

**NM1 - \_\_\_\_\_50\_\_\_\_\_**

**PERMITS,  
RENEWALS,  
& MODS**



# New Mexico Energy, Minerals and Natural Resources Department

**Susana Martinez**

Governor

**David Martin**

Cabinet Secretary

**Tony Delfin**

Deputy Cabinet Secretary

**David Catanach**

Director, Oil Conservation Division



May 13, 2016

John P. Crowe  
Crowe Blanco Properties, LLC  
1015 West 54<sup>th</sup> Street  
Kansas City, Missouri 64112

**RE: Surface Waste Management Facility Permit NM1-50. West/2 and the Southwest/4 of the Southeast/4 (Unit Letter O) of Section 16, Township 29 North, Range 9 West; San Juan County, New Mexico**

Mr. Crowe,

Pursuant to applicable parts of the Oil Conservation Commission regulations 19.15.36 NMAC, the Oil Conservation Division (OCD) has completed its review of your initial application dated June 30, 2012 and subsequent revisions for a waste management facility at the location described above operated by Crowe Blanco Properties, LLC. OCD hereby approves permit NM1-50 with conditions. Attached are the general and specific conditions.

If you have any questions, please contact Jim Griswold of my staff at (505) 476-3465 or by email at [jim.griswold@state.nm.us](mailto:jim.griswold@state.nm.us). On behalf of the Oil Conservation Division, I wish to thank you and your staff for your cooperation during this permit review.

Respectfully,



David Catanach

Director

DC/jg

Attachment – NM1-50 Permit Conditions

cc: James Hatcher  
Industrial Ecosystems, Inc.  
49 County Road 3150  
Aztec, New Mexico 87410



**SURFACE WASTE MANAGEMENT FACILITY PERMIT CONDITIONS**  
**NM1-50**  
**Crowe Blanco Properties, LLC**  
**West ½ and Southwest ¼ of the Southeast ¼ (Unit Letter O) of Section 16,**  
**Township 29 North, Range 9 West, NMPM**

**May 13, 2016**

Upon confirmation Crowe Blanco Properties, LLC of 1015 West 54<sup>th</sup> Street in Kansas City, Missouri 64112 (the operator) has provided financial assurance required under Section 1.H of this permit, the operator is permitted to construct and operate a surface waste management facility as described in the Application filed by the operator and in accordance with (a) the terms of this Permit, (b) the rules governing solid waste management facilities; 19.15.36 NMAC and (c) all other applicable provisions of the Oil and Gas Act and the rules promulgated under the Act. The Oil Conservation Division (OCD) of the Energy, Minerals, and Natural Resources Department will determine if any Permit changes constitute a "major modification" under 19.15.36 NMAC.

**1. GENERAL PROVISIONS**

**A. Permittee and Permitted Facility.** OCD issues surface oil field waste management permit NM1-50 to Crowe Blanco Properties, LLC (operator) for the construction, operation, and eventual closure of a facility to be located upon an approximate 276.74 acre tract as described above in an unincorporated portion of San Juan County, New Mexico. The waste management facility is intended for the permanent disposal of RCRA exempt and non-hazardous oil field waste and will comprise approximately 189.79 acres of the larger tract.

**B. Scope of Permit.** OCD regulates the disposition of water produced or used in connection with the exploration and production of oil and gas and to direct disposal of that water in a manner which will afford reasonable protection against contamination of fresh water supplies pursuant to authority granted in the Oil & Gas Act (Chapter 70, Article 2 NMSA 1978). Under that Act, OCD also regulates the disposition of nondomestic wastes resulting from exploration, production, or storage of crude oil and natural gas to protect public health and the environment. Similarly, OCD regulates the disposition of nondomestic wastes resulting from the oil field service industry, the transportation of crude oil and natural gas, the treatment of natural gas, and the refinement of crude oil to protect public health and the environment pursuant to jurisdiction and authority granted by the same Act.

This permit does not convey any property rights of any sort or any exclusive privilege to the operator and does not authorize any injury to property or persons, any invasion of other private rights, or any infringement of state, federal, or local laws, rules, or regulations.

**C. Owner/Operator Commitments.** The operator must ensure all operations are consistent with the terms and conditions of this permit and in conformance with all pertinent rules and regulations under the Oil & Gas Act. Furthermore, the operator shall abide by the approval conditions contained herein along with all commitments submitted in its permit application dated July 30, 2014 including any attachments and/or amendments thereafter, including but not limited to the submission dated October 7, 2015, all of which are incorporated into this permit by reference.

**D. Modifications.** The operator must notify the OCD in advance of any increase in the land area the facility occupies, any change in the design capacity, any change in the nature of the waste streams, or any change in process. As a result, the OCD Director may require a modification in the permit conditions.

**E. Definitions.** Terms not specifically defined in the permit shall have the same meanings as those in the Oil & Gas Act or the rules adopted pursuant to the Act, as the context requires.

**F. General Performance Standards.** The operator must operate in accordance with the permit conditions, comply with the Oil & Gas Act and rules issued pursuant to the Act, protect public health and the environment, prevent the waste of oil and gas, and prevent the contamination of fresh waters.

**G. Effective Date, Expiration, Renewal, and Penalties for Operating Without a Permit.** This permit is effective once OCD receives adequate financial assurance [see Section 1.H below] and will expire ten years thereafter. If it so desires, the operator may submit an application for renewal to OCD no later than 120 calendar days before the expiration date. If the operator submits such a renewal application before the required date and is in compliance with the existing permit, then that existing permit will not expire until the OCD approves or denies the renewal application. Operating with an expired permit will subject the operator to civil and/or criminal penalties (see Section 70-2-31 NMSA 1978).

**H. Financial Assurance.** The operator must provide financial assurance in a form acceptable to OCD for the waste management facility's estimated closure and post-closure cost. The estimated amount currently required is \$570,351.38. On an annual basis, the operator will update the closure/post-closure estimate and thus the amount of financial assurance based on the Consumer Price Index.

## 2. GENERAL FACILITY OPERATIONS

**A. Labeling.** The operator must clearly label all tanks, drums, and other containers to identify their contents along with other emergency notification information. The operator may use a tank coding system if it is incorporated into their emergency response planning.

**B. Inspections and Maintenance of Secondary Containment Systems.** The operator must inspect all secondary containment systems and sumps at least monthly to ensure proper operation and to prevent over filling or system failure. The operator must empty all secondary containment systems of any fluids within 48 hours of discovery, notify the OCD, and initiate corrective actions. The operator must keep written records of its inspections and of any fluid analyses. The operator shall maintain and make the documentation available for OCD inspection.

**C. Release Reporting and Corrective Action for Releases.** The operator must comply with the spill reporting and corrective action provisions of the Oil & Gas Regulations (19.15.29 and 19.15.30 NMAC).

**D. Annual Report.** The operator must submit an annual report to the OCD by September 1<sup>st</sup> of each year providing the following information for the preceding year: 1) all inspection forms including those for leak detection systems, 2) hydrogen sulfide monitoring results if reported under 19.15.11 NMAC, and 3) a summary of the nature and amount of any reportable releases.

## 3. MATERIAL STORAGE

**A. Process, Maintenance, and Material Storage Areas.** The operator must incorporate appropriate spill collection devices in all maintenance and material storage areas at the facility excluding evaporation ponds, below-grade tanks, and sumps. The process area will contain a 230 foot by 230 foot lined enclosure with a two foot by six foot compacted earthen berm for spill collection.

**B. Above Ground Tanks.** The operator must place above ground tanks on impermeable pads and surround the tanks with lined berms or other impermeable secondary containment system having a capacity of at least one and one-third times the capacity of the largest tank, or the combined volume of any interconnected tanks. This does not apply to tanks containing fresh water.

#### **4. WASTE MANAGEMENT**

**A. Waste Streams.** This permit authorizes the operator to handle the RCRA exempt streams. OCD approval must be obtained to receive any waste stream not specified in its application prior to collection, storage, treatment, or disposal.

**B. Waste Storage.** The operator must store wastes at the facility only in clearly marked storage areas that have been specified in the application except any waste that may be generated during emergency response operations. However, such emergency waste may be stored elsewhere for no more than 72 hours. OCD may approve additional storage on a case-by-case basis.

The operator must not store non-oil field waste generated at the facility by the operator for more than 180 calendar days from the date any container is filled without OCD approval.

**C. Class V Wells.** Leach fields and other wastewater disposal systems (such as septic systems) at OCD-regulated facilities which inject non-hazardous fluids into or above an underground source of drinking water are Underground Injection Control Class V wells pursuant to 20.6.2.5002 NMAC. This permit does not authorize the use of a Class V injection well for the disposal of industrial waste at the facility. Other Class V wells, including wells used only for the injection of domestic wastes, must be permitted by the New Mexico Environment Department.

#### **5. BELOW GRADE TANKS AND SUMPS**

Below grade tanks and sumps must have secondary containment systems with leak detection and meet construction and operating requirements of 19.15.17 NMAC.

#### **6. ADDITIONAL FACILITY-SPECIFIC CONDITIONS**

**A. Naturally Occurring Radioactive Material (NORM) waste cannot be accepted at the facility.**