## **C-147 REGISTRATION PACKAGE**

## Gallo Canyon Unit 2306 M26A AST Pad Recycling Facility and Recycling Containment

October 2025



## **ENDURING RESOURCES IV, LLC**

DJR Operating, LLC A Subsidiary Company of Enduring Resource, LLC

200 Energy Court Farmington, New Mexico 87401 Phone: (505) 636-9720

Revised October 11, 2022

State of New Mexico
Energy Minerals and Natural Resources
Department Oil Conservation Division
1220 South St. Francis Dr.

Santa Fe, NM 87505

https://www.emnrd.nm.gov/ocd/ocd-e-permitting/

Recycling Facility and/or Recycling Containment

<b>Type of Facility:</b> X Recycling Facility X Recycling Containment*
Type of action: X Permit X Registration
☐ Modification ☐ Extension
Closure Other (explain)
* 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.
Operator: DJR Operating, LLC(For multiple operators attach page with information) OGRID #:_ 371838
Address: 200 Energy Court, Farmington, New Mexico 87401
Facility or well name (include API# if associated with a well): Gallo Canyon Unit 2306 M26
OCD Permit Number:3RF-92(For new facilities the permit number will be assigned by the district office)
U/L or Qtr/Qtr _SW/SW _NW/NW Section 26 & 35 Township 23N Range 06W
Surface Owner:   Federal   State   Private   Tribal Trust or Indian Allotment
2.
Location of recycling facility (if applicable): Latitude <b>36.188771</b> Longitude <b>-107.445943</b> NAD83
Proposed Use:  ☐ Drilling* ☐ Completion* ☐ 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.
Above ground tanks
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.
Annual Extension after initial 5 years (attach summary of monthly leak detection inspections for previous year)
Center of Recycling Containment (if applicable): Latitude 36.188771 Longitude -107.445943 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
$\nabla I_{G_{i}}$ : $D:G_{i}$ :
String-Reinforced
String-Reinforced         Liner Seams:

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 operated by the owners of the containment.)  Bonding in accordance with 19.15.34.15(A)(1). Amount of bond \$	
<ul> <li>Fencing:</li> <li>☐ Four foot height, four strands of barbed wire evenly spaced between one and four feet</li> <li>☑ Alternate. Please specify</li> </ul>	
6.  Signs:	
Variances:  Justifications and/or demonstrations that the proposed variance will afford reasonable protection against contamination of fresh water, hur 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 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 applicate examples of the siting attachment source material are provided below under each criteria.	ntion. Potential
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.  - Written confirmation or verification from the municipality; written approval obtained from the municipality	☐ Yes ☒ No ☐ NA
Within the area overlying a subsurface mine Written confirmation or verification or map from the NM EMNRD-Mining and Minerals Division	☐ Yes 🏿 No
Within an unstable area.  - Engineering measures incorporated into the design; NM Bureau of Geology & Mineral Resources; USGS; NM Geological Society; topographic map	☐ Yes 🏿 No
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).  - Topographic map; visual inspection (certification) of the proposed site	☐ Yes 🏻 No
Within 1000 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application.  - Visual inspection (certification) of the proposed site; aerial photo; satellite image	☐ Yes ☑ No
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.  - NM Office of the State Engineer - iWATERS database search; visual inspection (certification) of the proposed site	☐ Yes 🏻 No
Within 500 feet of a wetland.  - US Fish and Wildlife Wetland Identification map; topographic map; visual inspection (certification) of the proposed site	☐ Yes 🏿 No

Recycling Facility and/or Containment Checklist:	
Instructions: Each of the following items must be attached to the application	n. Indicate, by a check mark in the box, that the documents are attached.
<ul> <li>☑ Design Plan - based upon the appropriate requirements.</li> <li>☑ Operating and Maintenance Plan - based upon the appropriate requirements.</li> <li>☑ Closure Plan - based upon the appropriate requirements.</li> <li>☑ Site Specific Groundwater Data -</li> <li>☑ Siting Criteria Compliance Demonstrations -</li> <li>☑ Certify that notice of the C-147 (only) has been sent to the surface of the C-147 (only)</li> </ul>	
10.	
Operator Application Certification:	plication are true, accurate and complete to the best of my knowledge and belief
Name (Print): _Heather Huntington_	Title: Permitting Technician
Signature: Heather Huntington	Date: 10/23/25
e-mail address:hhuntington@enduringresources.com	
OCD Representative Signature: Victoria Venegas	Approval Date:11/20/2025
Title: Environmental Specialist	OCD Permit Number: 3RF-92
X OCD Conditions	
Additional OCD Conditions on Attachment	

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### 1. Introduction

Applicant	DJR Operating, LLC - Enduring Resources, LLC & DJR Operating, LLC are wholly owned subsidiaries of Enduring Resources IV, LLC. Leases, rights of ways, wells, and other property interests will continue to be held in their current entity names.
OGRID	371838
Project Name	Gallo Canyon Unit 2306 M26A AST Pad Recycling Containment and Recycling Facility
Project Type	Recycling Containment and Recycling Facility
Legal Location	Southwest ¼ of the Southwest ¼ of Section 26 and the Northwest ¼ of the Northwest ¼ of Section 35, Township 23N, Range 06W, Sandoval County, NMPM
Surface Owner	Federal surface managed by the Bureau of Land Management Farmington Field Office

In accordance with 19.15.34 NMAC, DJR Operating, LLC (DJR) a subsidiary company of Enduring Resources IV, LLC requests registration of their Gallo Canyon Unit 2306 M26A AST Pad (GCU M26A AST Pad) Recycling Containment and Recycling Facility through the approval of this C-147 registration and permit package.

The <u>recycling containment</u> will consist of one 60,000 barrel (bbl) above ground storage tank (AST). Per 19.15.34.7 B. NMAC a "*Recycling containment*" is a storage containment which incorporates a synthetic liner as the primary and secondary containment device and is used solely in conjunction with a recycling facility for the storage, treatment or recycling of produced water only for the purpose of drilling, completion, production or plugging of wells used in connection with the development of oil or gas or both. This AST containment falls within this definition and must meet all applicable requirements of a Recycling Containment in Rule 19.15.34 NMAC.

The recycling facility will consist of up to thirty 400 bbl vertical frac tanks with a consolidated volume of 12,000 bbls to treat (mechanical and chemical reconditioning process) produced water for reuse. DJR will only set as many tanks anticipated to be needed based on incoming volumes and extent of treatment necessary. As defined in 19.15.34.7 A. NMAC a "Recycling facility" is a stationary or portable facility used exclusively for the treatment, re-use or recycling of produced water. A recycling facility does not include oilfield equipment such as separators, heater treaters and scrubbers in which produced water may be used. These tanks will be used as upright gun barrel oil water separators. This oil separation process will prevent having any visible layer of oil on the surface of the recycling containment in accordance with Rule 19.15.34.13 B.(1).

Per 19.15.34.9 A. water (produced water and Entrada water) stored/processed through this temporary recycling facility and containment will be used as part of a permitted operation for drilling, completing, and producing DJR Operating, LLC and Enduring Resources, LLC wells.

See Exhibit A for site survey plat and Exhibit B for a site diagram of the proposed AST and recycling facility layout. This facility will not be used for the disposal of produced water.

The GCU M26A AST Pad is located at 36.188771° N, -107.445943° W, within Section 26 and Section 35, Township 23N, Range 06W, in Sandoval County, New Mexico. The site is located on federal lands managed by the Bureau of Land Management Farmington Field Office (BLM FFO). DJR is the operator of the applicable oil and gas mineral rights at this location.

BLM FFO has been notified and approved of this site for water storage and water recycling. This AST was planned as associated infrastructure to DJR's Gallo Canyon Unit 2306-M26A well pad project and permitted via six approved Applications for Permit to Drill from this location. See Exhibit C, approved Form 3160-3 Application for Permit to Drill or Reenter for the Gallo Canyon Unit 2306-M26A 303H (30-043-21489) one of the six approved APDs detailing use of this AST pad. Additionally, per New Mexico Oil Conservation Division (NMOCD) Form C-

147, DJR will provide A copy of this registration package to the BLM FFO concurrently with the submittal to the division.

This document provides supplemental information to NMOCD Form C-147 that is required for registration, including siting criteria and demonstrations, design and construction plan, operating and maintenance plan, closure plan, closure and site reclamation requirements, and surface owner notification.

Upon approval of this registration, the recycling containment located at this facility will be operated for up to five years.

If the AST containment is found to be needed beyond five years, DJR will submit annual extensions to NMOCD on Form C-147 at least 30 days prior to expiration. The extension request will include a summary of all monthly inspections of the containment, including monitoring of the leak detection system indicating that the containment's integrity has not been compromised.

#### 2. SITING CRITERIA

#### 2.1. Depth to Groundwater 19.15.34.11 A.(1)

Per 19.15.34.11 B. NMAC, DJR requests use of POD SJ-04346 in the Northwest ¼ of the Northeast ¼ of Section 11, Township 22N, Range 06W. The nearest water wells with groundwater depth data are SJ-01156 located in Section 18, Township 23 North, Range 06 West, at an elevation of approximately 6,900 feet and about 5.8 miles northwest of the AST pad. New Mexico Office of the State Engineer (NM-OSE) reports depth to groundwater for this well at 200 feet. SJ-04054 is located approximately 8 miles northwest in Section 14, Township 23 North, Range 06 West at an elevation of about 7,200 feet. The reported depth to groundwater for this well is 180 feet according to the NM-OSE. There are wells closer to the GCU M26A AST pad, but there are no available data on depth to groundwater or well depth.

The GCU M26A AST pad is located at about 6,900 feet in elevation on a low mesa approximately 100 feet above an unnamed tributary of Venado Canyon. Based on a review of the NM-OSE iWATERS database and Hydrologic Report 6<sup>1</sup>, groundwater depth is expected to be greater than 50 feet below the bottom of the recycling containment at this location. See Exhibit D for the water well summary. Additional average depth to ground water information can be found below.

Average, Minimum, and Maximum depth to ground water within T23N R06W = 200', 200', 200'

Average, Minimum, and Maximum depth to ground water within T23N R07W = 540', 180', 900'

Average, Minimum, and Maximum depth to ground water within T23N R05W = No data available

Average, Minimum, and Maximum depth to ground water within T24N R07W = 450', 400', 500'

#### 2.2. Distance to Surface Water 19.15.34.11 A.(2)

There are no continuously flowing watercourses within 300 feet; nor, any other significant watercourse or lakebeds, sinkholes, or playa lakes within 200 feet of the proposed AST.

DJR contracted Barr Engineering Co. (Barr) in June of 2025 to assess all surrounding drainages per 19.15.34.11 A.(2) NMAC. In the report provided to DJR, Barr Summarized the following. This report is attached hereto as Exhibit F:

Based on the regulatory framework (Section 1), evaluation of the survey area, and the USACE Albuquerque District's current policies regarding jurisdictional determinations, it is Barr's professional opinion that under the current CWA rule, there are no features present in the survey area that would be considered jurisdictional WOTUS.

<sup>&</sup>lt;sup>1</sup> Stone, W. J., F. P. Lyford, P. F. Frenzel, N. H. Mixell, and E. T. Padgett. 1983. Hydrogeology and Water Resources of San Juan Basin, New Mexico. New Mexico Bureau of Mines and Mineral Sources. Hydrologic Report 6. Table 1, Page 82.

Pursuant to 19.15.34 NMAC, all channels were classified as ephemeral using the Beta Streamflow Duration Assessment Method for the Arid West of the United States (Mazor et al, 2023). The freshwater pond within 500 feet of the site does not have a defined inlet or outlet and appears to be fed by sheet flow during precipitation events via a road culvert. No wetlands were associated with the pond or observed within the 500-foot buffer. There are no FEMA 100-year flood zones in the survey area.

These conclusions are based on Barr's professional opinion. The USACE has the final regulatory authority to determine the presence and extent of jurisdictional WOTUS. The NMOCD has the final regulatory authority for determining the presence of continuously flowing watercourses, significant watercourses, or wetlands, as well as their boundaries, for the purposes of permitting and registration applicable to 19.15.34 NMAC.

#### 2.3. Distance to Structures 19.15.34.11 A.(3)

The recycling containment is not located within 1,000 feet of a permanent residence, school, hospital, institution, or church in existence at the time of this application. As shown on the aerial map in Exhibit E Map 2, there are no permanent residences, schools, hospitals, institutions, or churches within the 1000-foot buffer ring of the staging area. A field visit verified there have been no new structures erected since the aerial imagery was obtained.

#### 2.4. Distance to Non-Public Water Supply and Springs 19.15.34.11 A.(4)

The recycling facility/containment is not located within 500 horizontal feet of a spring or fresh water well used for domestic or stock watering purposes in existence at the time of this application as shown on Exhibit E Map 1 and 2. Map 1 shows wells and springs/seeps regardless of use type in the surrounding area and Map 2 shows that no water wells, springs, or seeps are located within the 500-foot buffer of the pad. The nearest fresh water well according to NM-OSE for domestic or stock water use is referenced above in subsection 2.1 at 4,700 feet away. The nearest spring/seep according to the National Hydrologic Dataset (NHD) is 7.4 miles South-Southwest.

The pond southwest of the AST pad within the 500-foot buffer ring on Exhibit E Map 2 is a manmade dirt tank that has since silted in. There are no nearby springs/seeps or water wells that would have supplied water to this dirt tank.

#### 2.5. Distance to Municipal Boundaries and Defined Municipal Fresh Water Well Fields 19.15.34.11 A.(5)

The recycling facility is not within any incorporated municipal boundaries nor within a defined municipal fresh water well field covered by a municipal ordinance adopted pursuant to Section 3-27-3 NMSA 1978, as amended. Please see Exhibit E Map 1 showing the nearest municipal boundary being Bloomfield New Mexico approximately 56.5 miles Northwest.

#### 2.6. Distance to Wetland 19.15.34.11 A.(6)

The recycling facility/containment is not located within 500 feet of a wetland per the evidence provided below and detailed in the Aquatic Resource Delineation Technical Memorandum attached hereto as Exhibit F.

According to the US Fish and Wildlife Service National Wetland Inventory (NWI) and Exhibit E Map 2, the proposed site is located within 500 feet of an ephemeral drainage that has been mapped as "Riverine" with classification code: R4SBJ and within 500-feet of a pond with classification code: PUS2Jh. Please see decoded descriptions below from US Fish and Wildlife Service for each of these.

#### R4SBJ:

System Riverine (R): The Riverine System includes all wetlands and deepwater habitats contained within a channel, with two exceptions: (1) wetlands dominated by trees, shrubs, persistent emergents, emergent mosses, or lichens, and (2) habitats with water containing ocean-derived salts of 0.5 ppt or greater. A channel is an open conduit either naturally or artificially created which periodically or continuously contains moving water, or which forms a connecting link between two bodies of standing water.

Subsystem **Intermittent (4)**: This Subsystem includes channels that contain flowing water only part of the year. When the water is not flowing, it may remain in isolated pools or surface water may be absent.

Class **Streambed (SB)**: Includes all wetlands contained within the Intermittent Subsystem of the Riverine System and all channels of the Estuarine System or of the Tidal Subsystem of the Riverine System that are completely dewatered at low tide.

Water Regime Intermittently Flooded (J): The substrate is usually exposed, but surface water is present for variable periods without detectable seasonal periodicity. Weeks, months, or even years may intervene between periods of inundation. The dominant plant communities under this Water Regime may change as soil moisture conditions change. Some areas exhibiting this Water Regime do not fall within our definition of wetland because they do not have hydric soils or support hydrophytes. This Water Regime is generally limited to the arid West.

#### PUS2Jh:

System **Palustrine** (**P**): The Palustrine System includes all nontidal wetlands dominated by trees, shrubs, persistent emergents, emergent mosses or lichens, and all such wetlands that occur in tidal areas where salinity due to ocean-derived salts is below 0.5 ppt. It also includes wetlands lacking such vegetation, but with all of the following four characteristics: (1) area less than 8 ha (20 acres); (2) active wave-formed or bedrock shoreline features lacking; (3) water depth in the deepest part of basin less than 2.5 m (8.2 ft) at low water; and (4) salinity due to ocean-derived salts less than 0.5 ppt.

Class Unconsolidated Shore (US): Includes all wetland habitats having two characteristics: (1) unconsolidated substrates with less than 75 percent areal cover of stones, boulders or bedrock and; (2) less than 30 percent areal cover of vegetation. Landforms such as beaches, bars, and flats are included in the Unconsolidated Shore class.

Subclass **Sand (2)**: The unconsolidated particles smaller than stones are predominantly sand, although finer or coarser sediments may be intermixed.

Water Regime Intermittently Flooded (J): The substrate is usually exposed, but surface water is present for variable periods without detectable seasonal periodicity. Weeks, months, or even years may intervene between periods of inundation. The dominant plant communities under this Water Regime may change as soil moisture conditions change. Some areas exhibiting this Water Regime do not fall within our definition of wetland because they do not have hydric soils or support hydrophytes. This Water Regime is generally limited to the arid West.

Special Modifiers **Diked/Impounded (h)**: These wetlands have been created or modified by a man-made barrier or dam that obstructs the inflow or outflow of water.

The data used and displayed near the project area on the US Fish and Wildlife Service Wetland Inventory was mapped as described in the San Juan, Estancia Basin, and Sante Fe County, NM - Supplemental Map Information document as follows:

All feature creation and attribution was completed with on-screen digitization procedures using Esri, ArcGIS Pro 2.7.0, and ArcMap 10.7.1, with advanced editing tools.

The wetland mapping of this project involved an area-wide inventory of wetlands and non-wetland riparian habitats using 2018, year color infrared and true-color aerial imagery. Fieldwork review was conducted for the purpose of verification of wetland features and non-wetland features and a "selective key" of photo-signatures was created. This baseline information served as a guide for identifying and classifying features (as interpreted from the project imagery) within the NWI (version 2.0), and the Landscape Position Landform Water Flow Path and Water Body Type (LLWW, version 2) Classification Systems.

Since the Wetlands Inventory is identified and mapped from a desktop perspective utilizing photo-signatures the resulting data is a desktop approximation of potential wetlands and non-wetland riparian habitat. Thus, field

investigation is necessary to confirm or deny wetland status based on the presents of hydric soils or support hydrophytes.

DJR contracted Barr Engineering Co. (Barr) in June of 2025 to assess all surrounding drainages per 19.15.34.11 A.(2) NMAC. In the report provided to DJR, Barr Summarized the following. This report is attached hereto as Exhibit F:

The field survey verified the absence of a freshwater pond and any associated wetlands (Map 1; Photograph 1) There is no defined inlet or outlet to the pond, which is fed by seasonal precipitation, snowmelt, and runoff via a culvert placed in the existing road. The NWI mapped R4SBJ channel was assessed and did not support a defined channel with an OHWM (Photograph 3). The intermittent stream mapped on the NHD did not have a defined channel; however, there is an ephemeral feature located outside the 200-foot buffer Photograph 4; GC-9 as shown on Map 1).

#### 2.7. Distance to Subsurface Mines 19.15.34.11 A.(7)

According to New Mexico Energy, Minerals and Natural Resources Department (EMNRD) Mining and Minerals Divisions database, there are no subsurface mines in Township 23N, Range 06W, Sandoval County, New Mexico. See Exhibit E Map 1 showing mines regardless of status near the project area. The nearest EMNRD recorded permit is a Humate pit approximately 60 miles southwest.

#### 2.8. Site Stability 19.15.34.11 A.(8)

The recycling containment is not located in an unstable area. DJR's construction practices provide adequate compaction of the pad surface for the anticipated load of the recycling facility and AST containment.

The following additional best management practices will be implemented during pad construction to prevent equipment settling and ensure site stability.

- Prior to earthwork, all trees (if applicable) and slash/brush, will be mulched and incorporated into the topsoil. Tree roots and trucks will be removed from the site. The topsoil (vegetative root layer) and mulched organic matter will be stripped from location and windrowed along the perimeter of location. Topsoil will not be used for pad construction as the organic matter mixed within the soil prevents adequate compaction.
- Subsoil horizons will be utilized to construct a balanced (high areas are cut and used to fill low areas) location. Fill slopes will be deposited and compacted in approximate 6-inch lifts with optimal soil moisture content.
- No soil deemed too wet from inclement weather will be utilized for construction as adequate compaction cannot be achieved. Additionally, if construction occurs during winter months, the frost layer if applicable will be stripped and sub frost line soil horizons utilized for construction to achieve adequate compaction that will not settle with warming temperatures.
- Cut and fill slopes around location will be 3:1 or better to ensure surface and slope stability.
- The windrowed topsoil and any additional diversions found to be necessary are used to prevent surface sheet flow from entering location.
- The containment will have a properly constructed foundation consisting of a firm, unyielding base, smooth and free of rocks, debris, sharp edges or irregularities to prevent the liner's rupture or tear.

Other factors contributing to site stability include:

- Per 19.15.34.11 A.(7) the location is not in an area overlying a subsurface mine according to the New Mexico EMNRD Mining and Minerals Divisions database.
- This area of New Mexico is not known for underlying caves and karst features.

#### 2.9. Distance to 100-Year Floodplain 19.15.34.11 A.(9)

The recycling facility/containment is not located within a 100-year (1% annual) floodplain. As shown in Exhibit E Map 2, the project is in Zone X (area of minimal flood hazard). The nearest 100-year flood hazard area within the same watershed shown in Exhibit E Map 2 is 0.91 miles southeast.

#### 3. Design and Construction Specifications

Pursuant to 19.15.34.12 NMAC, the following Design Plan presents the minimum standards and specifications for the design and construction of the proposed recycling containment at the Gallo Canyon 2306 M26A AST Pad. The facility and recycling containment have been designed to prevent release and potential overtopping due to wave action (by wind) or rainfall. To supplement the information provided below, the manufacturers specifications for the design and construction of the aboveground containment are provided as Exhibit G.

#### 3.1. Foundation Construction

The containment AST will be constructed on DJR's Gallo Canyon Unit 2306 M26A Pad. The AST footprint will have a properly constructed foundation consisting of a firm, unyielding base, smooth and free of rocks, debris, sharp edges or irregularities to prevent the liner's rupture or tear. The containment will ensure confinement of produced water, to prevent releases and to prevent overtopping due to wave action or rainfall. Geotextile is used under the liner to reduce localized stress-strain or protuberances that otherwise may compromise the liner's integrity. The containment is above ground and is not subject to water run-on.

#### 3.2. Liner and Leak Detection

The containment will be Well Water Solutions and Rentals, Inc. or similar double-lined frac water tank system. These tank systems are designed to incorporate a 40-mil thickness LLDPE primary (upper) string-reinforced liner and a 30-mil LLDPE secondary (lower) string- reinforced liner. The primary liner is designed to be impervious, synthetic material that will resist deterioration by ultraviolet light, petroleum hydrocarbons, salt solutions, and acidic/alkaline solutions. Liners meet or exceed the compatibility requirements of EPA SW-846 Method 9090A. Steel bolts secure the liners to the top of the AST tank. Specifications provided by Well Water Solutions and Rentals, Inc. are attached as Exhibit G.

Liner seams are minimized and are oriented vertically up and down the containment walls, not horizontally across the containment. Factory welded seams are incorporated, where possible. Field seams, welding, and testing on the geosynthetic liners is performed by a manufacturer qualified person. For any field welded seams, liners will overlap 4 to 6 inches and be thermally sealed. Field seams are avoided or minimized in corners and irregularly shaped areas.

At a points of discharge into, or suction from, the recycling containment, the liner is protected from excessive hydrostatic force or mechanical damage. External discharge or suction lines do not penetrate the liners.

A leak detection system is installed between the upper and lower liners of the containment and consists of a 200-mil geonet drainage layer. The leak detection system covers the bottom and sides of the containment and includes a minimum of 3 feet of freeboard. A 6-inch PVC pipe is inserted in the sump at the bottom of the containment and between the liners. Each containment is slightly sloped, with the sump placed at the location with the lowest elevation to facilitate the earliest possible leak detection. A schematic of the leak detection system is included in Exhibit G.

The sump piping is checked weekly with a water-level meter to determine if leakage is occurring through the primary liner. If water is detected in the leak detection sump, water will be removed to assess if water returns indicating a leak in the primary liner. Controls for surface water run-on is not needed due to the containment being above ground level.

#### 3.3. Signage

The facility will have a sign no less than 12-inches by 24-inches with lettering not less than 2-inches in height in a conspicuous place near the facility entrance. The sign will contain the operator's name, location of the facility by quarter-quarter or unit letter, Section, Township, Range, and emergency phone numbers.

#### 3.4. Entrance Protection

Please see variance request attached as Exhibit H.

With the recycling containment being an AST with 12-foot wall height, entrance to containment would have to be intentional. There is no risk of accidental entrance into the containment by wildlife or the public. The site will be maintained to prevent harm to wildlife and the public.

#### 3.5. Netting

DJR will install bird netting provided by the tank manufacturer over the containment. The netting will be inspected monthly for disrepair. The containment will be inspected weekly for dead migratory birds. DJR will report dead migratory birds and/or other wildlife to the appropriate wildlife agency, surface management agency, and NMOCD.

### 4. MAINTENANCE AND OPERATING PLAN

#### 4.1. Inspection Timing and Maintenance

Pursuant to 19.15.34.13 NMAC, DJR will follow the maintenance and operational requirements described below. At a minimum, DJR will perform weekly inspections on the containment and leak detection system while the containment holds fluid. DJR will maintain records and make them available for review by NMOCD.

- If fluids are found in the sump, the fluids will be sampled and then pumped out.
- DJR will remove any visible oil from the surface of the containment upon discovery.
- DJR will maintain a minimum of 3 feet of freeboard in the containment at all times.
- The injection and withdrawal of fluids from the containment shall be accomplished through a header, diverter or other hardware that prevents damage to the liner by erosion, fluid jets or impact from installation and removal of hoses or pipes.
- If a leak is discovered in the containments' primary liner above the liquid level in the containment, DJR will repair the primary liner within 48 hours, or request an extension on repair within the 48-hour time limit.
- If a leak is discovered in the containments' primary liner below the liquid level in the containment, DJR will notify the division office of the leak, remove all fluids above the leak level, and repair the primary liner within 48 hours, or request an extension on repair within the 48-hour time limit.
- The facility will be operated in such a way to prevent the collection of surface water.
- An oil absorbent boom or other device will be onsite to contain an unanticipated release.
- The facility will not be used for the storage or discharge of hazardous waste.

#### 4.2. Reporting and Record Keeping

During operation of the recycling facility, DJR will keep accurate records and report monthly to NMOCD the total volume of water received for recycling, with the volume of fresh water received listed separately, and the total volume of water leaving the facility for disposition of use. Water volume totals will be submitted on NMOCD Form C-148. Accurate records identifying the sources and disposition of recycled water will be maintained during the operation of the facility and made available for review to NMOCD upon request.

#### 4.3. Cessation of Operations

DJR will consider the recycling containment to have ceased operations if less than 20% of the total fluid volume is used every six (6) months following the first withdrawal of produced water for use. DJR will report cessation of operations to the appropriate NMOCD district office. If additional time is needed for closure, DJR will request an extension from the appropriate NMOCD district office prior to the expiration of the initial six (6) month time period.

#### 5. CLOSURE PLAN

Pursuant to 19.15.34.14 NMAC, the activities summarized below describe the closure and reclamation requirements for the GCU M26A AST Pad. Within 60 days of closure completion, DJR will submit a closure report on NMOCD

Form C-147 and include required attachments to document all closure activities, sampling results, and details on backfilling, capping, or covering, where applicable.

#### 5.1. Containment Closure

DJR will remove all fluids from the facility and containment within 60 days from the date that operations cease and close the containment from use within six months from the date that DJR ceases operations. Alternatively, DJR can request an extension for the removal of fluids from NMOCD not to exceed an additional two months. DJR can also request an extension for the closure of the containment, not to exceed an additional six months.

DJR will remove all fluids, contents, synthetic liners, and leak detection piping and transfer these materials to an NMOCD-approved facility for disposal. All other equipment associated with the recycling containment and recycling facility will be removed from the site.

#### 5.2. Closure Soil Sampling

Once the containment is removed, DJR will test the soils beneath for contamination with a five-point composite sample which includes stained or wet soils, if any, and that sample shall be analyzed for the constituents listed in the following table:

TABLE 1. CONTAMINATED SOIL TEST CONSTITUENTS

Constituents	Test Method	Groundwater Depth 51 – 100 Feet	Groundwater Depth >100 Feet
Chloride	EPA 300.0	10,000 mg/kg	20,000 mg/kg
TPH (GRO+DRO+MRO)	EPA SW-846 Method 8015M	2,500 mg/kg	2,500 mg/kg
GRO + DRO	EPA SW-846 Method 8015M	1,000 mg/kg	1,000 mg/kg
BTEX	EPA SW-846 Method 8021B or 8260B	50 mg/kg	50 mg/kg
Benzene	EPA SW-846 Method 8021B or 8260B	10 mg/kg	10 mg/kg

If any contaminant concentration is higher than the parameter limits listed above, NMOCD may require additional delineation upon review of the results and DJR must receive approval before proceeding with closure. If all contaminant concentrations are less than or equal to the parameter limits listed above, then DJR can proceed to backfill with non-waste containing, uncontaminated, earthen material.

#### 5.3. Reclamation

The location will be reclaimed upon completion of use in accordance with the reclamation plan attached to the Gallo Canyon Unit 303H approved APD. This reclamation plan was developed with, and approved by, the surface managing agency.

## EXHIBIT A. PLAT

# 10/23/2025 2:02:23 OCD: p)

#### **CENTER OF PAD**

LATITUDE: 36.188771° N LONGITUDE: 107.445943° W DATUM: NAD83

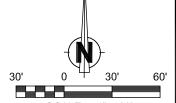
### DJR OPERATING, LLC GALLO CANYON UNIT #309H

G-TANK AND STAGING AREA

LOCATED IN THE SW/4 SW/4 OF SECTION 26 AND THE NW/4 NW/4 OF SECTION 35 T23N, R6W, N.M.P.M.,

SANDOVAL COUNTY, NEW MEXICO

FINISHED PAD ELEVATION: 6936.0', NAVD 88



Imaging: 11/20/2025 1:00:01

9

Released

4800 COLLEGE BLVD.

SUITE 201 FARMINGTON, NM 87402 (505)-325-7707

- 1.) BASIS OF BEARING: BETWEEN FOUND MONUMENTS AT THE SOUTHEAST CORNER AND THE SOUTHWEST CORNER OF SECTION 26, TOWNSHIP 23 NORTH, RANGE 6 WEST, N.M.P.M. SANDOVAL COUNTY, NEW MEXICO. LINE BEARS: N 89 32 06" W A DISTANCE OF 5243.24 FEET AS MEASURED BY G.P.S AND BASED ON THE N.M.S.P. COORDINATE SYSTEM (WEST ZONE).
- 2.) LATITUDE, LONGITUDE AND ELLIPSOIDAL LEIGHT BASED ON AZTEC CORS L1 PHASE CENTER.

  DISTANCES SHOWN ARE GROUND
- DISTANCES USING A TRAVERSE MERCATOR PROJECTION FROM A WGS84 ELLIPSOID, CONVERTED TO NAD83.
  NAVD88 ELEVATIONS AS PREDICTED BY
- 3.) LOCATION OF UNDERGROUND UTILITIES DEPICTED ARE APPROXIMATE. PRIOR TO EXCAVATION UNDERGROUND UTILITIES SHOULD BE FIELD VERIFIED. ALL
  CONSTRUCTION ACTIVITIES SHOULD BE FIELD VERIFIED WITH NEW MEXICO ONE-CALL AUTHORITIES AT LWEST 48 HOURS PRIOR TO CONSTRUCTION.
- 4.) T-POSTS HAVE BEEN SET TO DEFINE THE EDGE OF DISTURBANCE LIMITS WHICH ARE 50' OFFSETS FROM THE EDGE OF THE STAKED WELL PAD.

CHENAULT CONSULTING, INC. IS NOT LIABLE FOR UNDERGROUND UTILITIES OR PIPELINES. CONTRACTOR SHOULD CALL ONE-CALL FOR LOCATION OF ANY MARKED OR UNMARKED, BURIED PIPELINES OR CABLES ON WELL PAD, IN CONSTRUCTION ZONE AND/OR ACCESS ROAD AT LEAST TWO (2) WORKING DAYS PRIOR TO CONSTRUCTION.

~ SURFACE OWNERSHIP ~ BUREAU OF LAND MANAGEMENT

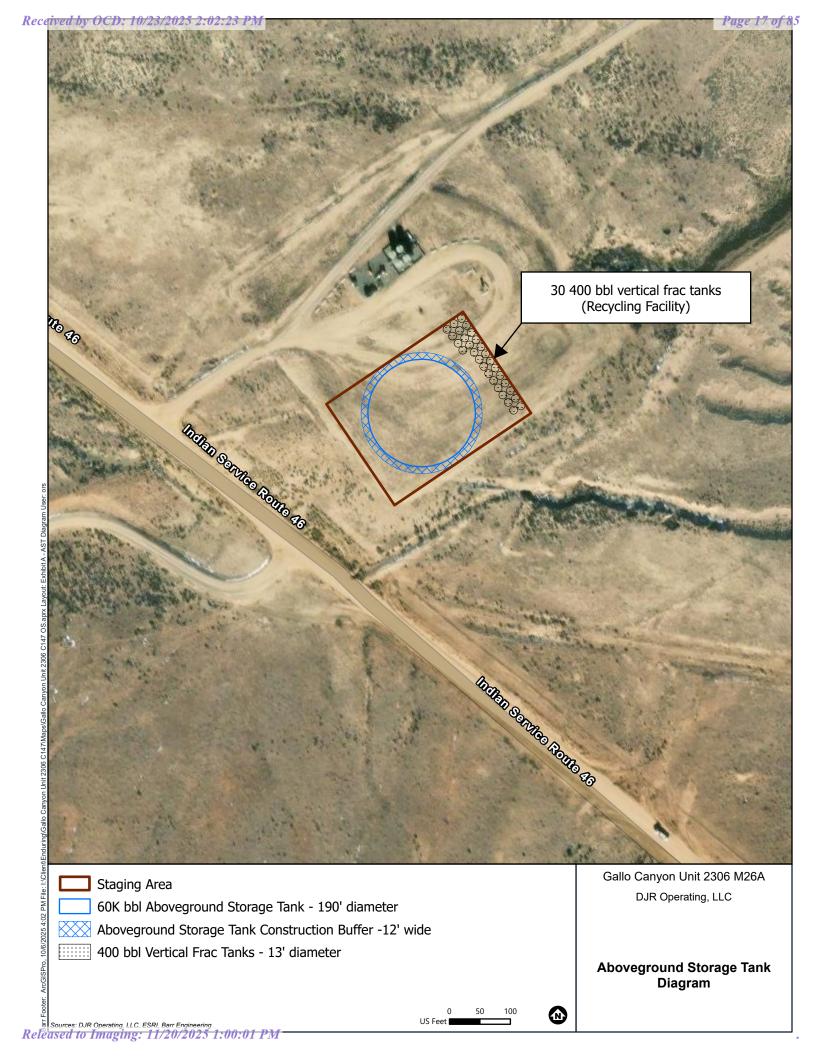
TOTAL PERMITTED AREA 270' x 200' = 1.2409 ACRES

DJR OPERATING, LLC

SCALE: 1" = 100' DATE: 08/27/20 DRAWN BY: GRR



# EXHIBIT B. RECYCLING FACILITY AND RECYCLING CONTAINMENT SITE DIAGRAM



## **EXHIBIT C. SURFACE OWNER NOTIFICATION**

Form 3160-3 FORM APPROVED OMB No. 1004-0137 (June 2015) Expires: January 31, 2018 **UNITED STATES** DEPARTMENT OF THE INTERIOR 5. Lease Serial No. BUREAU OF LAND MANAGEMENT APPLICATION FOR PERMIT TO DRILL OR REENTER 6. If Indian, Allotee or Tribe Name 7. If Unit or CA Agreement, Name and No. DRILL REENTER 1a. Type of work: 1b. Type of Well: Oil Well Gas Well Other 8. Lease Name and Well No. 1c. Type of Completion: Hydraulic Fracturing Single Zone Multiple Zone 2. Name of Operator 9. API Well No. 30-043-21489 3a. Address 3b. Phone No. (include area code) 10. Field and Pool, or Exploratory 4. Location of Well (Report location clearly and in accordance with any State requirements.\*) 11. Sec., T. R. M. or Blk. and Survey or Area At surface At proposed prod. zone 14. Distance in miles and direction from nearest town or post office\* 12. County or Parish 13. State 15. Distance from proposed\* 16. No of acres in lease 17. Spacing Unit dedicated to this well location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 18. Distance from proposed location\* 19. Proposed Depth 20. BLM/BIA Bond No. in file to nearest well, drilling, completed, applied for, on this lease, ft. 21. Elevations (Show whether DF, KDB, RT, GL, etc.) 22. Approximate date work will start\* 23. Estimated duration 24. Attachments The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, and the Hydraulic Fracturing rule per 43 CFR 3162.3-3 (as applicable) 1. Well plat certified by a registered surveyor. 4. Bond to cover the operations unless covered by an existing bond on file (see 2. A Drilling Plan. Item 20 above). 3. A Surface Use Plan (if the location is on National Forest System Lands, the 5. Operator certification. SUPO must be filed with the appropriate Forest Service Office). 6. Such other site specific information and/or plans as may be requested by the 25. Signature Name (Printed/Typed) Date Title Approved by (Signature) Name (Printed/Typed) Date Title Office Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon. Conditions of approval, if any, are attached. Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction Dean R Molline

APPROVED WITH CONDITIONS

01/31/2022

(Continued on page 2)

\*(Instructions on page 2)

## EXHIBIT D. GROUND WATER REPORT



## Water Column/Average Depth to Water

(A CLW#####
in the POD
suffix indicates

suffix indicates the POD has been replaced & no longer serves a water right file.) (R=POD has been replaced, O=orphaned, C=the file is closed)

(quarters are smallest to largest)

(In feet)

POD Number	Code	Sub basin	County	Q64	Q16	Q4	Sec	Tws	Range	X	Y	Мар	Well Depth	Water Column
SJ 00274 S-2		SJ	SA		SW	SW	16	23N	05W	286665.0	4010877.0 *	•	600	
<u>SJ 01189</u>		SJ	SJ		SE	SE	17	23N	05W	286267.0	4010899.0 *	•	675	

Average Depth to Water: **0 feet** 

Minimum Depth: 0 feet

Maximum Depth: 0 feet

**Record Count:** 2

**Basin/County Search:** 

Basin: SJ

PLSS Search: Range: 05W Township: 23N

\* UTM location was derived from PLSS - see Help

The data is furnished by the NMOSE/ISC and is accepted by the recipient with the expressed understanding that the OSE/ISC make no warranties, expressed or implied, concerning the accuracy, completeness, reliability, usability, or suitability for any particular purpose of the data.



## Water Column/Average Depth to Water

(A CLW#### in the POD suffix indicates the POD has been replaced & no longer serves a water right file.)

(R=POD has been replaced, O=orphaned, C=the file is closed)

(quarters are smallest to largest)

(In feet)

POD Number	Code	Sub basin	County	Q64	Q16	Q4	Sec	Tws	Range	X	Y	Мар		Depth Water	Water Column
SJ 01507		SJ	RA	SW	SW	SE	10	23N	07W	269889.0	4013098.0 *	•	1709	900	809
<u>SJ 02233</u>		SJ	RA	NW	NW	NE	15	23N	07W	269856.0	4012864.0 *	•	1100		
<u>SJ 04054 POD1</u>		SJ	RA			NW	14	23N	07W	270627.2	4012298.4	•	273	180	93

Average Depth to Water: 540 feet

Minimum Depth: 180 feet

Maximum Depth: 900 feet

**Record Count:** 3

**Basin/County Search:** 

Basin: SJ

PLSS Search: Range: 07W Township: 23N

\* UTM location was derived from PLSS - see Help

The data is furnished by the NMOSE/ISC and is accepted by the recipient with the expressed understanding that the OSE/ISC make no warranties, expressed or implied, concerning the accuracy, completeness, reliability, usability, or suitability for any particular purpose of the data.



## Water Column/Average Depth to Water

CLW##### in the POD the POD has

suffix indicates (R=POD has been replaced replaced, O=orphaned, & no longer serves a water C=the file is right file.) closed)

(quarters are smallest to largest)

(In feet)

POD Number	Code	Sub basin	County	Q64	Q16	Q4	Sec	Tws	Range	X	Y	Мар		Depth Water	Water Column
<u>SJ 00681 37</u>		SJ	RA	NE	NW	NW	15	24N	07W	269408.0	4022501.0 *	•	190		
<u>SJ 00681 39</u>		SJ	RA	SE	NE	NE	18	24N	07W	265824.0	4022392.0 *	•	1825	500	1325
<u>SJ 01131</u>		SJ	RA		NW	SE	19	24N	07W	265313.0	4020131.0 *	•	1700	400	1300
SJ 01335		SJ	RA			NW	31	24N	07W	264672.0	4017581.0 *	•	185		

Average Depth to Water: 450 feet

Minimum Depth: 400 feet

Maximum Depth: 500 feet

**Record Count:** 4

**Basin/County Search:** 

Basin: SJ

**PLSS Search:** Range: 07W Township: 24N

\* UTM location was derived from PLSS - see Help

The data is furnished by the NMOSE/ISC and is accepted by the recipient with the expressed understanding that the OSE/ISC make no warranties, expressed or implied, concerning the accuracy, completeness, reliability, usability, or suitability for any particular purpose of the data.



## Water Column/Average Depth to Water

(A CLW#### in the POD suffix indicates the POD has been replaced & no longer serves a water right file.)

(R=POD has been replaced, O=orphaned, C=the file is closed)

(quarters are smallest to largest)

(In feet)

POD Number	Code	Sub basin	County	Q64	Q16	<b>Q4</b>	Sec	Tws	Range	X	Y	Мар	Well Depth	Depth Water	Water Column
<u>SJ 00681 14</u>		SJ	RA		SW	SE	24	24N	06W	282864.0	4019157.0 *	•	127		
SJ 04279 POD10		SJ	RA		NE	SE	24	24N	06W	283227.3	4019485.4	•	45	33	12
<u>SJ 04279 POD2</u>		SJ	RA		NE	SE	24	24N	06W	283224.8	4019476.2	•	45	34	11
SJ 04279 POD3		SJ	RA		NE	SE	24	24N	06W	283203.2	4019471.2	•	44	31	13
<u>SJ 04279 POD4</u>		SJ	RA		NE	SE	24	24N	06W	283212.3	4019475.6	•	49	37	12
<u>SJ 04279 POD5</u>		SJ	RA		NE	SE	24	24N	06W	283222.9	4019467.6	•	45	32	13
<u>SJ 04279 POD6</u>		SJ	RA		NE	SE	24	24N	06W	283210.0	4019461.1	•	45	32	13
<u>SJ 04279 POD7</u>		SJ	RA		NE	SE	24	24N	06W	283203.2	4019471.2	•	45	34	11
SJ 04279 POD8		SJ	RA		NE	SE	24	24N	06W	283211.1	4019467.9	•	34		
SJ 04279 POD9		SJ	RA		NE	SE	24	24N	06W	283239.0	4019484.8	•	50	38	12

Average Depth to Water: 33 feet

Minimum Depth: 31 feet

Maximum Depth: 38 feet

**Record Count:** 10

**Basin/County Search:** 

Basin: SJ

PLSS Search: Range: 06W Township: 24N

\* UTM location was derived from PLSS - see Help

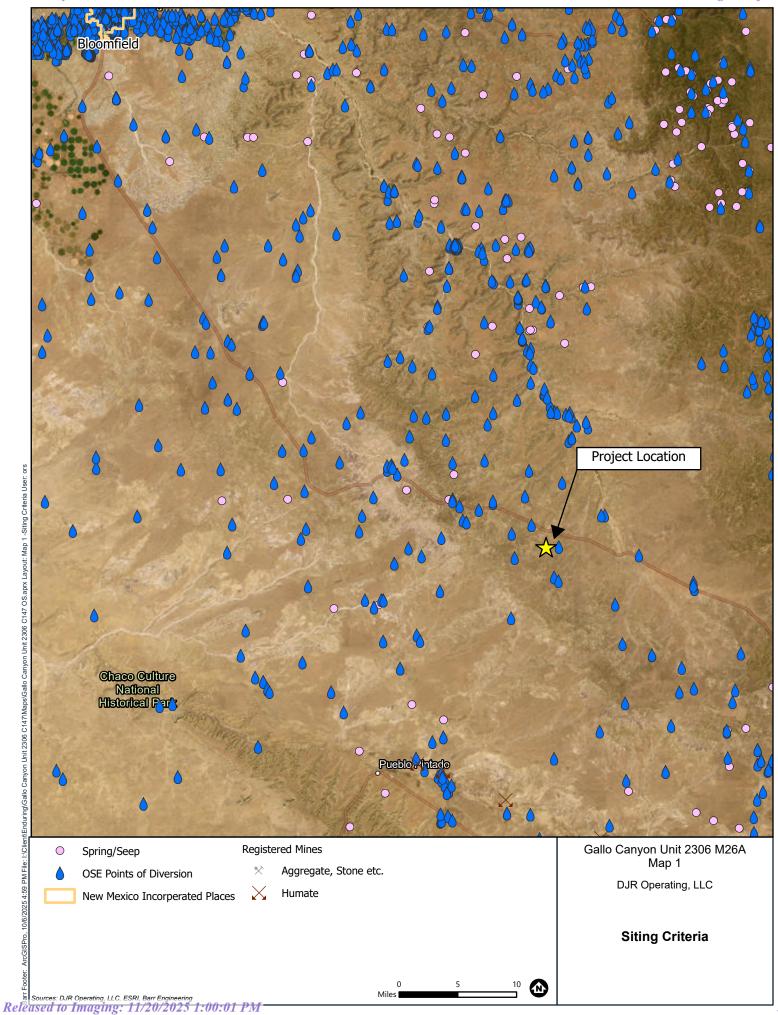
The data is furnished by the NMOSE/ISC and is accepted by the recipient with the expressed understanding that the OSE/ISC make no warranties, expressed or implied, concerning the accuracy, completeness, reliability, usability, or suitability for any particular purpose of the data.

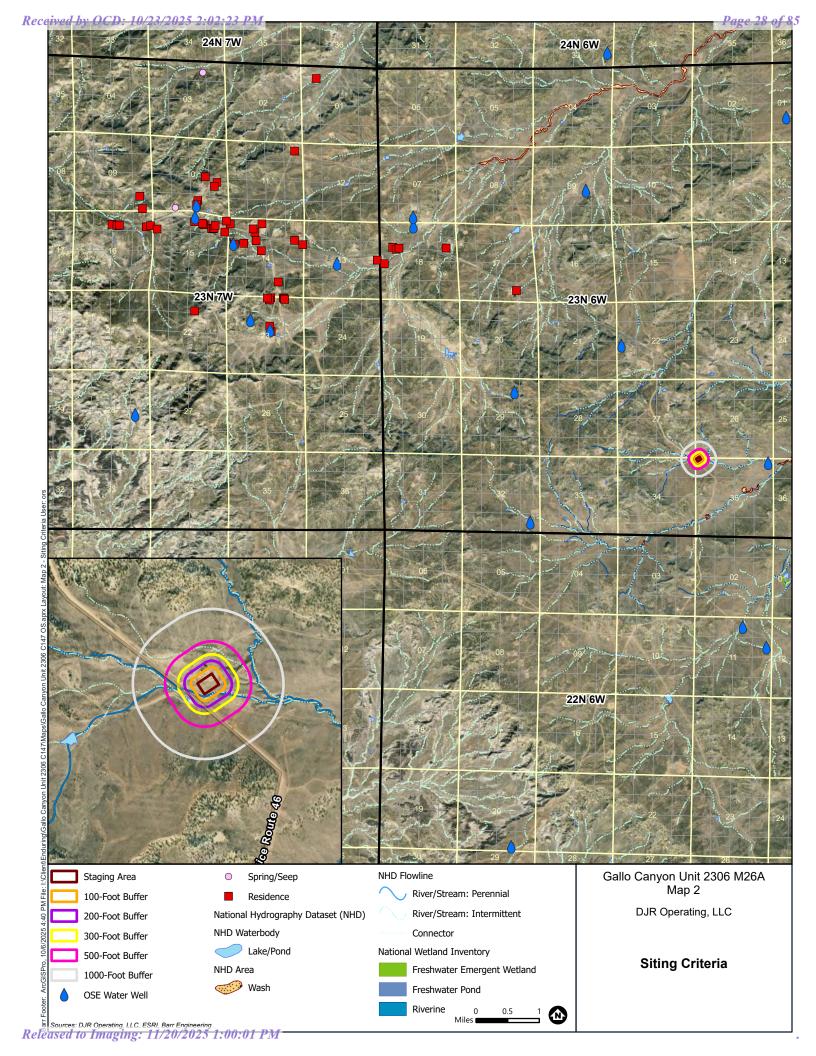
Table 1--page 82 of 15: from Lydn Right

Location	Latitude- Longitude	Number or name	Derth (feet)	tore tore (feet)	Hepth to Water (feet)	Date	Producing interval (feet)	Principal water- bearing unit(s)	conduct- ance (umhos at 25 C)	Date	Logs available	Reference	Draw- down (feet)	Dis- charge (gal/ min)	Dura- tion (hours)	Remarks /
23.03.15.234	361329 1070824	- :	· - ,	7,280	-		_	Tsj(?)	625	06-07-78	;-	-	• .	-	-	<u> </u>
23.03.20.32	361227 1071050	BIA		7,240	· -	06-20-58	•	Ts j	-		-	-	-	5E	-	Old E. Gonzales; Abandoned.
23.03.22.1	-	George Serafin	303	7,400	_	10-17-73	228-245 272-293	Tsj	-	-	•	. <del>-</del>	<b>-</b>	<u>.</u> .	· <u>-</u>	
23.03.30.2	•	BIA,	105	7,250		10-27-38	90-100	Tsjr	-	<del>-</del> ·.	DLR	' <b>j</b> ,	-	5	<b>-</b> .	5 gal/min in (1934.
23.04.07.4223	361412 1071721		<del>-</del> ·	6,906	-	- - 3	-	Tsj(?)	1,225	06-14-78	. · <del>-</del> .	<u>.</u> .	-	<u>.</u> ·		•
23.04.21.4231	361226 1071517	BIA-Gonzales Windmill	550	7,055	200	'49	`-	Ts j(?)	3,401	06-14-78	-	•	-	. <b>-</b>	. <del>-</del>	Same as 23.04.21.4241(?).
23.04.21.4241	361223 1071511		<del>-</del>	7,055			· ·	Tsj	1,200 *	05-01-58	-	• .	-		-	Same as 23.04.21.4231(?).
23.04.24.432	361217 1071217	BIA	- '	7,170	· .	05-09-58	· · <u>-</u>	Tsjr ,	2,120 *	05-09-58	-	j ·	<u>:</u>	-	-	New E. Gonzales(?)
23.04.33.1	-	Magnolia	-	7,020	·	- •	-	Jm		<b>-</b>	ТОР	-	-	-	<b>-</b> -	TDS#14,586 mg/L (8/55).
23.05.01.232	361516 1071834	BIA-Jicarilla	198 H	6,820	_	01-15-38	<u>.</u> · .	Tsjr	1,090 *	05-01-58	DLR	<b>.</b>	-	` 2 <b>E</b>	-	-
23.05.05.1432	361520 1072310	Buck Pasture	- 225	6,590		-	-	Tsj	-	<del>-</del> '.	-	-	-	-	-	-
23.05.23.332	361218 1072011	BIA Well 2	198	6,755		05-01-58		Tsj	985 880 **	05-0, 38 02-02-76	DLR	j	-	-	-	7 gal/min in 1934.
23.05.23.4411	361219 1071934	· <b>-</b> 🔭 .	. •. =	6,785	· <u>-</u>	_	-	Tsj(?)	1,025	06-14-78	-	-	-	-	-	-
23.05.30.3	-	Lucian Serafin	328	6,800E	-	08-13-73	282-328	, <del>-</del>	-	`	TOP	-	• -	-	-	-
23.06.07		Elkins Ranch	· <del>-</del>	<b>-</b> ·	160	0856		-			-	<del>.</del>	-	-	-	Potable.
23.06.08	_	Elkine Ranch	-	-	90	0856	-	<u>-</u> .	-	•	<b>-</b> .	·	-	-	-	Potable.
23.06.18	_	Elkins Ranch	• -		220	0856	-	-	-	'	-	· ·-	-	-	-	Potable.
23.06.22.1	-	Counselors Post	425	7,000E	350 E	0856	-	Ts j	-		-	· -	-	-	-	Potable.
23.06.22.3	<b>-</b>	Brethren Mission	300 E	7,110	-	10-24-74	-	Tsj	1,970 **	10-24-74	-	- ;	-	-	-	Potable.
23.07.03.2142	361534 107332 <b>9</b>	Spring	· · ·	6,910	-	-	-	Tsj	5,000	07-17-78	-	-	. <b>-</b>	-	-	-
23.07.10.3433	361406 1073351	Escrito Spring		7,350	· <u>-</u>	· -	<u>.</u>	Tn	385	07-10-78	<b>-</b>	-	-	-	-	-
23.07.14.1	_	Lybrook Inn	1,700	7,140	180 E	56	_ :	Tkoa	1,130 **	10-24-74	•	•	-	-	-	Not potable:
23.07.15		El Paso Station	-	7,270	200 E	0856	•	Tn .	, <del>-</del>	-	k - 😳		· -	-	-	Not potable.
23.07.34	•	S. Union Gas	1,696	7,147	1,431 800	10-15-59 73	2	Tkoa Kch(? <u>)</u>	1,370	12-03-74	TOP,N, GR	- , · .	-	75	-	Kch at 1,430°; no apparent drawdown; abandoned.
				, •		`.						. "				

Specific

## **EXHIBIT E. SITING CRITERIA MAPS**





# EXHIBIT F. AQUATIC RESOURCES DELINEATION TECHNICAL MEMORANDUM



## **Technical Memorandum**

**To:** Casey Haga, Enduring Resources IV, LLC

From: Olivia Sheldon

**Subject:** Aquatic Resources Delineation

Date: October 6, 2025

Project: Gallo Canyon Unit 2306 M26A G-Tank Pad

DJR Operating, LLC (DJR) retained Barr Engineering Co. (Barr) to conduct an aquatic resources delineation survey for Gallo Canyon Unit 2306 M26A G-Tank Pad located in the SW ¼ SW ¼ of Section 26, and NW ¼ NW ¼ Section 35, Township 23 North, Range 6 West, New Mexico Principal Meridian, San Juan County (Map 1). The pad would be approximately 200 feet by 270 feet for a total disturbance of 1.24 acres. The center coordinates for the G-tank site are 36.188771° N, -107.445943° W, North American Datum 1983 Zone 13N. The site is located on Bureau of Land Management Farmington Field Office-managed land. The survey area encompasses the Gallo Canyon Unit 2306 M26A G-tank site and a 500-foot buffer area surrounding the site.

The purpose of the aquatic resources delineation survey was to identify the potential presence and extent of features that may be considered jurisdictional Waters of the United States (WOTUS) under Section 404 of the Clean Water Act (CWA), as amended (33 United States Code §1251 et seq.). The United States Army Corps of Engineers (USACE) administers the CWA Section 404. DJR is applying for a permit to transport, store, and recycle produced water for reuse in drilling and completing oil/natural gas wells per Title 19, Chapter 15, Part 34 (19.15.34) of the New Mexico Administrative Code (NMAC).

This technical memorandum reports the survey findings and aquatic resources that may be considered jurisdictional WOTUS, including wetlands and aquatic resources exhibiting an ordinary high-water mark (OHWM) following the USACE methods and guidance.

#### 1 Regulatory Framework

#### 1.1 Federal

In September 2023, the USACE issued a final rule revising the definition of WOTUS to include traditional navigable waters, wetlands adjacent to traditional navigable waters, and relatively permanent waters defined as tributaries and wetlands adjacent to navigable waters that have a continuous surface connection and standing or continuously flowing bodies of water (EPA 2025). The USACE defines wetlands as special aquatic sites "that are inundated or saturated by surface or groundwater at a frequency and duration sufficient to support, and under normal circumstances do support, a prevalence of vegetation typically adapted for life in saturated soil conditions" (USACE 1987).

The USACE has the regulatory authority and discretion to determine the jurisdictional status of aquatic resources at a given site.

#### 1.2 New Mexico State

19.15.34 NMAC applies to the transportation, disposal, recycling, reuse, or the direct surface or subsurface disposition by use of water produced or used in connection with the development or

4801 North Butler, Suite 15101 Farmington, NM 87401 | 505.327.3088

From: Olivia Sheldon

Subject: Aquatic Resources Delineation

Date: October 6, 2025

Page: 2

production of oil, gas, or both; in road construction or maintenance, or other construction; and the generation of electricity or other industrial processes. 19.15.34 NMAC also applies to transporting drilling fluids and liquid oil field waste.

Depending on the proposed activity, a permit or registration (Form C-147) for recycling and reuse of produced water, drilling fluids, and liquid oil field waste, including recycling containment, is required by the New Mexico Energy, Minerals, and Natural Resources Department Oil Conservation Division (OCD). Form C-147 siting criteria require that recycling containment not be located:

- where groundwater is less than 50 feet below the bottom of the containment;
- 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 OHWM);
- within 500 feet of a spring or freshwater well used for domestic or stock watering purposes in existence at the time of the initial registration;
- within incorporated municipal boundaries or within a defined municipal freshwater well field covered by a municipal ordinance adopted under Section 3-27-3 New Mexico Statutes 1978, as amended, unless the municipality specifically approves the recycling containment in writing;
- within 500 feet of a wetland; or
- within a 100-year floodplain.

Watercourse is defined in 19.15.2.7 NMAC as "a river, creek, arroyo, canyon, draw, or wash or other channel having definite banks and bed with visible evidence of the occasional flow of water." Wetlands are defined in 19.15.2.7 NMAC as "areas that are inundated or saturated by surface or groundwater at a frequency and duration sufficient to support, and under normal circumstances do support, a prevalence of vegetation typically adapted for life in saturated soil conditions in New Mexico." The term "significant" is not defined in NMAC.

#### 2 Methods

Before initiating fieldwork, Barr completed a desktop evaluation of the survey area using the best available information, including the following:

- US Geological Survey (USGS) 7.5-minute topographic quadrangles for local and regional environmental settings relevant to the project area's surface waters, wetlands, and contours.
- National Hydrography Dataset (NHD) for mapped "bluelines"—perennial, intermittent, and ephemeral drainages—and other water features in the project area.
- National Wetlands Inventory (NWI) maps generated by the US Fish and Wildlife Service (USFWS) for the project area.
- Natural Resources Conservation Service (NRCS) Web Soil Survey information for the project area.

From: Olivia Sheldon

Subject: Aquatic Resources Delineation

Date: October 6, 2025

Page: 3

 Floodplain data from the Federal Emergency Management Agency (FEMA) Mapping Information Platform.

ESRI ArcGIS Online World Imagery (ESRI 2025).

#### 2.1 Wetlands

The survey area was evaluated for the presence of wetlands using guidance provided in the 1987 Corps of Engineers Wetlands Delineation Manual (USACE 1987) and the Regional Supplement to the USACE Wetland Delineation Manual: Arid West Region (USACE 2008). Under the delineation procedures identified in these manuals, an area must exhibit characteristic wetland hydrology, hydric soils, and hydrophytic vegetation to be considered a wetland. Additionally, the USACE stipulates that all three conditions must be met under normal circumstances for an area to be designated as a wetland (USACE 1987).

#### 2.2 Non-Wetland Waters

Barr biologists evaluated the presence/absence and characteristics of the OHWM along all non-wetland water features (e.g., streams, creeks, and ponds) mapped during the pre-field desktop evaluation. Guidance from *A Field Guide to the Identification of the Ordinary High-Water Mark in the Arid West Region of the Western United States* (USACE 2008) was used to identify drainage channel lateral limits. General characteristics for determining the OHWM in the project area were identified using guidance provided in USACE RGL 05-05 (USACE 2005).

For stream features exhibiting an OHWM, Barr conducted an aquatic resources inventory in the field using the *User Manual for a Beta Streamflow Duration Assessment Method for the Arid West of the United States* (Mazor et al. 2023). The Streamflow Duration Assessment Method (SDAM) is a rapid, field-based method for determining flow duration class at the reach scale, eliminating the need for long-term hydrologic data. The SDAM may inform a range of activities where information on streamflow duration is beneficial, including specific jurisdictional determinations under the CWA; however, the SDAM is not a jurisdictional determination (Mazor et al. 2023). The method is specific to the Arid West Region and relies on five indicators to determine stream flow classification: perennial, intermittent, ephemeral, at least intermittent, and need more information. Biologists recorded the status of these five indicators on a field form for every surface water feature in the survey area with an OHWM.

A handheld global positioning system (GPS) unit with submeter accuracy was used to digitally record sampling points and any wetland or other features in the survey area. Geographic information system (GIS) software was used to analyze recorded features, calculate areas, and generate maps of the survey area.

#### 3 Results

#### 3.1 Desktop Review

The Gallo Canyon Unit 2306 M26A G-tank site is in the Headwaters Cañon Largo watershed (Hydrologic Unit Code 1408010301) (USGS 2021) and can be found on the Counselor, New Mexico U.S. Geological Survey 7.5-minute quadrangle. One soil unit occurs in the survey area—the Orlie-Sparham association, 0 to 5 percent slopes. This soil unit is listed as a hydric soil for San Juan County, New Mexico (NRCS 2025).

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No FEMA-designated 100-year flood zones are located within the survey area (FEMA 2025). The NWI desktop review identified an ephemeral channel (R4SBJ) crossing through the 200-foot buffer of the site. A freshwater pond was mapped within the 500-foot buffer (USFWS 2025). According to the NHD, an additional intermittent stream was mapped in the northern portion of the 500-foot buffer (USGS 2016).

#### 3.2 Field Survey

Barr biologist John Dodge conducted the aquatic resources delineation survey on June 27, 2025. The field survey verified the absence of a freshwater pond and any associated wetlands (Map 1; Photograph 1 and Photograph 2) There is no defined inlet or outlet to the pond, which is fed by seasonal precipitation, snowmelt, and runoff via a culvert placed in the existing road. The NWI mapped R4SBJ channel was assessed and did not support a defined channel with an OHWM (Photograph 3). The intermittent stream mapped on the NHD did not have a defined channel; however, there is an ephemeral feature located outside the 200-foot buffer (Photograph 4; GC-9 as shown on Map 1). Stream duration assessment method datasheets are attached.



Photograph 1. The freshwater pond was dry in October 2025.

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Photograph 2. Ephemeral pond with no defined inlet.



Photograph 3. No defined channel occurs along the National Wetland Inventory-mapped ephemeral channel designated R4SBJ.

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Photograph 4. Ephemeral feature at GC-9 outside 200-foot buffer

#### 4 Conclusions

Based on the regulatory framework (Section 1), evaluation of the survey area, and the USACE Albuquerque District's current policies regarding jurisdictional determinations, it is Barr's professional opinion that under the current CWA rule, there are no features present in the survey area that would be considered jurisdictional WOTUS.

Pursuant to 19.15.34 NMAC, all channels were classified as ephemeral using the Beta Streamflow Duration Assessment Method for the Arid West of the United States (Mazor et al, 2023). The freshwater pond within 500 feet of the site does not have a defined inlet or outlet and appears to be fed by sheet flow during precipitation events via a road culvert. No wetlands were associated with the pond or observed within the 500-foot buffer. There are no FEMA 100-year flood zones in the survey area.

These conclusions are based on Barr's professional opinion. The USACE has the final regulatory authority to determine the presence and extent of jurisdictional WOTUS. The NMOCD has the final regulatory authority for determining the presence of continuously flowing watercourses, significant watercourses, or wetlands, as well as their boundaries, for the purposes of permitting and registration applicable to 19.15.34 NMAC.

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#### 5 References

ESRI. 2025. World Imagery. Available online at: <a href="https://services.arcgisonline.com/ArcGIS/rest/services/World\_Imagery/MapServer">https://services.arcgisonline.com/ArcGIS/rest/services.arcgisonline.com/ArcGIS/rest/services/World\_Imagery/MapServer</a>.

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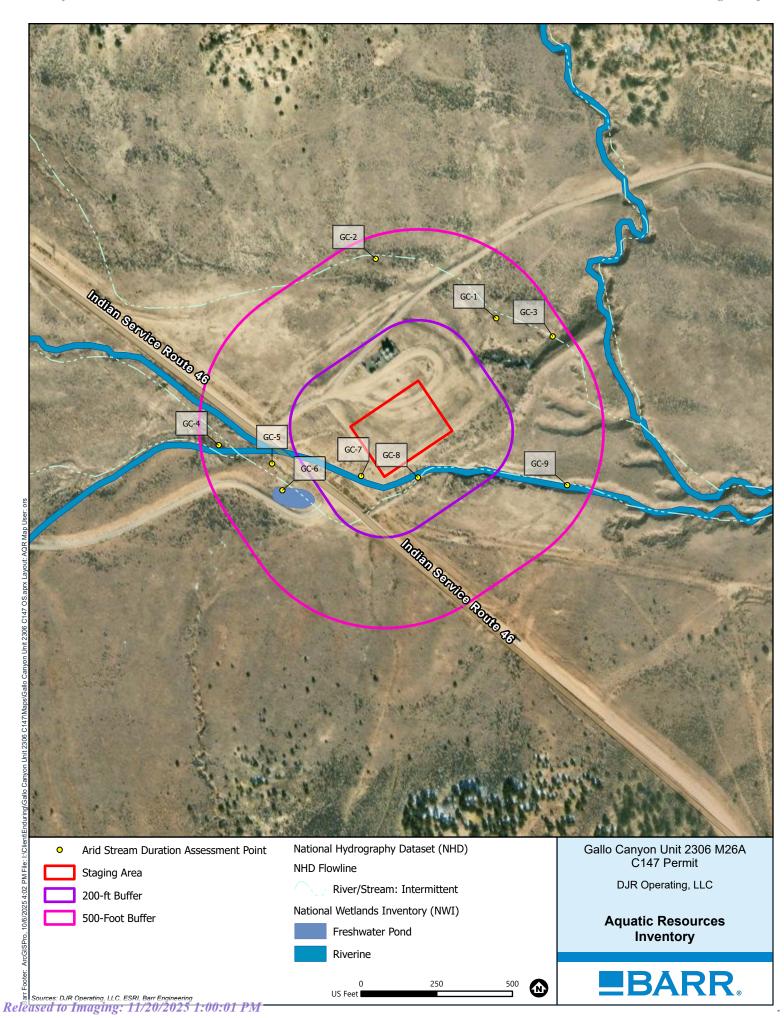
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# **Attachment A**

Maps







# **Attachment B**

**Data Sheets** 

# Streamflow Duration Assessment Method for the Arid West Classification Report

Report generated on: October 01, 2025
Classification:
General Site Information
Site code or identifier:
GC-1
Project name or number:
Gallo Canyon Unit 2306 M26A
Assessor(s):
J. Dodge
Waterway name:
N/A
This stream is classified as: Ephemeral
Visit date:
09-26-2025
Current weather conditions:
Clear/Sunny
Notes on current or recent weather conditions:
Dry and sunny
Location:
36.489772 N, -107.444875W
Datum:
WGS84
Surrounding land use within 100 m:
Other
Description of reach boundaries:

No Channel

Mean channel width (m):

N/A

Reach length (m):

N/A

Disturbed or difficult conditions:

None

Notes on disturbances or difficult site conditions:

Enter text...

Observed hydrology:

Percent of reach with surface flow:

Enter text...

Percent of reach with surface and sub-surface flows:

Enter text...

Number of isolated pools:

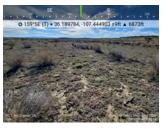
Enter text...

Comments on observed hydrology:

Enter text...

### Site Photos

Top of reach looking downstream:



Middle of reach looking upstream:



Middle of reach looking downstream:

Bottom of reach looking upstream:

Site Sketch
Hydrophytic Vegetation
Hydrophytic species found in or near the channel:
0 species
Notes on hydrophytic vegetation:
No hydrophytes in assessment area.
Aquatic Invertebrates
Number of individuals observed:
None
Are EPT present?
No
Notes on aquatic invertebrates
Enter text
Algae Cover
Cover of live or dead algae in the streambed:
Not detected
NA
Notes on algae cover:
Enter text
Single Indicators
Fish:
No fish observed
Algae cover:

# Supplemental Information

Enter text...

Not detected

# Streamflow Duration Assessment Method for the Arid West Classification Report

	Report generated on: October 01, 2025
Classification:	
Ephemeral	
General Site Inform	ation
Site code or identifier:	
GC-2	
Project name or number:	
Gallo Canyon Unit 2306	M26A
$Assessor(s) \hbox{:} \ {\tt J.} \ {\tt Dodge}$	
Waterway name:	
N/A	
This stream is classifi	ed as: Ephemeral
Visit date:	
09-26-2025	
Current weather conditions	:
Clear/Sunny	
Notes on current or recent	weather conditions:
Dry	
Location:	
36.190311 N, -107.446201 W	
Datum:	
WGS84	
Surrounding land use with	in 100 m:
Other	
Description of reach bound	arioc:

Enter text...No Channel

Mean channel width (m):

N/A

Reach length (m):

N/A

Disturbed or difficult conditions:

None

Notes on disturbances or difficult site conditions:

Enter text...

Observed hydrology:

Percent of reach with surface flow:

Enter text...

Percent of reach with surface and sub-surface flows:

Enter text...

Number of isolated pools:

Enter text...

Comments on observed hydrology:

Enter text...

### Site Photos

Top of reach looking downstream:



Middle of reach looking upstream:



Middle of reach looking downstream:

Bottom of reach looking upstream:

Site Sketch	
Hydrophytic Vegetation	
Hydrophytic species found in or near the channel:	
0 species	
Notes on hydrophytic vegetation:	
No hydrophytes in assessment area.	
	_
Aquatic Invertebrates	
Number of individuals observed:	
None	
Are EPT present?	
No	
Notes on aquatic invertebrates	
Enter text	
	_
Algae Cover	
Cover of live or dead algae in the streambed:	
Not detected	
NA	
Notes on algae cover:	
Enter text	
	_
Single Indicators	
Fish:	
No fish observed	
Algae cover:	
Not detected	

# Supplemental Information

# Streamflow Duration Assessment Method for the Arid West Classification Report

	Report generated on: October 01, 2025
Classification:	
Ephemeral	
General Site Informa	ation
Site code or identifier:	201011
GC-3	
Project name or number:	
Gallo Canyon Unit 2306	M26A
Assessor(s): J. Dodge	112011
Waterway name:	
N/A	
This stream is classifi	ed as: Ephemeral
Visit date:	The Cartesian Control of the Control
09-26-2025	
Current weather conditions	:
Clear/Sunny	
Notes on current or recent	weather conditions:
Dry	
Location:	
36.189613 N, -107.444217 W	
Datum:	
WGS84	
Surrounding land use within	n 100 m:
Other	
Description of reach bounds	aries:

No Channel

Mean channel width (m):

N/A

Reach length (m):

N/A

Disturbed or difficult conditions:

None

Notes on disturbances or difficult site conditions:

Enter text...

Observed hydrology:

Percent of reach with surface flow:

Enter text...

Percent of reach with surface and sub-surface flows:

Enter text...

Number of isolated pools:

Enter text...

Comments on observed hydrology:

Enter text...

### Site Photos

Top of reach looking downstream:



Middle of reach looking upstream:



Middle of reach looking downstream:

Bottom of reach looking upstream:

Site Sketch
Hydrophytic Vegetation
Hydrophytic species found in or near the channel:
0 species
Notes on hydrophytic vegetation:
No hydrophytes in assessment area.
Aquatic Invertebrates
Number of individuals observed:
None
Are EPT present?
No
Notes on aquatic invertebrates
Enter text
Algae Cover
Cover of live or dead algae in the streambed:
Not detected
NA
Notes on algae cover:
Enter text
Single Indicators
Fish:
No fish observed
Algae cover:
Not detected

# Supplemental Information

# Streamflow Duration Assessment Method for the Arid West Classification Report

	Report generated on: October 01, 2025
Classification:	
Ephemeral	
-	
General Site Informa	ation
Site code or identifier:	
GC-4	
Project name or number:	
Gallo Canyon Unit 2306	M26A
Assessor(s): J. Dodge	
Waterway name:	
N/A	
This stream is classifi	ed as: Ephemeral
Visit date:	
09-26-2025	
Current weather conditions	:
Clear/Sunny	
Notes on current or recent	weather conditions:
Dry	
Location:	
36.18864 N, -107.447998 W	
Datum:	
WGS84	
Surrounding land use within	n 100 m:
Other	
Description of reach bounds	aries:

No Channel

Mean channel width (m):

N/A

Reach length (m):

N/A

Disturbed or difficult conditions:

None

Notes on disturbances or difficult site conditions:

Enter text...

Observed hydrology:

Percent of reach with surface flow:

Enter text...

Percent of reach with surface and sub-surface flows:

Enter text...

Number of isolated pools:

Enter text...

Comments on observed hydrology:

Enter text...

### Site Photos

Top of reach looking downstream:



Middle of reach looking upstream:

Middle of reach looking downstream:

Bottom of reach looking upstream:

Site Sketch

$\mathbf{Hydroph}$	$_{ m iytic}$ ${ m V}$	egetation
--------------------	------------------------	-----------

Hydrophytic species found in or near the chan
---

0 species

Notes on hydrophytic vegetation:

No hydrophytes in assessment area.

## Aquatic Invertebrates

Number of individuals observed:

None

Are EPT present?

No

Notes on aquatic invertebrates

Enter text...

## Algae Cover

Cover of live or dead algae in the streambed:

Not detected

NA

Notes on algae cover:

Enter text...

## Single Indicators

Fish:

No fish observed

Algae cover:

Not detected

## Supplemental Information

Enter text...

## Additional photo(s)

Additional notes about the assessment:

# Streamflow Duration Assessment Method for the Arid West Classification Report

_	Report generated on: October 01, 2025
Classification:	
Ephemeral	
General Site Information	tion
Site code or identifier:	
GC-5	
Project name or number:	
Gallo Canyon Unit 2306 M26 Assessor(s):	6 <b>A</b>
J. Dodge	
Waterway name:	
N/A	
This stream is classified	d as: Ephemeral
Visit date:	
09-26-2025	
Current weather conditions:	
Clear/Sunny	
Notes on current or recent w	eather conditions:
Dry	
Location:	
36.188472 N, -107.447369 W	
Datum:	
WGS84	
Surrounding land use within	100 m:
Other	
Description of reach boundar	rios:

mild terrain in sagebrush and grassland community, a sandy clay loam soil. Mean channel width (m):

2.0 m

Reach length (m):

40 m

Disturbed or difficult conditions:

Other (explain in notes)

Notes on disturbances or difficult site conditions:

Adjacent to Navajo Route 46 dirt road

Observed hydrology:

Percent of reach with surface flow:

Enter text...

Percent of reach with surface and sub-surface flows:

Enter text...

Number of isolated pools:

Enter text...

Comments on observed hydrology:

Enter text...

### Site Photos

Top of reach looking downstream:



Middle of reach looking upstream:



Middle of reach looking downstream:



Bottom of reach looking upstream:



### Site Sketch

## Hydrophytic Vegetation

Hydrophytic species found in or near the channel:

0 species

Notes on hydrophytic vegetation:

No hydrophytes in assessment area.

## Aquatic Invertebrates

Number of individuals observed:

None

Are EPT present?

No

Notes on aquatic invertebrates

Enter text...

## Algae Cover

Cover of live or dead algae in the streambed:

Not detected

NA

Notes on algae cover:

Single Indicators	
Fish:	
No fish observed	
Algae cover:	
Not detected	
	_
Supplemental Information	
Enter text	
$f Additional\ photo(s)$	
Additional notes about the assessment:	
Enter text	

# Streamflow Duration Assessment Method for the Arid West Classification Report

Report generated on: October 01, 202	25
Classification:	
General Site Information	
Site code or identifier:	
GC-6	
Project name or number:	
Gallo Canyon Unit 2306 M26A	
Assessor(s):	
J. Dodge	
Waterway name:	
N/A	
This stream is classified as: Ephemeral	
Visit date:	
09-26-2025	
Current weather conditions:	
Clear/Sunny	
Notes on current or recent weather conditions:	
Dry	
Location:	
36.188172 N, -107.447216 W	
Datum:	
WGS84	
Surrounding land use within 100 m:	
Other	
Description of reach boundaries:	

Dry Pond

Mean channel width (m):

N/A

Reach length (m):

N/A

Disturbed or difficult conditions:

None

Notes on disturbances or difficult site conditions:

Adjacent to existing roads, culvert at pond dam. Observed hydrology:

Percent of reach with surface flow:

Enter text...

Percent of reach with surface and sub-surface flows:

Enter text...

Number of isolated pools:

Enter text...

Comments on observed hydrology:

Enter text...

### Site Photos

Top of reach looking downstream:



Middle of reach looking upstream:



Middle of reach looking downstream:

Bottom of reach looking upstream:

Site Sketch
Hydrophytic Vegetation
Hydrophytic species found in or near the channel:
0 species
Notes on hydrophytic vegetation:
No hydrophytes in assessment area.
Aquatic Invertebrates
Number of individuals observed:
None
Are EPT present?
No
Notes on aquatic invertebrates
Enter text
Algae Cover
Cover of live or dead algae in the streambed:
Not detected
NA
Notes on algae cover:
Enter text
Single Indicators
Fish:
No fish observed
Algae cover:

# Supplemental Information

Enter text...

Not detected

# Streamflow Duration Assessment Method for the Arid West Classification Report

Report generated on: October 01, 2025
Classification:
General Site Information
Site code or identifier:
GC-7
Project name or number:
Gallo Canyon Unit 2306 M26A
Assessor(s):
J. Dodge
Waterway name:
N/A
This stream is classified as: Ephemeral
Visit date:
09-26-2025
Current weather conditions:
Clear/Sunny
Notes on current or recent weather conditions:
Dry
Location:
36.188327 N, -107.446438 W
Datum:
WGS84
Surrounding land use within 100 m:
Other
Description of reach boundaries:

No channel

Mean channel width (m):

N/A

Reach length (m):

N/A

Disturbed or difficult conditions:

None

Notes on disturbances or difficult site conditions:

Enter text...

Observed hydrology:

Percent of reach with surface flow:

Enter text...

Percent of reach with surface and sub-surface flows:

Enter text...

Number of isolated pools:

Enter text...

Comments on observed hydrology:

Enter text...

### Site Photos

Top of reach looking downstream:



Middle of reach looking upstream:



Middle of reach looking downstream:

Bottom of reach looking upstream:

Site Sketch
Hydrophytic Vegetation
Hydrophytic species found in or near the channel:
0 species
Notes on hydrophytic vegetation:
No hydrophytes in assessment area.
Aquatic Invertebrates
Number of individuals observed:
None
Are EPT present?
No
Notes on aquatic invertebrates
Enter text
Algae Cover
Cover of live or dead algae in the streambed:
Not detected
NA
Notes on algae cover:
Enter text
Single Indicators
Fish:
No fish observed
Algae cover:
Not detected

# Supplemental Information

# Streamflow Duration Assessment Method for the Arid West Classification Report

	Report generated on: October 01, 2025
Classification:	
General Site Inform	ation
Site code or identifier:	
GC-8	
Project name or number:	
Gallo Canyon Unit 2306	M26A
Assessor(s):	
J. Dodge	
Waterway name:	
N/A	
This stream is classifi	ed as: Ephemeral
Visit date:	
09-26-2025	
Current weather conditions	:
Clear/Sunny	
Notes on current or recent	weather conditions:
Dry	
Location:	
36.188332 N, -107.445769 W	
Datum:	
WGS84	
Surrounding land use withi	n 100 m:
Other	
Description of reach bound	aries:

Gentle open terrain within sagebrush and grassland community.

Mean channel width (m):

1.0 m

Reach length (m):

40 m

Disturbed or difficult conditions:

Other (explain in notes)

Notes on disturbances or difficult site conditions:

Culvert at road crossing

Observed hydrology:

Percent of reach with surface flow:

Enter text...

Percent of reach with surface and sub-surface flows:

Enter text...

Number of isolated pools:

Enter text...

Comments on observed hydrology:

Enter text...

### Site Photos

Top of reach looking downstream:



Middle of reach looking upstream:



Middle of reach looking downstream:



Bottom of reach looking upstream:



### Site Sketch

## Hydrophytic Vegetation

Hydrophytic species found in or near the channel:

0 species

Notes on hydrophytic vegetation:

No hydrophytes in assessment area.

## Aquatic Invertebrates

Number of individuals observed:

None

Are EPT present?

No

Notes on aquatic invertebrates

Enter text...

## Algae Cover

Cover of live or dead algae in the streambed:

Not detected

NA

Notes on algae cover:

Single Indicators	
Fish:	
No fish observed	
Algae cover:	
Not detected	
Supplemental Informa	tion
Enter text	
Additional photo(s)	
Additional notes abou	t the assessment:
Enter text	

# Streamflow Duration Assessment Method for the Arid West Classification Report

Report generated on: October 01, 2025
Classification:
General Site Information
Site code or identifier:
GC-9
Project name or number:
Gallo Canyon Unit 2306 M26A
Assessor(s):
J. Dodge
Waterway name:
N/A
This stream is classified as: Ephemeral
Visit date:
09-26-2025
Current weather conditions:
Clear/Sunny
Notes on current or recent weather
conditions: .Dry
Location:
36.188249 N, -107.444098 W
Datum:
WGS84
Surrounding land use within 100 m:
Other
Description of reach boundaries:

broad open terrain in arroyo with shrub and grass community. Mean channel width (m):

1.0 m

Reach length (m):

40 m

Disturbed or difficult conditions:

None

Notes on disturbances or difficult site conditions:

Enter text...

Observed hydrology:

Percent of reach with surface flow:

Enter text...

Percent of reach with surface and sub-surface flows:

Enter text...

Number of isolated pools:

Enter text...

Comments on observed hydrology:

Enter text...

### Site Photos

Top of reach looking downstream:



Middle of reach looking upstream:



Middle of reach looking downstream:



Bottom of reach looking upstream:



### Site Sketch

## Hydrophytic Vegetation

Hydrophytic species found in or near the channel:

0 species

Notes on hydrophytic vegetation:

No hydrophytes in assessment area.

## Aquatic Invertebrates

Number of individuals observed:

None

Are EPT present?

No

Notes on aquatic invertebrates

Enter text...

## Algae Cover

Cover of live or dead algae in the streambed:

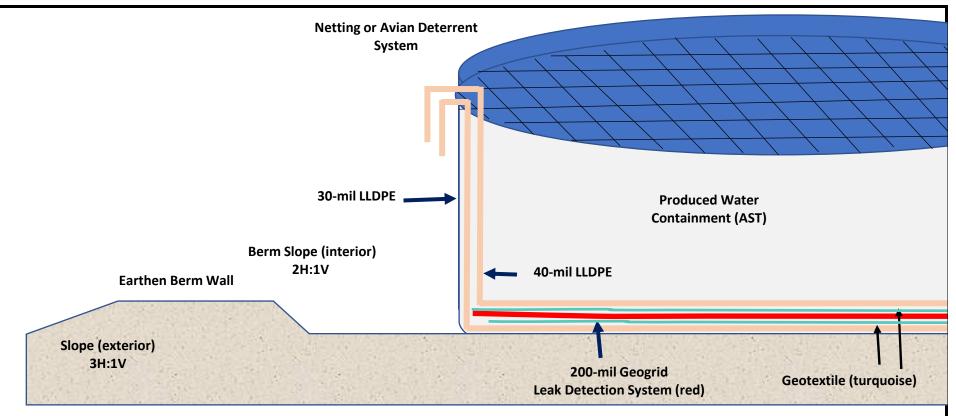
Not detected

NA

Notes on algae cover:

Single Indicators	
Fish:	
No fish observed	
Algae cover:	
Not detected	
Supplemental Informa	tion
Enter text	
Additional photo(s)	
Additional notes abou	t the assessment:
Enter text	

# **EXHIBIT G. MANUFACTURE SPECIFICATION**



# Description of Leak Detection System

- · 40-mil LLDPE comprise primary liner and 30-mil LLDPE comprise the secondary liner
- 200-mil geogrid drainage layer lies between the primary and secondary liner per Plate 2
- · Geotextile between the geogrid and each liner
- > 3-inch deep sump excavated on down slope side of AST per Sump Design Drawing
- A small hose runs from the collection sump to top of AST via tube (see Section D)
- Every week, a portable self-priming peristaltic pump connects to the leak detection system.
- The self-priming pump discharge hose runs back into the AST, on top of the primary liner
- If fluid is detected, it is tested for conductance to determine the origin of the water (i.e. produced water or condensation)

R.T. Hicks Consultants	Design Sketch	Plate 1
Albuquerque, NM	Well Water Solutions	May-21

Use laser level to determine slope of pad and low point of AST

200 mil geogrid placed

above 8-oz geotextile and 30-mil secondary liner inside of AST after set up, before install of primary liner below 40-mil primary liner

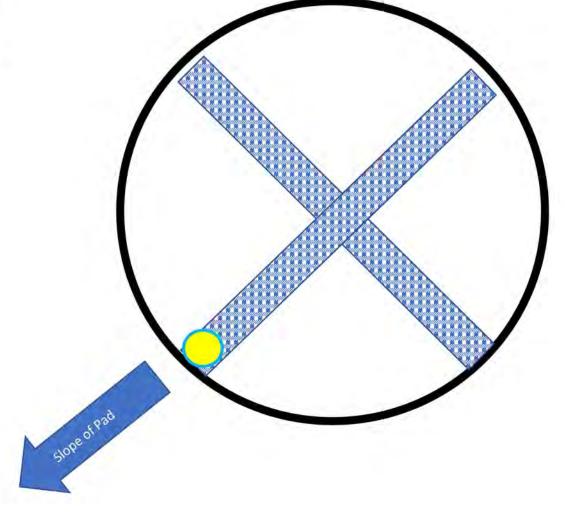
8-oz geotextile is placed

over the 30-mil LLDPE liner inside the steel AST ring under the 40-mil primary liner inside the AST

Sump at lowest point of the AST set up



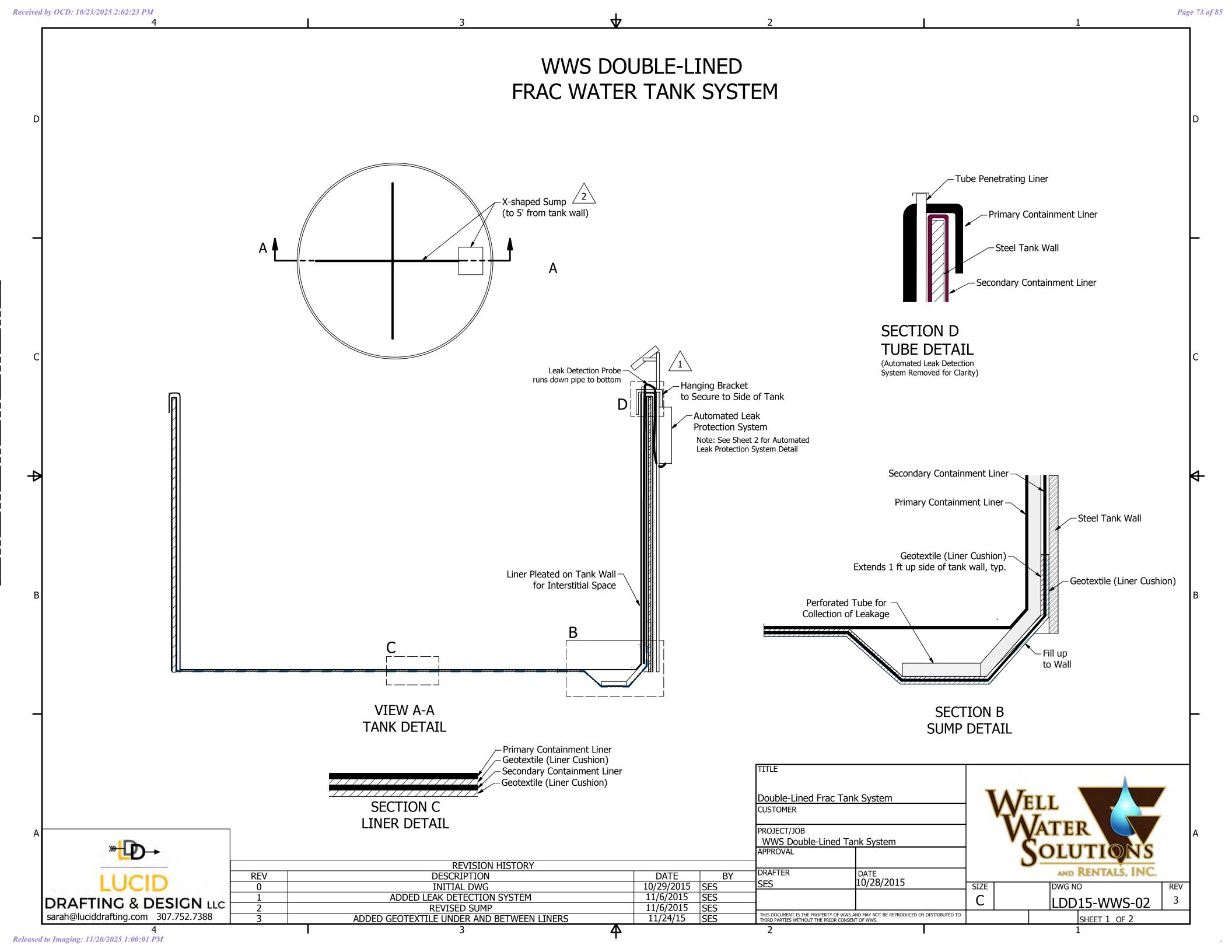
**Sump Location** 

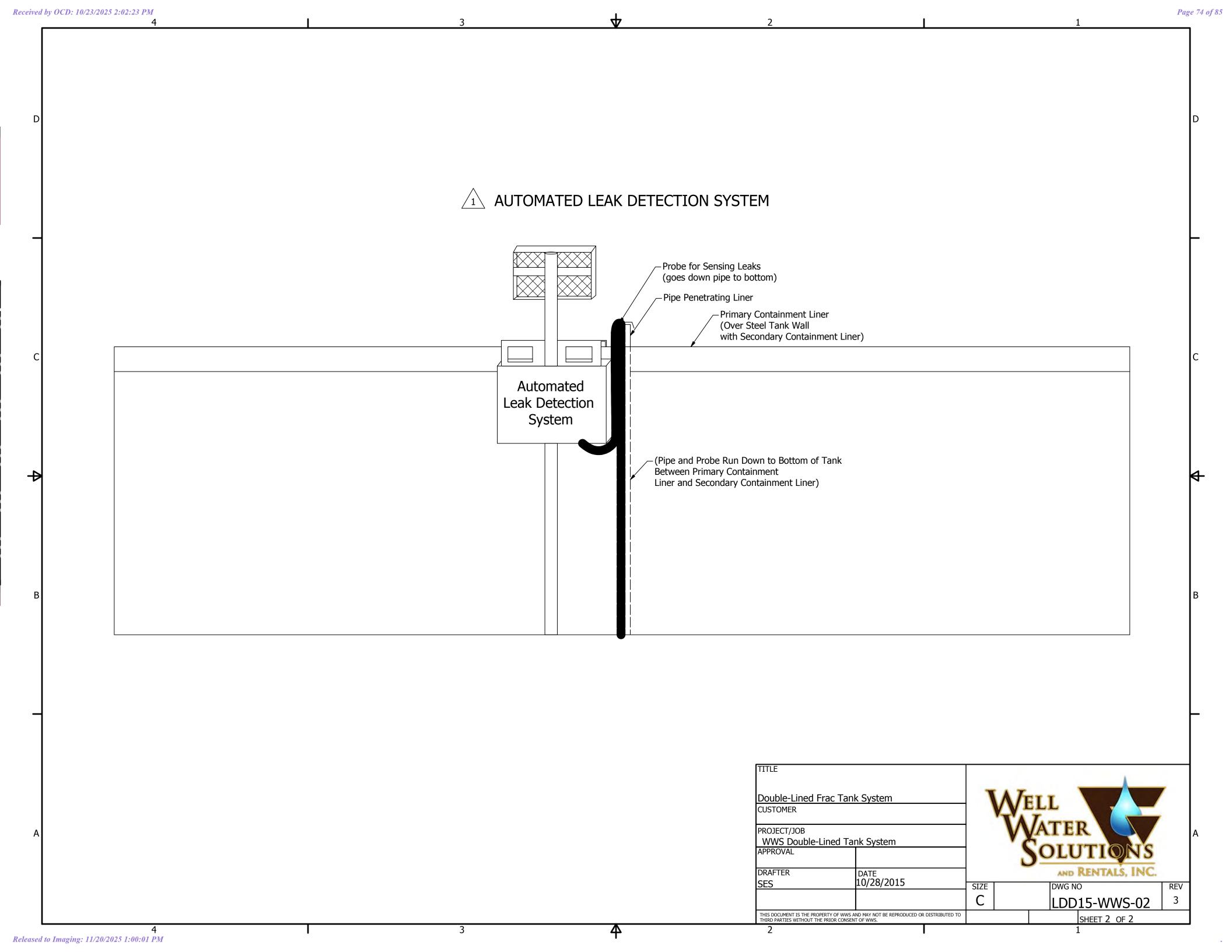


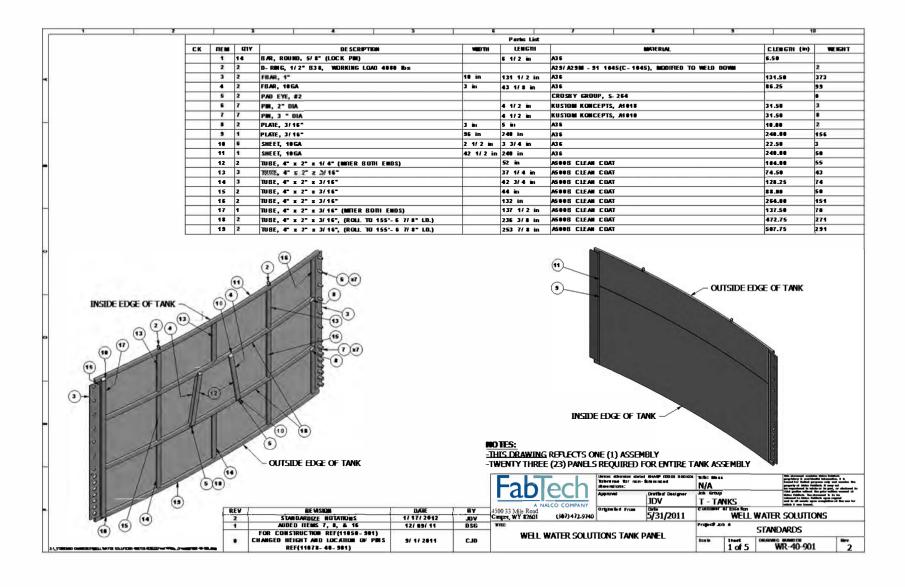
0	50	100

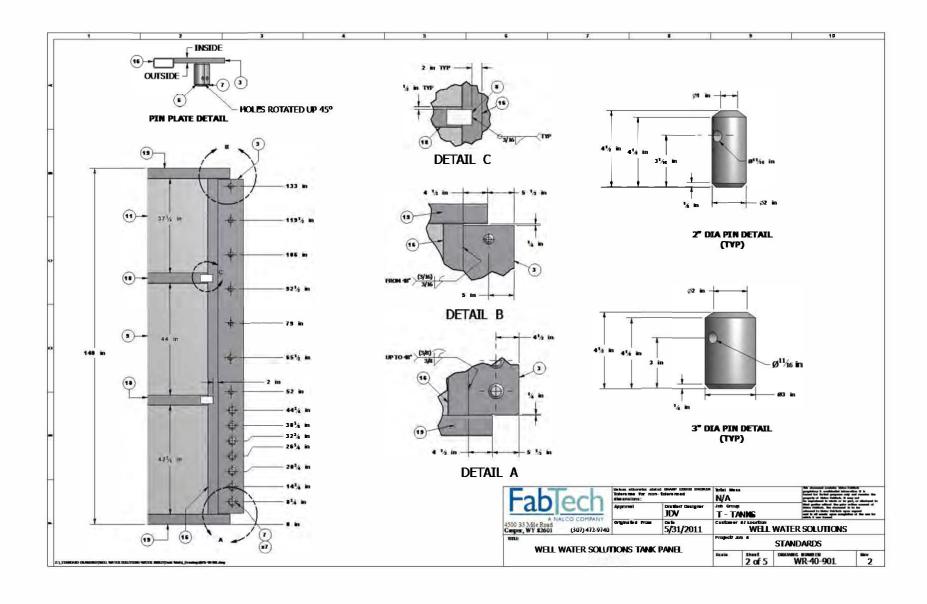
R.T. Hicks Consult	ants
Albuquerque, N	M

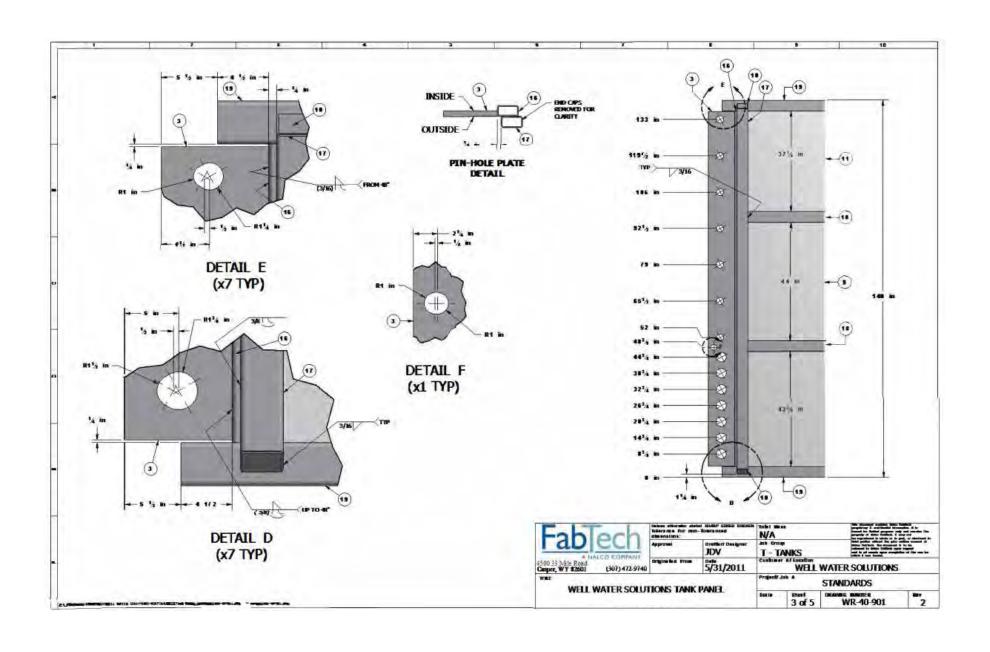
Layout of Geogrid Drainage Mat		Plate 1	
WWS - New	Mexico Produced Water Set Up	June 2021	

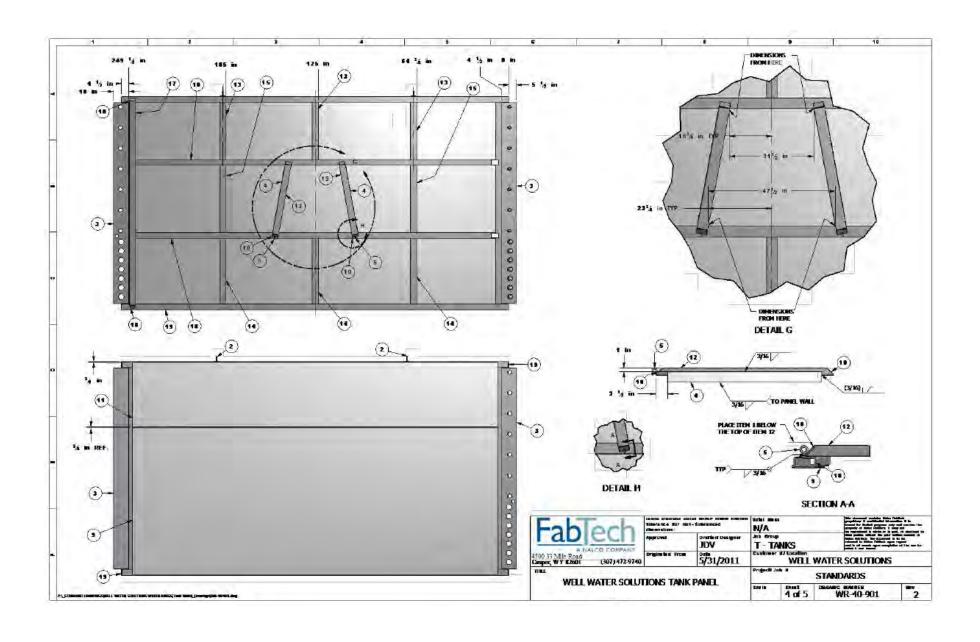


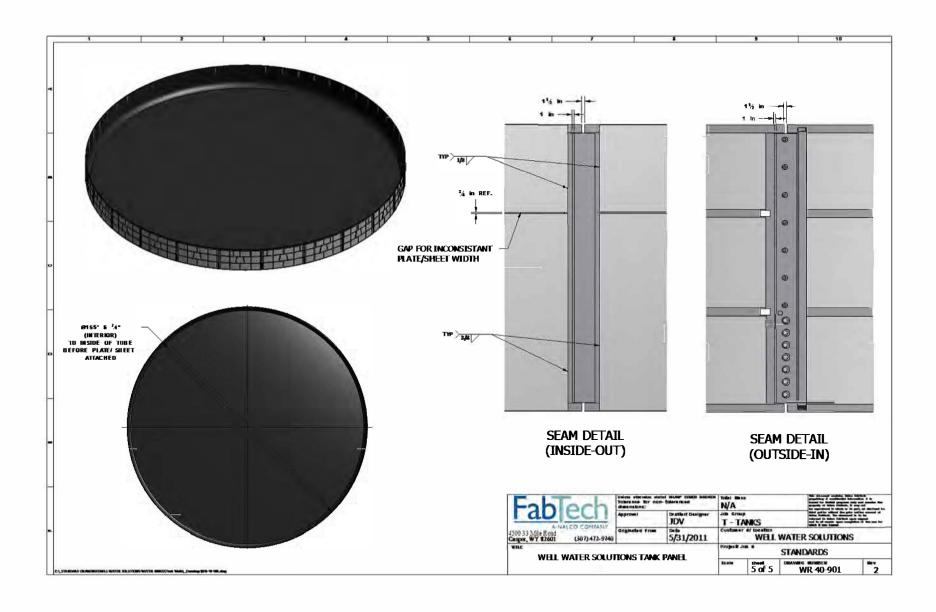














## **TANK SIZE CHART**

TANK SIZE BBLS	PANEL COUNT	INSIDE DIAMETER (FEET)	VOLUME BBLS	BBLS/INCH	SECONDARY CONTAINMENT (ADD 2 PANELS)	SECONDARY CONTAINMENT DIAMETER	TOTAL FEET OF CONTAINMENT
6,000	9	60' 2"	6,090	43.5	11	75'	234'
10,000	12	81' 2"	10,753	76.8	14	95'	298'
13,000	13	87' 10-5/8"	12,609	90.1	15	101'	318'
17,000	15	101.4285	16,800	120	17	115'	361'
20,000	16	108' 2"	19,115	136.53	18	122'	384'
22,000	17	114' 11-7/16"	21,564	154.03	19	135'	426'
27,000	19	128' 6-1/4"	26,954	192.53	21	142'	446"
30,000	20	135' 3-3/8"	29,867	213.35	22	149'	468'
33,000	21	142' 0-9/16"	32,928	235.2	23	156'	489'
36,000	22	148' 9-11/16"	36,139	258.14	24	163'	510'
40,000	23	155' 6-7/8"	39,499	282.14	25	170'	532'
43,000	24	162' 4-1/16"	43,008	307.2	26	176'	553'
47,000	25	169' 1-3/16"	46,667	333.34	27	183'	574'
50,000	26	175' 10-5/16"	50,475	360.54	28	190'	595'
55,000	27	182' 7-9/16"	54,433	388.8	29	196'	617'
60,000	28	189' 4-11/16"	58,539	418.14	30	203'	638'
62,500	29	196' 1/16"	62,500	446.43	31	210'	658'
67,000	30	202' 10 6/16"	66,885	477.75	32	216'	678'
72,000	31	209' 7-7/16"	71,705	512.18	33	223'	701'
77,000	32	216' 4-9/16"	76,405	545.75	34	230'	722'
81,000	33	223' 1-11/16"	81,254	580.39	35	237'	744'

## EXHIBIT H. VARIANCE REQUESTS

### 6300 S Syracuse Way Centennial, CO 80111

Field Office: 505.636.9720 | Main Office: 303.573.1222

Enduring Resources IV, LLC Gallo Canyon Unit 2306 M26A AST Pad Recycling Containment and Recycling Facility Variance Request to 19.15.34 NMAC

New Mexico Oil Conservation Division Attn: Victoria Venegas

Enduring Resources is requesting variances to the below listed items as outlined in 19.15.34 NMAC. This Recycling Containment/Facility will consist of a self-contained free-standing structure instead of a lined earthen pit. The variances requested below will provide equal or better protection of fresh water, public health, and the environment.

#### Variance Requests:

Inside/Outside Levee Slopes: Enduring Resources requests a variance to NMAC 19.15.34.12 (A)(2) which applies to a lined earthen pit. The containment is an AST not an in-ground pond; therefore, will not have inside/outside levee slopes. The AST is a self-contained free-standing structure that will provide equal or better protection than the requirements listed in 19.15.34.12 (A)(2) NMAC.

Liner Anchoring: Enduring Resources requests a variance to NMAC 19.15.34.12 (A)(3) which applies to a lined earthen pit. This statute is not applicable to a circular steel AST with liners clamped to the top of the steel containment panels. We believe this will provide equal or better protection than the requirements listed in 19.15.34.12 (A)(3) NMAC.

**Primary Liner:** Enduring Resources requests a variance to NMAC 19.15.34.12 (A)(4) which applies to the thickness of the primary liner. Enduring Resources proposes the use of a 40-mil LLDPE primary liner and 30-mil LLPDE secondary liner. The proposed variance will provide equal or better protection of fresh water, public health and the environment, as the proposed liner meets all other requirements of NMAC 19.15.34.12 (A)(4) and meets or exceeds the EPA SW-846 method 9090A or subsequent relevant publication.

Fencing: Enduring Resources requests a variance to NMAC 19.15.34.12 (D)(1) and (2) which applies to fencing or enclosing the containment. With the recycling containment being an AST with 12-foot wall height, entrance to containment would have to be intentional. There is no risk of accidental entrance into containment by wildlife or the public. The site will be maintained to prevent harm to wildlife and the public. The freestanding above grade AST will provide equal or better protection to public health and the environment, as the fencing requirements of NMAC 19.15.34.12 (D)(1) and (2).

Thank you,

Casey Haga

Regulatory Specialist

Enduring Resources, LLC.

970.769.8814 - Cell

#### Venegas, Victoria, EMNRD

From: Venegas, Victoria, EMNRD

Sent: Thursday, November 20, 2025 11:51 AM

**To:** Heather Huntington

**Subject:** 3RF-92 - GALLO CANYON UNIT 2306 M26 [FVV2532435832]

**Attachments:** C-147 3RF-92 - GALLO CANYON UNIT 2306 M26 [FVV2532435832].pdf

#### 3RF-92 - GALLO CANYON UNIT 2306 M26 [FVV2532435832]

Good afternoon Ms. Huntington.

NMOCD has reviewed the recycling containment permit application and related documents, submitted by [371838] DJR OPERATING, LLC on 10/23/2025, Application ID **519512**, for 3RF-92 - GALLO CANYON UNIT 2306 M26 [FVV2532435832] in D-35-23N-06W, Sandoval County, New Mexico. [371838] DJR OPERATING, LLC requested variances from 19.15.34 NMAC for 3RF-92 - GALLO CANYON UNIT 2306 M26 [FVV2532435832].

The following variances have been approved:

- The variance to 19.15.34.12.A.(2) NMAC for the no side-slope requirement for the AST containment with vertical walls is approved.
- The variance to 19.15.34.12.A.(3) NMAC for the liners to be anchored to the top of the AST steel walls and no anchor trenches is approved.
- The variance to 19.15.34.12.A.(4) NMAC for the installation on the AST containment of a 40-mil non-reinforced LLDPE primary liner and a 30-mil LLPDE secondary liner is approved.
- [371838] DJR OPERATING, LLC requests a variance to NMAC 19.15.34.12 (D)(l) and (2) which applies to fencing or enclosing the containment. The freestanding 12-foot wall height above grade ASTs will provide equal or better protection to public health and the environment, as the fencing requirements of NMAC 19.15.34.12 (D)(l) and (2). This variance is approved.

The form C-147 and related documents for 3RF-92 - GALLO CANYON UNIT 2306 M26 [FVV2532435832] are approved with the following conditions of approval:

- 19.15.34.3 STATUTORY AUTHORITY: 19.15.34 NMAC is adopted pursuant to the Oil and Gas Act, Paragraph (15) of Subsection B of Section 70-2-12 NMSA 1978, which authorizes the division to regulate the disposition, handling, transport, storage, recycling, treatment and disposal of produced water during, or for re-use in, the exploration, drilling, production, treatment or refinement of oil or gas in a manner that protects public health, the environment and fresh water resources and Paragraph (21) of Subsection B of Section 70-2-12 NMSA 1978 which authorizes the regulation of the disposition of nondomestic wastes from the exploration, development, production or storage of crude oil or natural gas. [19.15.34.3 NMAC Rp, 19.15.34.3 NMAC, 3/31/2015; A, 10/13/2020]
- 3RF-92 GALLO CANYON UNIT 2306 M26 [FVV2532435832] is approved for five years of operation from the date of permit application of 10/23/2025. 3RF-92 GALLO CANYON UNIT 2306 M26 [FVV2532435832] permit expires on 10/23/2030. If [371838] DJR OPERATING, LLC wishes to extend operations past five years, an annual permit extension request must be submitted using an OCD form C-147 through OCD Permitting by 09/23/2030.
- 3RF-92 GALLO CANYON UNIT 2306 M26 [FVV2532435832] will consist of one above ground storage tanks (AST) of 60,000 barrels of capacity. The AST containment will be surrounded by an Earthen Berm Wall as shown in Exhibit G Plate 1.
- The recycling facility will consist of up to (30) 400 bbl vertical frac tanks with a consolidated volume of 12,000 barrels to treat (mechanical and chemical reconditioning process) produced water for reuse.

- [371838] DJR OPERATING, LLC must submit a "recycling facility" modification in the event the number of frac tanks exceeds the approved number of thirty (30) 400 bbl vertical frac tanks.
- Water reused and recycled from 3RF-92 GALLO CANYON UNIT 2306 M26 [FVV2532435832] is limited to wells owned or operated by [371838] DJR OPERATING, LLC per 19.15.34.15(A)(2) NMAC.
- [371838] DJR OPERATING, LLC shall construct, operate, maintain, close, and reclaim 3RF-92 GALLO CANYON UNIT 2306 M26 [FVV2532435832] in compliance with NMAC 19.15.34 NMAC.
- [371838] DJR OPERATING, LLC shall notify OCD, through OCD Permitting when construction of 3RF-92 GALLO CANYON UNIT 2306 M26 [FVV2532435832] commences.
- [371838] DJR OPERATING, LLC shall notify NMOCD through OCD Permitting when recycling operations commence and cease at 3RF-92 GALLO CANYON UNIT 2306 M26 [FVV2532435832].
- A minimum 3-feet freeboard must be maintained at 3RF-92 GALLO CANYON UNIT 2306 M26 [FVV2532435832] 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 3RF-92 GALLO CANYON UNIT 2306 M26 [FVV2532435832] are considered ceased and a notification of cessation of operations should be sent electronically to OCD Permitting. A request to extend the operations, not to exceed six months, may be submitted using a C-147 form through OCD Permitting. If after the 6-month extension period, the 3RF-92 GALLO CANYON UNIT 2306 M26 [FVV2532435832] 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.
- [371838] DJR OPERATING, LLC 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.
- [371838] DJR OPERATING, LLC shall inspect the recycling containment and associated leak detection systems weekly while it contains fluids. The operator shall maintain a current log of such inspections and make the log available for review by the division upon request according to 19.15.34.13.A.
- [371838] DJR OPERATING, LLC shall comply with 19.15.29 NMAC Releases in the event of any release of produced water or other oil field waste at 3RF-92 GALLO CANYON UNIT 2306 M26 [FVV2532435832].
- According to Table 1 of NMAC 19.15.34.14, the closure criteria for 3RF-92 GALLO CANYON UNIT 2306 M26 [FVV2532435832] is for groundwater depth of 51 to 100 feet.

Please reference number 3RF-92 - GALLO CANYON UNIT 2306 M26 [FVV2532435832] in all future communications.

Best regards,

Victoria Venegas • Senior Environmental Scientist EMNRD - Oil Conservation Division 506 W. Texas Ave. Artesia, NM 88210 575.909.0269 | Victoria.Venegas@emnrd.nm.gov 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 519512

#### **CONDITIONS**

Operator:	OGRID:
DJR OPERATING, LLC	371838
	Action Number:
Farmington, NM 87401	519512
	Action Type:
	[C-147] Water Recycle Long (C-147L)

#### CONDITIONS

Created By	Condition	Condition Date
vvenegas	• 3RF-92 - GALLO CANYON UNIT 2306 M26 [FVV2532435832] is approved for five years of operation from the date of permit application of 10/23/2025. 3RF-92 - GALLO CANYON UNIT 2306 M26 [FVV2532435832] permit expires on 10/23/2030. If [371838] DJR OPERATING, LLC wishes to extend operations past five years, an annual permit extension request must be submitted using an OCD form C-147 through OCD Permitting by 09/23/2030. • [371838] DJR OPERATING, LLC shall construct, operate, maintain, close, and reclaim 3RF-92 - GALLO CANYON UNIT 2306 M26 [FVV2532435832] in compliance with NMAC 19.15.34 NMAC. • [371838] DJR OPERATING, LLC shall comply with 19.15.29 NMAC Releases in the event of any release of produced water or other oil field waste at 3RF-92 - GALLO CANYON UNIT 2306 M26 [FVV2532435832].	11/20/2025