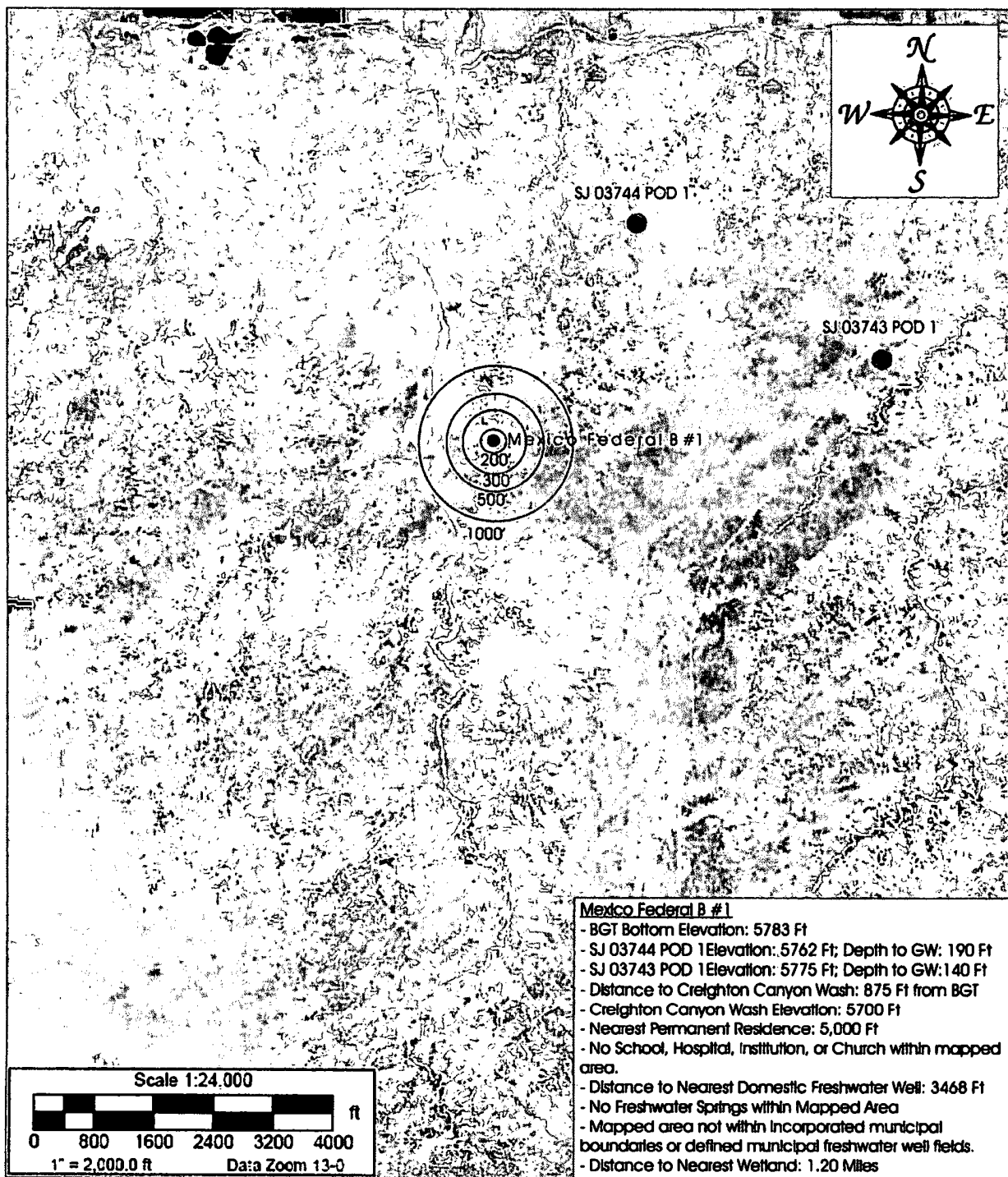
New Mexico Institute of Mining and Technological Petroleum Recovery Research Center Webb Mapping Portal

SITING CRITERIA COMPLIANCE DEMONSTRATIONS



Source: USGS 7.5-minute Quadrangle Map - Bloomfield, San Juan County, New Mexico

<p>LEGEND</p> <ul style="list-style-type: none"> ● Below Grade Tank ● Water Well ● Wetland Area 🏠 Permanent Residence 	<p>envirotech ENVIRONMENTAL SCIENTISTS & ENGINEERS</p> <p>5796 U.S. HIGHWAY 64 Farmington, New Mexico 87401 505.632.0615</p>	<p>Topographic Map Chevron North America Mexico Federal B #1 Section 09, Township 28 N, Range 10 W San Juan County, New Mexico</p>	
<p>PROJECT Number: 92270-0981 Date Drawn: 7/16/12</p>		<p>DRAWN BY: Toni McKnight</p>	<p>PROJECT MANAGER: Greg Crabtree</p>



Source: United States Department of Agriculture, Natural Resources Conservation Service

<p>LEGEND</p> <ul style="list-style-type: none"> ● Below Grade Tank ● Water Well ● Wetland Area RES Permanent Residence 	<p>envirotech ENVIRONMENTAL SCIENTISTS & ENGINEERS</p> <p>5796 U.S. HIGHWAY 64 Farmington, New Mexico 87401 505.632.0615</p>	<p>Aerial Map Chevron North America Mexico Federal B #1 Section 09, Township 28 N, Range 10 W San Juan County, New Mexico</p>	
<p>PROJECT Number: 92270-0981</p>	<p>Date Drawn: 7/16/12</p>	<p>DRAWN BY: Toni McKnight</p>	<p>PROJECT MANAGER: Greg Crabtree</p>



New Mexico Office of the State Engineer

Water Column/Average Depth to Water

(A CLW##### in the
POD suffix indicates the
POD has been replaced
& no longer serves a
water right file.)

(R=POD has
been replaced,
O=orphaned,
C=the file is
closed)

(quarters are 1=NW 2=NE 3=SW 4=SE)

(quarters are smallest to largest)

(NAD83 UTM in meters)

(In feet)

POD Number	POD		Q Q Q			Sec	Tws	Rng	X	Y	Distance	Depth	Depth	Water
	Code	Subbasin	County	64	16	4						Well	Water	Column
<u>SJ 03744 POD1</u>			SJ	2	1	3	33	29N	10W	241150	4063361	1057	330	190
<u>SJ 03743 POD1</u>			SJ	3	4	4	33	29N	10W	242213	4062837*	1718	490	140

Average Depth to Water: 165 feet

Minimum Depth: 140 feet

Maximum Depth: 190 feet

Record Count: 2

UTMNAD83 Radius Search (in meters):

Easting (X): 240526.18

Northing (Y): 4062506.34

Radius: 1800

*UTM location was derived from PLSS - see Help

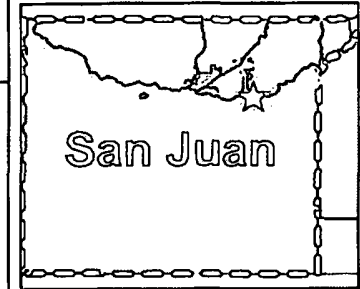
The data is furnished by the NMOSE/ISC and is accepted by the recipient with the expressed understanding that the OSE/ISC make no warranties, expressed or implied, concerning the accuracy, completeness, reliability, usability, or suitability for any particular purpose of the data.

7/16/12 1:02 PM

Page 1 of 1

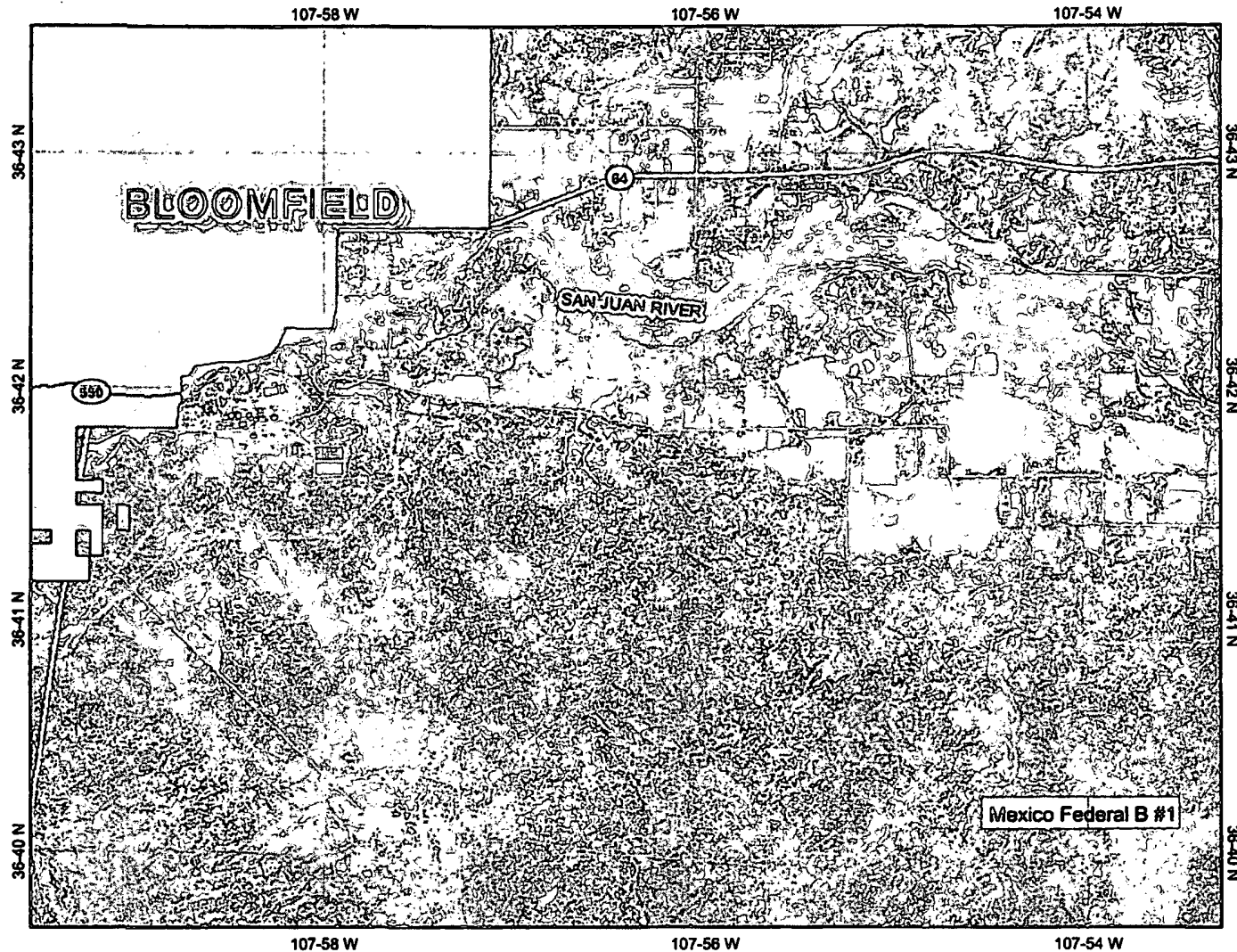
WATER COLUMN/ AVERAGE
DEPTH TO WATER

Municipal Boundary Map



Legend

- ~ RIVERS
- LAKES
- FARMINGTON CITY LIMITS
- BLOOMFIELD CITY LIMITS
- AZTEC CITY LIMITS
- SJC Road Status
 - Major Road
 - Secondary Roads
- 12 SAN JUAN COUNTY
- NAVAJO RESERVATION
- 2009 aeriols



0 1500 3000 4500 m.

Map center: 36° 41' 37" N, 107° 56' 25" W



Scale: 1:50,000

This map is a user generated static output from an Internet mapping site and is for general reference only. Data layers that appear on this map may or may not be accurate, current, or otherwise reliable. THIS MAP IS NOT TO BE USED FOR NAVIGATION.

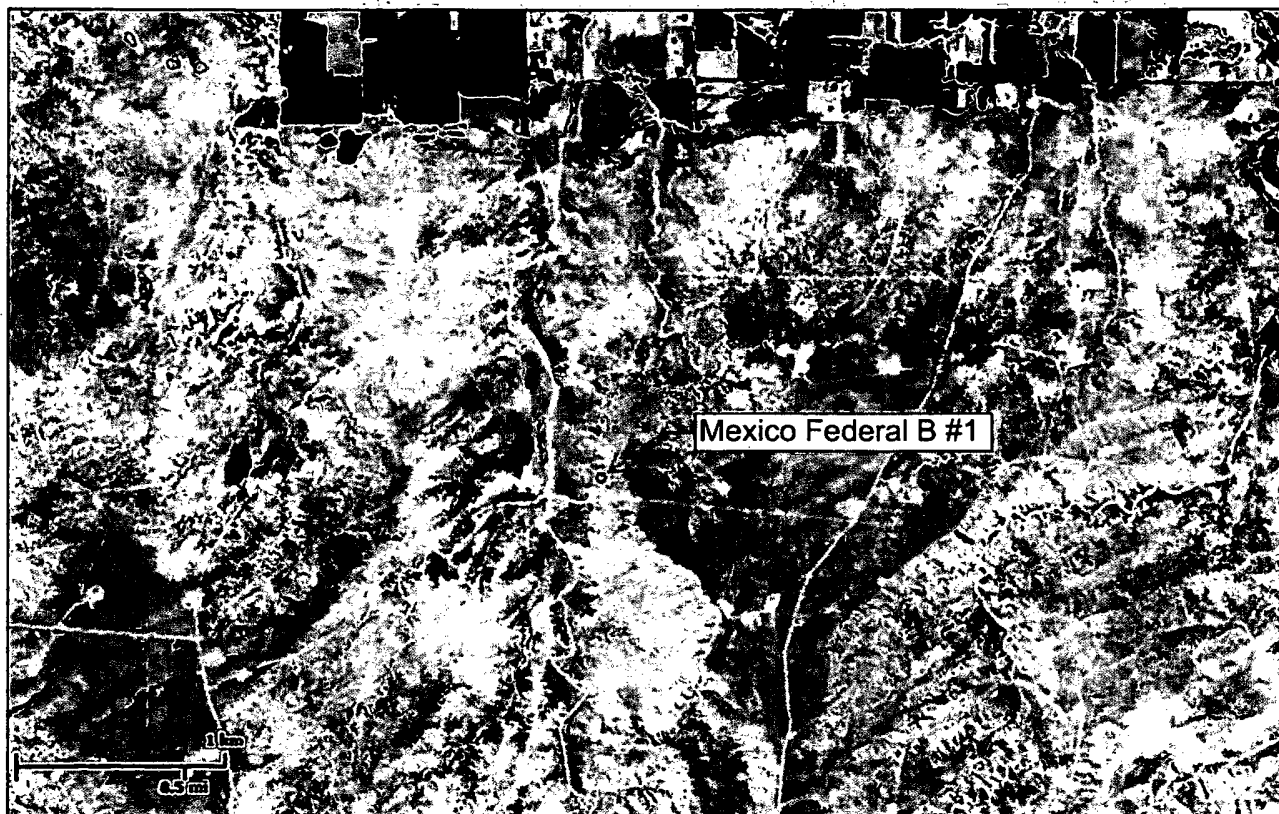


U.S. Fish and Wildlife Service

National Wetlands Inventory

National Wetlands Inventory Map

Jul 16, 2012



Wetlands

- ☐ Freshwater Emergent
- ☐ Freshwater Forested/Shrub
- ☐ Estuarine and Marine Deepwater
- ☐ Estuarine and Marine
- ☐ Freshwater Pond
- ☐ Lake
- ☐ Riverine
- ☐ Other

This map is for general reference only. The US Fish and Wildlife Service is not responsible for the accuracy or currentness of the base data shown on this map. All wetlands related data should be used in accordance with the layer metadata found on the Wetlands Mapper web site.

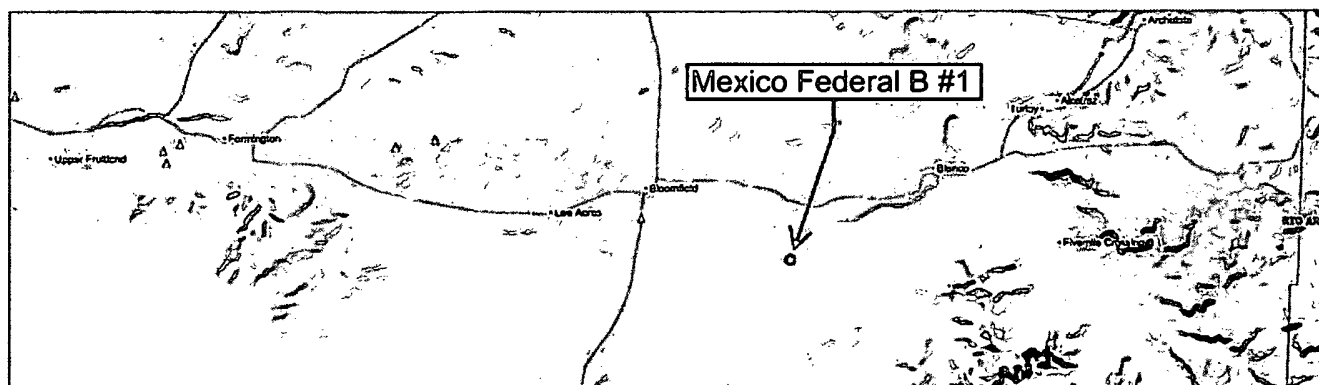
User Remarks:

MMQonline Public Version

NM EMNRD - Mining and Mineral Division Map

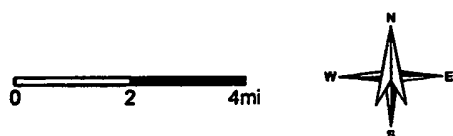
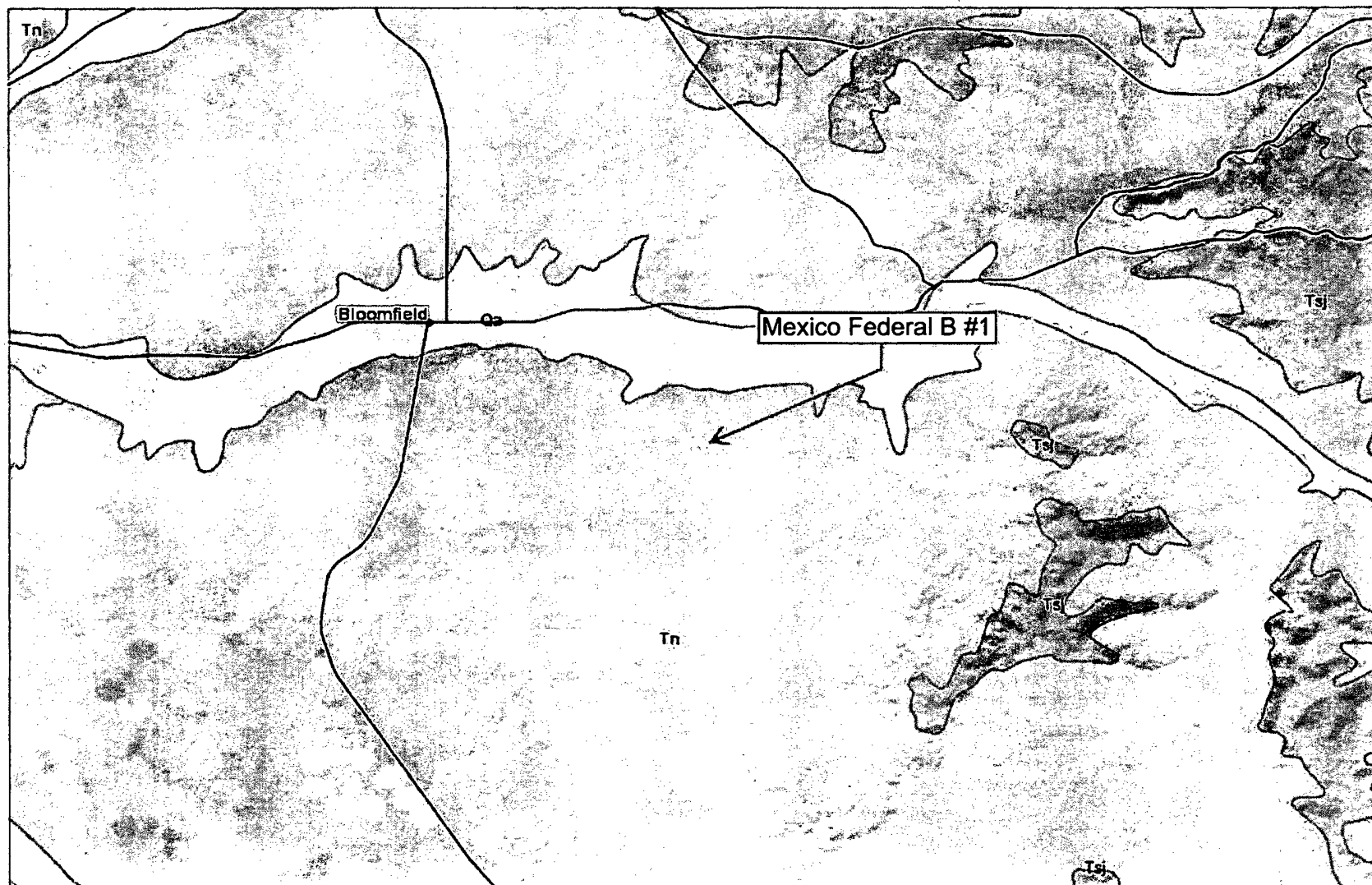
Mines, Mills & Quarries Commodity Groups

- △ Aggregate & Stone Mines
- ◆ Coal Mines
- ☆ Industrial Minerals Mines
- ▽ Industrial Minerals Mills
- ☒ Metal Mines and Mill Concentrate
- Potash Mines & Refineries
- ⌘ Smelters & Refinery Ops.



SCALE 1 : 358,483





Petroleum Recovery
Research Center

USGS Geologic Map

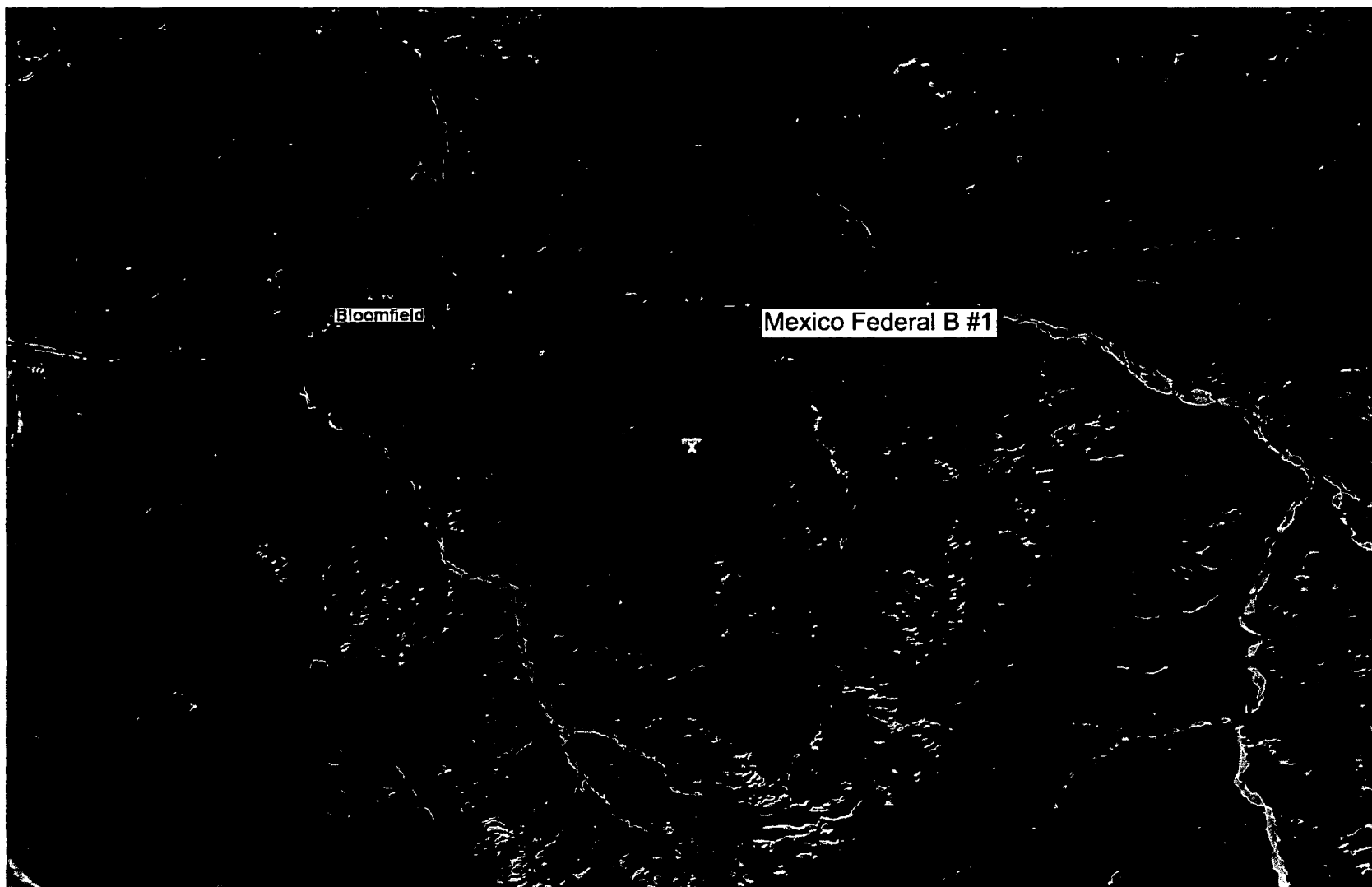
Figure:

Chevron North America/Mexico Federal B #1

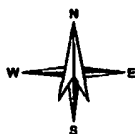
Jul 31, 2012

USGS Geologic Map Legend

- ☐ Tmb, Basalt and andesite flows; Miocene
- ☐ Tn, Maciniento Formation
- ☐ Tnb, Basalt and andesite flows; Neogene
- ☐ Tnr, Tertiary-Silicic to intermediate volcanic rocks
- ☐ Tnv, Tertiary-Neogene volcanic rocks
- ☐ To, Tertiary-Ogallala Formation
- ☐ Toa, Tertiary-Ojo Alamo Formation
- ☐ Tos, Tertiary-sedimentary and volcanoclastic rocks
- ☐ Tpb, Basalt and andesite flows; Pliocene
- ☐ Tpc, Tertiary-Poison Canyon Formation
- ☐ Tps, Tertiary-Paleogene sedimentary units
- ☐ Tsf, Tertiary-Lower and Middle Santa Fe Group
- ☐ Tsj, Tertiary-San Jose Formation
- ☐ Tual, Tertiary-Upper Oligocene andesites and basaltic andesites
- ☐ Tuan, Tertiary-Lower Miocene and uppermost Oligocene basaltic andesites
- ☐ Tui, Tertiary-Miocene to Oligocene silicic to intermediate intrusive rocks; dikes, stocks, plugs, and diatremes
- ☐ Tuin, Upper and Middle Tertiary mafic intrusive rocks
- ☐ Turf, Tertiary-Upper Oligocene silicic (or felsic) flows and masses and associated pyroclastic rocks
- ☐ Turp, Tertiary-Upper Oligocene rhyolitic pyroclastic rocks
- ☐ Tus, Upper Tertiary sedimentary units
- ☐ Tuv, Tertiary-Volcanic and some volcanoclastic rocks; undifferentiated
- ☐ Tv, Middle Tertiary volcanic rocks; undifferentiated
- ☒ Water
- ☐ X, Precambrian-Lower Proterozoic rocks; undivided
- ☐ Xm, Precambrian-Lower Proterozoic metasedimentary rocks
- ☐ Xmo, Precambrian-Lower Proterozoic metamorphic rocks; dominantly mafic
- ☐ Xms, Precambrian-Lower Proterozoic metasedimentary rocks
- ☐ Xmu, Precambrian-Lower Proterozoic metamorphic rocks, undivided
- ☐ Xp, Precambrian-Lower Proterozoic plutonic rocks
- ☐ YXp, Precambrian-Middle and Lower Proterozoic plutonic rocks, undivided



0 2 4mi



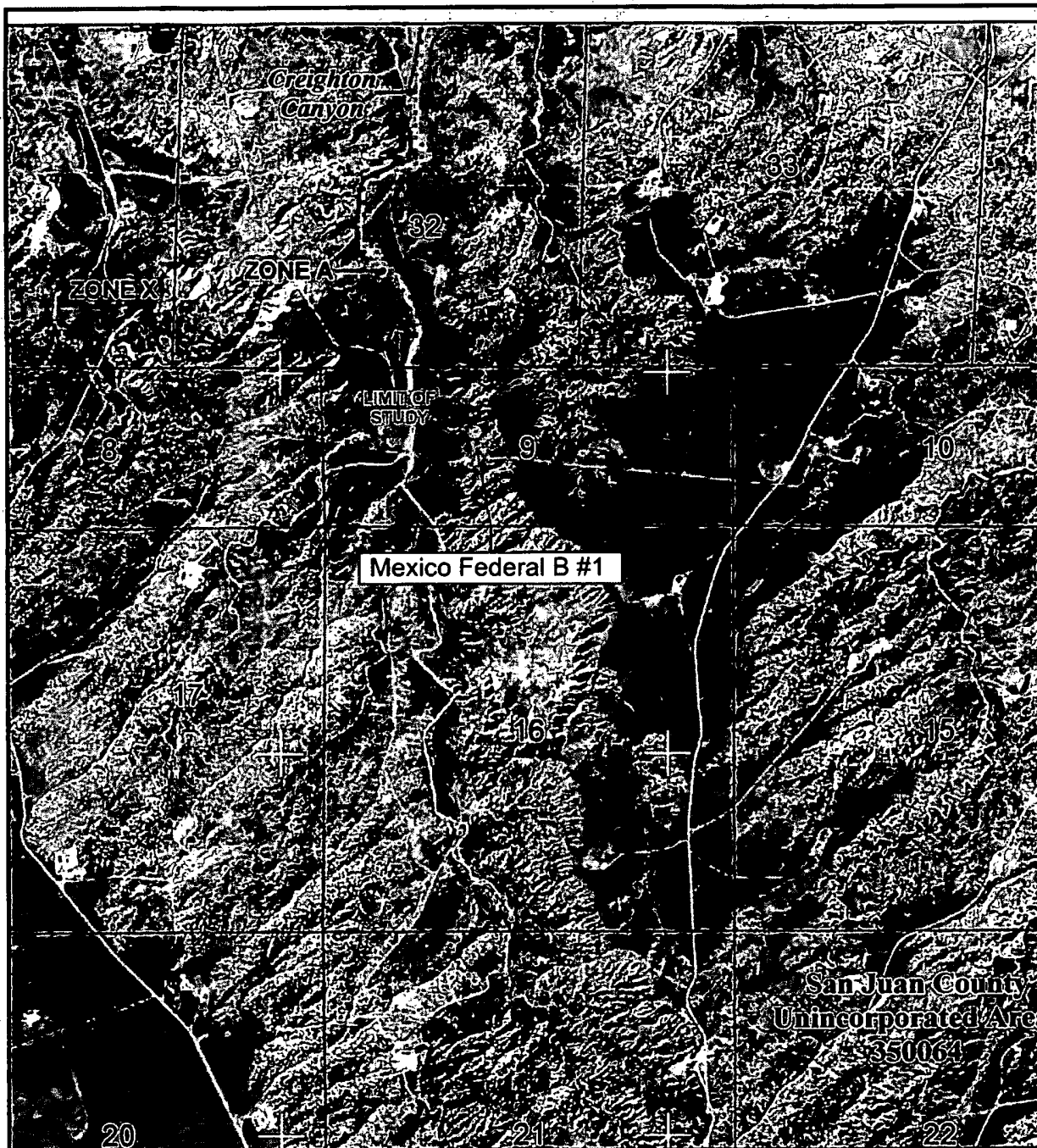
Petroleum Recovery
Research Center

USGS Karst Map

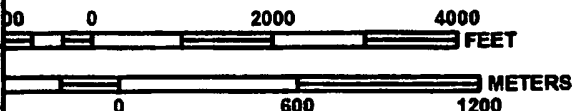
Figure:

Chevron North America/Mexico Federal B #1

Jul 31, 2012



MAP SCALE 1" = 2000'



PANEL 1075F

FIRM

FLOOD INSURANCE RATE MAP
SAN JUAN COUNTY,
NEW MEXICO
AND INCORPORATED AREAS

PANEL 1075 OF 2750

(SEE MAP INDEX FOR FIRM PANEL LAYOUT)

CONTAINS

COMMUNITY	NUMBER	PANEL	SUFFIX
BLOOMFIELD, CITY OF	350086	1075	F
SAN JUAN COUNTY	350084	1075	F

Notice to User. The Map Number shown below should be used when placing map orders. The Community Number shown above should be used on insurance applications for the subject community.



MAP NUMBER
35045C1075F

EFFECTIVE DATE
AUGUST 5, 2010

Federal Emergency Management Agency

This is an official copy of a portion of the above referenced flood map. It was extracted using F-MIT On-Line. This map does not reflect changes or amendments which may have been made subsequent to the date on the title block. For the latest product information about National Flood Insurance Program flood maps check the FEMA Flood Map Store at www.msc.fema.gov

BELOW GRADE TANK (BGT) DESIGN AND CONSTRUCTION PLAN

SUBMITTED TO:

ENVIRONMENTAL BUREAU,

NEW MEXICO OIL CONSERVATION DIVISION

ON BEHALF OF:

CHEVRON USA INC., CHEVRON MIDCONTINENT, L.P., AND FOUR STAR OIL & GAS
COMPANY

P.O. Box 730

AZTEC, NEW MEXICO 87410

(505) 333-1901

Chevron
San Juan Basin
Below Grade Tank Design and Construction Plan

INTRODUCTION

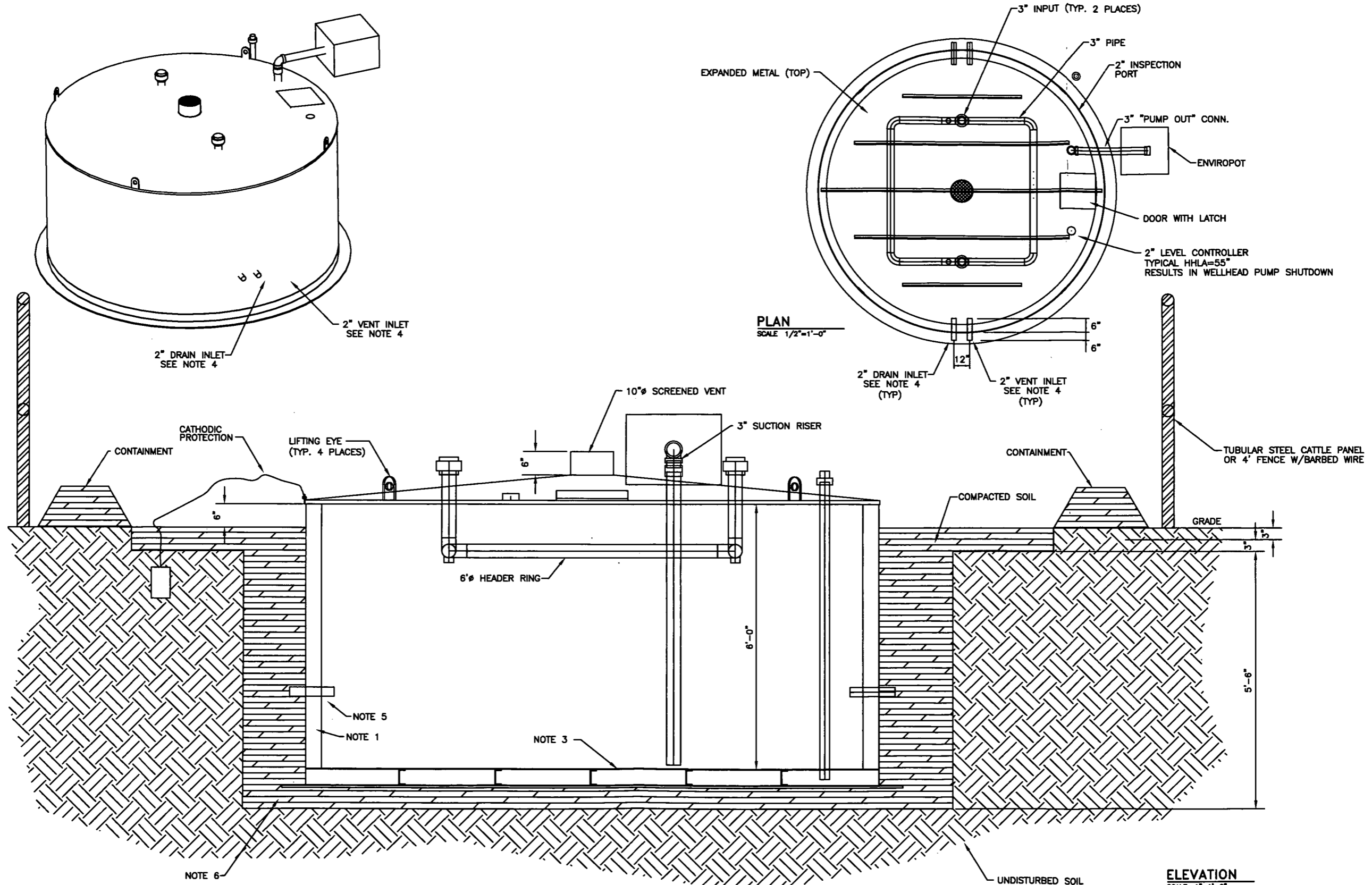
In accordance with NMAC §§ 19.15.17.9(B)(4) and 19.15.17.11 Chevron (representing Chevron USA Inc, Chevron Midcontinent, L.P., and Four Star Oil & Gas Company) submits this Design and Construction Plan for below grade tanks (BGTs) in New Mexico. This Plan contains standard conditions that attach to multiple BGTs.

1. Chevron will design and construct a BGT to contain liquids and solids, prevent contamination of fresh water, and protect public health and the environment. NMAC § 19.15.17.11(A).
2. Chevron will post an upright sign not less than 12 inches by 24 inches with lettering not less than two inches in height in a conspicuous place on the fence surrounding the BGT, unless the BGT is located on a site where there is an existing well, signed in compliance with NMAC § 19.15.16.8, that is operated by Chevron. Chevron will post the sign in a manner and location such that a person can easily read the legend. The sign will provide the following information: Chevron's name; the location of the site by quarter-quarter or unit letter, section, township and range; and emergency telephone numbers. NMAC § 19.15.17.11(C).
3. Chevron will fence or enclose a BGT in a manner that prevents unauthorized access and will maintain the fences in good repair. Fences are not required if there is an adequate surrounding perimeter fence that prevents unauthorized access to the well site or facility, including the BGT. NMAC § 19.15.17.11(D)(1).
4. Chevron will fence or enclose a BGT located within 1000 feet of a permanent residence, school, hospital, institution or church with a chain link security fence, at least six feet in height with at least two strands of barbed wire at the top. Chevron will close and lock all gates associated with the fence when responsible personnel are not on-site. NMAC § 19.15.17.11(D)(2).
5. Chevron will fence BGTs to exclude livestock with a four foot fence that has at least four strands of barbed wire evenly spaced in the interval between one foot and four feet above ground level. NMAC § 19.15.17.11(D)(3). Chevron may install tubular steel cattle panels, as it determines appropriate (photo of cattle

panel fence submitted to NMOCD, 24 June 2009). As illustrated on the attach photo.

6. Chevron will screen the permanent opening on the tank top with expanding steel mesh in order to render it non-hazardous to wildlife, including migratory birds. NMAC § 19.15.17.11(E).
7. Chevron's BGTs will be constructed with the design features illustrated on the attached drawing.
8. Only double-walled, double-bottomed BGTs will be installed.
9. Chevron will use 3/16" carbon steel which is resistant to the anticipated contents and resistant to damage from sunlight. NMAC § 19.15.17.11(I)(1).
10. Chevron will construct a BGT foundation on a level base free of rocks, debris, sharp edges or irregularities to help prevent punctures, cracks or indentations of the liner or tank bottom. NMAC § 19.15.17.11(I)(2).
11. Chevron will construct a BGT to prevent overflow and the collection of surface water run-on. NMAC § 19.15.17.11(I)(3). Chevron, or a contractor representing Chevron, will install a level control device to help prevent overflow from the BGT and will use berms and/or a diversion ditch to prevent surface run on from entering the BGT. NMAC §§ 19.15.17.11(I)(3), 19.15.17.12(A)(7), and 19.15.17.12(D)(1).
12. All BGTs, in which the side walls are not open for visible inspection for leaks, will be double walled with leak detection capability. NMAC § 19.15.17.11(I)(4)(b).
13. Chevron, as the operator of a below-grade tank constructed and installed prior to June 16, 2008 that does not meet all the requirements in Paragraphs (1) through (4) of Subsection I of 19.15.17.11 NMAC and is not included in Paragraph (6) of Subsection I of 19.15.17.11 NMAC, is not required to equip or retrofit the below-grade tank to comply with Paragraphs (1) through (4) of Subsection I of 19.15.17.11 NMAC so long as it demonstrates integrity. If the existing below-grade tank does not demonstrate integrity, the operator shall promptly remove that below-grade tank and install a below-grade tank that complies with Paragraphs (1) through (4) of Subsection I of 19.15.17.11 NMAC, as illustrated in the approved drawing. Chevron shall comply with the operational requirements of 19.15.17.12 NMAC.

14. Chevron, as the operator of a below-grade tank constructed and installed prior to June 16, 2008 that is single walled and where any portion of the tank sidewall is below the ground surface and not visible, shall equip or retrofit the below-grade tank to comply with Paragraphs (1) through (4) of Subsection I of 19.15.17.11 NMAC, or close it, within five years after June 16, 2008. If the existing below-grade tank does not demonstrate integrity, Chevron shall promptly remove that below-grade tank and install a below-grade tank that complies with Paragraphs (1) through (4) of Subsection I of 19.15.17.11 NMAC, as illustrated in the approved drawing. Chevron shall comply with the operational requirements of 19.15.17.12 NMAC.



NOTES:

1. FABRICATOR TO PRESSURE TEST THE AREA BETWEEN THE TANK WALLS TO ENSURE LEAK-FREE DOUBLE CONTAINMENT.
2. TANK TO BE CONSTRUCTED OF 3/16" THK. ASTM A36 STEEL. ALL PIPING TO BE SCH. 40 CARBON STEEL.
3. DOUBLE WALL DOUBLE BOTTOM.
4. DEPENDING ON THE ORIENTATION OF THE EQUIPMENT ON LOCATION, ONE OF THE STUBS MAY BE CONNECTED TO THE DIFFUSER. ANY OF THE FOUR 2" STUBS THAT ARE NOT CONNECTED TO THE DIFFUSER WILL BE CAPPED BOTH INTERNALLY AND EXTERNALLY.
5. UNDERGROUND TANK CONNECTIONS AND TRANSFER LINES ARE WELDED. ALL UNDERGROUND TRANSFER LINES HAVE A FUSION BONDED EPOXY (FBE) COATING OR SIMILAR
6. CHEVRON WILL CONSTRUCT A BGT FOUNDATION ON A LEVEL BASE FREE OF ROCKS, DEBRIS, SHARP EDGES OR IRREGULARITIES TO HELP PREVENT PUNCTURES, CRACKS OR INDENTATIONS OF THE LINER OR TANK BOTTOM. NMAC 19.15.17.11(i)(2).

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FORERUNNER

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REV	BY	DATE	REVISION	FOR	FOR	DATE	FOR	FOR	DATE
D	RJP	8/28	ADDED NOTE 6.						
C	MDG	3/28	ADDED NOTES						
B	MDG	11/28	REVISED DIFFUSER, ADDED NOTES						
A	JF	8/28	ISSUED FOR APPROVAL						

ELEVATION
SCALE 1"=1'-0"

**CHEVRON NORTH AMERICA
EXPLORATION AND PRODUCTION**



95 BBL
STANDARD BELOW GRADE TANK

DATE COMPILED 05/15/08	SOILS AS NOTED	PRJAL NO. 12088	DRAW. NO. 110	REV. D
DRAWN BY J. FUNK	DESIGNED BY	FILED BLOWDOWN TANK	CHECK NO.	

BELOW GRADE TANK (BGT) OPERATING AND MAINTENANCE PLAN

SUBMITTED TO:

ENVIRONMENTAL BUREAU,
NEW MEXICO OIL CONSERVATION DIVISION

ON BEHALF OF:

CHEVRON USA INC., CHEVRON MIDCONTINENT, L.P., AND FOUR STAR OIL & GAS
COMPANY

P.O. Box 730

AZTEC, NEW MEXICO 87410

(505) 333-1901

Chevron

San Juan Basin

Below Grade Tank Operating and Maintenance Plan

INTRODUCTION

In accordance with NMAC §§ 19.15.17.9(B)(4) and 19.15.17.12 Chevron (representing Chevron USA Inc, Chevron Midcontinent, L.P., and Four Star Oil & Gas Company) submits this Operating and Maintenance Plan (O&M Plan) for below grade tanks (BGTs) in New Mexico. This O&M Plan contains standard conditions that attach to multiple BGTs. If needed for a particular BGT, a modified O&M Plan will be submitted to the New Mexico Oil Conservation Division (NMOCD or the division) for approval prior to implementation.

GENERAL PLAN:

1. Chevron, or a contractor representing Chevron, will operate and maintain a BGT to contain liquids and solids to prevent contamination of fresh water and to protect public health and environment. NMAC § 19.15.17.12(A)(1).
2. Chevron will not discharge into or store any hazardous waste in a BGT. NMAC § 19.15.17.12(A)(3).
3. If a BGT develops a leak or is penetrated below the liquid surface, Chevron will remove liquid above the damage within 48 hours, notify the appropriate division district office within 48 hours of discovery and will promptly repair the BGT. If a BGT develops a leak Chevron will remove liquid above the damage within 48 hours, notify the appropriate division district office within 48 hours of discovery and will promptly repair or replace the BGT. If replacement is required, the BGT will meet all specification included in the attached approved design drawing and comply with 19.15.17.11(I)(1-4).
4. If Chevron as an operator of a below-grade tank that was constructed and installed prior to June 16, 2008 that does not meet the requirements of Paragraphs (1) through (4) of Subsection I of 19.15.17.11 NMAC and discovers that the below-grade tank does not demonstrate integrity or that the below-grade tank develops any of the conditions identified in Paragraph (5) of Subsection A of 19.15.17.12 NMAC, then Chevron or their representative shall close the existing below-grade tank pursuant to the closure requirements of 19.15.17.13 NMAC and install a below-grade tank that complies with the requirements of Paragraphs

- (1) through (4) of Subsection I of 19.15.17.11 NMAC. NMAC § 19.15.17.12(D)(5). If replacement is required, the BGT will meet all specification included in the attached approved design drawing.
5. If Chevron as the operator of the below-grade tank that was constructed and installed prior to June 16, 2008 that does not comply with Paragraphs (1) through (4) of Subsection I of 19.15.17.11 NMAC and equips or retrofits the existing tank to comply with Paragraphs (1) through (4) of Subsection I of 19.15.17.11 NMAC, then Chevron or their representative shall visually inspect the area beneath the below-grade tank during the retrofit and document any areas that are wet, discolored or showing other evidence of a release on form C-141. Chevron shall demonstrate to the division whether the evidence of contamination indicates that an imminent threat to fresh water, public health, safety or the environment exists. If the division determines that the contamination does not pose an imminent threat to fresh water, public health, safety or the environment, the operator shall complete the retrofit or the replacement of the below-grade tank. If Chevron or division determines that the contamination poses an imminent threat to fresh water, public health, safety or the environment, then Chevron shall close the existing below-grade tank pursuant to the closure requirements of 19.15.17.13 NMAC prior to initiating the retrofit or replacement. NMAC § 19.15.17.12(D)(6). If replacement is required, the BGT will meet all specification included in the attached approved design drawing.
 6. Chevron, or a contractor representing Chevron, will use berms and/or diversion ditches to prevent surface run-on from entering the BGT by diverting surface water run-on away from the bermed area. NMAC §§ 19.15.17.12(A)(7) and 19.15.17.12(D)(1).
 7. Chevron, or a contractor representing Chevron, will not allow a BGT to overflow and will maintain adequate freeboard on existing BGTs by routine inspections utilizing pumper trucks whose routes are timed based on known production rates. Fluid is pumped out on this schedule. For newly constructed BGTs Chevron, or a contractor representing Chevron, will maintain adequate freeboard by installing level control devices that automatically shut off inflow to alleviate potential overtopping. NMAC § 19.15.17.12(D)(1) and 19.15.17.12(D)(4).
 8. Chevron, or a contractor representing Chevron, will remove a visible or measurable layer of oil from the fluid surface of a BGT. NMAC § 19.15.17.12(D)(2).
 9. Chevron, or a contractor representing Chevron, will inspect the BGT to assess compliance with NMAC § 19.15.17.12, Operational Requirements, at least once monthly and maintain a written record of each inspection for at least five (5) years. The approved inspection form is attached.

Chevron: New Mexico Inspection Form for Below Grade Tanks

Inspection Date: _____

Below Grade Tank (BGT) Location: _____

Does the BGT have adequate freeboard to prevent overflow;	yes	no
---	-----	----

Does the tank have visible leaks or sign of corrosion;	yes	no
--	-----	----

Do tank valves, flanges and hatches have visible leaks;	yes	no
---	-----	----

Is there evidence of significant spillage of produced liquids;	yes	no
--	-----	----

Is this a single or double wall tank; _____

Are berms and/or diversion ditches in place to prevent surface

run-on from entering the BGT;	yes	no
-------------------------------	-----	----

Have visible or measurable layers of oil been removed from

liquid surface fluid;	yes	no
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BELOW GRADE TANK (BGT) CLOSURE PLAN

SUBMITTED TO:

ENVIRONMENTAL BUREAU,
NEW MEXICO OIL CONSERVATION DIVISION

ON BEHALF OF:

CHEVRON USA INC., CHEVRON MIDCONTINENT, L.P., AND FOUR STAR OIL & GAS
COMPANY
P.O. Box 730
AZTEC, NEW MEXICO 87410
(505) 333-1901

Chevron

San Juan Basin

Below Grade Tank Closure Plan

INTRODUCTION

In accordance with NMAC §§ 19.15.17.9(B)(4) and 19.15.17.13, Chevron (representing Chevron USA Inc, Chevron Midcontinent, L.P., and Four Star Oil & Gas Company) submits this Closure Plan for below grade tanks (BGTs) in New Mexico. This Closure Plan contains standard conditions that attach to multiple BGTs. If needed for a particular BGT, a modified Closure Plan for a proposed alternative closure will be submitted to the New Mexico Oil Conservation Division (NMOCD or the division) for approval prior to closure.

CLOSURE PLAN PROCEDURES AND PROTOCOLS (NMAC §§ 19.15.17.9(C) and 19.15.17.13).

- 1) Chevron, or a contractor acting on behalf of Chevron, will close a BGT within the time periods provided in NMAC § 19.15.17.13(A), or by an earlier date required by NMOCD to prevent an imminent danger to fresh water, public health, or the environment. NMAC § 19.15.17.13(A).
- 2) Chevron, or a contractor acting on behalf of Chevron, will close an existing BGT that does not meet the requirements of NMAC § 19.15.17.11(I)(1 through 4) or is not included in NMAC § 19.15.17.11(I)(5) within five years after June 16, 2008, if not retrofitted to comply with § 19.15.17.11(I)(1 through 4). NMAC § 19.15.17.13(A)(4).
- 3) Chevron shall close an existing below-grade tank that does not meet the requirements of Paragraphs (1) through (4) of Subsection I of 19.15.17.11 NMAC, if not retrofitted to comply with Paragraphs 1) through (4) of Subsection I of 19.15.17.11 NMAC, prior to any sale or change of operator pursuant to 19.15.9.9 NMAC.
- 4) Chevron, or a contractor acting on behalf of Chevron, will close a permitted BGT within 60 days of cessation of the BGT's operation or as required by the transitional provisions of NMAC § 19.15.17.17(B) in accordance with a closure plan that the appropriate division district office approves. NMAC §§ 19.15.17.13(A)(9) and 19.15.17.9(C).
- 5) In accordance with NMAC § 19.15.17.13(J)(1), Chevron will notify the surface owner by certified mail, return receipt requested, of its plans to close a BGT prior to beginning closure activities. Evidence of mailing of the notice to the address of the surface owner shown in the county tax records is sufficient to demonstrate compliance. Chevron will also notify the appropriate division district office verbally or by other means at least 72 hours, but not more than one week, prior to any closure operation. The notice shall include the operator's name and the location to be closed by unit letter, section, township and range. If the closure is associated with a particular well, then the notice shall also include the well's name, number and API number. NMAC § 19.15.17.13(J)(2).

- 6) Chevron, or a contractor acting on behalf of Chevron, will remove liquids and sludge from a BGT prior to implementing a closure method and will dispose of the liquids and sludge in a division approved facility. NMAC § 19.15.17.13(E)(1). A list of Chevron currently approved disposal facilities is included at the end of this document.
- 7) The proposed method of closure for this Closure Plan is waste excavation and removal. NMAC §§ 19.15.17.13 (E)(1).
- 8) Chevron, or a contractor acting on behalf of Chevron, shall remove the below-grade tank and dispose of it in a division-approved facility or recycle, reuse, or reclaim it in a manner that the appropriate division district office approves. When required, prior approval for disposal will be obtained. NMAC § 19.15.17.13(E)(2). Documentation regarding disposal of the BGT and its associated liner, if any, will be included in the closure report.
- 9) Waste generated during closure will be handled and disposed of in accordance with applicable laws. NMAC § 19.15.35.8(C)(1)(m) provides that plastic pit liners may be disposed at a solid waste facility without testing before disposal, provided they are cleaned well.
- 10) Chevron, or a contractor acting on behalf of Chevron, will remove on-site equipment associated with a BGT unless the equipment is required for some other purpose. NMAC § 19.15.17.13(E)(3).
- 11) Chevron, or a contractor acting on behalf of Chevron, will test the soils beneath the BGT to determine whether a release has occurred. At a minimum, 5 point composite samples will be collected along with individual grab samples from any area that is wet, discolored, or showing other evidence of a release. Samples will be analyzed for BTEX, TPH and chlorides to demonstrate that the benzene concentration, as determined by EPA SW-846 methods 8021B or 8260B or EPA method that the division approves, does not exceed 0.2mg/kg; total BTEX concentration, as determined by EPA SW-846 methods 8021B or 8260B or other EPA method that the division approves, does not exceed 50mg/kg; the TPH concentration, as determined by EPA method 418.1 or other EPA method that the division approves, does not exceed 100mg/kg; and the chloride concentration, as determined by EPA method 300.1 or other EPA method that the division approves, does not exceed 250mg/kg; or the background concentration, whichever is greater. Chevron, or a contractor acting on behalf of Chevron, will notify the NMOCD Division District office of its results on form C-141. NMAC § 19.15.17.13(E)(4).
- 12) If Chevron or the division determines that a release has occurred, Chevron will comply with NMAC §§ 19.15.29 and 19.15.30, as appropriate. NMAC § 19.15.17.13(E)(5).
- 13) If the sampling program demonstrates that a release has not occurred or that any release does not exceed the concentrations specified in NMAC § 19.15.17.13(E)(4), Chevron will backfill the excavation with compacted, non-waste containing, earthen materials; construct a division prescribed soil cover; re-contour and re-vegetate the site. The division-prescribed soil cover, recontouring and re-vegetation requirements shall comply with NMAC § 19.15.17.13)(G, H and I). NMAC § 19.15.17.13(E)(6).

- 14) As per NMAC § 19.15.17.13(G)(1), once Chevron has closed a BGT or is no longer using the BGT or an area associated with the BGT, Chevron will reclaim the BGT location and all areas associated with it including associated access roads not needed by the surface estate owner to a safe and stable condition that blends with the surrounding undisturbed area. Chevron will substantially restore impacted surface area to the condition that existed prior to its oil and gas operations by placement of soil cover as provided in NMAC § 19.15.17.13(H) (see below), re-contour the location and associated areas to a contour that approximates the original contour and blends with the surrounding topography, and re-vegetate according to NMAC § 19.15.17.13(I). NMAC § 19.15.17.13(G)(1).
- 15) Chevron may propose an alternative to the re-vegetation requirement of NMAC § 19.15.17.13(G)(1) if it demonstrates that the proposed alternative effectively prevents erosion, and protects fresh water, human health and the environment. The proposed alternative must be agreed upon in writing by the surface owner. Chevron will submit the proposed alternative, with written documentation that the surface owner agrees to the alternative, to the division for approval. NMAC § 19.15.17.13(G)(2).
- 16) Soil cover for closures where Chevron has removed the pit contents or remediated the contaminated soil to the division's satisfaction will consist of the background thickness of topsoil or one foot of suitable material to establish vegetation at the site, whichever is greater. NMAC § 19.15.17.13(H)(1).
- 17) Chevron will construct the soil cover to the site's existing grade and prevent ponding of water and erosion of the cover material. NMAC § 19.15.17.13(H)(3).
- 18) As per NMAC § 19.15.17.13(I)(1) and 19.15.17.13(G)(2), Chevron will seed or plant disturbed areas during the first growing season after it is no longer using a BGT or an area associated with the BGT including access roads unless needed by the surface estate owner as evidenced by a written agreement with the surface estate owner, if any and written approval by NMOCD.
- 19) Seeding will be accomplished by drilling on the contour whenever practical or by other division approved methods. Chevron will obtain vegetative cover that equals 70% of the native perennial vegetative cover (un-impacted by overgrazing, fire or other intrusion damaging to native vegetation) consisting of at least three native plant species, including at least one grass, but not including noxious weeds, and maintain that cover through two successive growing seasons. During the two growing seasons that prove viability, Chevron will not artificially irrigate the vegetation. NMAC § 19.15.17.13(I)(2).
- 20) Chevron will notify the division when it has seeded or planted and when it successfully achieves re-vegetation. NMAC § 19.15.17.13(I)(5).
- 21) Seeding or planting will be repeated until Chevron successfully achieves the required vegetative cover. NMAC § 19.15.17.13(I)(3).

- 22) When conditions are not favorable for the establishment of vegetation, such as periods of drought, the division may allow Chevron to delay seeding or planting until soil moisture conditions become favorable or may require Chevron to use additional cultural techniques such as mulching, fertilizing, irrigating, fencing or other practices. NMAC § 19.15.17.13(I)(4).
- 23) As per NMAC § 19.15.17.13(K), within 60 days of closure completion, Chevron will submit a closure report containing the elements required by NMAC § 19.15.17.13(K) including:
- i) Confirmation sampling results,
 - ii) A plot plan ,
 - iii) Details on back-filling, capping and covering, where applicable, including revegetation application rates and seeding technique,
 - iv) Proof of closure notice to the surface owner, if any, and the division,
 - v) Name and permit number of disposal facility, and
 - vi) Photo documentation.
- 24) The closure report will be filed on NMOCD Form C-144. Chevron will certify that all information in the closure report and attachments is correct and that it has complied with all applicable closure requirements and conditions specified in the approved closure plan. NMAC § 19.15.17.13(K).
- 25) As requested, the following are the current Chevron approved Waste Disposal Sites for the identified waste streams:

Soils and Sludges

- i) Envirotech Inc. Soil Remediation Facility, Permit No. NM-01-0011

Solids

- ii) San Juan County Regional Land Fill (NMAC § 19.15.35.8 items only, with prior NMOCD approval when required)

Liquids

- i) Key Energy Disposal Facility, Permit No. NM-01-0009
- ii) Basin Disposals Facility, Permit No. NM-01-005.

- 26) These waste disposal sites are subject to change if their certification is lost or they are closed or other more appropriate, equally protective sites become available. Chevron will provide notice if such a change is affected.