

BW – 4

**PERMIT
APPLICATIONS,
RENEWALS,
& MODS**

2018

Chavez, Carl J, EMNRD

From: Wayne Price <wayneprice@q.com>
Sent: Tuesday, October 2, 2018 8:40 AM
To: Chavez, Carl J, EMNRD
Cc: Wayne Price; Griswold, Jim, EMNRD; Larry Gandy
Subject: Re: [EXT] BW-4 (Wasserhund, Inc. Eidson State #1 API# 30-025-26883): OCD Not Administratively Complete Letter Communication E-mail

Thank you Carl, this will really help me to achieve Admin approval.

On Oct 2, 2018, at 8:32 AM, Chavez, Carl J, EMNRD <CarlJ.Chavez@state.nm.us> wrote:

Wayne:

Good morning.

A few additional comments to convey on the public notice (take a look at historical public notices):

1. "This site" should be changed to "The Eidson State No. 1 brine well is located";
2. Add UL: M with (SW/4 SW/4);
3. Include the API# 30-025-26883;
4. Description of the well construction and stratum (i.e., casing shoe set at depth, well TD, rock-salt contact depth, tubing orientation and depth, window top/bot. depths, whip stock depth, etc.) in addition to the "reverse flow" description, station tank type and vols;
5. Brine quality;
6. DTW ~ 70 ft.

After OCD admin. complete determination is realized, some financial assurance info. to communicate:

1. WQCC Bonds are now required for brine wells to be in place before permit may be issued;
2. A Closure Plan for OCD approval with cost estimate to plug well, surface reclamation, 2- yrs. post closure subsidence monitoring, and any decommissioning of pipeline and surface infrastructure;
3. Upon approval of the closure plan and cost estimate, the Operator may proceed to obtain the WQCC Bond and upon approval by OCD, may request the release of any remaining bonds on the well with OCD;

Technical info. requested to proceed with permit when admin. completeness is achieved:

1. New well diagram with lithologies displayed and flow scheme (discrepancies noticed between historical well diagrams and current whip stock diagram) and should match public notice;

2. Double check AOR wells within ½ mile of the brine well with historical file info.;
3. It would appear the MSIP is about 348 based on top of whip stock;
4. FYI: OCD is very concerned about any wash-out of the rock-salt contact on any existing reverse-flow brine wells with casing shoes at or near the rock-salt contact. A recent operator opted to install liner into the good salt formation to prevent continual wash-out of cavern roof and switch to regular flow to produce high density brine. This may also be good opportunity for Operator to locate better salt zones.

Thank you.

Mr. Carl J. Chavez, CHMM (#13099)
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: Wayne Price <wayneprice@q.com>
Sent: Monday, October 1, 2018 6:40 PM
To: Chavez, Carl J, EMNRD <CarlJ.Chavez@state.nm.us>
Cc: Wayne Price <wayneprice@q.com>; Larry Gandy <lgandy@gandycorporation.com>; Griswold, Jim, EMNRD <Jim.Griswold@state.nm.us>
Subject: [EXT] Re: BW-4 (Wasserhund, Inc. Eidson State #1 API# 30-025-26883): OCD Not Administratively Complete Letter

Thank you Carl, will work on.

On Oct 1, 2018, at 11:55 AM, Chavez, Carl J, EMNRD
<CarlJ.Chavez@state.nm.us> wrote:

<image001.gif>

Mssrs: Larry Gandy and Wayne Price,

Please find attached the New Mexico Oil Conservation Division (OCD) above subject letter. OCD is focused on the Wasserhund, Inc. Brine Well WQCC Applications (applications) for Renewal.

OCD has taken more time to review the applications based on references to the file in the submitted original application for renewal. OCD looks forward to working with Wasserhund, Inc. to complete the administratively complete process and to receive any additional technical information to successfully complete the permit review process.

A hard copy was placed in the U.S. Mail this morning.

Thank you.

Mr. Carl J. Chavez, CHMM (#13099)
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

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<OCD Not Admin Complete 10-1-2018.pdf>

Wayne Price-Price LLC
312 Encantado Ridge CT NE
Rio Rancho, NM 87124
wayneprice@q.com
505-715-2809

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Rio Rancho, NM 87124
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505-715-2809

Chavez, Carl J, EMNRD

From: Chavez, Carl J, EMNRD
Sent: Monday, October 1, 2018 11:55 AM
To: Larry Gandy; Wayne Price
Cc: Griswold, Jim, EMNRD
Subject: BW-4 (Wasserhund, Inc. Eidson State #1 API# 30-025-26883): OCD Not Administratively Complete Letter
Attachments: OCD Not Admin Complete 10-1-2018.pdf

Mssrs: Larry Gandy and Wayne Price,

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State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

Ken McQueen
Cabinet Secretary

Matthias Sayer
Deputy Cabinet Secretary

Heather Riley, Division Director
Oil Conservation Division



OCTOBER 1, 2018

**CERTIFIED MAIL
RETURN RECEIPT NO: 5995 4070**

Mr. Wayne Price- Price LLC
C/O: Mr. Larry Gandy
Wasserhund Inc.
P.O. Box 2140
Lovington, New Mexico 88260

Re: Discharge Permit (BW-004) Wasserhund Inc., UIC Class III Brine Well "Eidson State No. 1" (API# 30-025-26883) UL: M Section 31 Township 16 South, Range 35 East, 567 FSL, 162 FWL, Lat. 32.87313°, Long. 103.50503° NAD83, NMPM, Lea County, New Mexico

Mr. Price,

The New Mexico Oil Conservation Division (OCD) has received Wasserhund Inc.'s application for discharge permit renewal and the initial filing fee, dated June 12, 2018 for the Eidson State Well No. 1 located in the UL: M (SW/4 SW/4) of Section 31, Township 16 South. Range 35 East. NMPM, Lea County, New Mexico.

The department has determined based on 20.6.2.3108 NMAC that the application is **not administratively complete**.

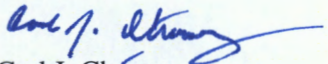
The OCD has identified the following deficiencies:

- 1) The description of the activities that produce the discharge are not fully described as required by 20.6.2.3108(F)(3) NMAC. OCD requires more details about the brine well.
- 2) The brief description of the expected quality of the discharge is not present as required by 20.6.2.3108(F)(4) NMAC.
- 3) Synopsis of notice in English for OCD approval with complete Spanish Version also included in any Newspaper posting by operator for official WQCC Public Notice under 20.6.2.3108 (C)(2) NMAC.

Upon receipt of the information requested above, OCD may deem the application administratively complete and provide public notice pursuant to the WQCC notice requirements of 20.6.2.3108 NMAC to determine if there is any public interest.

Please contact me at (505) 476-3490 or carlj.chavez@state.nm.us if you have questions. Thank you for your cooperation throughout the review of the application.

Respectfully,


Carl I. Chavez
Environmental Engineer

xc: OCD District I Office, Hobbs

Energy, Minerals & Natural Resources Department CASH REMITTANCE REPORT (CRR)

A barcode consisting of vertical black bars of varying widths on a white background. The bars are arranged in a standard linear format used for document identification.

OCD-Environment BW-4 & 22

Collection Period: / / through / / ④

[illegible]

Total	=====➔	\$ ⑨	\$ ⑩
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Over/Short Amount	\$	(11)
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CRR Deposit Amount	\$	(12)
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Print Name: Lorraine DeVargas (13) Signature: Lorraine DeVargas (13)

Print Name: _____⁽¹³⁾ Signature: _____⁽¹³⁾

Official Use Only

Date Received: _____ 1

Notes: _____ 2

Amount Received: _____ 3

State Treasurer Deposit Number: _____ 4

Verified by: _____ 6

Deposit Date: _____ 5

EMNRD

Cash Remittance Report (CRR)

PRICE LLC
312 ENCANTADO RIDGE CT NE
RIO RANCHO, NM 87124
PH. 505-715-2809

1656

95-32/1070 NM
1287

DATE June 7, 2018

PAY
TO THE
ORDER OF

NM Water Quality Management Fund
Two hundred ¹⁰/₁₀₀

\$ 200. ¹⁰/₁₀₀

DOLLARS

Photo
Safe
Deposit
Details on back

Bank of America

ACH/R/T 107000327

BW4

FOR

filing fee, Wasserkund & BW 22

Mary Ann Price

⑆00000⑆ ⑆000000⑆ ⑆00000000⑆

June 07, 2018

New Mexico Oil Conservation Division
1220 S. Saint Francis
Santa Fe, NM 87505

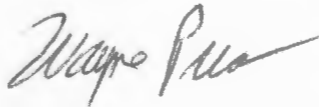
Att:: Mr. Carl Chavez-Envr. Engr.

Subject: Wasserhund Inc. BW-04 & BW-22

Dear Carl,

On behalf of Wasserhund Inc. Price LLC has enclosed permit renewal applications for the Wasserhund Inc. BW-04 and BW-22 Brine Wells, with \$200 filing fee.

Sincerely,

A handwritten signature in dark ink, appearing to read "Wayne Price-Price". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Wayne Price-Price LLC
wayneprice@q.com

<u>District I</u> 1625 N. French Dr., Hobbs, NM 88240 <u>District II</u> 1301 W. Grand Avenue, Artesia, NM 88210 <u>District III</u> 1000 Rio Brazos Road, Aztec, NM 87410 <u>District IV</u> 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	Revised June 10, 2003 Submit Original Plus 1 Copy to Santa Fe 1 Copy to Appropriate District Office
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DISCHARGE PLAN APPLICATION FOR BRINE EXTRACTION FACILITIES

(Refer to the OCD Guidelines for assistance in completing the application)

New **XX** Renewal

- I. Facility Name: Eidson Brine Station-BW-04
II. Operator: Wasserhund Inc.
Address: P.O. Box 2140 Lovington, New Mexico 88260
Contact Person: Larry Gandy Phone: 575-399-5721


Request, Commitments and Attachments:

Pursuant to WQCC 20.6.2.5003.A NMAC "Existing Facilities" and per WQCC 20.6.2.5003.B; Wasserhund Inc. is requesting that the previously submitted information be referenced for this permit renewal application and Wasserhund Inc. hereby commits to continue and operate pursuant to the existing permit on-file with OCD until renewed by

OCD. **Required \$100.00 filing fee is attached hereto.**

- III. Location: SW/4 SW/4 Section 31 Township 16S Range 35E
Submit large scale topographic map showing exact location.- **ON File with OCD**
- IV. Attach the name and address of the landowner of the facility site.-**ON File with OCD**
- V. Attach a description of the types and quantities of fluids at the facility.-**ON File with OCD**
- VI. Attach a description of all fluid transfer and storage and fluid and solid disposal facilities.-**ON File with OCD**
- VII. Attach a description of underground facilities (i.e. brine extraction well).-**ON File with OCD**
- VIII. Attach a contingency plan for reporting and clean-up of spills or releases.-**ON File with OCD**
- IX. Attach geological/hydrological evidence demonstrating that brine extraction operations will not adversely impact fresh water.-**ON File with OCD**
- X. Attach such other information as is necessary to demonstrate compliance with any other OCD rules, regulations and/or orders.-**ON File with OCD**
- XI. CERTIFICATION:

I hereby certify under penalty of law that I have personally examined and am familiar with the information submitted in this document and all attachments and that, based on my inquiry of those individuals immediately responsible for obtaining the information, I believe that the information is true, accurate and complete. I am aware that there are significant penalties for submitting false information including the possibility of fine and imprisonment.

Name: Larry Gandy Signature:  Consultant: Wayne Price-Price LLC 505-715-2809 wayneprice@q.com	Title: President Wasserhund Inc. Date: June 06, 2018
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Public Notice Display Ad: (Lovington, NM "Leader")

Legal notification for 3"x4" newspaper display add per Water Quality Control Commission Regulations 20.6.2.3.108.8.4 NMAC

Wasserhund Inc., P.O. Box 2140 Lovington, New Mexico 88260, Larry Gandy, has filed a permit renewal application with the New Mexico Oil Conservation Division (OCD) to renew the operating permit for a class III brine well for its existing brine and fresh water station previously permitted by the OCD as BW-04.

This site is located on State Road 238 and approximately 7 miles west and 5 miles south of Lovington, New Mexico. The facility is located in the SW/4 of SW/4 of Section 31 of Township 16 South, Range 35 East, NMPM, Lea County, New Mexico.

Fresh water is injected into the Salado salt formation at a depth ranging from 2100 to 2600 feet below the surface to produce brine water. The site produces approximately 25,000 barrels of brine water per month.

Ground water in this area is approximately 75 feet below the ground surface and has a total dissolved solid content of 600-700 mg/l.

This facility is designed and permitted to have no intentional water contaminants discharged to the surface or subsurface for the protection of groundwater. The system has concrete and synthetic liners to prevent any spills or leaks from reaching the ground surface.

If you have any questions or concerns please do not hesitate to contact Wasserhund Inc. at the address above or you may contact Wayne Price 505-715-2809 or E-mail wayneprice@q.com. Wasserhund Inc. welcomes your input.

The New Mexico Oil Conservation Division (OCD) will accept comments and statements of interest regarding this application and will create a facility-specific mailing list for persons who wish to receive future notices. Interested persons may contact Jim Griswold, Oil Conservation Division (OCD) 505-476-3465 or by writing 1220 South Saint Francis, Santa Fe, New Mexico, 87505.

Para obtener mas informaci6n sobre esta solicitud en espanol, sirvase comunicarse par favor: New Mexico Energy, Minerals and Natural Resources Department (Depto. Del Energia, Minerals y Recursos Naturales de Nuevo Mexico), Oil Conservation Division (Depto. conservacton Del Petr6leo), 1220 South St. Francis Drive, Santa Fe, New Mexico {Contacto: Carl Chavez, 505-476-3490}

Public Notice Letter:

Legal notification to property owner(s) of the site per Water Quality Control Commission Regulations 20.6.2.3.108.8.3 NMAC

Certified Mail Return Receipt Requested:

Property Owner of Record: **Eidson Ranch Inc.**

Address: P.O. Box 1286

City/County: Lovington, NM 88260

State: New Mexico

Public Notice:

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ACKNOWLEDGEMENT OF RECEIPT
OF CHECK/CASH

I hereby acknowledge receipt of Check No. 1656 dated 06/07/2018

or cash received on 06/12/2018 in the amount of \$ 200.00

from Prie, LLC

for permit renewal BN-04 BW-22

Submitted by: Carl Chavez Date: 06/12/18

Submitted to ASD by: Lorraine DeNargis Date: 06/12/18

Received in ASD by: _____ Date: _____

Filing Fee _____ New Facility: _____ Renewal: X

Modification _____ Other _____

Organization Code 521.07 Applicable FY 118

To be deposited in the Water Quality Management Fund.

Full Payment _____ or Annual Increment _____

NEW MEXICO ENVIRONMENT DEPARTMENT - ALBUQUERQUE FIELD OFFICE DAILY CHECK RECEIPT LOG

[illegible]

6/12/18	*	Pruitt, LLC	6/7/18	1656		200.00	
TOTAL						200.00	

REVENUE TRANSMITTAL SHEET				
Description	Fund	Dept.	Share Acct	Sub Acct Amount
Liquid Waste	34000	Z3200	496402	
Water Recreation Facilities	40000	Z8501	496402	
Food Permit Fees	99100	Z2600	496402	
OTHER	54100	Z32900		2329029000

WASSERHUND, INC.
P.O. Box 2140
Lovington, NM 88260-2140

June 09, 2018

NM Oil Conservation Division
1220 S. Saint Francis
Santa Fe, NM 87505

Fresh Water injected at the Wasserhund Brine Station (BW-004)

May 2018 16985

Brine Water sold at the Wasserhund Brine Station (BW-004)

May 2018 16948

Average Pressure on Wasserhund Brine Station was 280 psi

Sincerely Yours:


Donny Collins