

**1RF-485 -
FMM AST
CONTAINMENT
FACILITY ID
[fVV2211651898]
C-147/Modification/
Correspondence/**

**[373910] Franklin Mountain
Energy LLC
May 19, 2022**

Franklin Mountain Energy, LLC
44 Cook Street, Suite 1000
Denver, CO 80206
May 4, 2022

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

Re: **Franklin Mountain Energy, LLC**
FMM AST Recycling Facility and Containment (1RF-485)
Request for Modification

Dear Ms. Venegas:

Franklin Mountain Energy, LLC (FME) requests the attached modification of the approved permit for the FMM AST Recycling Facility and Containment (1RF-485) to place a second 60,000 bbl. AST Containment at the site. This second containment is necessary to facilitate more efficient recycling of produced water. Thanks for your attention to this.

Should there be questions or if additional information is required, please contact me by phone at 720-214-7868.

Sincerely,



Travis Hutchinson
Facilities Engineering Director

Venegas, Victoria, EMNRD

From: Venegas, Victoria, EMNRD
Sent: Thursday, May 19, 2022 2:52 PM
To: Travis Hutchinson; Rachael Overbey; r@rthicksconsult.com
Subject: RE: [External] 1RF-485 - FMM AST CONTAINMENT FACILITY ID [fVV2211651898]. Modification.
Attachments: C-147_1RF-485 - FMM AST CONTAINMENT ID [fVV2211651898]. MODIFICATION..pdf

1RF-485 - FMM AST CONTAINMENT FACILITY ID [fVV2211651898].

Mr. Hutchinson,
NMOCED has reviewed the recycling containment permit modification submitted by [373910] Franklin Mountain Energy LLC on April 12, 2022, for 1RF-485 - FMM AST CONTAINMENT FACILITY ID [fVV2211651898] in Unit Letter A, Section 01, Township 25S, Range 35E, Lea County, New Mexico. [373910] Franklin Mountain Energy LLC requested a C-147 modification for two 60,000 bbl ASTs rather than one AST. [373910] Franklin Mountain Energy LLC states that the additional tank will be identical in design, liner/leak detection system and capacity. This permit modification request is approved. [373910] Franklin Mountain Energy LLC will follow the conditions of approval for 1RF-485 - FMM AST CONTAINMENT FACILITY ID [fVV2211651898].
Please let me know if you have any additional questions.
Regards,

Victoria Venegas • Environmental Specialist

Environmental Bureau

EMNRD - Oil Conservation Division

(575) 909-0269 | Victoria.Venegas@state.nm.us

<http://www.emnrd.state.nm.us/OCD/>



From: Travis Hutchinson <thutchinson@fmellc.com>
Sent: Thursday, May 19, 2022 2:26 PM
To: Venegas, Victoria, EMNRD <Victoria.Venegas@state.nm.us>; Rachael Overbey <roverbey@fmellc.com>; r@rthicksconsult.com
Subject: RE: [External] 1RF-485 - FMM AST CONTAINMENT FACILITY ID [fVV2211651898]. Modification.

Ms. Venegas – the additional tank will be identical in design, liner/leak detection system and capacity.

Thanks,

Travis

From: Venegas, Victoria, EMNRD <Victoria.Venegas@state.nm.us>

Sent: Thursday, May 19, 2022 2:09 PM

To: Travis Hutchinson <thutchinson@fmellc.com>; Rachael Overbey <roverbey@fmellc.com>; r@rthicksconsult.com

Subject: RE: [External] 1RF-485 - FMM AST CONTAINMENT FACILITY ID [fVV2211651898]. Modification.

Good afternoon Mr. Hutchinson,

NMOCD is reviewing the recycling containment permit modification submitted by [373910] Franklin Mountain Energy LLC on April 12, 2022, for 1RF-485 - FMM AST CONTAINMENT FACILITY ID [fVV2211651898] in Unit Letter A, Section 01, Township 25S, Range 35E, Lea County, New Mexico. [373910] Franklin Mountain Energy LLC requested a C-147 modification for two 60,000 bbl ASTs rather than one AST. Could [373910] Franklin Mountain Energy LLC please clarify if the additional tank has the same design -liner/leak detection system, capacity, etc- as the one described and approved for 1RF-485 - FMM AST CONTAINMENT FACILITY ID [fVV2211651898].

Thank you,

Victoria Venegas • Environmental Specialist

Environmental Bureau

EMNRD - Oil Conservation Division

(575) 909-0269 | Victoria.Venegas@state.nm.us

<http://www.emnrd.state.nm.us/OCD/>



From: Travis Hutchinson <thutchinson@fmellc.com>

Sent: Monday, May 2, 2022 1:06 PM

To: Venegas, Victoria, EMNRD <Victoria.Venegas@state.nm.us>; Rachael Overbey <roverbey@fmellc.com>; r@rthicksconsult.com

Cc: Enviro, OCD, EMNRD <OCD.Enviro@state.nm.us>

Subject: RE: [External] 1RF-485 - FMM AST CONTAINMENT FACILITY ID [fVV2211651898]. Conditions of Approval

Ms. Venegas – thank you for your time reviewing and issuing the permit with the following conditions of approval.

Regards,

Travis

From: Venegas, Victoria, EMNRD <Victoria.Venegas@state.nm.us>

Sent: Thursday, April 28, 2022 10:41 AM

To: Travis Hutchinson <thutchinson@fmellc.com>; Rachael Overbey <roverbey@fmellc.com>; r@rthicksconsult.com

Cc: Enviro, OCD, EMNRD <OCD.Enviro@state.nm.us>

Subject: [External] 1RF-485 - FMM AST CONTAINMENT FACILITY ID [fVV2211651898]. Conditions of Approval

1RF-485 - FMM AST CONTAINMENT FACILITY ID [fVV2211651898]. Conditions of Approval

Ms. Overbey,

NMOCD has reviewed the recycling containment permit application and related documents, submitted by [373910] Franklin Mountain Energy LLC on April 12, 2022, for 1RF-485 - FMM AST CONTAINMENT FACILITY ID [fVV2211651898] in Unit Letter A, Section 01, Township 25S, Range 35E, Lea County, New Mexico.

[373910] Franklin Mountain Energy LLC requested variances from 19.15.34 NMAC for 1RF-485 - FMM AST CONTAINMENT FACILITY ID [fVV2211651898] related to 19.15.34. NMAC

The following variances have been approved.

- The variance to 19.15.34.14 NMAC Table I for the use of alternate analytical method 8015/8015M for total petroleum hydrocarbons (TPH) is approved.
- The variance to 19.15.34.14 NMAC Table I for the use of alternate analytical method EPA 300.0 or SM4500 for the analysis of chloride is approved.
- The variance to 19.15.34.12.A.(2) NMAC for the no side-slope requirement for the AST containment with vertical walls is approved.
- The variance to 19.15.34.12.A.(3) NMAC for the liners to be anchored to the top of the AST steel walls and no anchor trenches is approved.
- The variance to 19.15.34.12.A.(4) NMAC for the installation on the AST containment of a 40-mil non-reinforced LLDPE primary liner and a 30-mil non-reinforced LLDPE secondary liner with a 200-mil geogrid drainage layer is approved.
- The variance to 19.15.34.12 A (4) NMAC for the installation on the AST containment of a 40-mil non-reinforced LLDPE primary liner and a 40-mil non-reinforced LLDPE secondary liner with a 200-mil geogrid drainage layer is approved.
- The variance to 19.15.34.12 D NMAC to install a gate or chain across the stairway between the ground surface and the open-top of the AST containment. The operator shall place an appropriate sign on the gate or chain to help prevent unauthorized human access to the open top of the containment and provide a mechanism to lock the gate when responsible personnel is not onsite is approved.

The following variance has been denied.

- The variance to 19.15.34.13.B.(2) NMAC for a 2-feet freeboard has been denied. The AST containment must operate with the 3-feet freeboard as specified by rule.

The form C-147 and related documents for the 1RF-485 - FMM AST CONTAINMENT FACILITY ID [fVV2211651898] is approved with the following conditions of approval:

- The purpose of this permit is for oil and gas activities regulated under the NMAC 19.15.34.3 STATUTORY AUTHORITY: 19.15.34 NMAC is adopted pursuant to the Oil and Gas Act, Paragraph (15) of Section 70-2-12(B) NMSA 1978, which authorizes the division to regulate the disposition of water produced or used in connection with the drilling for or producing of oil and gas or both and Paragraph (21) of Section 70-2-12(B) NMSA 1978 which authorizes the regulation of the disposition of nondomestic wastes from the exploration, development, production or storage of crude oil or natural gas.
- [373910] Franklin Mountain Energy LLC shall construct, operate, maintain, close, and reclaim the 1RF-485 - FMM AST CONTAINMENT FACILITY ID [fVV2211651898], consisting of one (1) AST of 60,000.00 bbl of capacity, in compliance with 19.15.34 NMAC.
- 1RF-485 - FMM AST CONTAINMENT FACILITY ID [fVV2211651898] is approved for five years of operation from the date of the permit application. 1RF-485 - FMM AST CONTAINMENT FACILITY ID [fVV2211651898] permit expires on April 12, 2027. If [373910] Franklin Mountain Energy LLC wishes to extend operations past five years, an annual permit extension request must be submitted using an OCD form C-147 through OCD Online by February 15, 2027.
- Water reuse and recycling from 1RF-485 - FMM AST CONTAINMENT FACILITY ID [fVV2211651898] is limited to wells owned or operated by [373910] Franklin Mountain Energy LLC.
- [373910] Franklin Mountain Energy LLC shall notify NMOCD when construction of the 1RF-485 - FMM AST CONTAINMENT FACILITY ID [fVV2211651898] commences.

- [373910] Franklin Mountain Energy LLC shall notify NMOCD when recycling operations commence and cease at 1RF-485 - FMM AST CONTAINMENT FACILITY ID [fVV2211651898].
- A minimum of 3-feet freeboard must be maintained in the AST recycling containment, at all times during operations.
- If less than 20% of the total fluid capacity is utilized every six months, beginning from the first withdrawal, operation of the facility is considered ceased and a notification of cessation of operations should be sent electronically to [OCD Online](#). An request to extend the cessation of operation, not to exceed six months, may be submitted using a C-147 form through [OCD Online](#).
- [373910] Franklin Mountain Energy LLC shall submit monthly reports of recycling and reuse of produced water, drilling fluids, and liquid oil field waste on NMOCD form C-148 through [OCD Online](#) even if there is zero activity.
- [373910] Franklin Mountain Energy LLC shall comply with 19.15.29 NMAC Releases in the event of any release of produced water or other oil field wastes at 1RF-485 - FMM AST CONTAINMENT FACILITY ID [fVV2211651898].

Please reference number 1RF-485 - FMM AST CONTAINMENT FACILITY ID [fVV2211651898] in all future communications.

Regards,

Victoria Venegas • Environmental Specialist

Environmental Bureau

EMNRD - Oil Conservation Division

(575) 909-0269 | Victoria.Venegas@state.nm.us

<http://www.emnrd.state.nm.us/OCD/>



[External Email]

Please be aware this email has originated from an outside source.

District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 S. First St., Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
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

Form C-147
Revised April 3, 2017

Recycling Facility and/or Recycling Containment

Type of Facility: ☒ Recycling Facility ☒ Recycling Containment*
Type of action: ☒ Permit ☐ Registration
☒ Modification ☐ Extension
☐ Closure ☐ Other (explain) _____

* At the time C-147 is submitted to the division for a Recycling Containment, a copy shall be provided to the surface owner.

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

1.

Operator: Franklin Mountain Energy LLC (For multiple operators attach page with information) OGRID #: 373910

Address: 44 Cook Street Suite 1000, Denver, CO 80206

Facility or well name (include API# if associated with a well): FMM AST Containments #1 and #2

OCD Permit Number: 1RF-485 Facility ID [fvv2211651898] (For new facilities the permit number will be assigned by the district office)

U/L or Qtr/Qtr A Section 1 Township 25S Range 35E County: Lea

Surface Owner: ☐ Federal ☐ State ☒ Private ☐ Tribal Trust or Indian Allotment

2.

☐ **Recycling Facility:**

Location of recycling facility (if applicable): Latitude 32.166304 Longitude -103.316647 Approx NAD83

Proposed Use: ☒ Drilling* ☒ Completion* ☒ Production* ☒ Plugging *

*The re-use of produced water may NOT be used until fresh water zones are cased and cemented

☐ Other, requires permit for other uses. Describe use, process, testing, volume of produced water and ensure there will be no adverse impact on groundwater or surface water.

☒ Fluid Storage

☒ Above ground tanks ☒ Recycling containment ☐ Activity permitted under 19.15.17 NMAC explain type _____

☐ Activity permitted under 19.15.36 NMAC explain type: _____ ☐ Other explain _____

☐ For multiple or additional recycling containments, attach design and location information of each containment

☐ **Closure Report (required within 60 days of closure completion):** ☐ Recycling Facility Closure Completion Date: _____

3.

☒ **Recycling Containments #1 and #2:**

☐ Annual Extension after initial 5 years (attach summary of monthly leak detection inspections for previous year)

Center of Recycling Containment (if applicable): Latitude 32.166304 Longitude -103.316647 Approx NAD83

☒ For multiple or additional recycling containments, attach design and location information of each containment

☐ Lined ☐ Liner type: Thickness See Drawings mil ☒ LLDPE ☐ HDPE ☐ PVC ☐ Other _____

☐ String-Reinforced

Liner Seams: ☒ Welded ☐ Factory ☐ Other _____ Volume: 60,000 bbl Dimensions: L _____ x W _____ x Diameter 190 feet _____

☐ Recycling Containment Closure Completion Date: _____

4.

Bonding:

- ☒ Covered under bonding pursuant to 19.15.8 NMAC per 19.15.34.15(A)(2) NMAC (These containments are limited to only the wells owned or operated by the owners of the containment.)
- ☐ Bonding in accordance with 19.15.34.15(A)(1). Amount of bond \$ _____ (work on these facilities cannot commence until bonding amounts are approved)
- ☐ Attach closure cost estimate and documentation on how the closure cost was calculated.

5.

Fencing:

- ☒ Four foot height, four strands of barbed wire evenly spaced between one and four feet
- ☒ Alternate. Please specify Gate at stairway per variance _____

6.

Signs:

- ☒ 12"x 24", 2" lettering, providing Operator's name, site location, and emergency telephone numbers
- ☐ Signed in compliance with 19.15.16.8 NMAC

7.

Variances:

Justifications and/or demonstrations that the proposed variance will afford reasonable protection against contamination of fresh water, human health, and the environment.

Check the below box only if a variance is requested:

- ☒ Variance(s): Requests must be submitted to the appropriate division district for consideration of approval. If a Variance is requested, include the variance information on a separate page and attach it to the C-147 as part of the application.

If a Variance is requested, it must be approved prior to implementation.

8.

Siting Criteria for Recycling Containment

Instructions: The applicant must provide attachments that demonstrate compliance for each siting criteria below as part of the application. Potential examples of the siting attachment source material are provided below under each criteria.

General siting**Ground water is less than 50 feet below the bottom of the Recycling Containment.**

NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells FIGURE 2

☐ Yes ☒ No
☐ NA

Within incorporated municipal boundaries or within a defined municipal fresh water well field covered under a municipal ordinance adopted pursuant to NMSA 1978, Section 3-27-3, as amended. FIGURE 3

- Written confirmation or verification from the municipality; written approval obtained from the municipality

☐ Yes ☒ No
☐ NA

Within the area overlying a subsurface mine. FIGURE 4

- Written confirmation or verification or map from the NM EMNRD-Mining and Minerals Division

☐ Yes ☒ No

Within an unstable area. FIGURE 5

- Engineering measures incorporated into the design; NM Bureau of Geology & Mineral Resources; USGS; NM Geological Society; topographic map

☐ Yes ☒ No

Within a 100-year floodplain. FEMA map FIGURE 6

☐ Yes ☒ No

Within 300 feet of a continuously flowing watercourse, or 200 feet of any other significant watercourse, or lakebed, sinkhole, or playa lake (measured from the ordinary high-water mark). FIGURE 7

- Topographic map; visual inspection (certification) of the proposed site

☐ Yes ☒ No

Within 1000 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application.

- Visual inspection (certification) of the proposed site; aerial photo; satellite image FIGURE 8

☐ Yes ☒ No

Within 500 horizontal feet of a spring or a fresh water well used for domestic or stock watering purposes, in existence at the time of initial application. FIGURES 1 AND 7

- NM Office of the State Engineer - iWATERS database search; visual inspection (certification) of the proposed site

☐ Yes ☒ No

Within 500 feet of a wetland. FIGURE 9

- US Fish and Wildlife Wetland Identification map; topographic map; visual inspection (certification) of the proposed site

☐ Yes ☒ No

9.

Recycling Facility and/or Containment Checklist:**Instructions:** Each of the following items must be attached to the application. Indicate, by a check mark in the box, that the documents are attached.

- ☒ Design Plan - based upon the appropriate requirements.
☒ Operating and Maintenance Plan - based upon the appropriate requirements.
☒ Closure Plan - based upon the appropriate requirements.
☒ Site Specific Groundwater Data -
☒ Siting Criteria Compliance Demonstrations -
☒ **Certify that notice of the C-147 (only) has been sent to the surface owner(s)**

10.

Operator Application Certification:

I hereby certify that the information and attachments submitted with this application are true, accurate and complete to the best of my knowledge and belief.

Name (Print): Travis Hutchinson Title: Director of Facilities EngineeringSignature: Travis Hutchinson Date: 5/4/2022e-mail address: thutchinson@fmellc.com Telephone: 720 837 0893 (cell) 720 414 7864

11.

OCD Representative Signature: Victoria Venegas Approval Date: 05/19/2022Title: Environmental Specialist OCD Permit Number: 1RF-485 FACILITY ID☒ OCD Conditions _____☒ Additional OCD Conditions on Attachment[fVV2211651898]

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 104199

CONDITIONS

Operator: Franklin Mountain Energy LLC 44 Cook Street Denver, CO 80206	OGRID: 373910
	Action Number: 104199
	Action Type: [C-147] Water Recycle Long (C-147L)

CONDITIONS

Created By	Condition	Condition Date
vvenegas	NMOCD has reviewed the recycling containment permit modification submitted by [373910] Franklin Mountain Energy LLC on May 4, 2022, for 1RF-485 - FMM AST CONTAINMENT FACILITY ID [fVV2211651898] in Unit Letter A, Section 01, Township 25S, Range 35E, Lea County, New Mexico. [373910] Franklin Mountain Energy LLC requested a C-147 modification for two 60,000 bbl ASTs rather than one AST. [373910] Franklin Mountain Energy LLC states that the additional tank will be identical in design, liner/leak detection system and capacity. This permit modification request is approved. [373910] Franklin Mountain Energy LLC will follow the conditions of approval for 1RF-485 - FMM AST CONTAINMENT FACILITY ID [fVV2211651898].	5/19/2022