

2RF – 149

**Eddy State Water
Treatment
and Reuse Facility
Application
Letter of Denial**

**Solaris Water
Midstream LLC
October 23, 2020**

Venegas, Victoria, EMNRD

From: LucasKamat, Susan, EMNRD
Sent: Friday, October 23, 2020 4:13 PM
To: 'Todd Carpenter'
Cc: 'Michael Incerto'; 'Alyssa McGuire'; Randall Hicks; Venegas, Victoria, EMNRD; Bratcher, Mike, EMNRD; Ames, Eric, EMNRD
Subject: RE: [EXT] Solaris Eddy State Registration C-147 Revised Page 1
Attachments: 2RF-149 Solaris Eddy State Denial 2020-10-23.pdf

Dear Mr. Carpenter,

The Oil Conservation Division ("OCD") has reviewed Solaris Water Midstream, LLC's ("Solaris") Application and Form C-147 for the proposed Eddy State Water Treatment and Reuse Facility ("Application"), which was received on July 21, 2020, and supplemented on October 9 and 19, 2020. The Application has been assigned an OCD Administrative Order number 2RF-149.

The Application is denied because it fails to meet the requirements of 19.15.34 NMAC, as detailed in the attached letter of denial.

Regards,

Susan A. Lucas Kamat
Environmental Scientist
Oil Conservation Division
Energy, Minerals, and Natural Resources Department
5200 Oakland Avenue, Suite 100
Albuquerque, New Mexico 87113
(505) 670-8745
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State of New Mexico
Energy, Minerals and Natural Resources Department

Michelle Lujan Grisham
Governor

Sarah Cottrell Propst
Cabinet Secretary

Todd E. Leahy, JD, PhD
Deputy Cabinet Secretary

Adrienne Sandoval Director
Oil Conservation Division



BY CERTIFIED AND ELECTRONIC MAIL

October 23, 2020

Mr. Bradley Todd Carpenter
Operations Manager
Solaris Water Midstream, LLC
811 Katy Freeway
Suite 700
Houston, TX 77024
Todd.Carpenter@solarismidstream.com

Re: Application for Variances for Proposed Eddy State Water Treatment and Reuse Facility

Dear Mr. Carpenter:

The Oil Conservation Division ("OCD") has reviewed Solaris Water Midstream, LLC's ("Solaris") Application and Form C-147 for the proposed Eddy State Water Treatment and Reuse Facility ("Application"), which was received on July 21, 2020, and supplemented on October 9 and 19, 2020. The Application has been assigned an OCD Administrative Order number 2RF-149.

The Application is denied because it fails to meet the requirements of 19.15.34 NMAC.

The Application is missing the following required information:

- Design and Construction Plan for earthen in-ground containments as required by 15.34.12 NMAC.
- Operation and Maintenance Plan for the earthen in-ground containments as required by 19.15.34.13 NMAC.
- Closure Plan as required by 19.15.34.14 NMAC.
- Closure Cost Estimate and Financial Assurance as required by 19.15.34.15 NMAC. Be advised that Solaris' State Land Office ("SLO") bond will not satisfy this requirement.

Solaris in the Application requested seven (7) variances from the requirements of 19.15.34 NMAC – *Produced Water, Drilling Fluids and Liquid Oil Field Waste*.

Additionally, OCD denies Solaris' request for a variance from the 3-foot freeboard requirement in 19.15.34.13(B)(2) NMAC. Solaris failed to explain how the variance would prevent overtopping of the tanks during wind and precipitation events.

Solaris is not authorized to operate the proposed recycling facility or containments. If Solaris commences to operate the proposed recycling facility or containments before the Application and all variances is approved, Solaris will be in violation of 19.15.34 NMAC and subject to enforcement action, including civil penalties, under 19.15.5 NMAC – *Enforcement and Compliance*.

If you have any questions or wish to discuss this determination further, please contact Ms. Victoria Venegas at (575) 909-0269 or Victoria.Venegas@state.nm.us.

Sincerely,

A handwritten signature in dark ink, appearing to read "Mike Bratcher", is written over a horizontal line.

Mike Bratcher
Southern District Manager

cc: Susan A. Lucas Kamat
Victoria Venegas
OGC