

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) Transfer of Permit/Registration

\* 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: Legion Water Services, LLC (For multiple operators attach page with information) OGRID #: 332392  
Address: 1515 Wynkoop St, Suite 700, Denver, CO 80202  
Facility or well name (include API# if associated with a well): Spyglass Reuse Facility & AST Containment #1 & #2  
OCD Permit Number: 1RF-525 (For new facilities the permit number will be assigned by the district office)  
U/L or Qtr/Qtr C Section 17 Township 19S Range 33E County: Lea  
Surface Owner: ☐ Federal ☐ State ☒ Private ☐ Tribal Trust or Indian Allotment

2.  
☒ **Recycling Facility:**  
Location of recycling facility (if applicable): Latitude 32.663616 Longitude -103.686351 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 32.663616 Longitude -103.686351 NAD83  
☐ For multiple or additional recycling containments, attach design and location information of each containment  
☒ Lined ☐ Liner type: Thickness 40 mil ☒ LLDPE ☒ HDPE ☐ PVC ☐ Other \_\_\_\_\_  
☐ String-Reinforced  
Liner Seams: ☒ Welded ☐ Factory ☐ Other \_\_\_\_\_ Volume: \_\_\_\_\_ 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 \$ 1,689,864.00 (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.**

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): John HarperTitle: SVP Assets and ExplorationSignature: Date: 2/4/2025e-mail address: john@avantnr.comTelephone: 678-988-6644

11.

OCD Representative Signature: Victoria VenegasApproval Date: 03/20/2025Title: Environmental SpecialistOCD Permit Number: 1RF-525☒ OCD Conditions☒ Additional OCD Conditions on Attachment

**19.15.34 NMAC - TRANSFER OF PERMIT OR REGISTRATION**

The operator shall not transfer a permit or registration without the OCD's prior written approval. A request for transfer of a permit or registration shall identify operator (transferor) and transferee. If the OCD denies the transfer request, it shall notify the operator and the proposed transferee of the denial. Until the OCD approves the transfer and the required financial assurance is in place, the OCD shall not release the transferor's financial assurance, if applicable, and transfer the permit or registration to the transferee.

**FACILITY INFORMATION:**

**Permit or Registration ID:** 1RF-519

**Facility Name:** Hamon Reuse Facility & In-Ground Containment

**Legal Description:** L, K, M, N, and O, Sec. 7, T20S, R34E, Lea County

**Location:** 32.58527, -103.60545

**From:** Company Name: Legion Water Services, LLC

Company Address: 1515 Wynkoop St, Ste 700, Denver, CO 80202

**To:** Company Name: Coterra Energy Operating Co.

Company Address: 6001 Deauville Blvd., Ste 300N, Midland, TX 79706

**CERTIFICATION:**

Legion Water Services, LLC hereby requests that the above permit or registration be transferred to Coterra Energy Operating Co.

Print Name: John Harper

OGRID #: 332392

Signature: 

Date: 2/4/2025

Title: SVP Assets and Exploration

Mailing Address: 1515 Wynkoop St, Suite 700, Denver, CO 80202

Contact Telephone Number: 678-988-6644

Contact Email: john@avantnr.com

Coterra Energy Operating Co., by the officer whose signature appears below, accepts this permit or registration, and agrees to comply with all terms and conditions contained herein and with 19.15.34 NMAC. Coterra Energy Operating Co. further acknowledges that the OCD for good cause shown as necessary to protect fresh water, human health, and the environment may change such terms and conditions administratively. Coterra Energy Operating Co. also acknowledges that the surface owner has been notified of the transfer.



Accepted:

Coterra Energy Operating Co.

Print Name: Phillip G. Levasseur

OGRID #: 215099

Signature: 

Date: 2/19/2025

Title: Regulatory Compliance Manager, Permian Business Unit

Mailing Address: 6001 Deauville Blvd., Suite 300N, Midland, TX 79706

Contact Telephone Number: 432-620-1642

Contact Email: phillip.levasseur@coterra.com

**Venegas, Victoria, EMNRD**

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**From:** Venegas, Victoria, EMNRD  
**Sent:** Thursday, March 20, 2025 9:56 AM  
**To:** sarah@avantnr.com; Phillip Levasseur  
**Subject:** TRANSFER OF PERMIT OR REGISTRATION 1RF-525 - SPYGLASS RECYCLING FACILITY [fVV2415136805]  
**Attachments:** C-147 1RF-525 - SPYGLASS RECYCLING FACILITY [fVV2415136805] 03.20.2025.pdf

**TRANSFER OF PERMIT OR REGISTRATION 1RF-525 - SPYGLASS RECYCLING FACILITY [fVV2415136805]**

Good morning Ms. Ferreyros.

NMOCD has reviewed the permit/registration transfer application received from [332392] Legion Water Services, LLC on 03/11/2025, Application ID 441428, to transfer permit 1RF-525 - SPYGLASS RECYCLING FACILITY [fVV2415136805] from [332392] Legion Water Services, LLC to [215099] Coterra Energy Operating Co. The form C-147 and related documents are approved for the transfer of permit/registration with the following conditions of approval:

- **[215099] Coterra Energy Operating Co will comply with all conditions previously approved for permit 1RF-525 - SPYGLASS RECYCLING FACILITY [fVV2415136805]. No changes to the operations procedures, maintenance, and monitoring procedures, or closing procedures will be made and 1RF-525 - SPYGLASS RECYCLING FACILITY [fVV2415136805] must operate as originally permitted;**  
<https://ocdimage.emnrd.nm.gov/imaging/FacilityFileView.aspx?facility=fVV2415136805>
- 1RF-525 - SPYGLASS RECYCLING FACILITY [fVV2415136805] permit expires on May 21, 2029.
- A minimum of 3-feet freeboard must be maintained at 1RF-525 - SPYGLASS RECYCLING FACILITY [fVV2415136805] 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-525 - SPYGLASS RECYCLING FACILITY [fVV2415136805] are considered ceased and a notification of cessation of operations should be sent electronically to OCD Permitting. A request to extend the cessation of operations, not to exceed six months, may be submitted using a C-147 form through OCD Permitting. If after that 6-month extension period, 1RF-525 - SPYGLASS RECYCLING FACILITY [fVV2415136805] 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.
- [215099] Coterra Energy Operating Co 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.
- [215099] Coterra Energy Operating Co must inspect the 1RF-525 - SPYGLASS RECYCLING FACILITY [fVV2415136805] recycling containment and associated leak detection systems weekly while it contains fluids per 19.15.34.13(A). [215099] Coterra Energy Operating Co shall maintain a current log of such inspections and make the log available for review by the division upon request.

Please let me know if you have any additional questions.

Regards,

**Victoria Venegas** • Environmental Specialist Advanced  
EMNRD - Oil Conservation Division  
506 W. Texas Ave. Artesia, NM 88210  
575.909.0269 | [Victoria.Venegas@emnrd.nm.gov](mailto:Victoria.Venegas@emnrd.nm.gov)



Form O&G SB  
Adopted 6-17-1977  
Revised 12-14-2022

**STATE OF NEW MEXICO**  
**ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT**  
**OIL CONSERVATION DIVISION**

**SURETY BOND**

- ☐ SINGLE WELL PLUGGING [19.15.8.9(C)(1); 19.15.8.9(D)(1) NMAC]
- ☐ BLANKET PLUGGING [19.15.8.9(C)(2) NMAC; 19.15.8.9(D)(2) NMAC]
- ☒ RECYCLING FACILITY OR CONTAINMENT [19.15.34.15 NMAC]
- ☐ SURFACE WASTE MANAGEMENT FACILITY [19.15.36.11 NMAC]
- ☐ WQCC DISCHARGE PERMIT (EXCLUDING UIC WELLS) [20.6.2.3107.A(11) NMAC]
- ☐ WQCC DISCHARGE PERMIT FOR UIC CLASS I, III, and V INJECTION WELLS [20.6.2.5006 NMAC; 20.6.2.5210.B(17) NMAC; 20.6.2.5320 NMAC; 20.6.2.5342(A)(1) NMAC; 20.6.2.5361(A)(3) NMAC; 20.6.2.5362(A)(3) NMAC; 20.6.2.5363 NMAC]
- ☐ ABATEMENT PLAN [19.15.30.11(C) NMAC; 20.6.2.4104(C) NMAC]

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BOND NUMBER	CMS0355618
BOND AMOUNT	\$1,689,864.00
FINANCIAL INSTITUTION	RLI Insurance Company
OPERATOR/PRINCIPAL	Coterra Energy Operating Co.
OGRID NUMBER	
WELL/FACILITY	Spyglass Reuse Facility & In-Ground Containment and ASTs
TYPE OF WELL	[ ] Active [ ] Inactive [ ] Approved Temporary Abandonment
WELL DEPTH	
LOCATION	Section [ 17 ] Township [ 19S ] Range [ 33E ] County [ Lea ]
API/ PERMIT NUMBER	

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## KNOW ALL MEN BY THESE PRESENTS:

That Coterra Energy Operating Co., (an individual – **if dba must read – Example: John Doe dba ABC Services**) (a general partnership) (a corporation) (limited liability company) (limited partnership) organized in the State of Delaware, and authorized to do business in the State of New Mexico), as PRINCIPAL, and RLI Insurance Company, a corporation organized and existing under the laws of the State of Illinois and authorized to do business in the State of New Mexico, as SURETY, are firmly bound unto the State of New Mexico, for the use and benefit of the Oil Conservation Division of the Energy, Minerals and Natural Resources Department (or successor agency) (the DIVISION), pursuant to NMSA 1978, Section 70-2-14, as amended, in the sum of \$ 1,689,864.00, for the payment of which the PRINCIPAL and SURETY hereby bind themselves, their successors, and assigns, jointly and severally, firmly by these presents.

The conditions of this obligation are one of the following:

1. WHEREAS, the PRINCIPAL has commenced or may commence the drilling of one well to a depth not to exceed N/A feet, to prospect for and/or produce oil or gas, carbon dioxide gas, helium gas, or brine minerals, or as an injection or other service well related to such exploration or production, or owns or operates, or may acquire, own, or operate such well, the identification and location of said well being:  
N/A API No. 30- N/A,  
(Name of Well)  
located N/A feet from the (North/South) line and N/A feet from the (East/West) line of Section N/A, Township N/A (North) (South), Range N/A (East) (West), NMPM, N/A County, New Mexico.
2. WHEREAS, the PRINCIPAL has heretofore or may hereafter enter into the collection, disposal, evaporation, remediation, reclamation, treatment or storage of produced water, drilling fluids, drill cuttings, completion fluids, contaminated soils, Basic Sediment & Water, tank bottoms, waste oil or other oil field related waste in Section 17, Township 19S, Range 33E, NMPM, County Lea, New Mexico.



3. The OPERATOR/PRINCIPAL(APPLICANT/PERMITTEE) has or may enter into the collection, treatment, storage, recycling, and re-use of produced water in Section 17, Township 19S, Range 33E, NMPM, County Lea, New Mexico ("Facility"). ISSUER has been advised that OPERATOR/PRINCIPAL has requested this Bond as security for OPERATOR/PRINCIPAL's compliance with all laws and rules applicable to such activities, including, but not limited to, proper closing and remediation of the Facility.

NOW, THEREFORE, if the PRINCIPAL and SURETY or either of them, or their successors or assigns or any of them, shall cause said well be properly plugged and abandoned when dry or when no longer productive or useful for other beneficial purpose, in accordance with the rules and orders of the DIVISION, Oil Conservation Commission, or a court of competent jurisdiction, including but not limited to 19.15.8.9 and 19.15.25.10 NMAC, as such rules now exist or may hereafter be amended;

THEN AND IN THAT EVENT, this obligation shall be null and void; otherwise and in default of complete compliance with any and all of said obligations, the same shall remain in full force and effect.

Coterra Energy Operating Co.  
\_\_\_\_\_  
PRINCIPAL  
6001 Deauville Blvd, Suite 300N  
Midland, TX 79706

Address  
By Phillip Levasseur  
Signature Phillip Levasseur

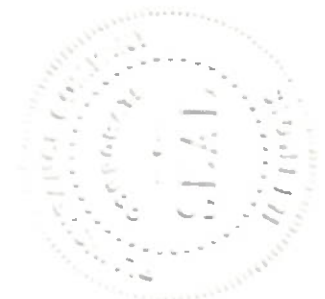
Manager of Regulatory Compliance  
Title

**IF PRINCIPAL is a corporation, affix  
Corporate Seal below:**

RLI Insurance Company  
\_\_\_\_\_  
SURETY

9025 N. Linbergh Dr., Peoria, IL 61615  
\_\_\_\_\_  
Address  
Laura Kneitz  
Attorney-in-Fact Laura Kneitz

**Corporate surety, affix Corporate seal  
below:**



**ACKNOWLEDGMENT FOR INDIVIDUAL**

(If dba, must read – Example: John Doe dba Well Services)

State of \_\_\_\_\_ )  
SS.  
County of \_\_\_\_\_ )

This instrument was acknowledged before me on this \_\_\_\_\_ day of \_\_\_\_\_,

20\_\_\_\_, by \_\_\_\_\_.

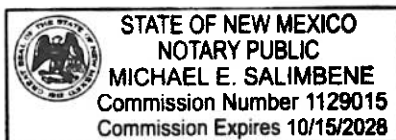
(Name of Individual)

\_\_\_\_\_  
Notary Public

SEAL

My Commission Expires:

\_\_\_\_\_

**ACKNOWLEDGMENT FOR PARTNERSHIP, CORPORATION, OR LIMITED  
LIABILITY COMPANY**State of New Mexico )  
SS.  
County of Santa Fe )This instrument was acknowledged before me on this 7<sup>TH</sup> day of FEBRUARY,2025, by \_\_\_\_\_ Phillip Levasseur \_\_\_\_\_ of  
(Capacity, e.g., partner, president, manager, member, company)Coterra Energy Operating Co.  
(Name of Partnership, corporation, or limited liability company)

SEAL

\_\_\_\_\_  
Notary Public

My Commission Expires:

10/15/2028

**CORPORATE SURETY ATTACH**  
**POWER OF ATTORNEY**

**APPROVED BY:**  
**OIL CONSERVATION DIVISION OF**  
**NEW MEXICO**

By \_\_\_\_\_

Date\_\_\_\_\_

**POWER OF ATTORNEY****RLI Insurance Company  
Contractors Bonding and Insurance Company**9025 N. Lindbergh Dr. Peoria, IL 61615  
Phone: 800-645-2402**Know All Men by These Presents:**

That this Power of Attorney is not valid or in effect unless attached to the bond which it authorizes executed, but may be detached by the approving officer if desired.

That **RLI Insurance Company and/or Contractors Bonding and Insurance Company**, each an Illinois corporation, (separately and together, the "Company") do hereby make, constitute and appoint:

Timothy F. Kelly, Robert F. Bobo, Florence McClellan, Aaron P. Clark, Nick Patetta, Laura Kneitz, Teresa D. Kelly, Craig C. Payne,  
Rachel Richardson, Tami Jones, Daisy Greathouse, Erica Kneitz, Kala Lee, jointly or severally

in the City of Houston, State of Texas its true and lawful Agent(s) and Attorney(s) in Fact, with full power and authority hereby conferred, to sign, execute, acknowledge and deliver for and on its behalf as Surety, in general, any and all bonds and undertakings in an amount not to exceed Twenty Five Million Dollars (\$25,000,000.00) for any single obligation.

The acknowledgment and execution of such bond by the said Attorney in Fact shall be as binding upon the Company as if such bond had been executed and acknowledged by the regularly elected officers of the Company.

**RLI Insurance Company and/or Contractors Bonding and Insurance Company**, as applicable, have each further certified that the following is a true and exact copy of a Resolution adopted by the Board of Directors of each such corporation, and is now in force, to-wit:

"All bonds, policies, undertakings, Powers of Attorney or other obligations of the corporation shall be executed in the corporate name of the Company by the President, Secretary, any Assistant Secretary, Treasurer, or any Vice President, or by such other officers as the Board of Directors may authorize. The President, any Vice President, Secretary, any Assistant Secretary, or the Treasurer may appoint Attorneys in Fact or Agents who shall have authority to issue bonds, policies or undertakings in the name of the Company. The corporate seal is not necessary for the validity of any bonds, policies, undertakings, Powers of Attorney or other obligations of the corporation. The signature of any such officer and the corporate seal may be printed by facsimile."

IN WITNESS WHEREOF, the **RLI Insurance Company and/or Contractors Bonding and Insurance Company**, as applicable, have caused these presents to be executed by its respective Vice President with its corporate seal affixed this 14th day of September, 2023.



**RLI Insurance Company  
Contractors Bonding and Insurance Company**

By: B. W. Davis

Barton W. Davis

Vice President

State of Illinois  
County of Peoria

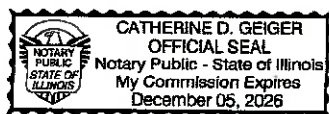
} SS

On this 14th day of September, 2023, before me, a Notary Public, personally appeared Barton W. Davis, who being by me duly sworn, acknowledged that he signed the above Power of Attorney as the aforesaid officer of the **RLI Insurance Company and/or Contractors Bonding and Insurance Company** and acknowledged said instrument to be the voluntary act and deed of said corporation.

By: Catherine D. Geiger

Catherine D. Geiger

Notary Public

**CERTIFICATE**

I, the undersigned officer of **RLI Insurance Company and/or Contractors Bonding and Insurance Company**, do hereby certify that the attached Power of Attorney is in full force and effect and is irrevocable; and furthermore, that the Resolution of the Company as set forth in the Power of Attorney, is now in force. In testimony whereof, I have hereunto set my hand and the seal of the **RLI Insurance Company and/or Contractors Bonding and Insurance Company** this 6th day of February, 2025.

**RLI Insurance Company  
Contractors Bonding and Insurance Company**

By: Jeffrey D. Fick

Jeffrey D. Fick

Corporate Secretary

Sante Fe Main Office  
Phone: (505) 476-3441

General Information  
Phone: (505) 629-6116

Online Phone Directory  
<https://www.emnrd.nm.gov/ocd/contact-us>

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

CONDITIONS

Action 441428

CONDITIONS

Operator:  Legion Water Services, LLC 1515 Wynkoop Street Denver, CO 80202	OGRID:  332392
	Action Number:  441428
	Action Type:  [C-147] Water Recycle Long (C-147L)

CONDITIONS

Created By	Condition	Condition Date
vvenegas	• 1RF-525 - SPYGLASS RECYCLING FACILITY [fVV2415136805] permit expires on May 21, 2029. • [215099] Coterra Energy Operating Co will comply with all conditions previously approved for permit 1RF-525 - SPYGLASS RECYCLING FACILITY [fVV2415136805]. No changes to the operations procedures, maintenance, and monitoring procedures, or closing procedures will be made and 1RF-525 - SPYGLASS RECYCLING FACILITY [fVV2415136805] must operate as originally permitted.	3/20/2025