

**R. T. HICKS CONSULTANTS, LTD.**

901 Rio Grande Blvd NW ▲ Suite F-142 ▲ Albuquerque, NM 87104 ▲ 505.266.5004 ▲ Since 1996

June 22, 2021

Mr. Mike Bratcher  
 NMOCD District II  
 811 S. First St.  
 Artesia, NM 88210  
 Via E-Mail

Ms. Victoria Venegas  
 NMOCD District II  
 811 S. First St.  
 Artesia, NM 88210  
 Via E-Mail

RE: Closure Cost Estimate  
 Myox Recycling Containment 2RF-161

Dear Mr. Bratcher and Ms. Venegas:

On behalf of Solaris Water Midstream LLC, Hicks Consultants is pleased to provide the following revision to the closure cost estimate for the above-referenced recycling AST containment. After OCD approval of the attached July 5, 2019 cost estimate, Solaris transmitted to Mr. Daniel Sanchez of OCD:

ARGONAUT INSURANCE COMPANY Bond # SUR0056456 for the sum of \$410,000.

As described in the attachment, this 2019 bond provides for the closure of Landes Containments #1 and the Myox AST Containment as outlined below:

\$198,463	Removal and disposal/recycling of the liner system for Landes #1
\$166,837	Reclamation of Landes Containment #1 only
\$30,000	Restoration and Reclamation of Myox Pad
\$11,500	Closure sampling and reporting for Myox and Landes
406,800	Total

Since OCD approval of the 2019 cost estimate,

- prices for construction in the Permian Basin have decreased,
- OCD requires the estimate include disposal/removal of the AST Containment structure:

ITEM NO.	ITEM DESCRIPTION	UNITS	QTY	UNIT PRICE	TOTAL Rule 34 Cost
	<b>Myox AST Containment</b>				
2	Removal of AST and Liner Disposal	1	1	\$40,000.00	\$40,000.00
11	Assess soil for impacts	1	1	\$2,500.00	\$2,500.00
12	Re-grade, Seeding and Reclaim Site	1	1	\$30,000.00	\$30,000.00
13	Misc. disposal and removal of fencing and cattle guards	1	1	\$1,000.00	\$1,000.00
	<b><u>Facility Decommission and Reclaim</u></b>				
	<b><u>Site Subtotal:</u></b>				<b>\$73,500.00</b>

If you have questions concerning this revised cost estimate, please contact me or Todd Carpenter of Solaris. Pending OCD approval, Solaris will hand-deliver a new bond for the Myox AST Containment to Mr. Sanchez in Santa Fe and collect the existing bond documents for Landes and Myox to return to the surety company.

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As the existing bond for the Landes 1&2 containments and the Myox AST containment is significantly higher than required, Solaris is fully compliant with Rule 34.

Sincerely,  
R.T. Hicks Consultants

A handwritten signature in black ink, appearing to read "Randall H", written over a horizontal line.

Randall Hicks, PG  
Principal

Copy: Solaris Water Midstream

**District I**

1625 N. French Dr., Hobbs, NM 88240  
 Phone:(575) 393-6161 Fax:(575) 393-0720

**District II**

811 S. First St., Artesia, NM 88210  
 Phone:(575) 748-1283 Fax:(575) 748-9720

**District III**

1000 Rio Brazos Rd., Aztec, NM 87410  
 Phone:(505) 334-6178 Fax:(505) 334-6170

**District IV**

1220 S. St Francis Dr., Santa Fe, NM 87505  
 Phone:(505) 476-3470 Fax:(505) 476-3462

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

CONDITIONS

Action 33208

**CONDITIONS**

Operator: SOLARIS WATER MIDSTREAM, LLC 907 Tradewinds Blvd, Suite B Midland, TX 79706	OGRID: 371643
	Action Number: 33208
	Action Type: [C-147] Water Recycle Long (C-147L)

**CONDITIONS**

Created By	Condition	Condition Date
venegas	NMOCD has reviewed the Closure Cost Estimate submitted by [371643] SOLARIS WATER MIDSTREAM, LLC on June 22, 2021 for 2RF-161 - MYOX AST - Facility ID fVV2113850290 in Unit Letter K, Section 32, Township 25S, Range 28E, Eddy County, New Mexico. 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 closure cost estimate for 2RF-161 - MYOX AST - Facility ID fVV2113850290 consisting of one (1) AST in the amount of \$73,500.00 satisfies the requirements of NMAC 19.15.34.15.A.(1). A copy of this communication will be saved in 2RF-161 - MYOX AST - Facility ID fVV2113850290 electronic file @: <a href="https://ocdimage.emnrd.state.nm.us/imaging/FacilityFileView.aspx?facility=fVV2113850290">https://ocdimage.emnrd.state.nm.us/imaging/FacilityFileView.aspx?facility=fVV2113850290</a>	6/23/2021