State of New Mexico District I 1625 N French Dr , Hobbs, NM 88240 Energy Minerals and Natural Resources 1625 N French Dr., Hobbs, NM 88240 Energy District II
1301 W Grand Avenue, Artesia, NM 88240 EDITORIAL DISTRICT OF THE PROPERTY OF THE PROPERT Department Oil Conservation Division District III
1000 Rio Brazos Road. Aztec, NM 87410

FEB Q 5 2010 1220 South St. Francis Dr. District IV 1220 S St Francis Dr., Santa Fe, NM 87 100 BBSOCD Santa Fe, NM 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 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			
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			
Operator. CHEVRON U S.A. INC. OGRID # 4323			
Address 15 SMITH ROAD, MIDLAND, TEXAS 79705			
Facility or well name: T.D. ANDDEWS #0			
API Number: 30-025-39063 OCD Permit Number:			
U/L or Qtr/Qtr I Section 32 Township 22-S Range 38-E County LEA			
Center of Proposed Design: Latitude Longitude NAD1927 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			
Liner Seams. Welded Factory Other			
- Contract C			
Below-grade tank: Subsection I of 19 15 17 11 NMAC			
Volumebbl Type of fluid			
Tank Construction material			
Secondary containment with leak detection Visible sidewalls, liner, 6-inch lift and automatic overflow shut-off			
☐ Visible sidewalls and liner ☐ Visible sidewalls only ☐ Other			
- visible sidewaits and titlet - visible sidewaits only - Other -			

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, hospital, institution or church) Four foot height, four strands of barbed wire evenly spaced between one and four feet Alternate. Please specify		
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)		
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 office for consideration of approval. Exception(s). Requests must be submitted to the Santa Fe Environmental Bureau office for consideration of approval.		
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 - NM Office of the State Engineer - iWATERS database search, USGS, Data obtained from nearby wells	☐ Yes ☐ No	
Within 300 feet of a continuously flowing watercourse, or 200 feet of any other significant watercourse or lakebed, sinkhole, or playa lake (measured from the ordinary high-water mark). - 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 (Applies to temporary, emergency, or cavitation pits and below-grade tanks) - Visual inspection (certification) of the proposed site; Aerial photo; Satellite image	Yes No	
Within 1000 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application (Applies to permanent pits) - 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 search, 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	

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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
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)
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 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

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Waste Removal Closure For Closed-loop Systems That Utilize Above Groun Instructions: Please indentify the facility or facilities for the disposal of liquids facilities are required.	d Steel Tanks or Haul-off Bins Only: (19.15.17.13.1 , drilling fluids and drill cuttings. Use attachment if	O NMAC) more than two
Disposal Facility Name: CONTROLLED RECOVERY INC.	Disposal Facility Permit Number: R9166-NM-01-00	006
Disposal Facility Name	Disposal Facility Permit Number:	
Will any of the proposed closed-loop system operations and associated activities ☐ Yes (If yes, please provide the information below) ☑ No		vice and operations?
Required for impacted areas which will not be used for future service and operated. 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	te requirements of Subsection H of 19 15.17 13 NMA n I of 19 15 17.13 NMAC	С
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 requesting considered an exception which must be submitted to the Santa Fe Environment demonstrations of equivalency are required. Please refer to 19.15.17.10 NMAC	e closure plan. Recommendations of acceptable sous ire administrative approval from the appropriate dist al 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; Da	ata obtained from nearby wells	Yes No
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; Da	ata obtained from nearby wells	Yes No
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; US	ata obtained from nearby wells	Yes No
Within 300 feet of a continuously flowing watercourse, or 200 feet of any other stake (measured from the ordinary high-water mark). - Topographic map; Visual inspection (certification) of the proposed site	gnificant watercourse or lakebed, sinkhole, or playa	☐ Yes ☐ No
Within 300 feet from a permanent residence, school, hospital, institution, or churce - Visual inspection (certification) of the proposed site; Aerial photo, Satelli	th in existence at the time of initial application. te image	☐ Yes ☐ No
Within 500 horizontal feet of a private, domestic fresh water well or spring that le watering purposes, or within 1000 horizontal feet of any other fresh water well or - NM Office of the State Engineer - iWATERS database, Visual inspection	spring, in existence at the time of initial application.	Yes No
Within incorporated municipal boundaries or within a defined municipal fresh wa adopted pursuant to NMSA 1978, Section 3-27-3, as amended - Written confirmation or verification from the municipality; Written approximately	•	☐ Yes ☐ No
Within 500 feet of a wetland US Fish and Wildlife Wetland Identification map; Topographic map; Vis	ual 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-Minir	g and Mineral Division	☐ Yes ☐ No
Within an unstable area Engineering measures incorporated into the design, NM Bureau of Geolog Society: Topographic map	gy & Mineral Resources, USGS: NM Geological	Yes No
Within a 100-year floodplain - FEMA map		☐ Yes ☐ No
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 Confirmation Sampling Plan (if applicable) - based upon the appropriate re Waste Material Sampling Plan - based upon the appropriate requirements of Disposal Facility Name and Permit Number (for liquids, drilling fluids and Soil Cover Design - 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	quirements of 19 15 17 10 NMAC of Subsection F of 19 15 17 13 NMAC appropriate requirements of 19.15 17 11 NMAC pad) - based upon the appropriate requirements of 19 in 5 17 13 NMAC quirements of Subsection F of 19 15 17 13 NMAC of Subsection F of 19 15 17.13 NMAC drill cuttings or in case on-site closure standards cannot the figure of 19 15 17 13 NMAC of 19 15 17 13 NMAC	15 17 11 NMAC

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Operator Application Certification: I hereby certify that the information submitted with this application is true, acc	urate and complete to the best of my knowledge and belief.	
Name (Print): DENISE PINKERTON	Title: REGULATORY SPECIALIST	
Signature Systel Imkerfor	Date: 01-28-2010	
e-mail address: leakejd@chevron.com	Telephone: 432-687-7375	
OCD Approval: Permit Application (including closure plan) Closure	Plan (only) OCD Conditions (see attachment)	
OCD Representative Signature:	Approval Date: 02/08/2010	
Title: Geologist	OCD Permit Number: P1-01695	
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 Alter If different from approved plan, please explain.	native Closure Method Waste Removal (Closed-loop systems only)	
Closure Report Regarding Waste Removal Closure For Closed-loop System Instructions: Please indentify the facility or facilities for where the liquids, dr two facilities were utilized.	ns That Utilize Above Ground Steel Tanks or Haul-off Bins Only: rilling fluids and drill cuttings were disposed. Use attachment if more than	
Disposal Facility Name.	Disposal Facility Permit Number:	
Disposal Facility Name:		
Were the closed-loop system operations and associated activities performed on Yes (If yes, please demonstrate compliance to the items below) No	or in areas that will not be used for future service and operations?	
Required for impacted areas which will not be used for future service and operation Site Reclamation (Photo Documentation) Soil Backfilling and Cover Installation Re-vegetation Application Rates and Seeding Technique	itions	
Cleaner Personal Attacks and Cleaner Cleaner Constitution of Cleaner Constitution of Cleaner Constitution of C		
Closure Report Attachment Checklist: Instructions: Each of the following 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. LatitudeLong	ntude NAD	
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)		
Signature		
e-mail addiess		

CHEVRON - FRAC - SCHEMATIC - OPERATING AND MAINTENANCE - CLOSURE PLAN

Frac Tank

Frac Tank

Frac Tank

Frac Tank

Frac Tank

Frac Tank

Reverse Unit

Reverse Unit Tank

Frac Pump



Notes:

- 1. This is a generic layout, exact equipment orientation will vary from location to location.
- 2 This is a schematic representation, so drawing is not to scale
- 3 Frac tanks and number of pumps can vary, with daily operations and well requirements.

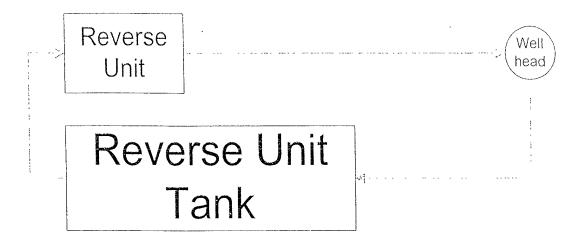
Operating and Maintenance Plan

- 1. All recovered fluids and solids will be discharged into reverse tank.
- 2 Reverse tank will be continuously monitored by designated rig crew so that tank will not be overfilled.
- 3 Rig crew will visually inspect fluid integrity of reverse tank and frac tanks on a daily basis.
- 4. Documentation of visual inspection of reverse tank and frac tanks will be captured on daily completion morning report.

Closure Plan

- 1. All recovered fluids and solids will be removed from reverse tank and hauled off of site
- 2 All recovered fluids and solids will be disposed of at a suitable off-location waste disposal facility.
- 3 Any remaining frac fluids in frac tanks will be hauled off location

CHEVRON –REVERSE UNIT – SCHEMATIC – OPERATING AND MAINTENANCE -- CLOSURE PLAN



Notes:

- 1. This is a generic layout, exact equipment orientation will vary from location to location.
- 2. This is a schematic representation, so drawing is not to scale.

Operating and Maintenance Plan

- 1. All recovered fluids and solids will be discharged into reverse tank.
- 2. Reverse tank will be continuously monitored by designated rig crew so that tank will not be overfilled
- 3 Rig crew will visually inspect fluid integrity of reverse tank on a daily basis
- 4 Documentation of visual inspection or reverse tank will be captured on daily completion morning report

Closure Plan

- 1 All recovered fluids and solids will be removed from reverse tank and hauled off of site.
- 2. All recovered fluids and solids will be disposed of at a suitable off-location waste disposal facility.