

1RF-502 -
TATANKA
NORTH AST
CONTAINMENT
FACILITY ID
[fVV2302436608]
C-147/Conditions of
Approval

- Franklin Mountain
Energy LLC [373910]
January 24, 2023

State of New Mexico
Energy Minerals and Natural Resources
Department Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-147
Revised October 11, 2022

<https://www.emnrd.nm.gov/ocd/ocd-e-permitting/>

Recycling Facility and/or Recycling Containment

Type of Facility: ☒ Recycling Facility ☒ Recycling Containment*
Type of action: ☒ Permit ☐ Registration
☐ Modification ☐ Extension
☐ Closure ☐ Other (explain) _____

*** At the time C-147 is submitted to the division for a Recycling Containment, a copy shall be provided to the surface owner.**

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: Franklin Mountain Energy, LLC (For multiple operators attach page with information) OGRID #: 373910
 Address: 44 Cook Street, Suite 1000, Denver, CO 80206
 Facility or well name (include API# if associated with a well): Tatanka North AST Containment
 OCD Permit Number: 1RF-502 – (For new facilities the permit number will be assigned by the district office)
 U/L or Qtr/Qtr N Section 35 Township 25S Range 35E County: Lea
 Surface Owner: ☒ Federal ☐ State ☐ Private ☐ Tribal Trust or Indian Allotment

2.
☒ **Recycling Facility:**
 Location of recycling facility (if applicable): Latitude 32.08238 Longitude -103.33993 NAD83
 Proposed Use: ☒ Drilling* ☒ Completion* ☒ Production* ☒ Plugging*
**The re-use of produced water may NOT be used until fresh water zones are cased and cemented*
☐ Other, *requires permit for other uses. Describe use, process, testing, volume of produced water and ensure there will be no adverse impact on groundwater or surface water.*
☒ Fluid Storage
☒ Above ground tanks ☒ Recycling containment ☐ Activity permitted under 19.15.17 NMAC explain type _____
☐ Activity permitted under 19.15.36 NMAC explain type: _____ ☐ Other explain _____
☐ For multiple or additional recycling containments, attach design and location information of each containment
☐ **Closure Report (required within 60 days of closure completion):** ☐ Recycling Facility Closure Completion Date: _____

3.
☒ **Recycling Containment:**
☐ Annual Extension after initial 5 years (attach summary of monthly leak detection inspections for previous year)
 Center of Recycling Containment (if applicable): Latitude 32.08238 Longitude -103.33993 NAD83
☐ For multiple or additional recycling containments, attach design and location information of each containment
☒ Lined ☒ Liner type: Thickness 40 & 30 mil ☒ LLDPE ☐ HDPE ☐ PVC ☐ Other _____
☐ String-Reinforced
 Liner Seams: ☒ Welded ☐ Factory ☐ Other _____ Volume: 60,000 bbl Dimensions: L _____ x W _____ x D _____
☐ Recycling Containment Closure Completion Date: _____

4.

Bonding:

- ☒ Covered under bonding pursuant to 19.15.8 NMAC per 19.15.34.15(A)(2) NMAC (These containments are limited to only the wells owned or operated by the owners of the containment.)
- ☐ Bonding in accordance with 19.15.34.15(A)(1). Amount of bond \$ _____ (work on these facilities cannot commence until bonding amounts are approved)
- ☐ Attach closure cost estimate and documentation on how the closure cost was calculated.

5.

Fencing:

- ☐ Four foot height, four strands of barbed wire evenly spaced between one and four feet
- ☒ Alternate. Please specify See Variance

6.

Signs:

- ☐ 12"x 24", 2" lettering, providing Operator's name, site location, and emergency telephone numbers
- ☒ Signed in compliance with 19.15.16.8 NMAC

7.

Variances:

Justifications and/or demonstrations that the proposed variance will afford reasonable protection against contamination of fresh water, human health, and the environment.

Check the below box only if a variance is requested:

- ☒ Variance(s): Requests must be submitted to the appropriate division district for consideration of approval. If a Variance is requested, include the variance information on a separate page and attach it to the C-147 as part of the application.

If a Variance is requested, it must be approved prior to implementation. See attached variances

8.

Siting Criteria for Recycling Containment

Instructions: The applicant must provide attachments that demonstrate compliance for each siting criteria below as part of the application. Potential examples of the siting attachment source material are provided below under each criteria.

General siting**Ground water is less than 50 feet below the bottom of the Recycling Containment.**

NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells Figures 1 and 2

☐ Yes ☒ No
☐ NA

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.

☐ Yes ☒ No
☐ NA

- Written confirmation or verification from the municipality; written approval obtained from the municipality

Within the area overlying a subsurface mine.

☐ Yes ☒ No

- Written confirmation or verification or map from the NM EMNRD-Mining and Minerals Division

Within an unstable area.

☐ Yes ☒ No

- Engineering measures incorporated into the design; NM Bureau of Geology & Mineral Resources; USGS; NM Geological Society; topographic map

Within a 100-year floodplain. FEMA map

☐ 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).

☐ Yes ☒ No

- Topographic map; visual inspection (certification) of the proposed site

Within 1000 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application.

☐ Yes ☒ No

- Visual inspection (certification) of the proposed site; aerial photo; satellite image

Within 500 horizontal feet of a spring or a fresh water well used for domestic or stock watering purposes, in existence at the time of initial application.

☐ Yes ☒ No

- NM Office of the State Engineer - iWATERS database search; visual inspection (certification) of the proposed site

Within 500 feet of a wetland.

☐ Yes ☒ No

- US Fish and Wildlife Wetland Identification map; topographic map; visual inspection (certification) of the proposed site

9.

Recycling Facility and/or Containment Checklist:

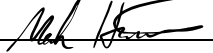
Instructions: Each of the following items must be attached to the application. Indicate, by a check mark in the box, that the documents are attached.

- ☒ Design Plan - based upon the appropriate requirements.
- ☒ Operating and Maintenance Plan - based upon the appropriate requirements.
- ☒ Closure Plan - based upon the appropriate requirements.
- ☒ Site Specific Groundwater Data -
- ☒ Siting Criteria Compliance Demonstrations -
- ☒ Certify that notice of the C-147 (only) has been sent to the surface owner(s)

10.

Operator Application Certification:

I hereby certify that the information and attachments submitted with this application are true, accurate and complete to the best of my knowledge and belief.

Name (Print): Mark Hinaman P.E. Title: Director of Engineering Innovation
Signature:  Date: 01/17/2022
e-mail address: mark@fmellc.com Telephone: 970 069-0668 (cell)

11.

OCD Representative Signature: Victoria Venegas Approval Date: 01/24/2022

Title: Environmental Specialist OCD Permit Number: 1RF-502 -

- ☒ OCD Conditions
- ☒ Additional OCD Conditions on Attachment

Venegas, Victoria, EMNRD

From: Venegas, Victoria, EMNRD
Sent: Tuesday, January 24, 2023 11:44 AM
To: Rachael Overbey; mhinaman@fmellc.com
Cc: rgomez@blm.gov; r@rthicksconsult.com
Subject: 1RF-502 - TATANKA NORTH AST CONTAINMENT FACILITY ID [fVV2302436608]
Attachments: C-147 1RF-502 - TATANKA NORTH AST CONTAINMENT FACILITY ID [fVV2302436608].pdf

1RF-502 - TATANKA NORTH AST CONTAINMENT FACILITY ID [fVV2302436608]

Good afternoon Ms. Overbey,

NMOCD has reviewed the recycling containment permit application and related documents, submitted by Franklin Mountain Energy LLC [373910] on January 20, 2023, for 1RF-502 - TATANKA NORTH AST CONTAINMENT FACILITY ID [fVV2302436608] in Unit Letter N, Section 35, Township 25S, Range 35E, Lea County, New Mexico. Franklin Mountain Energy LLC [373910] requested variances from 19.15.34 NMAC for 1RF-502 - TATANKA NORTH AST CONTAINMENT FACILITY ID [fVV2302436608].

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 containment 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 AST steel walls and no anchor trenches is approved.
- The variance to 19.15.34.12.A.(4) NMAC for the installation on the AST containment of a 40-mil non-reinforced LLDPE primary liner and a 30-mil non-reinforced LLDPE secondary liner with a 200-mil geogrid drainage layer is approved.
- The variance to 19.15.34.12 A (4) NMAC for the installation on the AST containment of a 40-mil non-reinforced LLDPE primary liner and a 40-mil non-reinforced LLDPE secondary liner with a 200-mil geogrid drainage layer is approved.
- The variance to NMAC 19.15.34.12.D to install a gate or chain across the stairway between the ground surface and the open-top of the AST containment is approved. The operator shall place an appropriate sign on the gate or chain to prevent unauthorized human access to the open top of the containment and provide a mechanism to lock the gate when responsible personnel are not onsite.

The following variances have been denied:

- The requested variance that the 1RF-502 - TATANKA NORTH AST CONTAINMENT FACILITY ID [fVV2302436608], when not in use, be exempt from weekly inspections per 19.15.34.13(A) is denied.
- **Franklin Mountain Energy LLC [373910] must inspect the 1RF-502 - TATANKA NORTH AST CONTAINMENT FACILITY ID [fVV2302436608] recycling containment and associated leak detection systems weekly while it contains fluids per 19.15.34.13(A). Franklin Mountain Energy LLC [373910] shall maintain a current log of such inspections and make the log available for review by the division upon request.**

The form C-147 and related documents for 1RF-502 - TATANKA NORTH AST CONTAINMENT FACILITY ID [fVV2302436608] is approved with the following conditions of approval:

- The purpose of this permit is for oil and gas activities regulated under the NMAC 19.15.34.3 STATUTORY AUTHORITY: 19.15.34 NMAC is adopted pursuant to the Oil and Gas Act, Paragraph (15) of Section 70-2-12(B) NMSA 1978, which authorizes the division to regulate the disposition of water produced or used in connection with the drilling for or producing of oil and gas or both and Paragraph (21) of Section 70-2-12(B) NMSA 1978 which authorizes the regulation of the disposition of nondomestic wastes from the exploration, development, production or storage of crude oil or natural gas.
- Franklin Mountain Energy LLC [373910] shall construct, operate, maintain, close, and reclaim 1RF-502 - TATANKA NORTH AST CONTAINMENT FACILITY ID [fVV2302436608] in compliance with NMAC 19.15.34 NMAC.
- 1RF-502 - TATANKA NORTH AST CONTAINMENT FACILITY ID [fVV2302436608] is approved for five years of operation from the date of permit application.
- 1RF-502 - TATANKA NORTH AST CONTAINMENT FACILITY ID [fVV2302436608] permit expires on January 20, 2028. If Franklin Mountain Energy LLC [373910] wishes to extend operations past five years, an annual permit extension request must be submitted using an OCD form C-147 through [OCD Permitting](#) by December 20, 2027.
- Franklin Mountain Energy LLC [373910] shall notify OCD, through [OCD Permitting](#), when construction of 1RF-502 - TATANKA NORTH AST CONTAINMENT FACILITY ID [fVV2302436608] commences.
- Franklin Mountain Energy LLC [373910] shall notify NMOCD through [OCD Permitting](#) when recycling operations commence and cease at 1RF-502 - TATANKA NORTH AST CONTAINMENT FACILITY ID [fVV2302436608].
- A minimum of 3-feet freeboard must be maintained at 1RF-502 - TATANKA NORTH AST CONTAINMENT FACILITY ID [fVV2302436608] at all times during operations.
- If less than 20% of the total fluid capacity is utilized every six months, beginning from the first withdrawal, operations of the 1RF-502 - TATANKA NORTH AST CONTAINMENT FACILITY ID [fVV2302436608] is considered ceased and a notification of cessation of operations should be sent electronically to [OCD Permitting](#). A request to extend the cessation of operation, not to exceed six months, may be submitted using a C-147 form through [OCD Permitting](#).
- If after that 6-month extension period, the 1RF-502 - TATANKA NORTH AST CONTAINMENT FACILITY ID [fVV2302436608] is not utilized at a minimum of 20% fluid capacity, no additional extensions would be granted, and the operator would be directed to remove all fluids and proceed with the closure requirements.
- Franklin Mountain Energy LLC [373910] shall submit monthly reports of recycling and reuse of produced water, drilling fluids, and liquid oil field waste on OCD form C-148 via [OCD Permitting](#) even if there is zero activity.
- Please note that NMOCD has updated Form C-148. The new Form C-148 can be found at: <https://www.emnrd.nm.gov/oed/wp-content/uploads/sites/6/Revised-C-148-Form-January-2022.pdf>.
- Franklin Mountain Energy LLC [373910] shall inspect the recycling containment and associated leak detection systems weekly while it contains fluids. The operator shall maintain a current log of such inspections and make the log available for review by the division upon request as per 19.15.34.13.A.
- Franklin Mountain Energy LLC [373910] shall comply with 19.15.29 NMAC Releases in the event of any release of produced water or other oil field waste at 1RF-502 - TATANKA NORTH AST CONTAINMENT FACILITY ID [fVV2302436608].

Please reference number 1RF-502 - TATANKA NORTH AST CONTAINMENT FACILITY ID [fVV2302436608] in all future communications.

Regards,

Victoria Venegas • Environmental Specialist
Environmental Bureau
EMNRD - Oil Conservation Division
(575) 909-0269 | Victoria.Venegas@emnrd.nm.gov
<https://www.emnrd.nm.gov/oed/>



District I
1625 N. French Dr., Hobbs, NM 88240
Phone:(575) 393-6161 Fax:(575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone:(575) 748-1283 Fax:(575) 748-9720
District III
1000 Rio Brazos Rd., Aztec, NM 87410
Phone:(505) 334-6178 Fax:(505) 334-6170
District IV
1220 S. St Francis Dr., Santa Fe, NM 87505
Phone:(505) 476-3470 Fax:(505) 476-3462

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

CONDITIONS

Action 179138

CONDITIONS

| | |
|---|---|
| Operator: Franklin Mountain Energy LLC 44 Cook Street Denver, CO 80206 | OGRID: 373910 |
| | Action Number: 179138 |
| | Action Type: [C-147] Water Recycle Long (C-147L) |

CONDITIONS

| | | |
|------------|-----------|----------------|
| Created By | Condition | Condition Date |
| vvenegas | None | 1/24/2023 |