

EPWM - 9

**TEMPORARY
APPROVALS,
PERMITS,
RENEWALS, &
MODS**



New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

John H. Bemis
Cabinet Secretary-Designate

Brett F. Woods, Ph.D.
Deputy Cabinet Secretary

Jami Bailey
Division Director
Oil Conservation Division



July 28, 2011

Dr. Roberto Osegueda
University of Texas at El Paso
Office of Research and Sponsored Projects
500 W. University Avenue
El Paso, Texas 79902

Re: Request For Temporary Approval To Store and Use Produced Water For Research And Development Of The Voltea Water Desalination Technology
Operator: University of Texas at El Paso
Temporary Approval: EPWM -009
R&D Facility: U.S. Department of Interior – Bureau of Reclamation – Brackish Groundwater National Desalination Research Facility
R&D Facility Address: 500 LaVelle Road, Alamogordo, New Mexico 88310

Dear Dr. Osegueda:

The Oil Conservation Division (OCD) has reviewed the University of Texas at El Paso's (UTEP) request, dated July 28, 2011, to store and use oilfield produced water for research and development of the Voltea water desalination technology at the Brackish Groundwater National Desalination Research Facility (BGNDRF), operated by the U.S. Department of Interior, Bureau of Reclamation. OCD understands that UTEP will obtain produced water from Energen Resources Corporation's Tiffany SWD No. 001, have it transported to BGNDRF for storage, treatment, and testing onsite, and will send the produced water and associated waste to Gandy Marley Incorporated's OCD permitted surface waste management facility for disposal upon completion of the research and development project.

OCD hereby grants this temporary approval with the following understandings and conditions:

1. UTEP shall comply with all applicable requirements of the Produced Water Rule (19.15.34 NMAC), the Oil and Gas Act (Chapter 70, Article 2 NMSA 1978), and the conditions specified in this temporary approval and shall construct, operate and close the research and development project in accordance with the July 28, 2011 request.
2. The produced water approved for storage and research and development of the Voltea water desalination technology shall only be delivered for use at the Brackish Groundwater National

Desalination Research Facility (BGNDRF), located at 500 LaVelle Road, Alamogordo, New Mexico 88310.

3. The source of the produced water approved for research and development by UTEP is Energen Resources Corporation's Tiffany SWD #1 well (API# 30-045-32208) located within Unit H of Section 10, Township 32 North, Range 6 West, NMPM, San Juan County, New Mexico
4. Only haulers authorized (OCD approved C-133) to move produced water shall provide transport of produced water to the BGNDRF site for research and development.
5. UTEP shall not manage any oilfield wastes at the BGNDRF site on the ground in pits, ponds, below-grade tanks or surface waste management facilities without an OCD approved permit.
6. UTEP shall not discharge any treated or untreated produced water on the ground, to ground water, or into any surface water body.
7. UTEP shall not dispose of produced water at the BGNDRF site. All produced water shall be removed from the BGNDRF site by a hauler authorized (OCD approved C-133) to move produced water and properly disposed at an OCD approved facility.
8. UTEP shall dispose of its oilfield waste (i.e.; produced water, treatment filters, membranes *etc.*) at GMI – Gandy Marley Incorporated's Surface Waste Management Facility (OCD Permit NM1-019).
9. UTEP shall retain records (OCD Form C-138) documenting all produced water removed from the BGNDRF site. The record shall indicate the facility/well name and permit number in which the produced water is obtained from and the facility/well name and permit number of the OCD approved facility in which the produced water is disposed.
10. UTEP shall report all unauthorized discharges, spills, leaks, and releases of produced water or other oilfield waste pursuant to 19.15.29 NMAC.
11. UTEP shall submit a modification request and obtain OCD's approval prior to initiating any changes in the storage or use of the treated produced water or the disposition of any unused produced water.
12. UTEP shall complete the closure activities upon completion of the research and development project and submit a closure report to OCD within 60 days of closure, as proposed in Attachment F of the July 28, 2011 request.

This temporary approval is for a period of two (2) months. This temporary approval will expire September 30, 2011. UTEP shall submit a renewal request for its temporary approval at least 15 days prior to the expiration date. OCD may rescind or suspend this temporary approval for violation of any applicable provisions and/or conditions.

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Please be advised that approval of this request does not relieve UTEP of liability should operations result in pollution of surface water, ground water or the environment. Nor does approval relieve UTEP of its responsibility to comply with any other applicable governmental authority's rules and regulations.

If there are any questions regarding this matter, please do not hesitate to contact Mr. Brad A. Jones of my staff at (505) 476-3487 or brad.a.jones@state.nm.us.

Sincerely,



Jami Bailey
Director

JB/baj

cc: OCD District II Office, Artesia
OCD District III Office, Aztec