

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) **Annual Extension**
7/18/2024-7/18/2025

*** 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: Mewbourne Oil Company (For multiple operators attach page with information) OGRID #: 14744
Address: 4801 Business Park, Hobbs, NM, 88241
Facility or well name (include API# if associated with a well): Red Hills Recycling Containment North
OCD Permit Number: 1RF-20 (For new facilities the permit number will be assigned by the district office)
U/L or Qtr/Qtr SESE Section 16 Township 26S Range 32E County: Lea
Surface Owner: ☐ Federal ☒ State ☐ Private ☐ Tribal Trust or Indian Allotment

2.
☐ **Recycling Facility:**
Location of recycling facility (if applicable): Latitude _____ Longitude _____ 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 32.040766 Longitude -103.677335 NAD83
☐ For multiple or additional recycling containments, attach design and location information of each containment
☒ Lined ☒ Liner type: Thickness 60 mil ☐ LLDPE ☒ HDPE ☐ PVC ☒ Other 40-mil HDPE Secondary Liner
☐ String-Reinforced
Liner Seams: ☒ Welded ☐ Factory ☐ Other _____ Volume: 412,793 bbl Dimensions: L 408' x W 268' x D 19'
☐ Recycling Containment Closure Completion Date: _____

| 4. | <p><u>Bonding:</u></p> <p><input checked="" type="checkbox"/> 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.)</p> <p><input type="checkbox"/> Bonding in accordance with 19.15.34.15(A)(1). Amount of bond \$ _____ (work on these facilities cannot commence until bonding amounts are approved)</p> <p><input type="checkbox"/> Attach closure cost estimate and documentation on how the closure cost was calculated.</p> | | | | | | | | | | | | | | | | | | | | |
|--|--|------------------------------|--|---|--|--|--|---|---|--|---|---|---|--|---|--|---|---|---|--|---|
| 5. | <p><u>Fencing:</u></p> <p><input type="checkbox"/> Four foot height, four strands of barbed wire evenly spaced between one and four feet</p> <p><input checked="" type="checkbox"/> Alternate. Please specify <u>Eight foot game fence with chain link</u></p> | | | | | | | | | | | | | | | | | | | | |
| 6. | <p><u>Signs:</u></p> <p><input checked="" type="checkbox"/> 12"x 24", 2" lettering, providing Operator's name, site location, and emergency telephone numbers</p> <p><input type="checkbox"/> Signed in compliance with 19.15.16.8 NMAC</p> | | | | | | | | | | | | | | | | | | | | |
| 7. | <p><u>Variances:</u></p> <p>Justifications and/or demonstrations that the proposed variance will afford reasonable protection against contamination of fresh water, human health, and the environment.</p> <p><u>Check the below box only if a variance is requested:</u></p> <p><input checked="" type="checkbox"/> 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.</p> <p>If a Variance is requested, it must be approved prior to implementation.</p> | | | | | | | | | | | | | | | | | | | | |
| 8. | <p><u>Siting Criteria for Recycling Containment</u></p> <p><i>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.</i></p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 80%;"><u>General siting</u></th> <th style="width: 20%;"></th> </tr> </thead> <tbody> <tr> <td> <p><u>Ground water is less than 50 feet below the bottom of the Recycling Containment.</u></p> <p>NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells</p> </td> <td style="text-align: center; vertical-align: top;"> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> NA </td> </tr> <tr> <td> <p>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.</p> <p>- Written confirmation or verification from the municipality; written approval obtained from the municipality</p> </td> <td style="text-align: center; vertical-align: top;"> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> NA </td> </tr> <tr> <td> <p>Within the area overlying a subsurface mine.</p> <p>- Written confirmation or verification or map from the NM EMNRD-Mining and Minerals Division</p> </td> <td style="text-align: center; vertical-align: top;"> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No </td> </tr> <tr> <td> <p>Within an unstable area.</p> <p>- Engineering measures incorporated into the design; NM Bureau of Geology & Mineral Resources; USGS; NM Geological Society; topographic map</p> </td> <td style="text-align: center; vertical-align: top;"> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No </td> </tr> <tr> <td> <p>Within a 100-year floodplain. FEMA map</p> </td> <td style="text-align: center; vertical-align: top;"> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No </td> </tr> <tr> <td> <p>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).</p> <p>- Topographic map; visual inspection (certification) of the proposed site</p> </td> <td style="text-align: center; vertical-align: top;"> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No </td> </tr> <tr> <td> <p>Within 1000 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application.</p> <p>- Visual inspection (certification) of the proposed site; aerial photo; satellite image</p> </td> <td style="text-align: center; vertical-align: top;"> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No </td> </tr> <tr> <td> <p>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.</p> <p>- NM Office of the State Engineer - iWATERS database search; visual inspection (certification) of the proposed site</p> </td> <td style="text-align: center; vertical-align: top;"> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No </td> </tr> <tr> <td> <p>Within 500 feet of a wetland.</p> <p>- US Fish and Wildlife Wetland Identification map; topographic map; visual inspection (certification) of the proposed site</p> </td> <td style="text-align: center; vertical-align: top;"> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No </td> </tr> </tbody> </table> | <u>General siting</u> | | <p><u>Ground water is less than 50 feet below the bottom of the Recycling Containment.</u></p> <p>NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells</p> | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> NA | <p>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.</p> <p>- Written confirmation or verification from the municipality; written approval obtained from the municipality</p> | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> NA | <p>Within the area overlying a subsurface mine.</p> <p>- Written confirmation or verification or map from the NM EMNRD-Mining and Minerals Division</p> | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | <p>Within an unstable area.</p> <p>- Engineering measures incorporated into the design; NM Bureau of Geology & Mineral Resources; USGS; NM Geological Society; topographic map</p> | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | <p>Within a 100-year floodplain. 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| <p>Within an unstable area.</p> <p>- Engineering measures incorporated into the design; NM Bureau of Geology & Mineral Resources; USGS; NM Geological Society; topographic map</p> | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | | | | | | | | | | | | | | | | | | | | |
| <p>Within a 100-year floodplain. FEMA map</p> | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | | | | | | | | | | | | | | | | | | | | |
| <p>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).</p> <p>- Topographic map; visual inspection (certification) of the proposed site</p> | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | | | | | | | | | | | | | | | | | | | | |
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9.

Recycling Facility and/or Containment Checklist:

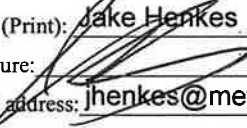
Instructions: Each of the following items must be attached to the application. Indicate, by a check mark in the box, that the documents are attached.

- ☐ 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): Jake HenkesTitle: EngineerSignature: Date: 6/17/2024e-mail address: jhenkes@mewbourne.comTelephone: 575-263-6030

11.

OCD Representative Signature: Victoria VenegasApproval Date: 06/20/2024Title: Environmental SpecialistOCD Permit Number: 1RF-20

- ☒ OCD Conditions
- ☒ Additional OCD Conditions on Attachment

June 17, 2024

State of New Mexico

Energy, Minerals, and Natural Resources Department

Oil Conservation Division

1220 South St. Francis Dr.

Santa Fe, NM 87505

RE: 1RF-20 Mewbourne Oil Company Red Hills Recycling Containment South C-147 Annual Extension

To Whom it May Concern,

Mewbourne Oil Company submits the enclosed C-147 form, summary of leak detection, and pond inspections for Red Hills Recycling Containment North. The site plans remain the same as originally submitted on July 28th, 2017. Mewbourne Oil Company would like to seek a one-year extension to the facility. The extension request will be for 7/18/2024-7/18/2025.

Thank you,

Jake Henkes

Engineer Mewbourne Oil Company

Venegas, Victoria, EMNRD

From: Venegas, Victoria, EMNRD
Sent: Friday, June 21, 2024 10:18 AM
To: Jake Henkes
Subject: 1RF-20 - RED HILLS RECYCLING CONTAINMENT NORTH FACILITY ID [fOY1720942193]
Attachments: C-147 1RF-20 - RED HILLS RECYCLING CONTAINMENT NORTH FACILITY ID [fOY1720942193] 06.20.2024.pdf

1RF-20 - RED HILLS RECYCLING CONTAINMENT NORTH FACILITY ID [fOY1720942193]

Good morning Mr. Henkes.

NMOCD has reviewed the determination of registration/permit annual extension request for 1RF-20 - RED HILLS RECYCLING CONTAINMENT NORTH FACILITY ID [fOY1720942193] received from [14744] MEWBOURNE OIL CO Application ID 355275 on 06/17/2024. The registration/permit extension request is approved with the following conditions of approval:

- 1RF-20 - RED HILLS RECYCLING CONTAINMENT NORTH FACILITY ID [fOY1720942193] is approved for one (1) year of operation from the date of the previous registration/permit expiration date of July 18, 2024. The new registration/permit expiration date is July 18, 2025.
- [14744] MEWBOURNE OIL CO will continue to operate, maintain, and close the 1RF-20 - RED HILLS RECYCLING CONTAINMENT NORTH FACILITY ID [fOY1720942193] in compliance with 19.15.34 NMAC, to include but not limited to the performance of weekly inspections regardless of fluid levels in the containment; recording of detailed inspection reports; removal of debris, foreign objects and oil from the containment; and monthly reporting of recycling and reuse of produced water, drilling fluids, and liquid oil field waste via from C-148.
- [14744] MEWBOURNE OIL CO will maintain a liquid level in the containment that is at least equal to the weight of the liner plus 20%. [14744] MEWBOURNE OIL CO may maintain a higher liquid level if they choose.
- If less than 20% of the total fluid capacity is utilized every consecutive six months, operation of the facility is considered ceased and notification of cessation of operations should be sent electronically to OCD Permitting. An extension to extend the cessation of operations, not to exceed six months, may be submitted using a C-147 Long form through OCD Permitting.
- The recycling containment is bonded pursuant to 19.15.8 NMAC per 19.15.34.15(A)(2) NMAC. Water reuse and recycling from 1RF-20 - RED HILLS RECYCLING CONTAINMENT NORTH FACILITY ID [fOY1720942193] is limited to wells owned or operated by [14744] MEWBOURNE OIL CO.
- A minimum of 3-feet freeboard must be maintained in the recycling containment at all times.
- [14744] MEWBOURNE OIL CO will comply with 19.15.29 NMAC Releases in the event of any release of produced water or produced water or other oil field wastes at 1RF-20 - RED HILLS RECYCLING CONTAINMENT NORTH FACILITY ID [fOY1720942193]. [14744] MEWBOURNE OIL CO will comply with all other OCD rules.
- [14744] MEWBOURNE OIL CO must perform weekly inspections of the containment and leak detection system.
- If [14744] MEWBOURNE OIL CO wishes to extend the registration/permit past the July 18, 2025, a registration/permit extension request must be submitted to OCD. Extension requests are reviewed on a case-by-case basis and evaluated on their merit. Extensions are considered for a maximum length of one year. Additional requests must be submitted to OCD through OCD Permitting on a Form C-147 (long form) as an Extension request and should include a formal extension request letter, a summary of the prior

registration/permit period inspection reports, and the copies of the detailed inspection records for the prior permit period. The extension request should be submitted no later than June 18, 2025.

Please let me know if you have any further questions or concerns.

Regards,

Victoria Venegas • Environmental Specialist
Environmental Bureau
EMNRD - Oil Conservation Division
506 W. Texas Ave. Artesia, NM 88210
(575) 909-0269 | Victoria.Venegas@emnrd.nm.gov
<https://www.emnrd.nm.gov/oed/>



Red Hills Recycling Containment North

OCD Permit Number: 1RF-20

ID: fOY1720942193

Facility

| Date | Pond | Inspector | Pond Level, ft | Freeboard Level, ft | Tear in Liner? | Berm damage? | Oil skim? | Leak detection working? | Dead Wildlife? |
|-----------|-----------------|-----------|----------------|---------------------|----------------|--------------|-----------|-------------------------|----------------|
| 2/6/2024 | Red Hills North | JE | 4 | 16 | NO | NO | NO | YES | NO |
| 2/13/2024 | Red Hills North | JE | 4 | 16 | NO | NO | NO | YES | NO |
| 2/20/2024 | Red Hills North | JE | 4 | 16 | NO | NO | NO | YES | NO |
| 2/27/2024 | Red Hills North | JE | 4 | 16 | NO | NO | NO | YES | NO |
| 3/5/2024 | Red Hills North | JE | 4 | 16 | NO | NO | NO | YES | NO |
| 3/12/2024 | Red Hills North | JE | 4 | 16 | NO | NO | NO | YES | NO |
| 3/19/2024 | Red Hills North | JE | 4 | 16 | NO | NO | NO | YES | NO |
| 3/26/2024 | Red Hills North | JE | 4 | 16 | NO | NO | NO | YES | NO |
| 4/2/2024 | Red Hills North | JE | 4 | 16 | NO | NO | NO | YES | NO |
| 4/9/2024 | Red Hills North | JE | 4 | 16 | NO | NO | NO | YES | NO |
| 4/16/2024 | Red Hills North | JE | 4 | 16 | NO | NO | NO | YES | NO |
| 4/23/2024 | Red Hills North | JE | 4 | 16 | NO | NO | NO | YES | NO |
| 4/30/2024 | Red Hills North | JE | 4 | 16 | NO | NO | NO | YES | NO |
| 5/7/2024 | Red Hills North | JE | 2 | 18 | NO | NO | NO | YES | NO |
| 5/14/2024 | Red Hills North | JE | 0 | 20 | NO | NO | NO | YES | NO |
| 5/21/2024 | Red Hills North | JE | 6 | 14 | NO | NO | NO | YES | NO |
| 5/28/2024 | Red Hills North | JE | 8 | 12 | NO | NO | NO | YES | NO |
| 6/4/2024 | Red Hills North | JE | 10 | 10 | NO | NO | NO | YES | NO |
| 6/11/2024 | Red Hills North | JE | 11 | 9 | NO | NO | NO | YES | NO |

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 355275

CONDITIONS

| | |
|---|---|
| Operator: MEWBOURNE OIL CO P.O. Box 5270 Hobbs, NM 88241 | OGRID: 14744 |
| | Action Number: 355275 |
| | Action Type: [C-147] Water Recycle Long (C-147L) |

CONDITIONS

| Created By | Condition | Condition Date |
|------------|---|----------------|
| vvenegas | • 1RF-20 - RED HILLS RECYCLING CONTAINMENT NORTH FACILITY ID [fOY1720942193] is approved for one (1) year of operation from the date of the previous registration/permit expiration date of July 18, 2024. The new registration/permit expiration date is July 18, 2025. • If [14744] MEWBOURNE OIL CO wishes to extend the registration/permit past the July 18, 2025, a registration/permit extension request must be submitted to OCD no later than June 18, 2025. | 6/21/2024 |