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

Type of action:

State of New-Mexico Energy Minerals and Natural Resources Coil Conservation Division 1220 South St. Francis Dr. Santa Fe, 234 87505

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 Senta Fe Environmental Rureau office and

For permanent pits and exceptions submit to the Santa Fe Environmental Bureau office and provide a copy to the appropriate NMOCD District Office.

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

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.										
Operator: Chevron Midcontinent, LP OGRID #: 241333										
Address: P.O. Box 36366 Houston, TX 77236										
Facility or well name: Rincon Unit No. 101										
API Number: _30-039-06693OCD Permit Number:										
U/L or Qtr/Qtr Otr/Qtr L Section 1 Township 26N Range 7W County: Rio Arriba										
Center of Proposed Design: Latitude <u>36 512185°</u> Longitude <u>107 532949°</u> NAD: <u>1927</u> 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: Thicknessmil 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: Thicknessmil LLDPE HDPE PVC Other										
Liner Seams: Welded Factory Other										
4. ☑ Below-grade tank: Subsection I of 19.15.17.11 NMAC										
Volume: 50bl 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: Thicknessmil										
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.										

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, institution or church) Four foot height, four strands of barbed wire evenly spaced between one and four feet Alternate. Please specify Four foot, pipe frame with square wire mesh.	- hospital,
Netting: Subsection E of 19.15.17.11 NMAC (Applies to permanent pits and permanent open top tanks) Screen Netting Other 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	
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 consideration of approval. Exception(s): Requests must be submitted to the Santa Fe Environmental Bureau office for consideration of approval.	office for
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 accept material are provided below. Requests regarding changes to certain siting criteria may require administrative approval from the approoffice or may be considered an exception which must be submitted to the Santa Fe Environmental Bureau office for consideration of a Applicant must attach justification for request. Please refer to 19.15.17.10 NMAC for guidance. Siting criteria does not apply to dry 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.	priate district pproval. ing pads or
 Please reference hydrogeologic report and printout from iWATERS database. 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. 	Yes 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.	☐ Yes ☑ No ☐ 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. 	☐ Yes ☐ No ☑ 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.	☐ 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. The site is not within any known incorporated municipal boundaries, please reference the attached topographic map.	Yes 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	☐ Yes ☒ No ☐ Yes ☒ No
Within the area overlying a subsurface mine Please reference the attached topographic map	☐ Yes ☑ 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. Within a 100-year floodplain. 	☐ Yes ⊠ No
- FEMA map	

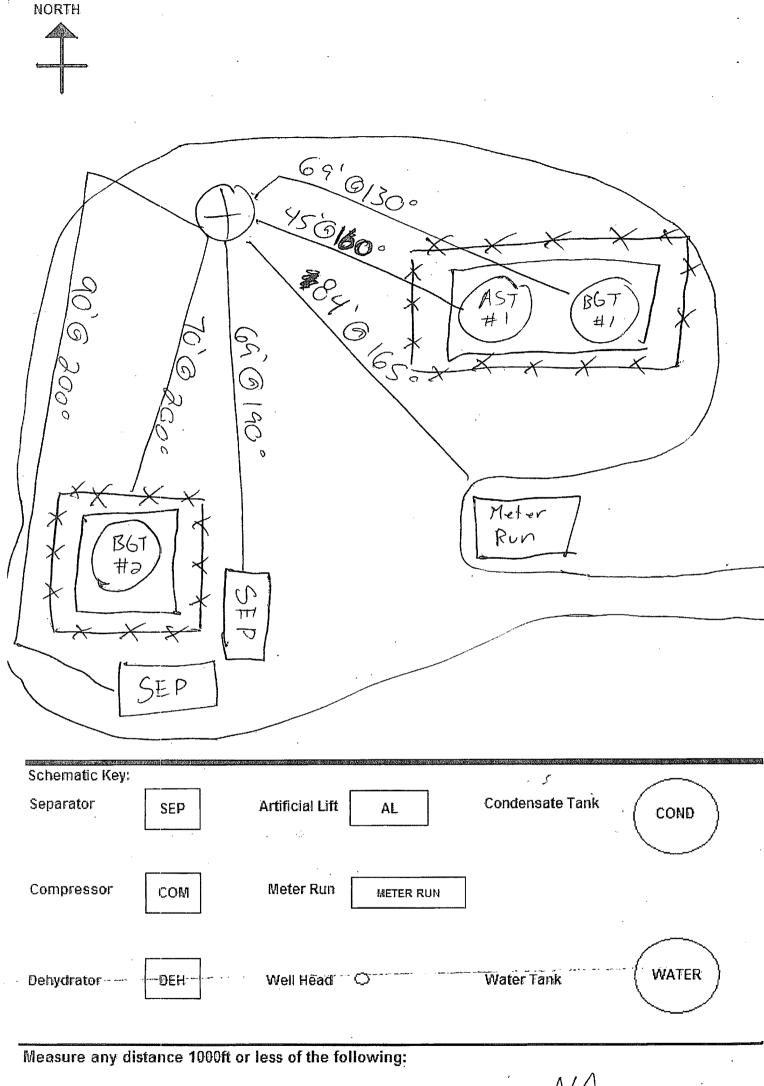
11. <u>Temporary Pits, Emergency Pits, and Below-grade Tanks Permit Application Attachment Checklist</u> : Subsection B of 19.15.17.9 NMAC
Instructions: Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the documents are attached. Hydrogeologic 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:
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 Operating and Maintenance Plan API Number:
above ground steel tanks or haul-off bins and propose to implement waste removal for closure)
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 Quality Control/Quality Assurance Construction and Installation Plan Operating and Maintenance Plan - based upon the appropriate requirements of 19.15.17.12 NMAC Preeboard and Overtopping Prevention Plan - based upon the appropriate requirements of 19.15.17.11 NMAC Nuisance or Hazardous Odors, including H ₂ S, 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
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)
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 G of 19.15.17.13 NMAC

Waste Removal Closure For Closed-loop Systems That Utilize Above Ground Instructions: Please indentify the facility or facilities for the disposal of liquids, and the state of the disposal of liquids and the state of the disposal of liquids.		
facilities are required. Disposal Facility Name:	Disposal Facility Permit Number:	
	Disposal Facility Permit Number:	-
Will any of the proposed closed-loop system operations and associated activities of	•	
Yes (If yes, please provide the information below) No		ree and operations:
Required for impacted areas which will not be used for future service and operatio Soil Backfill and Cover Design Specifications based upon the appropriate Re-vegetation Plan - based upon the appropriate requirements of Subsection Site Reclamation Plan - based upon the appropriate requirements of Subsection	requirements of Subsection H of 19.15.17.13 NMAC I of 19.15.17.13 NMAC	2
Siting Criteria (regarding on-site closure methods only): 19.15.17.10 NMAC Instructions: Each siting criteria requires a demonstration of compliance in the provided below. Requests regarding changes to certain siting criteria may requir considered an exception which must be submitted to the Santa Fe Environmental demonstrations of equivalency are required. Please refer to 19.15.17.10 NMAC j	e administrative approval from the appropriate distr l Bureau office for consideration of approval. Justi,	rict office or may be
Ground water is less than 50 feet below the bottom of the buried waste. - NM Office of the State Engineer - iWATERS database search; USGS; Database search;	a 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	a 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; Database search;	a obtained from nearby wells	☐ Yes ☐ No☐ NA
Within 300 feet of a continuously flowing watercourse, or 200 feet of any other sig lake (measured from the ordinary high-water mark). - Topographic map; Visual inspection (certification) of the proposed site	nificant watercourse or lakebed, sinkhole, or playa	☐ Yes ☐ No
Within 300 feet from a permanent residence, school, hospital, institution, or church - Visual inspection (certification) of the proposed site; Aerial photo; Satellite		☐ Yes ☐ No
Within 500 horizontal feet of a private, domestic fresh water well or spring that les watering purposes, or within 1000 horizontal feet of any other fresh water well or see NM Office of the State Engineer - iWATERS database; Visual inspection of	pring, in existence at the time of initial application.	☐ Yes ☐ No
Within incorporated municipal boundaries or within a defined municipal fresh water adopted pursuant to NMSA 1978, Section 3-27-3, as amended. - Written confirmation or verification from the municipality; Written approv	·	☐ Yes ☐ No
Within 500 feet of a wetland US Fish and Wildlife Wetland Identification map; Topographic map; Visu	al 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	g and Mineral Division	☐ Yes ☐ No
Within an unstable area. - Engineering measures incorporated into the design; NM Bureau of Geolog Society; Topographic map	y & Mineral Resources; USGS; NM Geological	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 by a check mark in the box, that the documents are attached. Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of Construction/Design Plan of Burial Trench (if applicable) based upon the appropriate requirements of Construction/Design Plan of Temporary Pit (for in-place burial of a drying protocols and Procedures - based upon the appropriate requirements of 19.1. Confirmation Sampling Plan (if applicable) - based upon the appropriate requirements of Disposal Facility Name and Permit Number (for liquids, drilling fluids and Confirmation Plan - based upon the appropriate requirements of Subsection Re-vegetation Plan - based upon the appropriate requirements of Subsection Site Reclamation Plan - based upon the appropriate requirements of Subsection	uirements of 19.15.17.10 NMAC f Subsection F of 19.15.17.13 NMAC oppropriate requirements of 19.15.17.11 NMAC ead) - based upon the appropriate requirements of 19. 5.17.13 NMAC uirements of Subsection F of 19.15.17.13 NMAC Subsection F of 19.15.17.13 NMAC drill cuttings or in case on-site closure standards cann H of 19.15.17.13 NMAC I of 19.15.17.13 NMAC	15.17.11 NMAC

19. Operator Application Certification:										
I hereby certify that the information submitted with this application is true, accurate an	d complete to the best of my knowledge and belief.									
Name (Print): Rodney Bailey	Title: Waste & Water Group Lead									
Signature: Trocking Sockey	Date: March 1, 2010									
e-mail address: Bailerg@chevron.com	Telephone: (432) 687 7123									
OCD Approval: Application (including closure plan) Closure Plan (o	nly) OCD Conditions (see attachment)									
	Approval Date: 9/24/12									
	,									
Title: oc	D Permit Number:									
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:										
	Closure Completion Date:									
22. Closure Method: Waste Excavation and Removal On-Site Closure Method Alternative Constitution of the Internative Constituti	Closure Method									
Closure Report Regarding Waste Removal Closure For Closed-loop Systems That Instructions: Please indentify the facility or facilities for where the liquids, drilling f two facilities were utilized.	luids and drill cuttings were disposed. Use attachment if more than									
	posal Facility Permit Number:posal Facility Permit Number:									
Were the closed-loop system operations and associated activities performed on or in are 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										
Closure Report Attachment Checklist: Instructions: Each of the following items in 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										
25. Operator Closure Certification:										
I hereby certify that the information and attachments submitted with this closure report belief. I also certify that the closure complies with all applicable closure requirements										
Name (Print):	Title:									
Signature:	Date:									
e-mail address:	Telephone:									

0	Well Name & Number: Rincon Unit # 101
ø	API#: 3003906693
0	Lease #: SF 079160
ò	Quarter/Quarter: L Section: Township: 26N Range: 7W
0	Lat: N36.512185 Long: W107.532949
0	Pit Tank #1: Manufacturer: NA
0	Serial #: <u>NA</u> DOM: <u>NA</u> Size <u>NA</u> bbl
	o If N/A – Dimensions: Diameter 1 + Height 3 +
0	Material: Steel X Galvanized Fiberglass
0	Tank Configuration: Double Wall Single Wall (Buried > or Exposed Walls)
0	Contents: Produced Water Condensate Recycled Oil Not Labeled X
9	Tank Top Covering: Solid/Cone-top Netting X (SolidX Fiber_)
0	Secondary Containment: Yes No
•	Fencing around berm: Yes No
	o Fence Type: Cattle Panel Field Fence X Barbwire
	Pit Tank #2: Manufacturer: Double Tank Corp
9	Serial #: $UL933$ DOM: $5/00$ Size 45 bbl
	o If N/A – Dimensions: Diameter Height
0	Material: SteelX Galvanized Fiberglass
0	Tank Configuration: Double Wall Single Wall (Buried or Exposed Walls)
	Contents: Produced Water \(\sum \) Condensate Recycled Oil Not Lakeled \(\sum \)
	Tank Top Covering: Solid/Cone-top Netting_X (Solid_ FiberX)
	Secondary Containment: Yes X No
	Secondary Containment: Yes No Fencing around berm: Yes No
	Secondary Containment: Yes X No
6	Secondary Containment: Yes X No Fencing around berm: Yes No o Fence Type: Cattle Panel Field Fence Barbwire
6	Secondary Containment: Yes X No Fencing around berm: Yes No No Fence Type: Cattle Panel Field Fence Barbwire Above-Ground Tank #1: Manufacturer: American Tank and Steel
6	Secondary Containment: Yes X No Fencing around berm: Yes No No Fence Type: Cattle Panel Field Fence Barbwire Above-Ground Tank #1: Manufacturer: American Tank and Steel
0	Secondary Containment: Yes X No
0	Secondary Containment: Yes X No Fencing around berm: Yes No Barbwire o Fence Type: Cattle Panel Field Fence Barbwire Above-Ground Tank #1: Manufacturer: American Tank and Steel Serial #: 1771 DOM: 7/58 Size 100 bbl o If N/A - Dimensions: Diameter 7 11" Height 12" Material: Steel X Galvanized Fiberglass
0	Secondary Containment: Yes X No
0	Secondary Containment: Yes X No Fencing around berm: Yes No Barbwire o Fence Type: Cattle Panel Field Fence Barbwire Above-Ground Tank #1: Manufacturer: American Tank and Steel Serial #: 1771 DOM: 7/58 Size 100 bbl o If N/A - Dimensions: Diameter 7 11" Height 12" Material: Steel X Galvanized Fiberglass
0	Secondary Containment: Yes No
0	Secondary Containment: Yes No
0	Secondary Containment: Yes No
0 0	Secondary Containment: Yes No
0 0	Secondary Containment: Yes No
6 6 6	Secondary Containment: Yes No Fencing around berm: Yes No o Fence Type: Cattle Panel Field Fence Barbwire Above-Ground Tank #1: Manufacturer: American Tank and Steel Serial #: 1771 DOM: 7/S& Size 100 bbl o If N/A - Dimensions: Diameter 7 11" Height 12" Material: Steel Galvanized Fiberglass Contents: Produced Water Condensate (State # 30048) Cross Oil X Secondary Containment: Yes No Size bbl o If N/A - Dimensions: Diameter Height Material: Steel Galvanized Fiberglass Contents: Produced Water Condensate Size bbl o If N/A - Dimensions: Diameter Height Material: Steel Galvanized Fiberglass Contents: Produced Water Condensate (State # Recycled Oil
6 6 6	Secondary Containment: Yes No
	Secondary Containment: Yes No
6 6 6	Secondary Containment: Yes No
6 6 6	Secondary Containment: Yes No
	Secondary Containment: Yes No Fencing around berm: Yes No Fencing around berm: Yes No Fencing around berm: Yes No Fencing around berm: Yes No Fencing around berm: Yes No Fencing around berm: Yes No Field Fence Barbwire Above-Ground Tank #1: Manufacturer: American Tank and Steel Serial #: 1771 DOM: 7/S& Size 100 bbl Filter Size 100 bbl Fiber glass Contents: Produced Water Condensate State # 20048 Fiberglass Contents: Produced Water Size bbl Fiber glass Condensate Fiber glass Contents: Produced Water Galvanized Fiberglass Contents: Produc
	Secondary Containment: Yes No
	Secondary Containment: Yes No Fencing around berm: Yes No Fencing around berm: Yes No Fencing around berm: Yes No Fencing around berm: Yes No Fencing around berm: Yes No Fencing around berm: Yes No Field Fence Barbwire Above-Ground Tank #1: Manufacturer: American Tank and Steel Serial #: 1771 DOM: 7/S& Size 100 bbl Filter Size 100 bbl Fiber glass Contents: Produced Water Condensate State # 20048 Fiberglass Contents: Produced Water Size bbl Fiber glass Condensate Fiber glass Contents: Produced Water Galvanized Fiberglass Contents: Produc

TORROLLY DRIEGE



From wellhead to any continuous flowing or significant water course.

* From below-grade tanks to any permanent residence, school, church, hospital, etc. $\overline{\mathcal{NA}}$

Chevron Midcontinent, LP BGT Permit Siting Criteria Summary Sheet Rincon Unit #101

- Groundwater is estimated to be 173 feet below the bottom of the BGT. This was calculated using information from the cathodic well located on the well site. The top of casing elevation for the cathodic well is 6466 feet and the depth to groundwater is recorded as 140 feet; see the attached Data Sheet for Deep Ground Bed Cathodic Protection Wells. (Depth to groundwater for water wells is measured from the top of casing so that all wells are labeled from a common point of interest.) This gives a groundwater elevation of 6326 feet. The topographic map indicates the site elevation to be 6504 feet. The BGT is buried five (5) feet below ground surface which gives a bottom of the BGT elevation of 6499 feet. The difference between the BGT bottom elevation and groundwater elevation is 173 feet.
- 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 take. The nearest continuously flowing watercourse is the San Juan River estimated to be 21 miles northwest of the BGT. The nearest take is Moss Lake estimated to be 2630 feet northeast of the BGT. The nearest significant watercourse is an un-named, ephemeral wash estimated to be 300 feet northeast of the BGT. This un-named ephemeral wash is a first-order tributary to Little Palluche Canyon Wash; see attached *Topographic Map*. (The red dot on the topographic map indicates the location of the BGT.)
- 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 attached Aerial Map. (The red dot on the aerial map indicates the location of the BGT.) There are no permanent residences, schools, hospitals, institutions or churches within the mapped area of the Aerial Map. The nearest residence is 2.5 miles southwest of the BGT. The nearest school, hospital, institution, or church is at least 18 miles southwest of the BGT.
- 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. The closest freshwater spring is 2500 feet south of the BGT as indicated on the attached *Topographic Map*. The closest fresh water well is estimated to be 1,026 meters (3,370 feet) northeast of the BGT and was revealed on the attached *NMOSE Water Column/Average Depth to Water Report*.
- 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 closest boundary is the Nageezi Municipal Boundary located
 approximately 18 miles southwest of the site. (The Nageezi City Limits are colored orange and the BGT is
 indicated by a red circle 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 emergent and estimated to be 2630 feet
 northeast 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 mine located approximately 34 miles northwest of the RGT
- 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 maps by a red square. The nearest Karst Feature is approximately 40 miles southeast of the site and is shown on the **USGS Karst Map**. The underlying geology is comprised of the San Jose Formation, a Tertiary 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 are indicated by blue dotted hatching on the map.)

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HYDROGEOLOGIC REPORT

Rincon Unit #101 Hydrogeologic Report

Topography and Surface Hydrology

The Rincon Unit #101 well site is located in what is considered the Colorado River Basin, within the Gould Pass, Rio Arriba County, New Mexico, United States Geological Survey (USGS) 7.5-minute Quadrangle Map approximately 18 miles to the northeast of Nageezi, New Mexico; 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 21 miles northwest 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 nearest significant watercourse is an unnamed wash and a first order tributary to the Little Palluche Canyon Creek approximately 300 feet northeast of the below grade tank. The general topographic slope of the site is to the southeast, towards the Little Palluche Canyon Creek. Storm water runoff flows off of the Rincon Unit #101 well site toward the southeast and then follows surface runoff channels toward the Little Palluche Canyon Creek. The Little Palluche Canyon Creek is an ephemeral wash that only exists during periods of heavy precipitation and is a first order tributary to Canyon Largo Wash; see attached *Topographic Map*.

The nearest identified wetland area to the Rincon Unit #101 well site is Moss Lake estimated to be 2,630 feet northeast of BGT #1. This wetland area is identified as freshwater emergent in accordance with the attached U.S. Fish and Wildlife Service National Wetlands Inventory Map. The well site is not located within a 100 year flood plain; 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 2.5 miles to the southwest of the Rincon Unit #101 well site. The nearest school is the Dzilth-Na-O-Dith-Hle School located 18 miles southwest of the Rincon Unit #101. All other schools, churches and institutions are all located within Blanco and the Bloomfield and Nageezi City Municipal Boundaries. The closest hospital is located within Farmington, New Mexico, approximately 15 miles west of Bloomfield.

The only mining activities identified are to the northwest of the Rincon Unit #101. The mining activities are Aggregate and Stone Mines and the nearest mine is approximately 34 miles northwest of the well site. No mines were identified within the map boundary; see attached NM EMNRD - Mining and Mineral Division Map.

<u>Soil</u>

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 are of alluvial valley fill and consist of gravel, sand, silt, and clay (Stone et al., 1983). The soil type in the area of the Rincon Unit #101 well site is predominantly the Orlie fine sandy loam. This soil is characterized by moderate organic material and moderately high permeability. The unit consists of Fan alluvium and/or slope alluvium derived from sandstone and shale. The unit is relatively flat and ranges between one (1) and eight (8) percent sloping grade. It is a well drained soil with a very high available water capacity. The depth to paralithic bedrock is more than 80 inches. The underlying bedrock is mainly weathered sandstone and shale with visible outcrops along the canyon rim to the north of the well site. The unit is found between the elevations of 6,200 feet and 7,500 feet. Mean annual precipitation is between 13 to 16 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, and sinkholes. The nearest documented Karst features are approximately 40 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 Rincon Unit #101 well site lies in the San Jose Formation Aquifer which dips at 7 degrees to the north-east (Frenzel, 1983). The San Jose Formation ranges from less than 200 feet in the west and south to nearly 2,700 feet in the basin center between Cuba and Gobernador (Frezel, 1983).

The San Jose Formation (Tsj) is the youngest Tertiary unit in the San Juan Basin and was named by Simpson (1948, p. 277-283). It is of early Eocene age and as early as 1875 was correlated with the Wasatch Formation in Wyoming. The San Jose is the surface formation in the eastern two-thirds of the San Juan Basin. Although largely exposed in New Mexico, the San Jose also straddles the New Mexico/Colorado State boundaries. It outcrops in its west, south and northeast boundaries in a broad, and in some places irregular, southeasterly trending band in the Blanco Canyon to Largo Canyon area. On the east side, it rises structurally and outcrops in a narrow band along the west face of the Nacimiento Uplift forming the eastern boundary of the San Juan Basin. There are several smaller, isolated remnants of the San Jose Formation west of the central exposure. The San Jose has eroded deeply in some areas and because of differential resistance to erosion of its various sandstone and shale units, produces a large thickness variance and in some places formation of very rugged topographic expression (Baltz, 1967, p. 45). In some places it erodes to horseshoe-shaped badlands and massive cliffs. The San Jose overlays the nonresistant slope-forming Nacimiento Formation (Tn). Thickness of the San Jose ranges from less than 200' at the outcrop on the west and south sides to almost 2700 feet in the the Basin center (Stone, et al, p. 25). The thickness is 1300' or less on the southern part of the Tapicitos Plateau where the San Jose structurally rises and its upper beds are eroded. In the Largo Plains area (Largo Canyon) which marks the western exposure of the preserved San Jose, more than half of the Formation was removed by erosion (Baltz, p. 46). The San Jose Formation contact is that of an angular unconformity surface with the underlying Paleocene-age Nacimiento Formation near the Nacimiento Uplift, but is slightly disconformable to conformable in the Basin center (Stone, et al, p. 25). The San Jose Formation is comprised of four identifiable rock facies (in ascending order) called the Cuba Mesa, the Regina, the Llaves and the Tapicitos Members. These four members are only present in the far eastern part of the basin (Brimhall, 1973, p. 198). Within the preserved area, only the Cuba Mesa and Regina are widespread throughout the basin. The oldest Member of the San Jose is the Cuba Mesa (150-800 feet thick), which is largely a massive cliff-forming buff and yellow, rusty-weathering cross-bedded arkosic coarse-grained sandstone with lenticular reddish, green and gray shale beds (Baltz, p. 46). The Cuba Mesa is overlain in the southern two-thirds of the area by drab-colored variegated shale and interbedded soft to hard sandstones known as the Regina Member (100 to 1700 feet thick) and overlain in the northern one-third by a thick sequence of sandstone called the Llaves (50 to 1300 feet thick) which in turn intertongues and grades southward into the Regina. In the northeastern part of the area, the upper Llaves Member grades southward and westward into the red silty mudstones, siltstones and interbedded poorly consolidated sandstones of the Tapicitos Member (120-500 feet thick) (Stone, et al. p. 25).

The nearest registered water well determined by a radius search of 1500 meters (4921 feet) from the center of BGT #1 on the Rincon Unit #101 well site is approximately 1,026 meters (3370 feet) northeast of BGT #1 with a depth of groundwater of 400 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. Groundwater is estimated to be 173 feet below the bottom of BGT #1. This was calculated using information from the cathodic well servicing the well site. The top of casing elevation for the cathodic well is 6,466 feet and the depth to groundwater is recorded as 140 feet; see the attached Data Sheet for Deep Ground Bed Cathodic Protection Wells. This gives a groundwater elevation of 6,326 feet. The topographic map indicates the site elevation to be 6,504 feet, BGT #1 is buried

approximately five (5) feet below the surface elevation giving the bottom of BGT #1 an elevation of approximately 6,499 feet. The difference between BGT #1 bottom elevation and groundwater elevation is 173 feet.

Resources

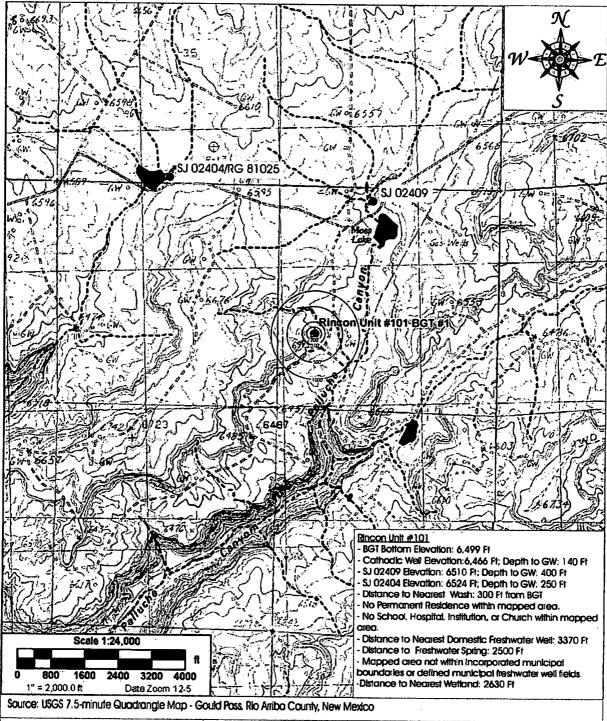
New Mexico Office of the State Engineer (NMOSE) New Mexico Water Right Reporting System (iWaters database)

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



LEGEND

- Below Grade Tank Water Well
- Wetland Area
- Spring or Seep
- Ephemeral Wash

PROJECT Number:92270-1002 Date Drawn: 08/23/12

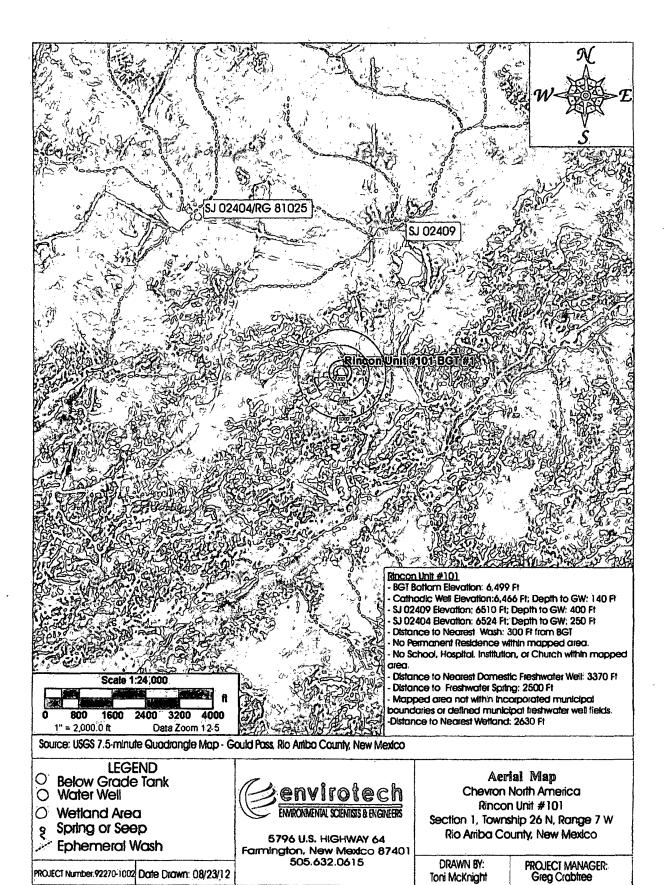


5796 U.S. HIGHWAY 64 Farmington, New Mexico 87401 505.632.0615

Topographic Map

Chevron North America Rincon Unit #101 Section 1, Township 26 N, Range 7 W Rio Arriba County, New Mexico

DRAWN BY: Toni McKnight PROJECT MANAGER: Greg Crabtree



192-30-039-20497

DATA SHEET FOR DEEP GROUND BED CATHODIC PROTECTION WELLS NORTHWESTERN NEW MEXICO OCD Aztac Office)

117- 30-129-16672

		Location: UnitSec1_Twp_26_Rng_7
Name of Well/We & 271 FC.	-	e Serviced Rincon Unit No. 192 DK, 101 MV, 47 PC,
Elevation 6466'		7-30-90 Total Depth 300' Land Type* F
If Casing is co	emented, show a	mounts & types used NONE
If Cement or Bo	entonite Plugs	have been placed, show depths & amounts used
		ones with description of water when possible: Etc. 140 FT. deep, 5' thick, fresh water.
Depths gas ence	ountered: NON	E
		used: 300' deep with carbo 60=99.9% carbon, Coke Breeze 1500 lbs. 5', 265', 275', 285', 295'
•	pes placed: 0'	
Vent pipe perfe	orations: Laser	cut slots from 140' to 300' deep
		d at this location.
logs, including	above data is u g Drillers Log,	navailable, please indicate so. Copies of all Water Analyses & Well Bore Schematics should Unplugged abandoned wells are to be included

*Land Type may be shown: F-Federal; I-Indian; S-State; If Federal or Indian, add Lease Number.

OIL CON. DIV

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GENERAL CATHODIC PROTECTION SERVICES CO.



New Mexico Office of the State Engineer Water Column/Average Depth to Water

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(R=POD has been replaced, O≈orphaned,

(quarters are 1=NW 2=NE 3=SW 4=SE) C=the file is

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RG 81025	СН	RA	3	3	4	35	27N	07W	272236	4044920*	1498	560	465	95
SJ 02404		·RA	3	3	4	35	27N	07W	272236	4044920*	1498	550	250	300
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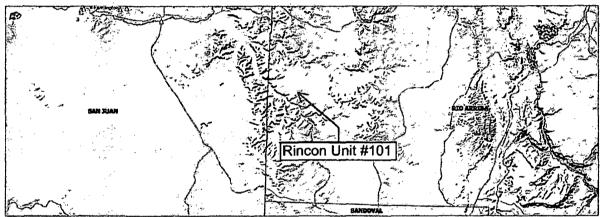
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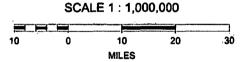
Radius: 1500

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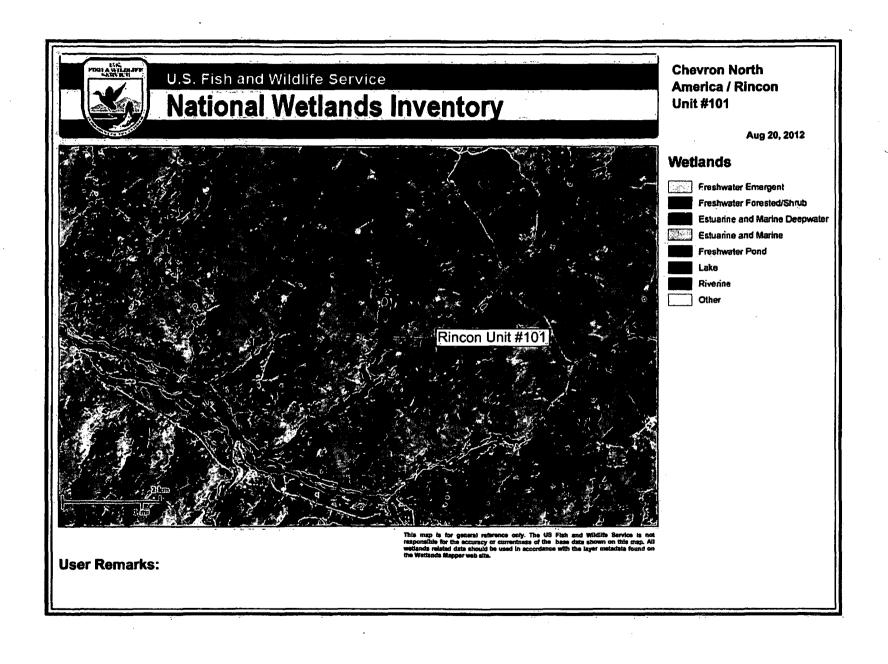
NM EMNRD - Mining and Mineral Division Map Chevron North America / Rincon Unit #101

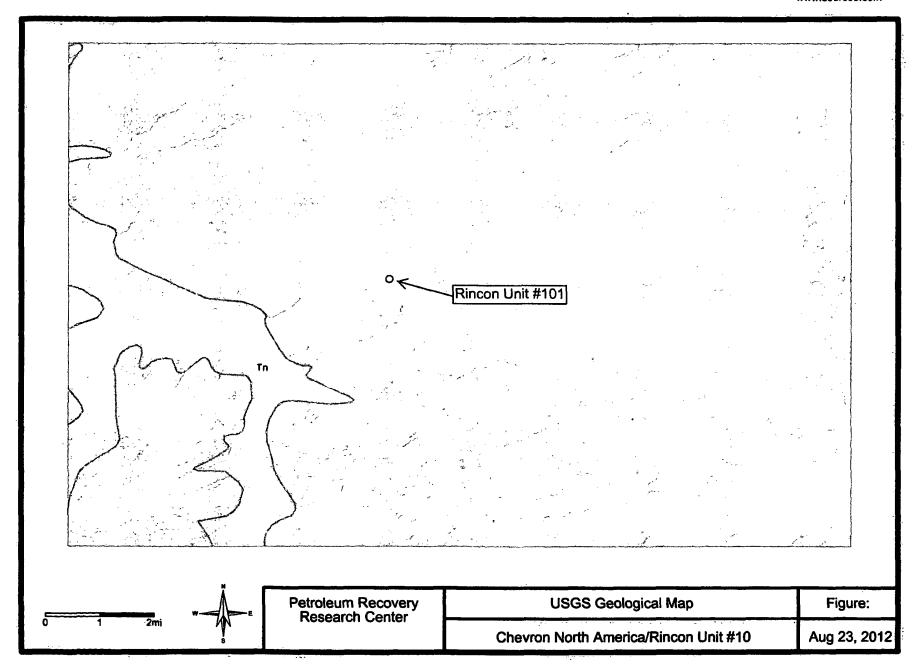






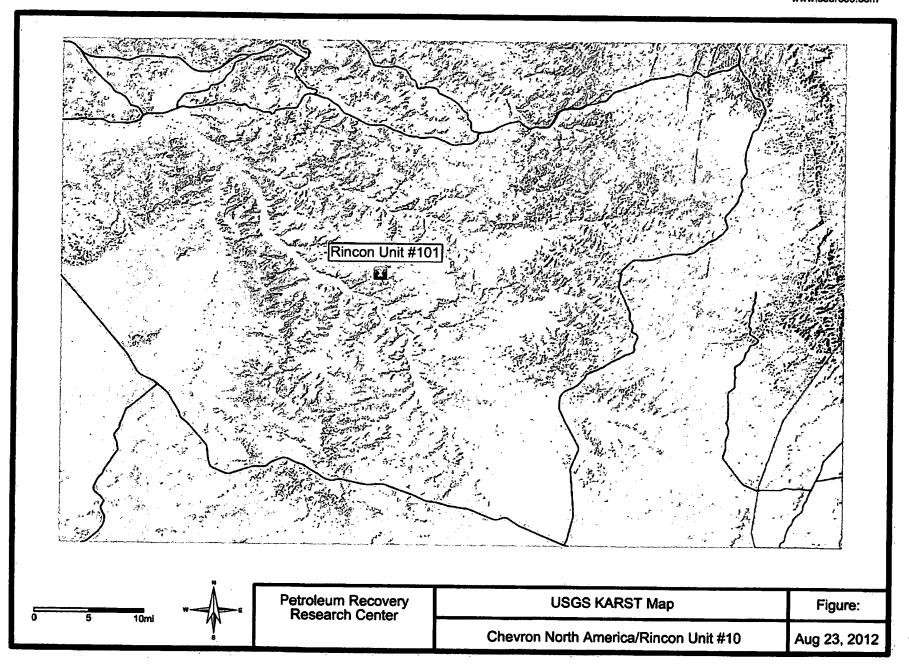






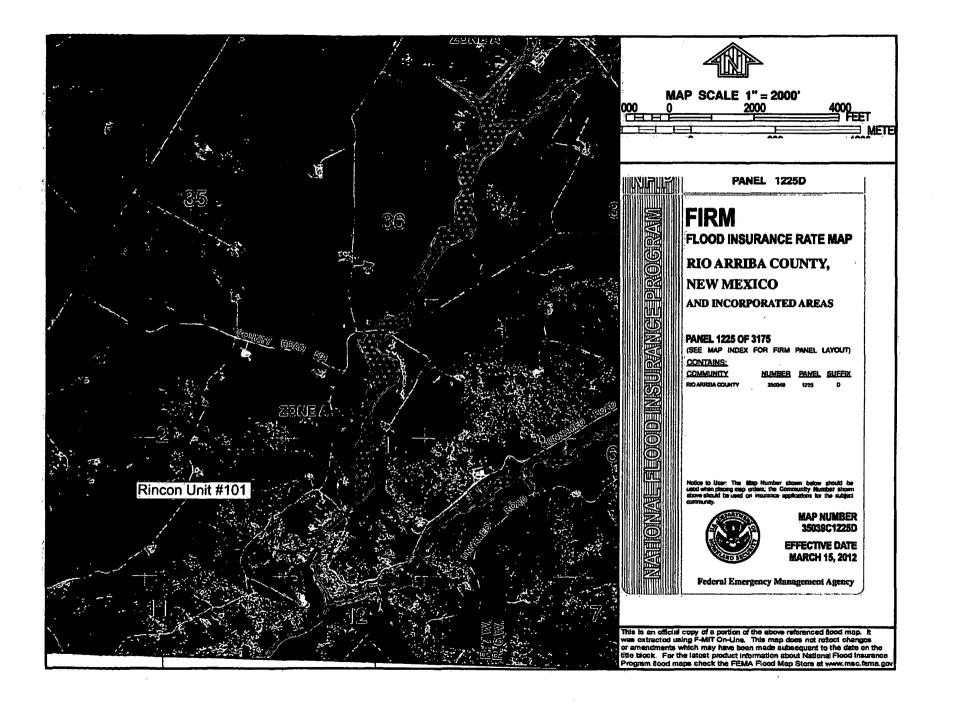
USGS Geologic Map Legend

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USGS Karst Map Legend

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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

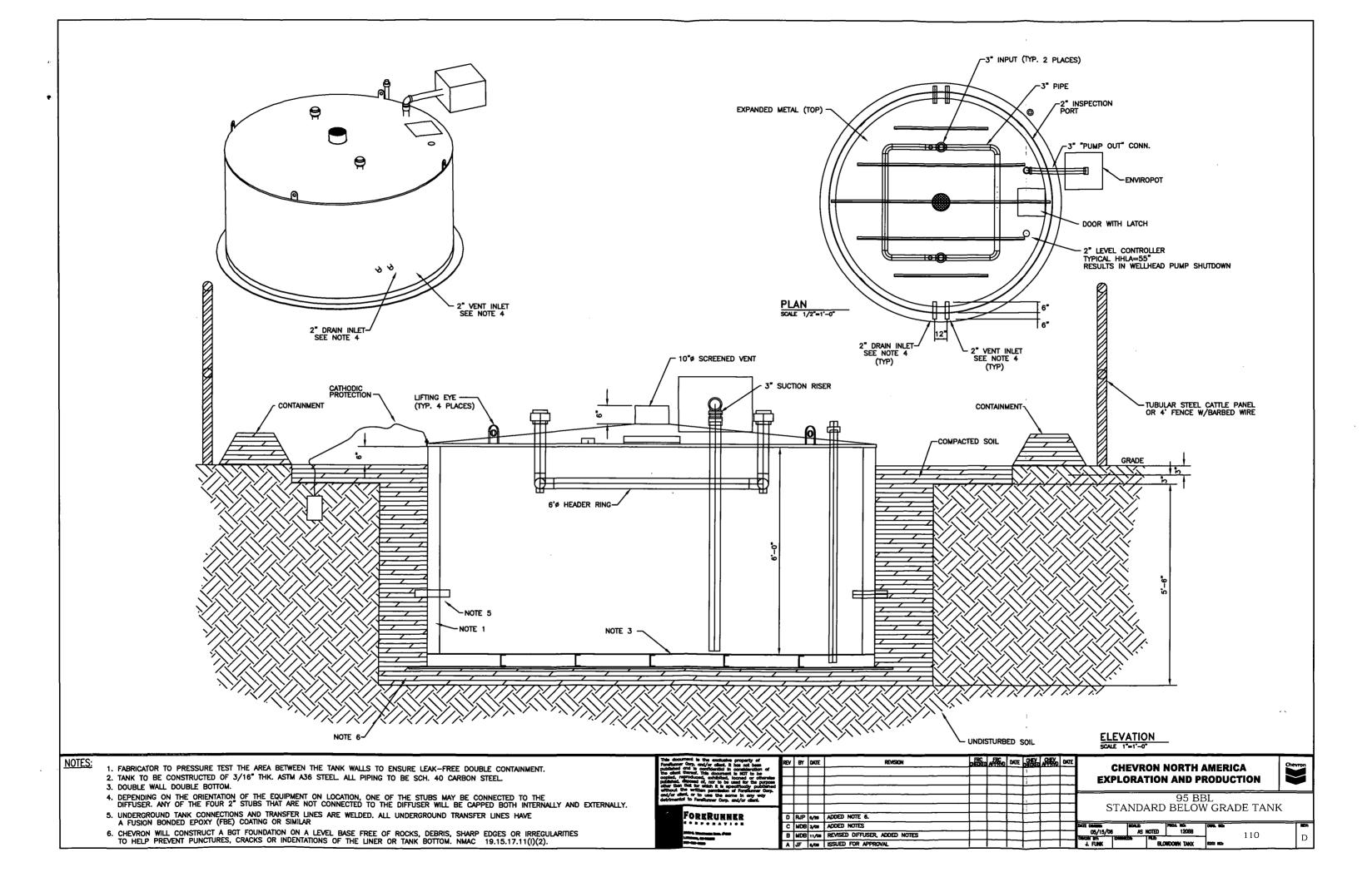
INTRODUCTION

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.



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	·		
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elow Grade Tank (BGT) Location:			· 1
		:	
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 of 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.

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), recontour 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.

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: Subject: Barnes, Leslie (LeslieBarnes)
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

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