

**NM1 - \_\_\_\_\_5\_\_\_\_\_**

**Certified Mail  
Permit Renewal  
Determination**

**July 6, 2022**

State of New Mexico  
Energy, Minerals and Natural Resources Department

Michelle Lujan Grisham  
Governor

Sarah Cottrell Propst  
Cabinet Secretary

Todd E. Leahy, JD, PhD  
Deputy Secretary

Adrienne Sandoval  
Director, Oil Conservation Division



**Certified Mail Receipt # 7018 0040 0000 3405 7328**

July 6, 2022

Mr. Michael Montano  
Administrative Specialist/Manager  
Basin Disposal Inc.  
PO Box 100  
Aztec, New Mexico 87410

**RE: Basin Disposal Inc. - Surface Waste Management Facility Application for Permit Renewal, NM1-005**  
**Location: NW/2 of Section 3, Township 29 North, Range 11 West, NMPM, San Juan County, New Mexico**

Dear Mr. Montano:

The Oil Conservation Division (OCD) is of the understanding that Basin Disposal Inc. (BDI) would like to resubmit a renewal application for the surface waste management facility permitted under NM1-005. On April 10, 2020, the OCD sent a deficiency letter via email stating the renewal application, dated November 11, 2019, was not approvable. However, due to COVID and subsequent OCD office closure, the deficiency letter was not sent by certified mail which is required by 19.15.36.9.B(2) NMAC. Therefore, in accordance with the requirements of 19.15.36.9.B(2) NMAC, OCD is completing the administrative process and mailing the deficiency letter (see enclosure) by certified mail, return receipt requested.

Pursuant to 19.15.36.9.B(3) NMAC, BDI has "60 days from the division's issuance of the deficiency letter to submit a revised application. The applicant may request, in writing, additional time to submit a revised application. The division shall grant additional time for good cause. The applicant may notify the division that it will not submit a revised application. Within 10 days of receipt of the notification the division shall deny the application without prejudice. If the applicant fails to timely submit a revised application or notify the division that it will not submit a revised application, the division shall deny the application without prejudice within 10 days after the 60 day time limit for the applicant to respond to the deficiency letter has expired."

Basin Disposal Inc.  
Permit NM1-005  
July 6, 2022  
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Please keep in mind that the revised permit renewal application must be submitted through the OCD E Permitting fee portal (<https://wwwapps.emnrd.state.nm.us/oed/oedpermitting/>) and will be subject to the \$10,000 C-137 application fee.

If there are any questions, please do not hesitate to contact me at (505) 469-7486 or [brad.a.jones@state.nm.us](mailto:brad.a.jones@state.nm.us).

Respectfully,

A handwritten signature in blue ink, appearing to read "Brad A. Jones", written over a faint circular stamp or watermark.

Brad A. Jones  
*Environmental Specialist - Advanced*

Enclosure: April 10, 2020 BDI Not Approvable Letter.

State of New Mexico  
Energy, Minerals and Natural Resources Department

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**Michelle Lujan Grisham**  
Governor

**Sarah Cottrell Propst**  
Cabinet Secretary

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Deputy Secretary

**Adrienne Sandoval**  
Director, Oil Conservation Division



April 10, 2020

John Volkerding  
Basin Disposal Inc.  
PO Box 100  
Aztec, New Mexico 87410  
*jvolkerding@basindisposalinc.com*

**RE: Renewal Application for Surface Waste Management Facility Permit #NM1-5 Located in Section 3, Township 29 North, Range 11 West, NMPM San Juan County, New Mexico**

Mr. Volkerding:

The Oil Conservation Division (OCD or Division) has completed our review of Basin Disposal Inc.'s (Basin) application dated November 11, 2019 to renew your existing commercial surface waste management facility permit NM1-5. In accordance with Paragraph (2) of 19.15.36.9.B NMAC, the OCD has determined the renewal application is not approvable for the following reasons:

The Closure/Post-Closure Plan does not demonstrate compliance to the requirements of 19.15.36.18 NMAC. OCD would not be able to use the plan to obtain third-party cost estimates for OCD to complete the closure and post-closure activities pursuant to 19.15.36.18.G NMAC. The cost estimates propose costs for protocols and procedures that are not recognized by a written protocol or procedure in the closure and post-closure plan as required of 19.15.36.8.C(9) NMAC, and therefore suggests that exceptions and waivers are being requested.

The Operations, Inspection, and Maintenance Plan proposes exception requests (such as on-site disposal and to not retain records for a minimum of 5 years) and does not recognize or incorporate Condition 6A of OCD's June 30, 2010 modification approval into the renewal application regarding an alternative wastewater pipeline testing method.

The Hydrogen Sulfide (H<sub>2</sub>S) Prevention and Contingency Plan does not incorporate permit Conditions F, G, and H of OCD's May 19, 2010 modification approval into the renewal application. There are multiple detection levels/concentrations of H<sub>2</sub>S proposed in the plan for evacuation; one consistent detection level/concentration should be identified. The Emergency

Basin Disposal Inc. Renewal of Permit NM1-5  
April 10, 2020  
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Response Equipment List does not clearly identify the number of available units or pieces of equipment during a 24-hour day and has not been updated to include equipment proposed for use in the plan. The plan proposes to use mailing addresses of the owners of the property registered with the San Juan County Assessor's Office to notify "adjacent landowners/persons within 1/2 mile of the facility" when it is evacuated and closed. The same mailing addresses are also proposed for notification in the H2S contingency plan for emergencies and evacuations.

Pursuant to Paragraph (3) of 19.15.36.9.B NMAC, Basin would have 60 days from today to submit a revised application. However, given the restraints imposed by the current COVID-19 situation, this letter will not be provided via certified mail until a future date. Your 60-day response period will not begin until that time. Basin may request additional time to submit a revised application and the Division may grant additional time for good cause. Basin may notify the Division that it will not submit a revised application. If so, within 10 days of receipt of such notification the Division shall deny the application without prejudice. If Basin fails to timely submit a revised application or notify the Division that it will not submit a revised application, the Division shall deny the application without prejudice within 10 days after the 60-day time limit for the applicant to respond to the deficiency letter has expired. A revised permit renewal application must be submitted through the OCD fee portal and will be subject to a \$10,000 fee.

OCD would like to schedule a conference call with Basin to discuss this review in further detail. Please contact Brad Jones at (505) 476-3487 or [brad.a.jones@state.nm.us](mailto:brad.a.jones@state.nm.us) to schedule.

Respectfully,



Jim Griswold

JG/baj

**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 123170

**CONDITIONS**

Operator: BASIN DISPOSAL INC P.O. Box 100 Aztec, NM 87410	OGRID: 1739
	Action Number: 123170
	Action Type: [C-137] Non-Fee SWMF Submittal (SWMF NON-FEE SUBMITTAL)

**CONDITIONS**

Created By	Condition	Condition Date
bjones	None	7/6/2022