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1502 E Greene St. Carlsbad, NM 88220

February 10, 2022

NMERD
1220 South St. Francis Drive
Santa Fe, NM 87505

Subject: OGRID 289068 Select Energy Services Admin Order number: 1RF-479 - Lost Tank and Container Recycling Facility AST #1, #2 and #3 Facility ID fVV2203540475

Dear Ms. Venegas:

This letter is regarding questions you submitted via email on February 3, 2022.

Please find below Select Energy Services' answers in response to your questions:

1. Question: How many ASTs does this application include?
Answer: Select plans to construct a potential of three (3) ASTs.
2. Question: Please provide the operational volume of the tank(s). For recycling containments, operational fluid capacity is the total volume of the containment, minus the volume utilized for the three feet volume of freeboard.
Answer: Operational Volume at 9' with (3' freeboard): 30,000 bbl.
Operational Volume at 10' (2' freeboard): 33,333 bbl.
Select submitted a variance for your consideration in the C-147 application.
3. Question: The provided closure cost of \$32,500.00 corresponds to one AST. If the applications include more than one AST, please submit the closure cost estimate for all tanks.
Answer: Correct, the \$32,500 is for a single AST. Potential maximum number of closures is three, total would be $\$32,500 \times 3 = \$97,500$.

If you need any more information regarding this application please feel free to contact Dave Andersen at 575-361-3668.

Sincerely,

Kristin Deal

Kristin Deal
V.P. New Mexico Business Development,
Select Energy Services, LLC

DK:dla

Venegas, Victoria, EMNRD

From: Venegas, Victoria, EMNRD
Sent: Friday, August 4, 2023 1:38 PM
To: Mason Parker
Cc: Brandon Prill; Connor McDonald
Subject: RE: [EXTERNAL] Re: Lost Tank Oil Sales

Good afternoon Mr. Parker,
The project appears to be under Part 36. Please see the below rule definitions/requirements:

19.15.2.7.T.(7) NMAC

"Treating plant means a plant constructed for wholly or partially or being used wholly or partially for reclaiming, treating, processing or in any manner making tank bottoms or other waste oil marketable."

[289068] SELECT ENERGY SERVICES LLC should apply for a Part 36 permit to sell skim oil.
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/>



From: Mason Parker <MParker@selectwater.com>
Sent: Thursday, August 3, 2023 3:43 PM
To: Venegas, Victoria, EMNRD <Victoria.Venegas@emnrd.nm.gov>
Cc: Brandon Prill <bprill@selectwater.com>; Connor McDonald <cmcdonald@selectwater.com>
Subject: [EXTERNAL] Re: Lost Tank Oil Sales

CAUTION: This email originated outside of our organization. Exercise caution prior to clicking on links or opening attachments.

Victoria,

Good afternoon. I wanted to send over a follow up email regarding our process and the ability to sell oil directly from Lost Tank. Please let me know if you need additional information or have questions.

Thanks,
Mason

M: 432.270.1111

From: Mason Parker

Sent: Tuesday, July 25, 2023 11:34 AM

To: Victoria.Venegas@emnrd.nm.gov <Victoria.Venegas@emnrd.nm.gov>

Cc: Brandon Prill <bprill@selectwater.com>; Connor McDonald <cmcdonald@selectwater.com>

Subject: Lost Tank Oil Sales

Victoria,

Recently, you have been speaking with Kim and Connor about selling oil directly from our Lost Tank water recycle facility in New Mexico. I would like to send you some info and briefly explain our process so that you can better make a determination as to what steps (if any) we will need to take. Select holds the permit (attached) at this facility.

Attached is a flowchart. The process begins when our customers send us produced water to recycle. It is important to note that the customer often inadvertently sends a small percentage of crude oil with the produced water. The first tank that receives water is the AST buffer or above-ground storage tank. This tank is very large, roughly 40,000 barrels, and most of the oil separation occurs naturally here. From here the produced water passes through our recycling system composed of DAF and weir tanks to the Recycled Water Frac Pond. It is now ready for reuse by one of our customers.

Here is the process for crude oil reclamation we are proposing. Firstly, the oil would be skimmed directly from the AST. This normally takes place with a small diaphragm pump. Often times the oil might need further treatment so it would be sent to a separation vessel. In the simplest case we might use a 500-barrel v-bottom frac tank or in more unique circumstances something similar to a free water knockout. Once the oil is treated to specifications it is sent to the sale tanks, and from there the crude trucks can pick up loads and deliver to a pipeline market.

In our current state, we are essentially giving the oil to a third-party disposal. We are putting in labor, equipment, and it is quite a problem to deal with when recycling water. Therefore, with your guidance we are looking for an avenue to monetize and streamline our process.

Please reach out with any questions!

Kind Regards,

Mason Parker

Operations Manager – Recycling

118 E Leatherwood Rd | Big Spring, TX 79720

M: 432.270.1111

mparker@selectwater.com



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1625 N. French Dr., Hobbs, NM 88240
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811 S. First St., Artesia, NM 88210
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District III
1000 Rio Brazos Rd., Aztec, NM 87410
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1220 S. St Francis Dr., Santa Fe, NM 87505
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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 362725

CONDITIONS

Operator: SELECT WATER SOLUTIONS, LLC 1820 N I-35 Gainesville, TX 76240	OGRID: 289068
	Action Number: 362725
	Action Type: [C-147] Water Recycle Long (C-147L)

CONDITIONS

Created By	Condition	Condition Date
vvenegas	None	7/10/2024