HOBBS OCD

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

FEB 29 2012

RECEIVED

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 CLEZ
Revised August 1, 2011

For closed-loop systems *that only use above ground steel tanks or haul-off bins and propose to implement waste removal for closure*, submit to the appropriate NMOCD District Office.

Closed-Loop System Permit or Closure Plan Application

(that only use above ground steel tanks or haul-off bins and propose to implement waste removal for closure)

Type of action: ☒ Permit ☐ Closure

Instructions: Please submit one application (Form C-144 CLEZ) per individual closed-loop system request. For any application request other than for a closed-loop system that only use above ground steel tanks or haul-off bins and propose to implement waste removal for closure, please submit a Form C-144.

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: CHEVRON U.S.A. INC. OGRID #:4323

Address: 15 SMITH ROAD, MIDLAND, TEXAS 79705

Facility or well name **CENTRAL VACUUM UNIT #251 (NEW DRILL)**

API Number 30-025-40462 OCD Permit Number: P104255

U/L or Qtr/Qtr **A** Section 36 Township **17S** Range **34E** County: **LEA**

Center of Proposed Design: Latitude _____ Longitude _____ NAD: ☐1927 ☐ 1983

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

2

☐ **Closed-loop System:** Subsection H of 19.15.17.11 NMAC

Operation: ☒ Drilling a new well ☐ Workover or Drilling (Applies to activities which require prior approval of a permit or notice of intent) ☐ P&A

☐ Above Ground Steel Tanks or ☐ Haul-off Bins

3.

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 15.16.8 NMAC

4.

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.

☒ 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 Box 5) - 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: _____

5.

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 indentify 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: CONTROLLED RECOVERY INC. (CRI) Disposal Facility Permit Number: R9166-NM-01-0006

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

6.

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): DENISE PINKERTON Title: REGULATORY SPECIALIST

Signature: Denise Pinkerton Date: 02-27-2012

e-mail address: leakejd@chevron.com Telephone: 432-687-7375

7.
OCD Approval: ☐ Permit Application (including closure plan) ☐ Closure Plan (only)

OCD Representative Signature: _____ **Approval Date:** 03/01/12

Title: PETROLEUM ENGINEER **OCD Permit Number:** P104255

8.
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:** _____

9.
Closure Report Regarding Waste Removal Closure For Closed-loop Systems That Utilize Above Ground Steel Tanks or Haul-off Bins Only:

Instructions: Please indentify 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

10.
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: _____

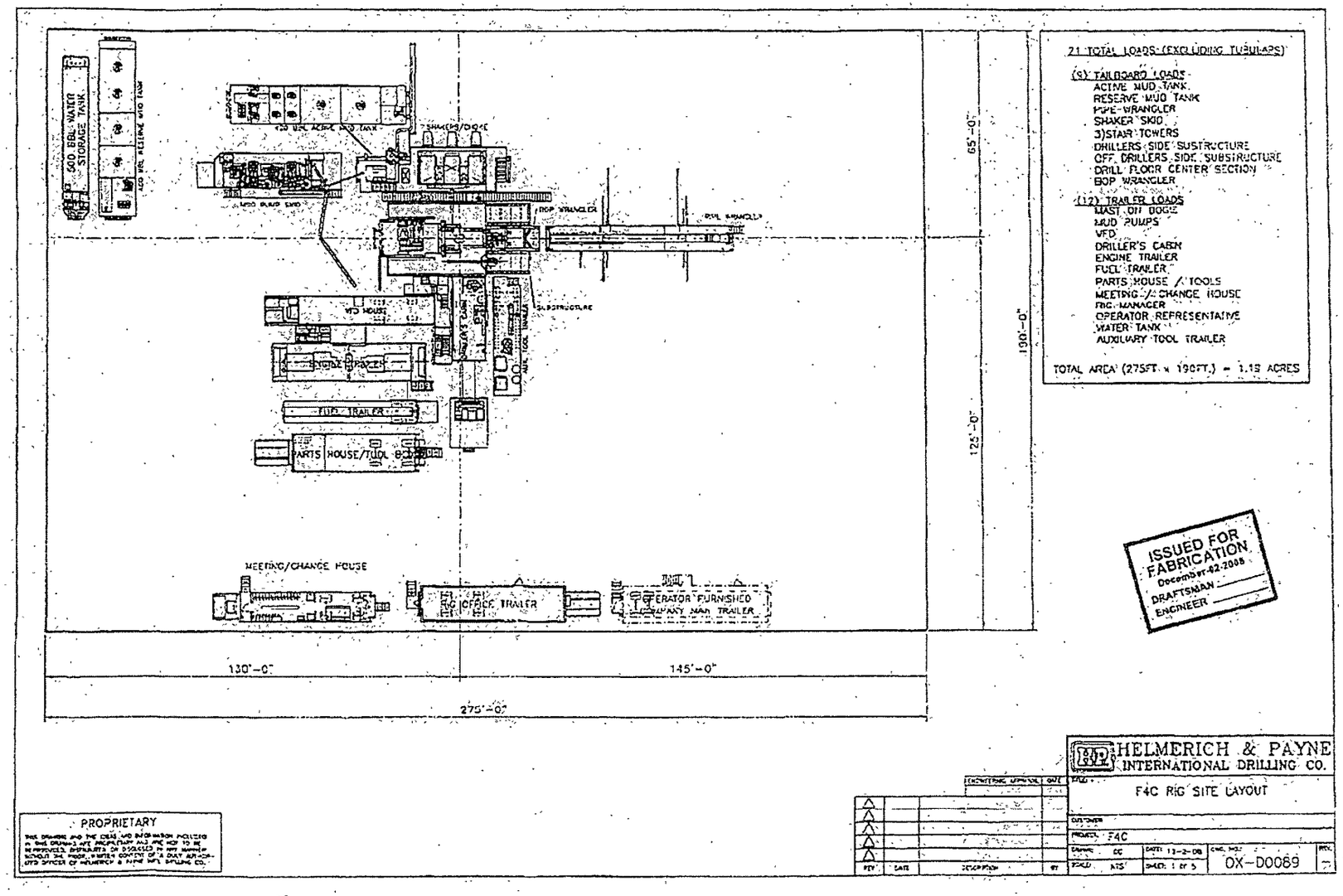
e-mail address: _____ Telephone: _____

Operating & Maintenance Plan & Closure Plan

1. *250 bbl, ½ frac. Tank, cutting tank w/dimensions of 32'x10.5'x6' tall will be installed On top of 20 mil plastic barrier.*
2. *Cuttings will be discharged from shaker into cuttings tank.*
3. *Cuttings tank will be continuously monitored by designated roughneck so that cuttings tank will not be overfilled.*
4. *Rig crew will visually inspect fluid integrity of cuttings tank on a daily basis.*
5. *Documentation of visual inspection of cuttings tank will be captured on IADC Drilling Report.*

Closure Plan

1. *Drilled cuttings will be dipped out of tank with backhoe bucket and placed in suitable transport container (dump truck tank or cuttings bin)*
2. *Drill cuttings will be disposed of at a suitable off-location waste facility.*



21 TOTAL LOADS (EXCLUDING TUBULARS)

(9) TAILBOARD LOADS
- ACTIVE MUD TANK
- RESERVE MUD TANK
- PIPE WRANGLER
- SHAKER SKID
- 3) STAIR TOWERS
- DRILLERS SIDE SUBSTRUCTURE
- OFF DRILLERS SIDE SUBSTRUCTURE
- DRILL FLOOR CENTER SECTION
- BOP WRANGLER

(12) TRAILER LOADS
- MAST OR DOGIE
- MUD PUMPS
- VFD
- DRILLER'S CABIN
- ENGINE TRAILER
- FUEL TRAILER
- PARTS HOUSE / TOOLS
- MEETING / CHANGE HOUSE
- RIG MANAGER
- OPERATOR REPRESENTATIVE
- WATER TANK
- AUXILIARY TOOL TRAILER

TOTAL AREA (275FT. x 190FT.) = 1.19 ACRES

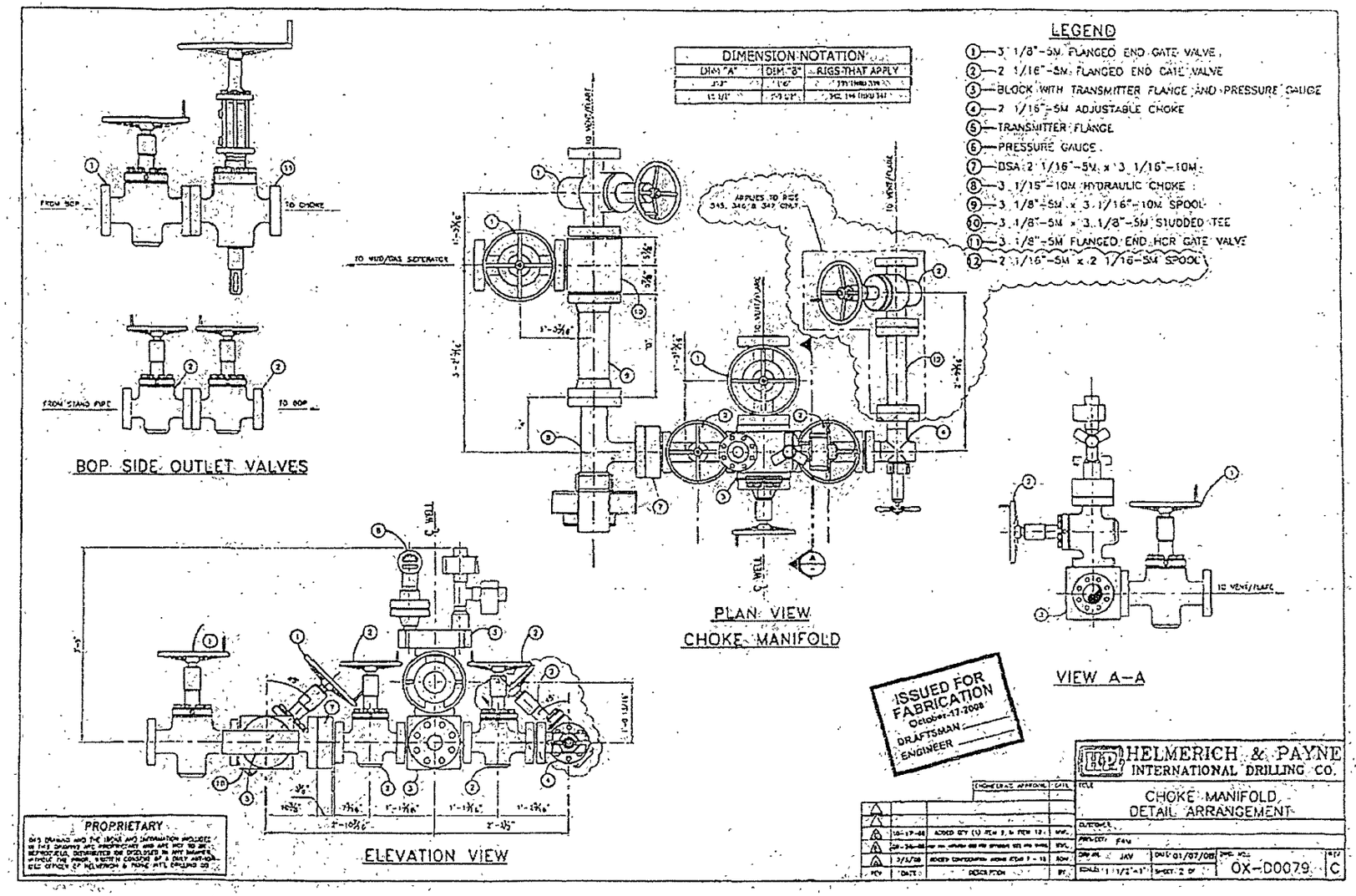
ISSUED FOR FABRICATION
December-12-2008
DRAFTSMAN
ENGINEER

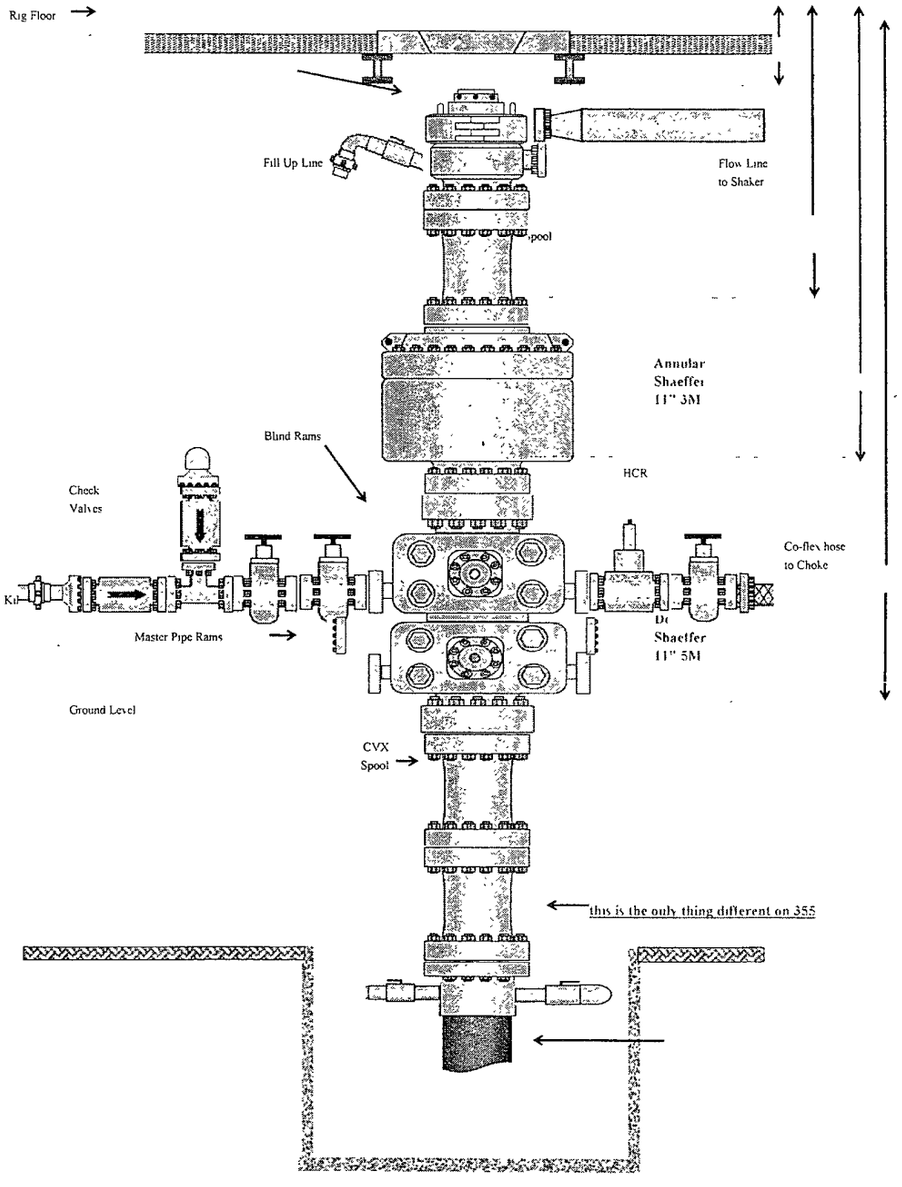
HELMERICH & PAYNE INTERNATIONAL DRILLING CO.

F4C RIG SITE LAYOUT

CUSTOMER
PROJECT: F4C
DRAWN: CC | DATE: 12-2-08 | ENG. NO.: DX-D0089 | REV.: --
SCALE: NTS | SHEET: 1 OF 5

REV	DATE	DESCRIPTION	BY
		ENGINEERING APPROVAL	DATE


LEGEND
1—3 1/8"–5M FLANGED END GATE VALVE
2—2 1/16"–5M FLANGED END GATE VALVE
3—BLOCK WITH TRANSMITTER FLANGE AND PRESSURE GAUGE
4—2 1/16"–5M ADJUSTABLE CHOKE
5—TRANSMITTER FLANGE
6—PRESSURE GAUGE
7—DSA 2 1/16"–5M x 3 1/16"–10M
8—3 1/16"–10M HYDRAULIC CHOKE
9—3 1/8"–5M x 3 1/16"–10M SPOOL
10—3 1/8"–5M x 3 1/8"–5M STUDDED TEE
11—3 1/8"–5M FLANGED END HCR GATE VALVE
12—2 1/16"–5M x 2 1/16–5M SPOOL
DIMENSION NOTATION
DIM "A"
DIM "B"
RIGS THAT APPLY
FROM BOP
TO CHOKE
FROM STAND PIPE
TO BOP
BOP SIDE OUTLET VALVES
TO MUD/GAS SEPERATOR
TO VENT/FLARE
PLAN VIEW
CHOKE MANIFOLD
VIEW A–A
ELEVATION VIEW
ISSUED FOR FABRICATION
October-17-2008
DRAFTSMAN
ENGINEER
PROPRIETARY
HELMERICH & PAYNE
INTERNATIONAL DRILLING CO.
CHOKE MANIFOLD
DETAIL ARRANGEMENT
OX–D0079
C


Rig Floor
Fill Up Line
Flow Line
to Shaker
pool
Annular
Shaeffer
11" 5M
Blind Rams
HCR
Check
Valves
Co-flex hose
to Choke
Master Pipe Rams
Shaeffer
11" 5M
Ground Level
CVX
Spool
this is the only thing different on 355