



June 21, 2024

Ms. Victoria Venegas
New Mexico EMNRD
Oil conservation Division
811 S. First St.
Artesia, New Mexico 88210

Re: Request for Permit Modification to change an Approved C-147 Containment and Recycle Facility (2RF-147) from a Non-commercial to a Commercial Recycle Facility in Eddy County New Mexico

Ms. Venegas,

Devon Energy (OGRID #6137) would like to request permission to modify the permit issued for their Potato Basin Containment and Recycle Facility (2RF-147). This is a request for a permit to change the non-commercial Potato Basin facility to a commercial facility.

Enclosed in this submission is a new C-147 form and a closure cost estimate stamped by an Engineer licensed in the State of New Mexico. A bond in the amount estimated will be filed accordingly.

Should you have any questions or require additional information, please contact me by phone at 580-234-8780 or by email at dschrantz@envirotechconsulting.com at your convenience.

Thank you for your consideration.
Best regards,

ENVIROTECH ENGINEERING & CONSULTING, INC.

A handwritten signature in blue ink, appearing to read "Doug Schrantz", is written over the company name.

Doug Schrantz, P.E.
Engineering Director and Principal Engineer

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: Devon Energy Corp. (For multiple operators attach page with information) OGRID #: 6137
Address: 333 West Sheridan, Oklahoma City, Oklahoma 73102-8260
Facility or well name (include API# if associated with a well): Potato Basin Containment and Recycling Facility
OCD Permit Number: 2RF-147 (For new facilities the permit number will be assigned by the district office)
U/L or Qtr/Qtr _____ Section 2 Township 24 South Range 29 East County: Eddy
Surface Owner: ☐ Federal ☒ State ☐ Private ☐ Tribal Trust or Indian Allotment

2.
☒ **Recycling Facility:**
Location of recycling facility (if applicable): Latitude 32.245851 Longitude -103.952913 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 Containment:**
☐ Annual Extension after initial 5 years (attach summary of monthly leak detection inspections for previous year)
Center of Recycling Containment (if applicable): Latitude 32.247295 Longitude -103.951895 NAD83
☐ For multiple or additional recycling containments, attach design and location information of each containment
☒ Lined ☒ Liner type: Thickness _____ mil ☒ LLDPE ☒ HDPE ☐ PVC ☐ Other 30-mil LLDPE Secondary
☐ String-Reinforced 60-mil HDPE Primary
Liner Seams: ☒ Welded ☒ Factory ☒ Other Field Welds Volume: 708,200 bbl Dimensions: L 600 x W 350 x D 14
☐ 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 \$ 905,095.00 (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 Chain Link Game Fence

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

☐ 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.

☐ Yes ☒ No
☐ NA

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

Within the area overlying a subsurface mine.

☐ Yes ☒ No

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

Within an unstable area.

☐ Yes ☒ No

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

Within a 100-year floodplain. FEMA map

☐ 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).

☐ Yes ☒ No

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

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

☐ Yes ☒ No

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

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.

☐ Yes ☒ No

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

Within 500 feet of a wetland.

☐ Yes ☒ No

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

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): Josh Bruening Title: Supervisor
Signature:  Date: 6-24-2024
e-mail address: josh.bruening@dvn.com Telephone: 405-552-7882

11.

OCD Representative Signature: Victoria Venegas Approval Date: 06/25/2024

Title: Environmental Specialist OCD Permit Number: 2RF-147

- ☒ OCD Conditions _____
- ☒ Additional OCD Conditions on Attachment _____

Devon Energy
Potato Basin Recycle Facility
Closure Cost Estimate

Item	Units	Quantity	\$/Unit	Estimate Cost
1 Fluid removal				
Produced Water Impoundment	bbls	672,000	\$ 1.20	\$ 806,400.00
Freshwater Impoundment	bbls	20,000	\$ 1.20	\$ 24,000.00
2 Liner Wash Down (Steam trailer and crew)	hrs	15	\$ 200.00	\$ 3,000.00
3 Vac truck (final fluid removal)	hrs	4	\$ 105.00	\$ 420.00
4 Liner removal (fold-in-place)				
(Rostabout crews - 20 hrs)	hrs	20	\$ 150.00	\$ 3,000.00
(Track hoe - 20 hrs)	hrs	20	\$ 150.00	\$ 3,000.00
5 Equipment removal				
Tank clean-out and residue haul-off	ea	10	\$ 1,000.00	\$ 10,000.00
Equipment removal (tanks, gun barrel, FWKO)	ea	4	\$ 800.00	\$ 3,200.00
Electrical decommissioning (pumps and panels)	ea	2	\$ 100.00	\$ 200.00
Misc equipment clean-up and removal	hr	15	\$ 125.00	\$ 1,875.00
6 Site Restoration				
Dozier - push in berms (bid)	ea	1	\$ 45,000.00	\$ 45,000.00
and final grading of the site				
Re-vegetation	ea	1	\$ 5,000.00	\$ 5,000.00
Estimated Total				\$ 905,095.00

This Closure Cost Estimate was produced by Envirotech, an independent third-party.



Venegas, Victoria, EMNRD

From: Venegas, Victoria, EMNRD
Sent: Tuesday, June 25, 2024 1:23 PM
To: Bruening, Josh; Doug Schrantz
Subject: 2RF-147 - Potato Basin Water Treatment Recycling Facility & Containment Facility ID [fSL2012636214]
Attachments: C-147 2RF-147 - Potato Basin Recycling Facility ID [fSL2012636214] 06.25.2024.pdf

2RF-147 - Potato Basin Water Treatment Recycling Facility & Containment Facility ID [fSL2012636214]

Good morning Mr. Bruening,

NMOCD has reviewed the recycling containment permit modification and related documents, submitted by [6137] DEVON ENERGY PRODUCTION COMPANY, LP on 10/11/2023, for 2RF-147 - Potato Basin Water Treatment Recycling Facility & Containment Facility ID [fSL2012636214]. [6137] DEVON ENERGY PRODUCTION COMPANY, LP requested a permit modification to allow 2RF-107 - HAYHURST SECTIONS 9 AND 10 RECYCLING FACILITY - FACILITY ID [FMLB1702342252] to be used to deliver fluids to wells not owned or operated by [6137] DEVON ENERGY PRODUCTION COMPANY, LP. The requested permit modification is approved with the following conditions of approval:

- [6137] DEVON ENERGY PRODUCTION COMPANY, LP will operate 2RF-147 - Potato Basin Water Treatment Recycling Facility & Containment Facility ID [fSL2012636214] as originally permitted.
- [6137] DEVON ENERGY PRODUCTION COMPANY, LP will comply with all conditions previously approved for the 2RF-147 - Potato Basin Water Treatment Recycling Facility & Containment Facility ID [fSL2012636214] permit.
- No changes to the operations procedures, maintenance, monitoring procedures, or closure procedures will be made aside from the requested modification.
- The closure cost estimated provided in the modification request in the amount of \$905,095.00 meets the requirements of NMAC 19.15.34.14 CLOSURE AND SITE RECLAMATION REQUIREMENTS FOR RECYCLING CONTAINMENTS.
- The financial assurance should be mailed to:

**EMNRD - Oil Conservation Division
Administration & Compliance Bureau
Attn: Bond Administrator
1220 S. St. Francis Drive | Santa Fe, NM 87505.**

Please let me know if you have any additional questions.
Regards,

Victoria Venegas • Environmental Specialist
Environmental Bureau
EMNRD - Oil Conservation Division
506 W. Texas Ave. Artesia, NM 88210
(575) 909-0269 | Victoria.Venegas@emnrd.nm.gov
<https://www.emnrd.nm.gov/ocd/>



District I
1625 N. French Dr., Hobbs, NM 88240
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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 356922

CONDITIONS

Operator: DEVON ENERGY PRODUCTION COMPANY, LP 333 West Sheridan Ave. Oklahoma City, OK 73102	OGRID: 6137
	Action Number: 356922
	Action Type: [C-147] Water Recycle Long (C-147L)

CONDITIONS

Created By	Condition	Condition Date
vvenegas	[6137] DEVON ENERGY PRODUCTION COMPANY, LP requested a permit modification to allow 2RF-107 - HAYHURST SECTIONS 9 AND 10 RECYCLING FACILITY - FACILITY ID [FMLB1702342252] to be used to deliver fluids to wells not owned or operated by [6137] DEVON ENERGY PRODUCTION COMPANY, LP. The requested permit modification is approved with conditions of approval.	6/25/2024