



Ameredev II, LLC

2901 Via Fortuna Suite 600 • Austin, Texas 78746 • Phone (737) 300-4700

June 4, 2024

NM Oil Conservation Division  
Environmental Bureau  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

RE: DeSoto Springs #3 Recycling Containment and Recycling Facility  
1 RF-498  
Facility ID# fVV2234954815  
Section 5 T26S R36E, Lea County

Ameredev operating respectfully submits this report outlining the leak detection, repairs, and incremental testing processes for the 40K AST containment associated with above recycling facility:

2/27/2024: The leak detection system identified fluids beneath the primary liner of the 40K AST. The containment was drained until the location of the leak is identified. Liner repair planned.

4/9/2024: The leak identified (2/27/2024) in the primary liner of the 40K AST (below fluid surface) was been repaired and the liner inspected. Starting on April 12, 2024 Ameredev began filling the AST incrementally by 20 % with monitoring of the leak detection system for 24 hours following each fill increment to ensure leak repair was successful.

4/16/2024: During the process of incremental filling of the 40K AST, an additional leak was detected. The containment was then drained and isolated. Ameredev notified NMOCD of the intent to replace the entire liner instead of pursuing additional repairs.

5/8/2024: Ameredev NMOCD advised that the liner replacement the 40K AST was completed according to the design specifications approved in the registration package (40 mil LLDPE). All maintenance and operations, as well as the closure plan will continue according to the approved registration package. Incremental filling of the containment was to commence in approximately 72 hours.

The incremental fill process was delayed due to identification of additional leak in the primary liner system (on second day of process). The water level was dropped below level of identified leak. Once repairs and liner inspection were completed, incremental fill process resumed on

May 24, 2024. Ameredev incrementally filled the AST by 20% per 24 hours period and repeated the process, inspecting for any leaks & abnormalities. Filling continued to an 80 % capacity.

6/4/2024: The incremental refilling process is completed and AST is fully operational. Leak detection measurement is at "0". The Design, Operations and Maintenance and Closure plans remain in accordance with facility registration package.

Please contact me if you have any questions.

Sincerely,

*Shane McNeely*

Shane McNeely  
Production Manager

June 4, 2024

	40K										Inspector	
Date	Leak Detection	Liner	Clips	Oil Visibility	Containment	Netting	Wild Life	Fencing	Tank Panels	H2S Present	Inspector	Comments
1/5/2024	Dry	Good	Yes	Minimal	Good	Good	None	Good	Good	0 PPM	AB	
1/12/2024	Dry	Good	Yes	Minimal	Good	Good	None	Good	Good	0 PPM	AB	
1/19/2024	Dry	Good	Yes	Minimal	Good	Good	None	Good	Good	0 PPM	AB	
1/26/24	Dry	Good	Yes	Minimal	Good	Good	None	Good	Good	0 PPM	AB	
2/2/2024	Dry	Good	Yes	Minimal	Good	Good	None	Good	Good	0 PPM	AB	
2/9/2024	Dry	Good	Yes	Minimal	Good	Good	None	Good	Good	0 PPM	AB	
2/16/2024	Dry	Good	Yes	Minimal	Good	Good	None	Good	Good	0 PPM	AB	
2/23/2024	Dry	Good	Yes	Minimal	Good	Good	None	Good	Good	0 PPM	AB	
2/27/2024	Wet	Good	Yes	Minimal	Good	Good	None	Good	Good	0 PPM	AB	Leak detection was pulling very little water dropped levels down to inspect liner
3/1/2024	Wet	Good	Yes	Minimal	Good	Good	None	Good	Good	0 PPM	AB	Leak detection was pulling very little water dropped levels down to inspect liner
3/8/2024	Dry	Good	Yes	None	Good	Good	None	Good	Good	0 PPM	AB	40k drained repairing liner
3/16/2024	Dry	Good	Yes	None	Good	Good	None	Good	Good	0 PPM	AB	40k drained repairing liner
3/22/2024	Dry	Good	Yes	None	Good	Good	None	Good	Good	0 PPM	AB	40k drained repairing liner
3/29/2024	Dry	Good	Yes	None	Good	Good	None	Good	Good	0 PPM	AB	40k drained repairing liner
4/5/2024	Dry	Good	Yes	None	Good	Good	None	Good	Good	0 PPM	AB	40k drained repairing liner
4/12/2024	Wet	Leak	Yes	None	Good	Good	None	Good	Good	0 PPM	AB	Found leak during incremental filling process, AST drained completely
4/19/2024	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	AB	40k drained replacing liner
4/26/2024	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	AB	40k drained replacing liner
5/3/2024	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	AB	40k liner replacement complete
5/10/2024	Wet	Leak	Yes	None	Good	Good	None	Good	Good	0 PPM	AB	40k testing filling resumed 5/10/2024. Additional leak detected, water level dropped below leak.
5/17/2024	Dry	Good	Yes	None	Good	Good	None	Good	Good	0 PPM	AB	40k liner repair in progress.
5/24/2024	Dry	Good	Yes	None	Good	Good	None	Good	Good	0 PPM	AB	Liner repair and inspection done. 40k testing filling in commenced: 20 % fill per 24 hours to 80% capacity.
6/4/2024	Dry	Good	Yes	None	Good	Good	None	Good	Good	1 PPM	AB	Leak detection at "0", 40k back in service fully.

**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 353810

CONDITIONS

Operator: AMEREDEV OPERATING, LLC 2901 Via Fortuna Austin, TX 78746	OGRID: 372224
	Action Number: 353810
	Action Type: [C-147] Water Recycle Long (C-147L)

CONDITIONS

Created By	Condition	Condition Date
vvenegas	OCD highly appreciates AMEREDEV's timely reporting. Thank you for your cooperation.	6/18/2024