

Venegas, Victoria, EMNRD

From: Venegas, Victoria, EMNRD
Sent: Friday, January 22, 2021 3:14 PM
To: Kem Ramnath; 'David Harwell'; Bratcher, Mike, EMNRD; Griswold, Jim, EMNRD
Cc: 'Randall Hicks'; 'Leah Anz'; 'laura@rthicksconsult.com'; 'dglover@advanceenergypartners.com'
Subject: 1RF-461 Dagger 2 Containment. Approved with conditions.

1RF-461 DAGGER 2 CONTAINMENT.

The New Mexico Oil Conservation Division has reviewed the final version of the recycling containment permit application and related documents, submitted by ADVANCE ENERGY PARTNERS HAT MESA, LLC [372417] on June 9, 2020, for the proposed Dagger 2 Containment in Unit Letter H, Section 30, T-21S, R-33E, in Lea County, New Mexico. The application has been assigned the OCD Administrative Order number **1RF-461**. NMOCD has also reviewed the recycling containment permit application and related documents, submitted by ADVANCE ENERGY PARTNERS HAT MESA, LLC [372417] on July 29, 2020, for the modification of 1RF-461 Dagger 2 Containment.

ADVANCE ENERGY PARTNERS HAT MESA, LLC requested variances from 19.15.34 NMAC for the proposed 1RF-461 Dagger 2 Containment, related to 19.15.34. NMAC.

The following variances have been approved.

- The variance to 19.15.34.14 NMAC Table I for the use of alternate analytical method 8015/8015M for total petroleum hydrocarbons (TPH) is approved.
- The variance to 19.15.34.14 NMAC Table I for the use of alternate analytical method EPA 300.0 or SM4500 for the analysis of chloride is approved.
- The variance to 19.15.34.12 A (4) NMAC for the installation on the earthen containment of a 40-mil HDPE as a secondary liner is approved.
- The variance from 19.15.34.13.D NMAC, for the installation of a 6-foot-high chain link and/or game fence in lieu of a 4-strand barbed wire fence is approved.
- The variance from 19.15.34.13.E NMAC for the installation of an audible bird deterrence system, a Bird-X Mega-Blaster, is approved.

ADVANCE ENERGY PARTNERS HAT MESA, LLC requested variances from 19.15.34 NMAC for the proposed modification of 1RF-461 Dagger 2 Containment, related to 19.15.34. NMAC.

The following variances have been approved:

- The variance to 19.15.34.14 NMAC Table I for the use of alternate analytical method 8015/8015M for total petroleum hydrocarbons (TPH) is approved.
- The variance to 19.15.34.14 NMAC Table I for the use of alternate analytical method EPA 300.0 or SM4500 for the analysis of chloride is approved.
- The variance to 19.15.34.12.A (2) NMAC for the no side-slope requirement for the AST containments with vertical walls is approved.
- The variance to 19.15.34.12.A (3) NMAC for the liners to be anchored to the top of the steel walls with clips and no anchor trenches is approved.
- The variance to 19.15.34.12 A (4) NMAC for the installation on the AST containments of a 40-mil non-reinforced LLDPE primary liner and a 40-mil non-reinforced LLDPE secondary liner is approved.

The following variance has been denied.

- The variance to 19.15.34.13 B (2) NMAC for a 2-foot freeboard has been denied. It is OCD's position that 2-foot freeboard will not provide equal or better protection of fresh water, human health and the environment than the 3 feet of freeboard required by the rule. The AST containments must operate with 3-foot freeboard as specified by rule.

The form C-147 and related documents for the proposed 1RF-461 Dagger 2 Containment and its modification, is approved with the following conditions of approval:

- ADVANCE ENERGY PARTNERS HAT MESA, LLC, shall construct, operate, maintain, close, and reclaim the 1RF-461 Dagger 2 Containment in compliance with 19.15.34 NMAC.
- The 1RF-461 Dagger 2 Containment is approved for five (5) years of operation from the date of permit application. OCD received the final version of the permit application on June 9, 2020. The 1RF-461 Dagger 2 Containment permit expires on June 9, 2025. If ADVANCE ENERGY PARTNERS HAT MESA, LLC wishes to extend operations past five (5) years, an annual permit extension request must be submitted using an OCD form C-147 through the [OCD Online](#) system by May 9, 2025.
- ADVANCE ENERGY PARTNERS HAT MESA, LLC shall notify OCD when recycling operations commence and cease at the 1RF-461 Dagger 2 Containment.
- A minimum of 3-feet freeboard must be maintained in the recycling containment, at all times during operations.
- If less than 20% of the total fluid capacity is utilized every six months, beginning from the first withdrawal, operation of the facility is considered ceased and notification of cessation of operations should be sent electronically to OCD.Enviro@state.nm.us. An extension to extend the cessation of operation, not to exceed six months, may be submitted using a C-147 form to through the [OCD Online](#) system.
- ADVANCE ENERGY PARTNERS HAT MESA, LLC shall submit monthly reports of recycling and reuse of produced water, drilling fluids, and liquid oil field waste on via OCD form C-148 through the [OCD Online](#) system.
- ADVANCE ENERGY PARTNERS HAT MESA, LLC shall comply with 19.15.29 NMAC Releases in the event of any release of produced water or other oil field wastes at 1RF-461.

Please reference number **1RF-461** in all future communications related to Dagger 2 Containment.

Please keep a copy of this electronic communication for your files, as no paper copy of the approval will be delivered. A copy of this electronic communication will be saved in 1RF-461 electronic file on OCD Imaging at:

<https://ocdimage.emnrd.state.nm.us/imaging/AEOrderFileView.aspx?appNo=pVV2101448376>

Finally, please note that as of December 9th, 2020, the Oil Conservation Division announced the first phase of an ongoing paperless initiative project, with the launch of new online submission forms in the OCD Online system. All non-fee type applications, including Form C-147 and all related documents and Form C-148, must be submitted via OCD's [OCD Online](#) system. For any questions regarding the updated system, contact OCD.Fees@state.nm.us.

Please let me know if you have any further questions or concerns,

Regards,

Victoria Venegas • Environmental Specialist

Environmental Bureau

EMNRD - Oil Conservation Division

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