

State of New Mexico  
Energy, Minerals and Natural Resources Department

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**Michelle Lujan Grisham**  
Governor

**Sarah Cottrell Propst**  
Cabinet Secretary

**Todd E. Leahy, JD, PhD**  
Deputy Secretary

**Dylan Fuge**, Division Director (Acting)  
**Oil Conservation Division**



**BY ELECTRONIC MAIL ONLY**

January 25, 2023

Michael Montano, General Manager  
Basin Disposal  
200 Montana  
Bloomfield, New Mexico 87413  
[mmontano@basindisposalinc.com](mailto:mmontano@basindisposalinc.com)

**RE: Notice of Closure of 3RF-2, Basin Water Recycling Facility, Facility ID fCS1519747831**

Dear Mr. Montano:

The New Mexico Energy, Minerals and Natural Resource Department's Oil Conservation Division (OCD) has received Basin Disposal Inc.'s (BDI) letter, dated December 14, 2022, responding to OCD's notice directing BDI to proceed with the Closure and Site Reclamation of the 3RF-2, Basin Water Recycling Facility pursuant to 19.15.34.14 NMAC .

After reviewing BDI's response, OCD identified an inaccuracy in its original letter. Specifically, OCD stated that BDI had not requested an extension for the cessation of operations since April 22, 2020. After rereviewing our record, OCD confirmed that BDI had in fact requested an extension for the cessation of operations in conjunction with an annual extension of the registration/permit on June 9, 2022. OCD granted the annual extension request for the registration/permit on June 30, 2022, but did not officially act on the cessation of operations request. Given that OCD did not specifically approve or reject the extension request for the cessation of operations, OCD will honor BDI's extension requested for the cessation of operations for the time period from June 30, 2022 through December 31, 2022, which would have been the duration of the original request.

As part of the OCD's annual extension approval the following condition of approval was included:

- If less than 20% of the total fluid capacity is utilized every consecutive six months, operation of the facility is considered ceased and notification of cessation of operations should be sent electronically to OCD's E-Permitting Portal. An extension to extend the cessation of operations, not to exceed six months, may be submitted using a C-147 form to OCD Online.

1220 South St. Francis Drive • Santa Fe, New Mexico 87505  
Phone: (505) 476-3441 \* <http://www.emnrd.nm.gov/ocd>

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In order to evaluate the current status of the facility, OCD is requesting C-148 Forms to demonstrate the total amount of fluid capacity utilized along with weekly inspection records of the containment and leak detection system during the six-month time period from July 1, 2022 through December 31, 2022. OCD is requesting this information no later than February 15, 2023 (i.e., 3-weeks from email receipt).

Should you have any questions, please contact Leigh Barr, Administrative Permitting Supervisor, at 505-670-5684 or [LeighP.Barr@emnrd.nm.gov](mailto:LeighP.Barr@emnrd.nm.gov).

Respectfully,

A handwritten signature in black ink, appearing to read 'Dylan Fuge', with a long horizontal flourish extending to the right.

Dylan Fuge  
Acting OCD Director

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

CONDITIONS

Action 179493

**CONDITIONS**

Operator: BASIN DISPOSAL INC P.O. Box 100 Aztec, NM 87410	OGRID: 1739
	Action Number: 179493
	Action Type: [C-147] Water Recycle Long (C-147L)

**CONDITIONS**

Created By	Condition	Condition Date
vvenegas	None	1/25/2023