

HOBBS OCD

MAY 03 2013

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 #256 (NEW DRILL)

API Number: 30-025-41154 OCD Permit Number: P1-06149

U/L or Qtr/Qtr F 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 **NEW WELL**

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. (CR) R360 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: 04/30/2013

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: 05/03/13
Title: Petroleum Engineer OCD Permit Number: P1-06149

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 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

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: _____

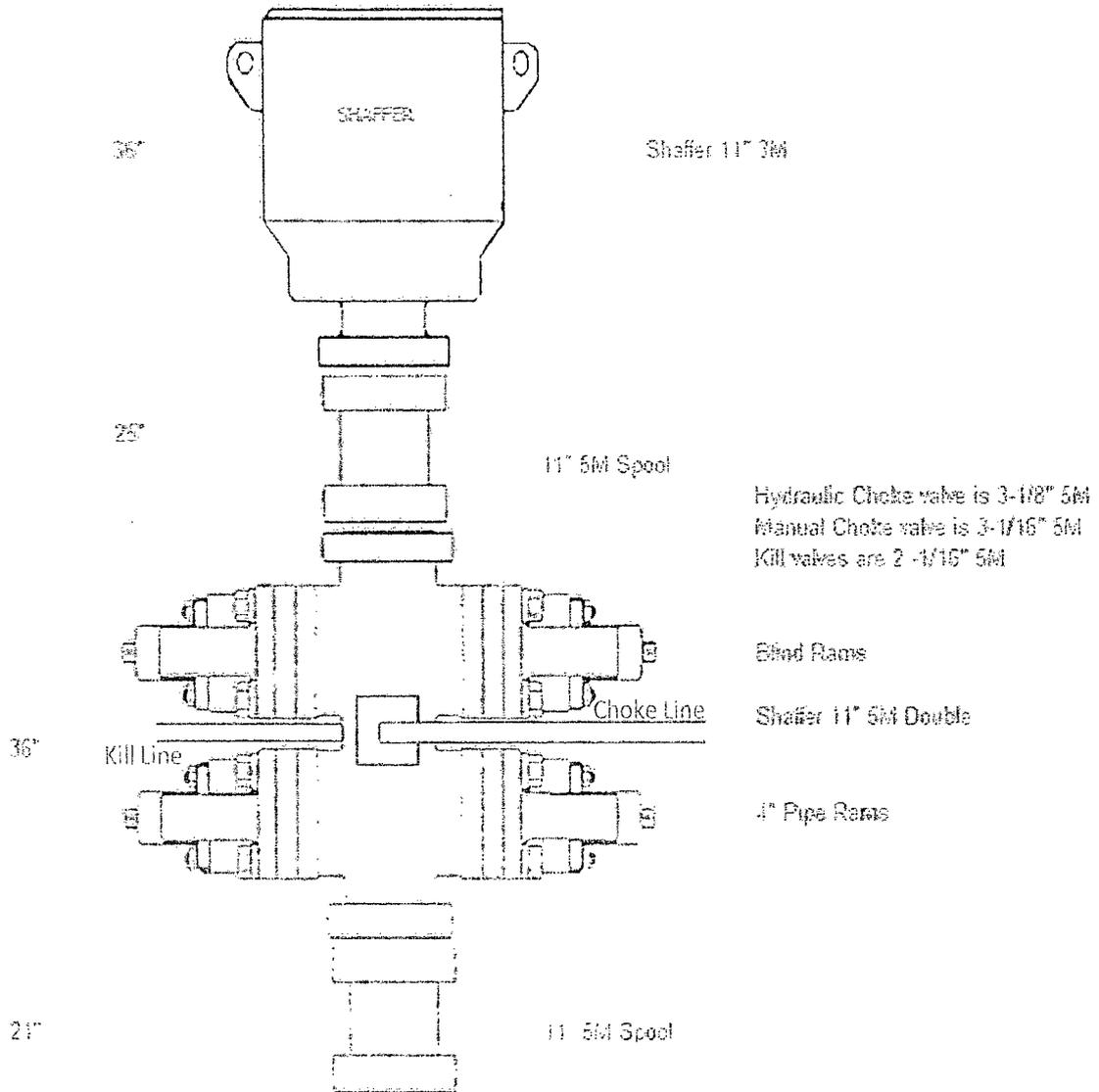
Operating & Maintenance Plan & Closure Plan

1. 250 Bbl. 1/2 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.

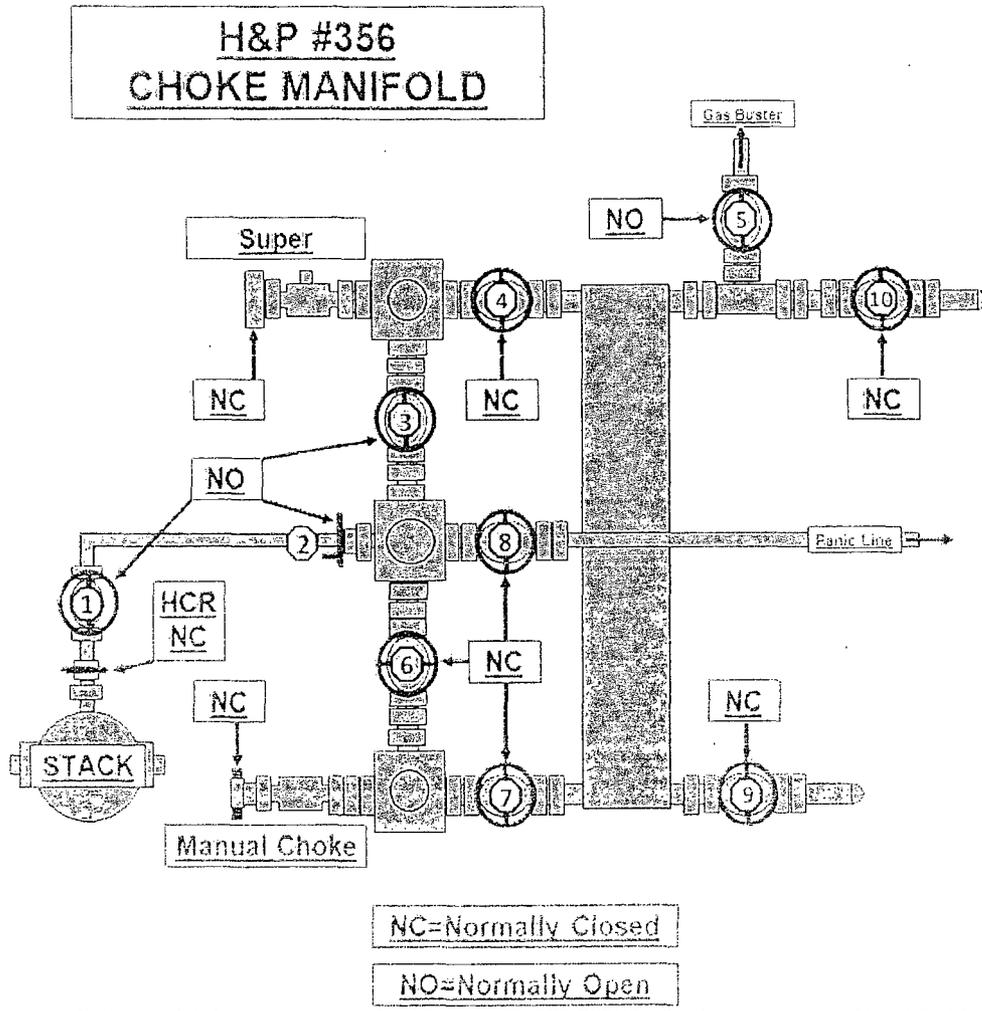
Closure Plan

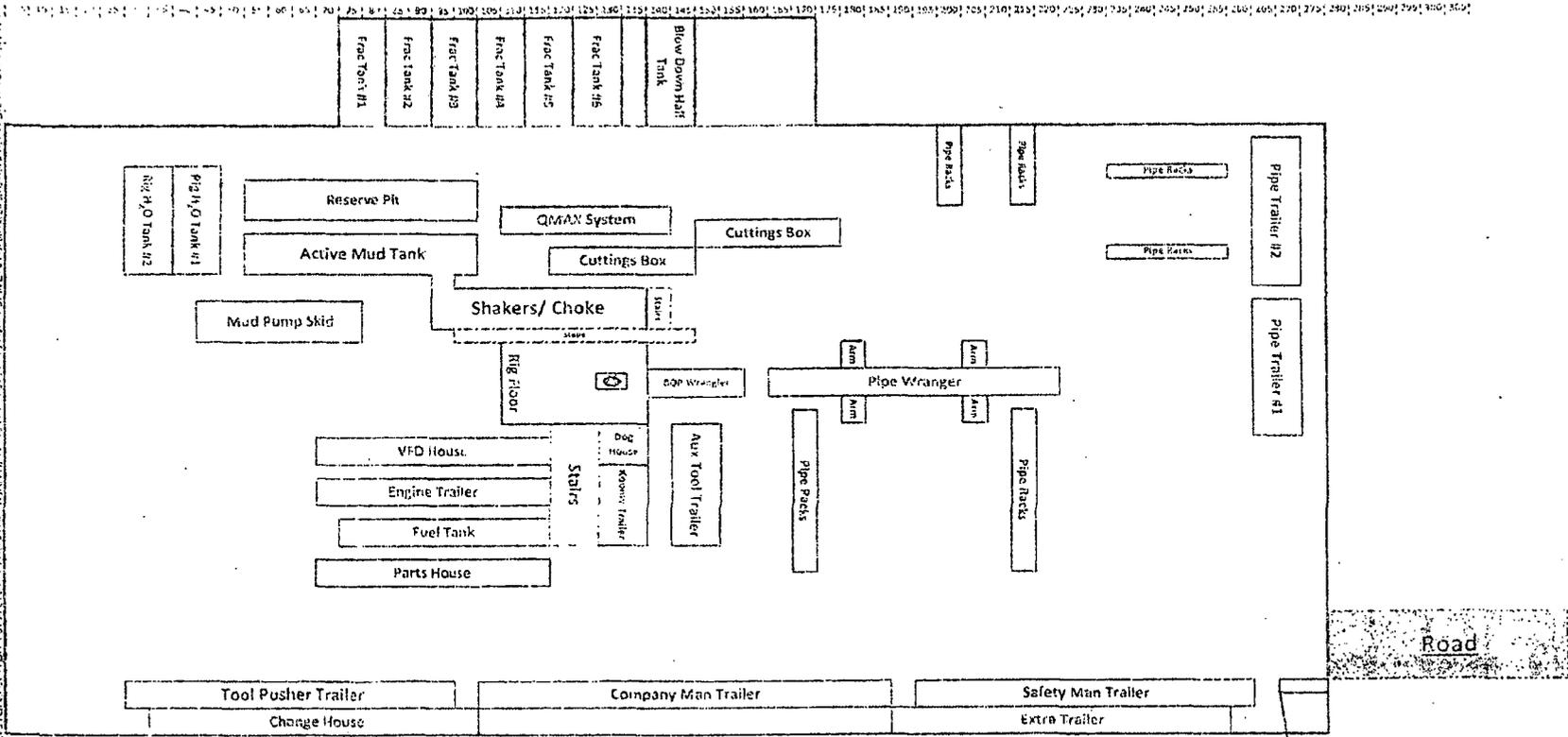
1. Drilled cuttings will be dipped out of tank with backhoe bucket and placed in suitable transport container (dump truck tank or cuttings bin)
2. Drill cuttings will be disposed of at a suitable off-location waste facility.

H&P 356 Bop Schematic



Choke Manifold Diagram





1. The rig is to be positioned before the QMAX unit is moved into place. All rig equipment should be maintained and ready for use.
 2. The Company's trailer is to be set up in the QMAX unit's operations area. All windows must be closed.
 3. There is a 100' x 40' cut out on the off-center side of the rig where there is water in the mud and empty frac tanks are located to accommodate the footprint of the rig.
 4. Some 200' x 200' cut outs are used to store frac tanks and empty frac tanks.

Slew-in Skid