District I 1625 N French Dr , Hobbs, NM 88240 RECEIVE Minerals and Natural Resources District II

State of New Mexico Department

1301 W Grand Avenue, Artesia, NM 88210 1000 Rio Brazos Road, Aztec, NM 87410 FEB 15 2010 District IV

District IV 1220 S. St. Francis Dr., Santa Fe, NM 8750 DBBSUCD

Alternative Method:

1220 South St. Francis Dr. Santa Fe, NM 87505

Oil Conservation Division

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: STATE "AN" #11				
API Number: 30-025-34097 OCD Permit Number: 1-01780				
U/L or Qtr/Qtr B Section 7 Township 18-S Range 35-E County: LEA				
Center of Proposed Design: Latitude Longitude NAD: \[\square 1927 \square 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				
Liner Seams: Welded Factory Other Volume: bbl Dimensions: L x W x D				
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) RECOMPLETE TO BLINEBRY Drying Pad Above Ground Steel Tanks Haul-off Bins Other Lined Unlined Liner type: Thickness mil LLDPE HDPE PVC Other Liner Seams: Welded Factory Other				
4.				
Below-grade tank: Subsection I of 19.15.17.11 NMAC				
Volume:bbl 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 ☐ UNDED ☐ DIVER ☐ Other				
Liner type: Thicknessmil				

Submittal of an exception request is required. Exceptions must be submitted to the Santa Fe Environmental Bureau office for consideration of approval.

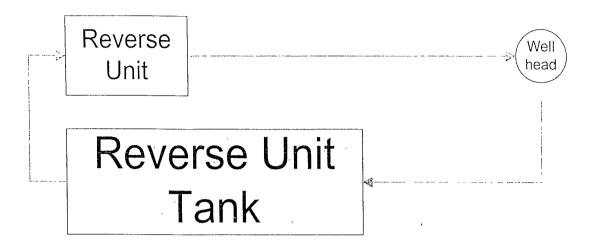
Fencing: Subsection D of 19.15.17.11 NMAC (Applies to permanent pits, temporary pits, and below-grade tanks) Chain link six feet in height two strands of barbed wire at ton (Pagwired of Located within 1000 feet of a parmarent regularing school	hognital		
Chain link, six feet in height, two strands of 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			
7. 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			
☐ Signed in compnance with 19.13.3.105 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☐ 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. 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		

Temporary Pits, Emergency Pits, and Below-grade Tanks Permit Application Attachment Checklist Instructions: Each of the following items must be attached to the application. Please indicate, by a che attached.	
☐ Hydrogeologic Report (Below-grade Tanks) - based upon the requirements of Paragraph (4) of Subset Hydrogeologic Data (Temporary and Emergency Pits) - based upon the requirements of Paragraph (2 Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15.17.10	2) of Subsection B of 19.15.17.9 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 19.15.17.13 NMAC 	irements of Subsection C of 19.15.17.9 NMAC
Previously Approved Design (attach copy of design) API Number: or	Permit Number:
12.	
Closed-loop Systems Permit Application Attachment Checklist: Subsection B of 19.15.17.9 NMAC Instructions: Each of the following items must be attached to the application. Please indicate, by a cheattached.	ck mark in the box, that the documents are
 ☐ Geologic and Hydrogeologic Data (only for on-site closure) - based upon the requirements of Paragrem Siting Criteria Compliance Demonstrations (only for on-site closure) - 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 	equirements of 19.15.17.10 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	ak want in the Land that the decreases
Instructions: Each of the following items must be attached to the application. Please indicate, by a cheattached.	ck mark in the box, that the accuments are
Hydrogeologic Report - based upon the requirements of Paragraph (1) of Subsection B of 19.15.17.9	
☐ Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15.17.1 ☐ Climatological Factors Assessment	0 NMAC
Certified Engineering Design Plans - based upon the appropriate requirements of 19.15.17.11 NMA	
☐ Dike Protection and Structural Integrity Design - based upon the appropriate requirements of 19.15. ☐ Leak Detection Design - based upon the appropriate requirements of 19.15.17.11 NMAC	I7.II NMAÇ
Liner Specifications and Compatibility Assessment - based upon the appropriate requirements of 19	15.17.11 NMAC
☐ Quality Control/Quality Assurance Construction and Installation Plan ☐ Operating and Maintenance Plan - based upon the appropriate requirements of 19.15.17.12 NMAC	
Freeboard and Overtopping Prevention Plan - based upon the appropriate requirements of 19.15.17.	11 NMAC
 Nuisance or Hazardous Odors, including H₂S, Prevention Plan Emergency Response Plan 	×
☐ Oil Field Waste Stream Characterization ☐ Monitoring and Inspection Plan	
☐ Erosion Control Plan	
Closure Plan - based upon the appropriate requirements of Subsection C of 19.15.17.9 NMAC and	19.15.17.13 NMAC
Proposed Closure: 19.15.17.13 NMAC	
Instructions: Please complete the applicable boxes, Boxes 14 through 18, in regards to the proposed clo	sure plan.
Type: Drilling Workover Emergency Cavitation P&A Permanent Pit Below-	grade Tank 🛛 Closed-loop System
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 closure plan. Please indicate, by a check mark in the box, that the documents are attached.	the following items must be attached to the
☐ 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 Subsect. 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 NN	

Waste Removal Closure For Closed-loop Systems That Utilize Above Ground Steel Tanks or Haul-off Bins Only: (19.15.17.13.1 Instructions: Please indentify the facility or facilities for the disposal of liquids, drilling fluids and drill cuttings. Use attachment if the state of the disposal of liquids and drill cuttings.			
facilities are required. Disposal Facility Name: CONTROLLED RECOVERY INC. Disposal Facility Permit Number: R9166-NM-01-00	006		
Disposal Facility Name: Disposal Facility Permit Number: 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			
Siting Criteria (regarding on-site closure methods only): 19.15.17.10 NMAC Instructions: Each siting criteria requires a demonstration of compliance in the closure plan. Recommendations of acceptable source material are provided below. Requests regarding changes to certain siting criteria may require administrative approval from the appropriate district office or may be considered an exception which must be submitted to the Santa Fe Environmental Bureau office for consideration of approval. Justifications and/or demonstrations of equivalency are required. Please refer to 19.15.17.10 NMAC for guidance.			
Ground water is less than 50 feet below the bottom of the buried waste. - NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells	☐ Yes ☐ No ☐ NA		
Ground water is between 50 and 100 feet below the bottom of the buried waste - NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells	☐ Yes ☐ No ☐ NA		
Ground water is more than 100 feet below the bottom of the buried waste. - NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells	☐ Yes ☐ No ☐ NA		
Within 300 feet of a continuously flowing watercourse, or 200 feet of any other significant watercourse or lakebed, sinkhole, or playa lake (measured from the ordinary high-water mark). - Topographic map; Visual inspection (certification) of the proposed site	☐ Yes ☐. No		
Within 300 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application. - Visual inspection (certification) of the proposed site; Aerial photo; Satellite image	☐ Yes ☐ No		
Within 500 horizontal feet of a private, domestic fresh water well or spring that less than five households use for domestic or stock watering purposes, or within 1000 horizontal feet of any other fresh water well or spring, in existence at the time of initial application. - NM Office of the State Engineer - iWATERS database; Visual inspection (certification) of the proposed site	☐ Yes ☐ No		
Within incorporated municipal boundaries or within a defined municipal fresh water well field covered under a municipal ordinance adopted pursuant to NMSA 1978, Section 3-27-3, as amended. - Written confirmation or verification from the municipality; Written approval obtained from the municipality	☐ Yes ☐ No		
Within 500 feet of a wetland. - US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site	☐ Yes ☐ No		
Within the area overlying a subsurface mine. - Written confirmation or verification or map from the NM EMNRD-Mining and Mineral Division	☐ Yes ☐ No		
 Within an unstable area. Engineering measures incorporated into the design; NM Bureau of Geology & Mineral Resources; USGS; NM Geological Society; Topographic map 	☐ Yes ☐ No		
Within a 100-year floodplain - FEMA map	☐ Yes ☐ No		
On-Site Closure Plan Checklist: (19.15.17.13 NMAC) Instructions: Each of the following items must be attached to the closure plan. Please indicate, by a check mark in the box, that the documents are attached. Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15.17.10 NMAC Proof of Surface Owner Notice - based upon the appropriate requirements of Subsection F of 19.15.17.13 NMAC Construction/Design Plan of Burnal Trench (if applicable) based upon the appropriate requirements of 19.15.17.11 NMAC Construction/Design Plan of Temporary Pit (for in-place burnal of a drying pad) - based upon the appropriate requirements of 19.15.17.13 NMAC Protocols and Procedures - based upon the appropriate requirements of Subsection F of 19.15.17.13 NMAC Confirmation Sampling Plan (if applicable) - based upon the appropriate requirements of Subsection F of 19.15.17.13 NMAC Waste Material Sampling Plan - based upon the appropriate requirements of Subsection F of 19.15.17.13 NMAC Disposal Facility Name and Permit Number (for liquids, drilling fluids and drill cuttings or in case on-site closure standards cannot be achieved) Soil Cover Design - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC Re-vegetation Plan - based upon the appropriate requirements of Subsection I of 19.15.17.13 NMAC			

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:	Date: 02-11-2010		
e-mail address: <u>leakejd@chevron.com</u>	Telephone: 432-687-7375		
20. OCD Approval: ☐ Permit Application (including closure plan) ☐ Closure	Plan (only) OCD Conditions (see attachment)		
OCD Representative Signature: Geologist	Approval Date: 02/23/0		
Title:	OCD Permit Number: P1-0178D		
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)		
23. Closure Report Regarding Waste Removal Closure For Closed-loop System	ns That Utilize Above Ground Steel Tanks or Haul-off Bins Only:		
Instructions: Please indentify the facility or facilities for where the liquids, d	rilling 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) \sum No			
Required for impacted areas which will not be used for future service and oper. Site Reclamation (Photo Documentation) Soil Backfilling and Cover Installation Re-vegetation Application Rates and Seeding Technique	ations ·		
24.			
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 Latitude Long	itude NAD: 1927 1983		
25.			
Operator Closure Certification: I hereby certify that the information and attachments submitted with this closure report is true, accurate and complete to the best of my knowledge and belief. I also certify that the closure complies with all applicable closure requirements and conditions specified in the approved closure plan.			
Name (Print):	Title:		
Signature:	Date:		
e-mail address:	Telephone:		

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 of 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.

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

Frac Tank Frac Tank Frac Tank Frac Pump Frac Tank Frac Tank Frac Tank

Reverse Unit



Reverse Unit Tank

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.