

BW - ____027____

**TRANSFER OF
DISCHARGE
PERMIT**

2016

Chavez, Carl J, EMNRD

From: Chavez, Carl J, EMNRD
Sent: Friday, December 9, 2016 4:16 PM
To: 'jennimusher@gmail.com'
Cc: 'arickard@Cambrianmgmt.com'; 'ameans@Cambrianmgmt.com'; 'MAnthony@CambrianMgmt.com'; Gallegos, Denise, EMNRD; Griswold, Jim, EMNRD; Sanchez, Daniel J., EMNRD
Subject: RE: BW-27 and BW-30 Pyote Well Services, LLC WQCC Discharge Permits Transfer of Discharge Permit to Cambrian Management

Ms. Usher:

Good afternoon. The New Mexico Oil Conservation Division (OCD) is in receipt of your e-mail message below. More specifically, Jim Griswold (OCD) forwarded your e-mail message to me, and after conferring on the OCD Water Quality Control Commission (WQCC) Regulations for Brine Well Discharge Permits, i.e., BW-27 and BW-30, it appears that Pyote and Cambrian must abide by WQCC Regulation: 20.6.2.5101(H) NMAC provided below.

WQCC Regulations: [20.6.2 NMAC](#)

20.6.2.5101 DISCHARGE PERMIT AND OTHER REQUIREMENTS FOR CLASS I WELLS AND CLASS III WELLS:

H. Transfer of Class I non-hazardous waste injection well and Class III well discharge permits. (1) The transfer provisions of 20.6.2.3111 NMAC do not apply to a discharge permit for a Class I non-hazardous waste injection well or Class III well. (2) A Class I non-hazardous waste injection well or Class III well discharge permit may be transferred if: (a) the secretary receives written notice 30 days prior to the transfer date; and (b) the secretary does not object prior to the proposed transfer date; the secretary may require modification of the discharge permit as a condition of transfer, and may require demonstration of adequate financial responsibility. (3) The written notice required by Subparagraph (a) of Paragraph (2) of Subsection H above shall: (a) have been signed by the discharger and the succeeding discharger, including an acknowledgement that the succeeding discharger shall be responsible for compliance with the discharge permit upon taking possession of the facility; and (b) set a specific date for transfer of discharge permit responsibility, coverage and liability; and (c) include information relating to the succeeding discharger's financial responsibility required by Paragraph (17) of Subsection B of 20.6.2.5210 NMAC.

No transfer of ownership is possible without proper financial assurance. It is imperative that Cambrian Management submit WQCC financial assurance (i.e., [WQCC-1 Bond](#), or [other acceptable means](#), etc.) to the Mrs. Denise Gallegos (OCD Bond Administrator) at (505) 476-3453 in amount acceptable to the OCD Environmental Bureau. A third-party cost estimate for plug and abandonment of the brine well, restoration of the surface to prior conditions, subsidence and any environmental monitoring if required shall be factored into the cost estimate for OCD Environmental Bureau approval. Once the amount is approved, Cambrian Management may submit the financial assurance to Ms. Gallegos approval. Once approved, Pyote may request a release of its bond(s).

OCD has examples of transfer documents should they be requested by the parties. The examples strive to satisfy 20.6.2.5101(H) above to properly transfer the discharge permit and well to the new owner. Essentially, the new owner must confirm it understands the terms and conditions of the discharge permits and accepts full responsibility henceforth.

Please contact me if you have questions. Thank you.

Mr. Carl J. Chavez
New Mexico Oil Conservation Division
Energy Minerals and Natural Resources Department
1220 South St Francis Drive
Santa Fe, New Mexico 87505
Ph. (505) 476-3490
E-mail: CarlJ.Chavez@state.nm.us

“Why not prevent pollution, minimize waste to reduce operating costs, reuse or recycle, and move forward with the rest of the Nation?” (To see how, go to: <http://www.emnrd.state.nm.us/OCD> and see “Publications”)

From: Griswold, Jim, EMNRD
Sent: Friday, December 9, 2016 3:09 PM
To: Chavez, Carl J, EMNRD <CarlJ.Chavez@state.nm.us>
Subject: Fwd: BW-27 and BW-30

Sent from my Verizon Wireless 4G LTE Droid

----- Forwarded message -----

From: Jenni Usher <jennimusher@gmail.com>
Date: Dec 9, 2016 10:44 AM
Subject: BW-27 and BW-30
To: "Griswold, Jim, EMNRD" <Jim.Griswold@state.nm.us>
Cc:

Hello Jim!

I hope you are enjoying these last few weeks of 2016!

Pyote Well Service has transferred all of their New Mexico wells to Cambrian Management. I wanted to touch base with you to see what the procedure was for ensuring the two brine wells were transferred properly? Someone may have already started this through your Department, but if I'm left off of an email or something I like to follow up with the State to make sure everything is done properly.

Will you let me know what we need to do or if you've already been working on this?

Thank you very much,

Jenni Usher
Agent, Pyote Well Service, LLC
512-820-8772 mobile
jennimusher@gmail.com