



5 Greenway Plaza, Suite 110, Houston, Texas 77046-0521  
Phone 713.215.7000

January 27, 2023

Shelly Wells  
Environmental Specialist-Advanced  
Administrative Permitting Program  
EMNRD-Oil Conservation Division  
1220 S. St. Francis Drive  
Santa Fe, NM 87505

Via: electronic mail

**RE: Applicability of OCD's October 3, 2022, letter, title "Notice of 20.6.2 NMAC Compliance Requirements – Ground and Surface Water Protection" to Oxy's Indian Basin Gas Plant.**

Dear Ms. Wells:

Oxy USA Inc. (Oxy) is in receipt of the New Mexico Oil Conservation Division's (OCD) October 3, 2022, letter advising operators that OCD now interprets Section 20.6.2 of the New Mexico Administrative Code (NMAC) as requiring natural gas plants to obtain a discharge permit for both actual and potential discharges. By e-mail dated November 16, 2022, you further clarified that OCD had identified the following Oxy-operated natural gas plants as requiring a discharge permit based on the Divisions' revised interpretation of 20.6.2 NMAC:

- The North Hobbs Unit RCF/WIB;
- The Oxy Permian CO2 Recompression Facility;
- The Indian Basin Gas Plant; and
- The Bravo Dome CO2 Plant.

As discussed during the call between OCD and Oxy on January 12, 2022, Oxy does not operate a facility that is permitted as the "Oxy Permian CO2 Recompression Facility." Based on the identical locations given for "Oxy Permian CO2 Recompression Facility" and the "North Hobbs Unit RCF/WIB" in OCD's records (Sec. 25; 18S-37E), Oxy believes these two names refer to the same facility: the North Hobbs Unit Reinjection Compression Facility and West Injection Battery, authorized under New Source Review Permit No. 2656-M6-R4 of the New Mexico Environment Department's Air Quality Bureau. Based on this determination, Oxy will not submit a unique discharge permit application for the "Oxy Permian CO2 Recompression Facility."

Oxy has also ceased operations at the Indian Basin Gas Plant and purged the equipment of product and materials. Oxy does not anticipate returning the Indian Basin Gas Plant to operation. Accordingly, Oxy will not be submitted a discharge permit application to OCD for this facility. Should Oxy choose to restart the Indian Basin Gas Plant at a later date, Oxy



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acknowledges that the plant will be required to comply with all applicable discharge permit requirements prior to resuming operation.

If you require additional information regarding this letter, please contact me at (307) 751-6769, or joe\_evers@oxy.com.

Sincerely,

/s/

Joe Evers  
Policy Manager

cc: Mark Hamlin, Oxy, Senior Counsel

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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 195374

CONDITIONS

Operator: OXY USA INC P.O. Box 4294 Houston, TX 772104294	OGRID: 16696
	Action Number: 195374
	Action Type: [UF-DP] Discharge Permit (DISCHARGE PERMIT)

CONDITIONS

Created By	Condition	Condition Date
scwells	Saved for record retention purposes only	3/9/2023