

State of New Mexico
Energy, Minerals and Natural Resources Department

Michelle Lujan Grisham
Governor

Dylan M. Fuge
Deputy Secretary

Dylan Fuge, Division Director (Acting)
Oil Conservation Division



BY ELECTRONIC AND CERTIFIED MAIL

February 20, 2024

Mr. Randall Hicks
R.T. Hicks Consultants, Ltd.
901 Rio Grande Blvd NW, Suite F-142
Albuquerque, NM 87104

RE: [371643] Solaris Water Midstream, LLC - Facility 2RF-161, MYOX AST [fVV2113850290]

Dear Mr. Hicks,

The New Mexico Oil Conservation Division (OCD) received your response on January 2, 2024, in regard to OCD's denial to extend the operation of Solaris Water Midstream, LLC's [371643] ("Solaris") Facility 2RF-161, MYOX AST [fVV2113850290]. The OCD has reviewed your response and reiterates its denial of Solaris' second extension of the cessation of operations request for the following reasons:

- A recycling containment shall be deemed to have ceased operations if less than 20% of the total fluid capacity is used every six months following the first withdrawal of produced water for use. The operator must report cessation of operations to the appropriate division district office. The appropriate division district office may grant an extension to this determination of cessation of operations not to exceed six months.
- The last reported recycle of PW at 2RF-161 - MYOX was in April 2022. 2RF-161 - MYOX AST - Facility Number [fVV2113850290] was granted a six-month extension of cessation of operations from May 1, 2023, through October 31, 2023. Solaris was clearly advised that if after this 6-month 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.
- Solaris did not meet the condition of approval specified in the email of May 12, 2023, which required Solaris to maintain a liquid level in the containment that is at least equal to the weight of the liner plus 20%. In Solaris' second extension of the cessation of operations request, it stated "Please note that the Myox AST Containment has been dry for many months, therefore no leak detection monitoring is required by Rule."
- In the application section "Statement Explaining Why the Applicant Seeks a Variance," Solaris failed to identify a time period for the extension of the cessation of operations for OCD's consideration and/or a reduction in the required fluid capacity of 20%. Solaris effectively requests an open-ended extension of cessation and closure. Solaris noted in its request that the

facility is intended to serve "COG Tomahawk wells" which are not currently on a drilling schedule.

- Solaris failed to demonstrate that approval of the variance would provide equal or better protection of fresh water, public health, and the environment. Solaris has verified that no testing or maintenance of the AST has occurred and cannot verify that significant corrosion or damage to liner has been or can be evaluated.
- Solaris's proposed inspections after return to service are inadequate for evaluating possible integrity issues.

Solaris must proceed with the closure and site reclamation requirements of 19.15.34.14 NMAC. Specifically, 19.15.34.14(A) NMAC states the below:

Once the operator has ceased operations, the operator shall remove all fluids within 60 days and close the containment within six months from the date the operator ceases operations from the containment for use. The division district office may grant an extension for the removal of all fluids not to exceed two months. The division district office may grant an extension to close the containment not to exceed six months. If the operator wants to use the containment for a purpose other than recycling, then the operator must have that use approved or permitted by the division in accordance with the appropriate rules.

Please note, failure to comply with this notification may result in subsequent enforcement actions. If you have any questions concerning this notice, please contact Leigh Barr at 505-795-1722 or LeighP.Barr@emnrd.nm.gov.

Best Regards,

Rosa M. Romero

Rosa Romero
Environmental Bureau Chief

cc: Solaris Water Midstream, LLC

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

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Santa Fe, NM 87505

CONDITIONS

Action 315975

CONDITIONS

Operator: SOLARIS WATER MIDSTREAM, LLC 907 Tradewinds Blvd, Suite B Midland, TX 79706	OGRID: 371643
	Action Number: 315975
	Action Type: [C-147] Water Recycle Long (C-147L)

CONDITIONS

Created By	Condition	Condition Date
vvenegas	Manual application to upload variance denial letter to the facility file	2/20/2024