

District I  
1625 N. French Dr., Hobbs, NM 88240  
District II  
811 S. First St., Artesia, NM 88210  
District III  
1000 Rio Brazos Road, Aztec, NM 87410  
District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505

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 April 3, 2017

## Recycling Facility and/or Recycling Containment

**Type of Facility:** ☒ Recycling Facility ☒ Recycling Containment\*

**Type of action:** ☒ Permit ☐ Registration  
☐ Modification ☒ Extension  
☐ Closure ☒ Other (explain) Extension of cessation of operations request from April 2023 to September 2023

\* 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: Devon Energy Corp. (For multiple operators attach page with information) OGRID #: 6137  
Address: 333 West Sheridan, Oklahoma City, Oklahoma 737102-8260  
Facility or well name (include API# if associated with a well): Potato Basin Containment and Recycling Facility  
OCD Permit Number: 2RF-147 (For new facilities the permit number will be assigned by the district office)  
U/L or Qtr/Qtr Section 2 Township 24 South Range 29 East County: Eddy  
Surface Owner: ☐ Federal ☒ State ☐ Private ☐ Tribal Trust or Indian Allotment

2.  
☒ **Recycling Facility:**  
Location of recycling facility (if applicable): Latitude 32.245851 Longitude -103.952913 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 32.247295 Longitude -103.951895 NAD83  
☐ For multiple or additional recycling containments, attach design and location information of each containment  
☒ Lined ☒ Liner type: Thickness \_\_\_\_\_ mil ☒ LLDPE ☒ HDPE ☐ PVC ☐ Other 30-mil LLDPE Secondary  
☐ String-Reinforced 60-mil HDPE Primary  
Liner Seams: ☒ Welded ☒ Factory ☒ Other Field Welds Volume: 708,200 bbl Dimensions: L 600 x W 350 x D 14  
☐ 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 Chain Link Game Fence

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.**

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

☐ 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:**

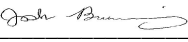
**Instructions:** Each of the following items must be attached to the application. Indicate, by a check mark in the box, that the documents are attached.

- ☒ 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): Josh Bruening Title: Supervisor  
Signature:  Date: 4/5/2023  
e-mail address: josh.bruening@dvn.com Telephone: (405)-552-7882

11.

OCD Representative Signature: Victoria Venegas Approval Date: 04/05/2023

Title: Environmental Specialist OCD Permit Number: 2RF-147

- ☒ OCD Conditions \_\_\_\_\_
- ☒ Additional OCD Conditions on Attachment \_\_\_\_\_

**Venegas, Victoria, EMNRD**

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**From:** Venegas, Victoria, EMNRD  
**Sent:** Thursday, April 6, 2023 3:01 PM  
**To:** Bruening, Josh  
**Subject:** 2RF-147 - Potato Basin Water Treatment Recycling Facility & Containment Facility ID [fSL2012636214]  
**Attachments:** C-147 2RF-147 - Potato Basin Water Treatment Recycling Facility & Containment Facility ID [fSL2012636214].pdf

**2RF-147 - Potato Basin Water Treatment Recycling Facility & Containment Facility ID [fSL2012636214]**

Good afternoon Mr. Bruening,

The Oil Conservation Division has reviewed the determination of cessation of operations extension request for 2RF-147 - Potato Basin Water Treatment Recycling Facility & Containment Facility ID [fSL2012636214] received from [6137] DEVON ENERGY PRODUCTION COMPANY, LP on April 5, 2023. The cessation for operations extension request is approved with the following conditions of approval:

- 2RF-147 - Potato Basin Water Treatment Recycling Facility & Containment Facility ID [fSL2012636214] registration/permit expires on March 05, 2025.
- 2RF-147 - Potato Basin Water Treatment Recycling Facility & Containment Facility ID [fSL2012636214] extension of cessation of operations is approved from April 1, 2023, to September 30, 2023. Per NMAC 19.15.34.13.C extensions of the cessation of operations are considered for a maximum length of six months. **If after this 6-month approved period, the containment was 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.**
- [6137] DEVON ENERGY PRODUCTION COMPANY will maintain a liquid level in the containment that is at least equal to the weight of the liner plus 20%. [6137] DEVON ENERGY PRODUCTION COMPANY may maintain a higher liquid level if they choose.
- [6137] DEVON ENERGY PRODUCTION COMPANY will provide written notice to the OCD at least 72 hours, but no more than one week, prior to the recommencement of operations. Recommencement of recycling operations means that the operator plans to resume moving fluids through the containment and discharging fluids from the containment.
  - At the resumption of recycling operations, [6137] DEVON ENERGY PRODUCTION COMPANY is required to perform an incremental fluid level test for containment liquid levels above the minimum liquid level.
  - [6137] DEVON ENERGY PRODUCTION COMPANY will fill the containment. [6137] DEVON ENERGY PRODUCTION COMPANY will pause filling operations at every 10% of total fluid capacity above the minimum level.
  - [6137] DEVON ENERGY PRODUCTION COMPANY will maintain the liquid level for each 10% volume increase for 24 hours and inspect and operate the leak detection system at the end of the 24-hour period.
  - If there are no liquids present in the leak detection system, [6137] DEVON ENERGY PRODUCTION COMPANY may proceed to fill the next 10% volume and repeat the process until the containment full design capacity minus the 3-feet of freeboard is reached. If liquids are present, [6137] DEVON ENERGY PRODUCTION COMPANY should immediately cease the incremental fill test and perform a liner inspection. [6137] DEVON ENERGY PRODUCTION COMPANY should provide written notice of the fluid detection and liner inspection findings through [OCD Online](#) using a C-147 (long form) with the "Other" box checked and "Notice of fluid detection" written as the explanation of "Other."
  - If the detected fluid is confirmed to be condensation, [6137] DEVON ENERGY PRODUCTION COMPANY will proceed with the incremental fluid level test.

- If the detected fluid is confirmed to be produced water, [6137] DEVON ENERGY PRODUCTION COMPANY must comply with 19.15.34.13 NMAC. [6137] DEVON ENERGY PRODUCTION COMPANY must provide written notification through [OCD Online](#) on the actions taken to comply with 19.15.34.13 NMAC.
- [6137] DEVON ENERGY PRODUCTION COMPANY must submit copies of the detailed containment inspection records for the prior three (3) months and a report detailing the incremental fluid level test process and results to through [OCD Online](#) using a C-147 (long form) with the "Other" box checked. "Recommendation of Operations - Incremental Fluid Level Test" should be written as the explanation of "Other." Form C-147 must be completed and include information in sections 1 General Information, 2 Recycling Facility, 3 Recycling Containment, 4 Bonding, and 10 Operator Application Certification. Section 9 Recycling Facility and/or Containment Checklist may also need to be partially completed. [6137] DEVON ENERGY PRODUCTION COMPANY should verify that the resumption of operations notification does not result in any changes to the recycling containment operating and maintenance plan or the closure plan. If the recommencement of operations will affect the operating and maintenance plan or closure plan, operators should check those boxes in section 9 and provide updated plans or plan addendums as attachments to the C-147.
- [6137] DEVON ENERGY PRODUCTION COMPANY will continue to operate, maintain, and close the 2RF-147 - Potato Basin Water Treatment Recycling Facility & Containment Facility ID [fSL2012636214] in compliance with 19.15.34 NMAC, to include but not limited detailed inspection records, removal of trash/oil from containment, and monthly C-148 reporting (even if there is zero activity).
- A minimum of 3-feet freeboard must always be maintained in the recycling containment during operations.
- Water reuse and recycling from 2RF-147 - Potato Basin Water Treatment Recycling Facility & Containment Facility ID [fSL2012636214] is limited to wells owned or operated by [6137] DEVON ENERGY PRODUCTION COMPANY.

**Victoria Venegas** • Environmental Specialist

Environmental Bureau

EMNRD - Oil Conservation Division

(575) 909-0269 | [Victoria.Venegas@emnrd.nm.gov](mailto:Victoria.Venegas@emnrd.nm.gov)

<https://www.emnrd.nm.gov/oed/>



Devon Energy Corporation  
333 W. Sheridan Avenue  
Oklahoma City, OK 73102

April 5, 2023

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

**RE: Devon Energy Potato Basin Treatment Facility Extension Request**

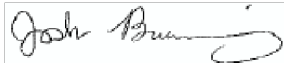
Potato Basin Containment and Recycling  
Permit Number: 2RF-147  
Sec 2-T24S-R29E  
Eddy County, NM

To Whom It May Concern:

Devon Energy respectfully requests a 6 month extension to the 20% reuse requirement associated with this facility. Due to schedule delays the facility has not processed the required volume as of March 2023. Devon has plans to process approximately 4 million barrels of water from April 2023 to June 2023.

Should you have any questions or require additional information, please do not hesitate to contact me at your convenience.

Thank you,



Josh Bruening  
Devon Energy Production Company, LP  
Supervisor  
(405) 501-3236

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1625 N. French Dr., Hobbs, NM 88240  
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State of New Mexico  
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Form C-147  
Revised April 3, 2017

## Recycling Facility and/or Recycling Containment

**Type of Facility:** ☒ Recycling Facility ☒ Recycling Containment\*

**Type of action:** ☒ Permit ☐ Registration  
☐ Modification ☒ Extension  
☐ Closure ☒ Other (explain) Extension of cessation of operations request from April 2023 to September 2023

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1.

Operator: Devon Energy Corp. (For multiple operators attach page with information) OGRID #: 6137  
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Facility or well name (include API# if associated with a well): Potato Basin Containment and Recycling Facility  
OCD Permit Number: 2RF-147 (For new facilities the permit number will be assigned by the district office)  
U/L or Qtr/Qtr Section 2 Township 24 South Range 29 East County: Eddy  
Surface Owner: ☐ Federal ☒ State ☐ Private ☐ Tribal Trust or Indian Allotment

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☒ **Recycling Facility:**

Location of recycling facility (if applicable): Latitude 32.245851 Longitude -103.952913 NAD83

Proposed Use: ☒ Drilling\* ☒ Completion\* ☒ Production\* ☒ Plugging \*

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☒ 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: \_\_\_\_\_

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☒ **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 32.247295 Longitude -103.951895 NAD83

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☒ Lined ☒ Liner type: Thickness \_\_\_\_\_ mil ☒ LLDPE ☒ HDPE ☐ PVC ☐ Other 30-mil LLDPE Secondary  
60-mil HDPE Primary

☐ String-Reinforced

Liner Seams: ☒ Welded ☒ Factory ☒ Other Field Welds Volume: 708,200 bbl Dimensions: L 600 x W 350 x D 14

☐ Recycling Containment Closure Completion Date: \_\_\_\_\_

4.

**Bonding:**

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**Fencing:**

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**Signs:**

- ☒ 12"x 24", 2" lettering, providing Operator's name, site location, and emergency telephone numbers
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**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

☐ 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.

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- 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:**

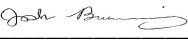
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- ☒ Closure Plan - based upon the appropriate requirements.
- ☒ Site Specific Groundwater Data -
- ☒ Siting Criteria Compliance Demonstrations –
- ☒ **Certify that notice of the C-147 (only) has been sent to the surface owner(s)**

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): Josh Bruening Title: Supervisor  
Signature:  Date: 4/5/2023  
e-mail address: josh.bruening@dvn.com Telephone: (405)-552-7882

11.

**OCD Representative Signature:** \_\_\_\_\_ **Approval Date:** \_\_\_\_\_

**Title:** \_\_\_\_\_ **OCD Permit Number:** \_\_\_\_\_

- ☐ OCD Conditions \_\_\_\_\_
- ☐ Additional OCD Conditions on Attachment

DATE	West Fluid Level	East Fluid Level	SCADA ISSUES	BIRD DETERRENT ISSUES	FLUID IN LEAN DETECTION	FENCE ISSUES	BERM OR LINER ISSUES	SITE VISIT NOTES
10/7/2022	3.0	3.0						
10/14/2022	3.0	3.0						
10/21/2022	3.0	3.0						
10/28/2022	3.0	3.0						
11/4/2022	3.0	3.0						
11/11/2022	3.0	3.0						
11/18/2022	3.0	3.0						
11/25/2022	3.0	3.0						
12/2/2022	3.0	3.0						
12/9/2022	3.0	3.0						
12/16/2022	3.0	3.0						
12/23/2022	3.0	3.0						
12/30/2022	3.0	3.0						
1/6/2023	3.0	3.0						
1/13/2023	3.0	3.0						
1/20/2023	3.0	3.0						
1/28/2023	3.0	3.0						
2/3/2023	3.0	3.0						
2/10/2023	3.0	3.0						
2/17/2023	3.0	3.0						
2/24/2023	3.0	3.0						
3/3/2023	3.0	3.0						
3/10/2023	3.0	3.0						
3/17/2023	3.0	3.0						
3/24/2023	6.0	3.0						
3/31/2023	8.5	3.0						

**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 204322

**CONDITIONS**

Operator: DEVON ENERGY PRODUCTION COMPANY, LP 333 West Sheridan Ave. Oklahoma City, OK 73102	OGRID: 6137
	Action Number: 204322
	Action Type: [C-147] Water Recycle Long (C-147L)

**CONDITIONS**

Created By	Condition	Condition Date
vvenegas	The Oil Conservation Division has reviewed the determination of cessation of operations extension request for 2RF-147 - Potato Basin Water Treatment Recycling Facility & Containment Facility ID [fSL2012636214] received from [6137] DEVON ENERGY PRODUCTION COMPANY, LP on April 5, 2023. The cessation for operations extension request is approved.	4/6/2023