



October 10, 2025

Ms. Victoria Venegas
Senior Environmental Scientist
ENMRD – Oil Conservation Division
506 W. Texas Ave.
Artesia, NM 88210

**RE: 1RF-477 - LAGER HEAD RECYCLING FACILITY AND CONTAINMENT #1 AND #2 FACILITY ID
fVV2134950802**

Dear Ms. Venegas,

Please accept this letter as notification that Intrepid Potash, Inc. has decided not to pursue moving forward with the 1RF-477 - LAGER HEAD RECYCLING FACILITY AND CONTAINMENT #1 AND #2 permit. Attached to this letter is form C-147 for your reference.

We appreciate your email requesting a status update on this permit. Please let us know if you have any questions.

Best Regards,

A handwritten signature in black ink, appearing to read "Jen Andrews", is written over a light blue horizontal line.

Interim Director of Environmental
Intrepid Potash, Inc.
Ph: 910-489-2647
Email: Jen.Andrews@intrepidpotash.com

District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 S. First St., Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

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

Form C-147
Revised April 3, 2017

Recycling Facility and/or Recycling Containment

Type of Facility: Recycling Facility Recycling Containment*
Type of action: Permit 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.

1.
Operator: Intrepid Potash NM LLC (For multiple operators attach page with information) OGRID #: 372681
Address: 2324 W. Peirce St. Carlsbad, NM 88220
Facility or well name (include API# if associated with a well): Lager Head Recycling Facility and Containments #1 and #2
OCD Permit Number: _____ (For new facilities the permit number will be assigned by the district office)
U/L or Qtr/Qtr F, K, N Section 27 Township 25S Range 35E County: Lea
Surface Owner: Federal State Private Tribal Trust or Indian Allotment

2.
 Recycling Facility:
Location of recycling facility (if applicable): Latitude 32.10041 Longitude -103.35722 Approx NAD83
Proposed Use: Drilling* Completion* Production* Plugging*
**The re-use of produced water may NOT be used until fresh water zones are cased and cemented*
 Other, *requires permit for other uses. Describe use, process, testing, volume of produced water and ensure there will be no adverse impact on groundwater or surface water.*
 Fluid Storage
 Above ground tanks Recycling containment Activity permitted under 19.15.17 NMAC explain type _____
 Activity permitted under 19.15.36 NMAC explain type: _____ Other explain _____
 For multiple or additional recycling containments, attach design and location information of each containment
 Closure Report (required within 60 days of closure completion): Recycling Facility Closure Completion Date: _____

3.
 Recycling Containment: Lager Head #1 and #2
 Annual Extension after initial 5 years (attach summary of monthly leak detection inspections for previous year)
Center of Recycling Containment (if applicable): Latitude 32.099708 Longitude -103.35869 Approx NAD83
 For multiple or additional recycling containments, attach design and location information of each containment
 Lined Liner type: Thickness See Engineering Drawings mil LLDPE HDPE PVC Other _____
 String-Reinforced
Liner Seams: Welded Factory Other _____ Volume: See Drawings bbl Dimensions: L x W x D
 Recycling Containment Closure Completion Date: _____

4.

Bonding:

- Covered under bonding pursuant to 19.15.8 NMAC per 19.15.34.15(A)(2) NMAC (These containments are limited to only the wells owned or operated by the owners of the containment.)
- Bonding in accordance with 19.15.34.15(A)(1). Amount of bond \$ SEE COST ESTIMATE (work on these facilities cannot commence until bonding amounts are approved)
- Attach closure cost estimate and documentation on how the closure cost was calculated.

5.

Fencing:

- Four foot height, four strands of barbed wire evenly spaced between one and four feet
- Alternate. Please specify Game Fence with option to install 4 strands barbed wire from --0-4 feet if required by District Office _____

6.

Signs:

- 12"x 24", 2" lettering, providing Operator's name, site location, and emergency telephone numbers
- Signed in compliance with 19.15.16.8 NMAC

7.

Variances:

Justifications and/or demonstrations that the proposed variance will afford reasonable protection against contamination of fresh water, human health, and the environment.

Check the below box only if a variance is requested:

- Variance(s): Requests must be submitted to the appropriate division district for consideration of approval. If a Variance is requested, include the variance information on a separate page and attach it to the C-147 as part of the application.

If a Variance is requested, it must be approved prior to implementation.

8.

Siting Criteria for Recycling Containment

Instructions: The applicant must provide attachments that demonstrate compliance for each siting criteria below as part of the application. Potential examples of the siting attachment source material are provided below under each criteria.

General siting

Ground water is less than 50 feet below the bottom of the Recycling Containment.

NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells FIGURE 2	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> 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. FIGURE 3 - Written confirmation or verification from the municipality; written approval obtained from the municipality	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> NA
Within the area overlying a subsurface mine. FIGURE 4 - Written confirmation or verification or map from the NM EMNRD-Mining and Minerals Division	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Within an unstable area. FIGURE 5 - Engineering measures incorporated into the design; NM Bureau of Geology & Mineral Resources; USGS; NM Geological Society; topographic map	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Within a 100-year floodplain. FEMA map FIGURE 6	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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). FIGURE 7 - Topographic map; visual inspection (certification) of the proposed site	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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 FIGURE 8	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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. FIGURES 1 AND 7 - NM Office of the State Engineer - iWATERS database search; visual inspection (certification) of the proposed site	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Within 500 feet of a wetland. FIGURE 9 - US Fish and Wildlife Wetland Identification map; topographic map; visual inspection (certification) of the proposed site	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

9.

Recycling Facility and/or Containment Checklist:

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

- Design Plan - based upon the appropriate requirements.
- Operating and Maintenance Plan - based upon the appropriate requirements.
- Closure Plan - based upon the appropriate requirements.
- Site Specific Groundwater Data -
- Siting Criteria Compliance Demonstrations -
- Certify that notice of the C-147 (only) has been sent to the surface owner(s)**

10.

Operator Application Certification:

I hereby certify that the information and attachments submitted with this application are true, accurate and complete to the best of my knowledge and belief.

Name (Print): ___ Travis McBain _____ Title: ___ Director of Land/Business Development _____

Signature: _____ Date: _____

e-mail address: ___ travis.mcbaing@intrepidpotash.com _____ Telephone: ___ 405.938.5411 _____

11.

OCD Representative Signature: _____ **Approval Date:** _____

Title: _____ **OCD Permit Number:** _____

OCD Conditions _____

Additional OCD Conditions on Attachment

Venegas, Victoria, EMNRD

From: Jen Andrews <jen.andrews@intrepidpotash.com>
Sent: Thursday, October 16, 2025 4:17 PM
To: Venegas, Victoria, EMNRD
Cc: Dusten Russell
Subject: RE: [EXTERNAL] RE: 1RF-477 - LAGER HEAD RECYCLING FACILITY AND CONTAINMENT #1 AND #2 FACILITY ID fVV2134950802
Attachments: Carlsbad - 1RF-477 - Lager Head Recycling Facility.pdf

Good afternoon Ms. Venegas,

I hope this email finds you doing well. Attached is the cover letter and C-147 to cancel the permit. Please let us know if you have any questions.

Best Regards,
Jen

Jen Andrews
Director of Quality
Director of Environmental - Interim
INTREPID
707 17th Street, Suite 4200
Denver, CO, 80202
910-489-2647 - mobile
Jen.Andrews@intrepidpotash.com

From: Venegas, Victoria, EMNRD <Victoria.Venegas@emnrn.nm.gov>
Sent: Thursday, September 25, 2025 1:10 PM
To: Jen Andrews <jen.andrews@intrepidpotash.com>; Travis McBain <travis.mcbain@intrepidpotash.com>; Ken Faulkner <Ken.faulkner@intrepidpotash.com>
Cc: Roy Torres <Roy.Torres@intrepidpotash.com>; Dusten Russell <dusten.russell@intrepidpotash.com>
Subject: RE: [EXTERNAL] RE: 1RF-477 - LAGER HEAD RECYCLING FACILITY AND CONTAINMENT #1 AND #2 FACILITY ID fVV2134950802

You don't often get email from victoria.venegas@emnrn.nm.gov. [Learn why this is important](#)

Please submit a cover letter and form C-147 to OCD Permitting, so we can cancel the permit in our system. Thank you for the update and quick response.
Regards,

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

From: Jen Andrews <jen.andrews@intrepidpotash.com>
Sent: Thursday, September 25, 2025 1:07 PM
To: Venegas, Victoria, EMNRD <Victoria.Venegas@emnrd.nm.gov>; Travis McBain <travis.mcbain@intrepidpotash.com>; Ken Faulkner <Ken.faulkner@intrepidpotash.com>
Cc: Roy Torres <Roy.Torres@intrepidpotash.com>; Dusten Russell <dusten.russell@intrepidpotash.com>
Subject: [EXTERNAL] RE: 1RF-477 - LAGER HEAD RECYCLING FACILITY AND CONTAINMENT #1 AND #2 FACILITY ID fVV2134950802

CAUTION: This email originated outside of our organization. Exercise caution prior to clicking on links or opening attachments.

Good afternoon,

I apologize for the delay in response on this project. At this time, Intrepid is not planning to move forward with this project. Please let us know if you have any questions.

Best Regards,
Jen

Jen Andrews

Director of Quality
Director of Environmental - Interim

INTREPID

707 17th Street, Suite 4200

Denver, CO, 80202

910-489-2647 - mobile

Jen.Andrews@intrepidpotash.com

From: Venegas, Victoria, EMNRD <Victoria.Venegas@emnrd.nm.gov>
Sent: Friday, September 12, 2025 2:19 PM
To: Travis McBain <travis.mcbain@intrepidpotash.com>; Jen Andrews <jen.andrews@intrepidpotash.com>; Ken Faulkner <Ken.faulkner@intrepidpotash.com>
Subject: RE: 1RF-477 - LAGER HEAD RECYCLING FACILITY AND CONTAINMENT #1 AND #2 FACILITY ID fVV2134950802

You don't often get email from victoria.venegas@emnrd.nm.gov. [Learn why this is important](#)

Good afternoon.

Please provide updated information on the status of this permit. The NMOCD has not received any C-148s or construction notices related to this permit.

Thank you.

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

From: Venegas, Victoria, EMNRD
Sent: Monday, January 31, 2022 11:03 AM
To: 'Travis McBain' <travis.mcbain@intrepidpotash.com>; 'Chris Collard (Contractor)' <chris.collard@intrepidpotash.com>
Cc: r@rthicksconsult.com; Enviro, OCD, EMNRD <OCD.Enviro@state.nm.us>
Subject: 1RF-477 - LAGER HEAD RECYCLING FACILITY AND CONTAINMENT #1 AND #2 FACILITY ID fVV2134950802

1RF-477 - LAGER HEAD RECYCLING FACILITY AND CONTAINMENT #1 AND #2 FACILITY ID fVV2134950802

Good morning Mr. McBain,

NMOCD has reviewed the recycling containment permit application and related documents, submitted by [372681] INTREPID POTASH - NEW MEXICO, LLC on December 13, 2021, for 1RF-477 - LAGER HEAD RECYCLING FACILITY AND CONTAINMENT #1 AND #2 FACILITY ID fVV2134950802 in Unit Letter K, Section 27, Township 25S, Range 35E, Lea County, New Mexico.

The form C-147 and related documents for 1RF-477 - LAGER HEAD RECYCLING FACILITY AND CONTAINMENT #1 AND #2 FACILITY ID fVV2134950802 is approved with the following conditions of approval:

- [372681] INTREPID POTASH - NEW MEXICO, LLC shall construct, operate, maintain, close, and reclaim 1RF-477 - LAGER HEAD RECYCLING FACILITY AND CONTAINMENT #1 AND #2 FACILITY ID fVV2134950802 in compliance with 19.15.34 NMAC.
- 1RF-477 - LAGER HEAD RECYCLING FACILITY AND CONTAINMENT #1 AND #2 FACILITY ID fVV2134950802 is approved for five years of operation from the date of permit application. 1RF-477 - LAGER HEAD RECYCLING FACILITY AND CONTAINMENT #1 AND #2 FACILITY ID fVV2134950802 permit expires on December 13, 2026. If [372681] INTREPID POTASH - NEW MEXICO, LLC wishes to extend operations past five years, an annual permit extension request must be submitted using an OCD form C-147 through [OCD Online](#) by November 13, 2026.
- [372681] INTREPID POTASH - NEW MEXICO, LLC cannot receive produced water 1RF-477 - LAGER HEAD RECYCLING FACILITY AND CONTAINMENT #1 AND #2 FACILITY ID fVV2134950802 until after the original copy of the financial assurance has been accepted by OCD.
- Per Rule 19.15.34.15.A.(1) operators without existing financial assurance pursuant to 19.15.8 NMAC shall furnish financial assurance acceptable to the division in the amount of the recycling containment's estimated closure cost. The total closure cost estimate provided in the application in the amount of \$1,139,800 for 1RF-477 - LAGER HEAD RECYCLING FACILITY AND CONTAINMENT #1 AND #2 FACILITY ID fVV2134950802 meets the requirements of NMAC 19.15.34.15.A.(1).
- If [372681] INTREPID POTASH - NEW MEXICO, LLC decides to add an AST to the facility, then [372681] INTREPID POTASH shall submit a C-147 Long Form with the box "Modification" checked and the appropriate documentation specific to the AST (*i.e.* Design and Construction Plan, Operations & Maintenance Plan and Closure Plan) via [OCD Online](#). [372681] INTREPID POTASH - NEW MEXICO, LLC would need NMOCD approval prior to installing the future ASTs.
- The financial assurance bond should be mailed to the Oil Conservation Division; Bonding and Compliance; 1220 South St Frances Drive; Santa Fe, NM 87505. NMOCD will notify [372681] INTREPID POTASH - NEW MEXICO, LLC when the bond has been received and approved.
- [372681] INTREPID POTASH - NEW MEXICO, LLC shall notify OCD when construction of 1RF-477 - LAGER HEAD RECYCLING FACILITY AND CONTAINMENT #1 AND #2 FACILITY ID fVV2134950802 commences.

- [372681] INTREPID POTASH - NEW MEXICO, LLC shall notify OCD when recycling operations commence and cease at 1RF-477 - LAGER HEAD RECYCLING FACILITY AND CONTAINMENT #1 AND #2 FACILITY ID fVV2134950802.
- A minimum of 3-feet freeboard must be maintained at 1RF-477 - LAGER HEAD RECYCLING FACILITY AND CONTAINMENT #1 AND #2 FACILITY ID fVV2134950802, at all times during operations.
- If less than 20% of the total fluid capacity is utilized every six months, beginning from the first withdrawal, operation of the facility is considered ceased and notification of cessation of operations should be sent electronically to [OCD Online](#). An extension to extend the cessation of operation, not to exceed six months, may be submitted using a C-147 form through [OCD Online](#).
- [372681] INTREPID POTASH - NEW MEXICO, LLC shall submit monthly reports of recycling and reuse of produced water, drilling fluids, and liquid oil field waste on OCD form C-148 through [OCD Online](#) even if there is zero activity.
- [372681] INTREPID POTASH - NEW MEXICO, LLC shall comply with 19.15.29 NMAC Releases in the event of any release of produced water or other oil field wastes at 1RF-477 - LAGER HEAD RECYCLING FACILITY AND CONTAINMENT #1 AND #2 FACILITY ID fVV2134950802.

Please reference number 1RF-477 - LAGER HEAD RECYCLING FACILITY AND CONTAINMENT #1 AND #2 FACILITY ID fVV2134950802 in all future communications.

Victoria Venegas • Environmental Specialist

Environmental Bureau

EMNRD - Oil Conservation Division

811S. First St. | Artesia, NM 88210

(575) 909-0269 | Victoria.Venegas@state.nm.us

<http://www.emnrd.state.nm.us/OCD/>



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 560249

CONDITIONS

Operator: INTREPID POTASH - NEW MEXICO, LLC 210 Red Cloud Road Carlsbad, NM 88220	OGRID: 372681
	Action Number: 560249
	Action Type: [C-147] Water Recycle Long (C-147L)

CONDITIONS

Created By	Condition	Condition Date
vvenegas	None	3/5/2026