

**2RF-208 - DAYTON
RECYCLING
FACILITY AND
CONTAINMENTS #1,
#2, [fVV2427449353]
C-147/Conditions of
Approval**

**[330968] Silverback Operating
II, LLC
10/9/2024**

Venegas, Victoria, EMNRD

From: Venegas, Victoria, EMNRD
Sent: Wednesday, October 9, 2024 10:46 AM
To: Justin Carter
Subject: 2RF-208 - DAYTON RECYCLING FACILITY AND CONTAINMENTS #1, #2, [fVV2427449353]
Attachments: C-147 2RF-208 - DAYTON RECYCLING FACILITY AND CONTAINMENTS #1, #2, [fVV2427449353].pdf

2RF-208 - DAYTON RECYCLING FACILITY AND CONTAINMENTS #1, #2, [fVV2427449353]

Good morning Mr. Carter.

NMOCD has reviewed the recycling containment permit application and related documents, submitted by [330968] Silverback Operating II, LLC on 10/01/2024, Application ID 388971, for 2RF-208 - DAYTON RECYCLING FACILITY AND CONTAINMENTS #1, #2, [fVV2427449353] in Unit Letter G, Section 27, Township 18S, Range 26E, Eddy County, New Mexico.

[330968] Silverback Operating II, LLC requested variances from 19.15.34 NMAC for 2RF-208 - DAYTON RECYCLING FACILITY AND CONTAINMENTS #1, #2, [fVV2427449353].

The following variances have been approved:

- The variance to 19.15.34.14 NMAC Table I for the use of alternate analytical method 8015/8015M for total petroleum hydrocarbons (TPH) is approved.
- The variance to 19.15.34.14 NMAC Table I for the use of alternate analytical method EPA 300.0 or SM4500 for the analysis of chloride is approved.
- The variance to 19.15.34.12.A.(2) NMAC for the no side-slope requirement for the AST containment with vertical walls is approved.
- The variance to 19.15.34.12.A.(3) NMAC for the liners to be anchored to the top of the AST steel walls and no anchor trenches is approved.
- The variance to 19.15.34.12.A.(4) NMAC for the installation on the AST containment of a 40-mil non-reinforced LLDPE primary liner and a 40-mil non-reinforced LLDPE secondary liner is approved
- The variance to NMAC 19.15.34.12.D to install a gate or chain across the stairway between the ground surface and the open-top of the AST containment is approved. The operator shall place an appropriate sign on the gate or chain to prevent unauthorized human access to the open top of the containment and will provide a mechanism to lock the gate when responsible personnel are not onsite.

The form C-147 and related documents for 2RF-208 - DAYTON RECYCLING FACILITY AND CONTAINMENTS #1, #2, [fVV2427449353] is approved with the following conditions of approval:

- The purpose of this permit is for oil and gas activities regulated under the NMAC 19.15.34.3 STATUTORY AUTHORITY: 19.15.34 NMAC is adopted pursuant to the Oil and Gas Act, Paragraph (15) of Section 70-2-12(B) NMSA 1978, which authorizes the division to regulate the disposition of water produced or used in connection with the drilling for or producing of oil and gas or both and Paragraph (21) of Section 70-2-12(B) NMSA 1978 which authorizes the regulation of the disposition of nondomestic wastes from the exploration, development, production or storage of crude oil or natural gas.
- 2RF-208 - DAYTON RECYCLING FACILITY AND CONTAINMENTS #1, #2, [fVV2427449353] is approved for five years of operation from the date of original permit application of 08/08/2022.
- 2RF-208 - DAYTON RECYCLING FACILITY AND CONTAINMENTS #1, #2, [fVV2427449353] permit expires on 08/08/2027. If [330968] Silverback Operating II, LLC wishes to extend operations past five years, an annual extension request must be submitted using on form C-147 Long through OCD Permitting by 07/08/2027.

- 2RF-208 - DAYTON RECYCLING FACILITY AND CONTAINMENTS #1, #2, [fVV2427449353] consists of two (2) inground containments with a fluid capacity of 602,838.00 bbls each containment and two (2) ASTs of 42,000.00 bbls each. The total fluid capacity of 2RF-208 - DAYTON RECYCLING FACILITY AND CONTAINMENTS #1, #2, [fVV2427449353] is approximately 1,289,676.00 barrels.
- [330968] Silverback Operating II, LLC shall construct, operate, maintain, close, and reclaim 2RF-208 - DAYTON RECYCLING FACILITY AND CONTAINMENTS #1, #2, [fVV2427449353] in compliance with NMAC 19.15.34 NMAC.
- [330968] Silverback Operating II, LLC shall notify OCD, through OCD Permitting, when construction of 2RF-208 - DAYTON RECYCLING FACILITY AND CONTAINMENTS #1, #2, [fVV2427449353] commences.
- [330968] Silverback Operating II, LLC shall notify NMOCDD through OCD Permitting when recycling operations commence and cease at 2RF-208 - DAYTON RECYCLING FACILITY AND CONTAINMENTS #1, #2, [fVV2427449353].
- A minimum of 3-feet freeboard must be maintained at 2RF-208 - DAYTON RECYCLING FACILITY AND CONTAINMENTS #1, #2, [fVV2427449353] at all times during operations.
- If less than 20% of the total fluid capacity is utilized every six months, beginning from the first withdrawal, operations of the 2RF-208 - DAYTON RECYCLING FACILITY AND CONTAINMENTS #1, #2, [fVV2427449353] is considered ceased and a notification of cessation of operations should be sent electronically to OCD Permitting. A request to extend the cessation of operations, not to exceed six months, may be submitted using a C-147 form through OCD Permitting. If after that 6-month extension period, the 2RF-208 - DAYTON RECYCLING FACILITY AND CONTAINMENTS #1, #2, [fVV2427449353] is not utilized at a minimum of 20% fluid capacity, no additional extensions would be granted, and the operator would be directed to remove all fluids and proceed with the closure requirements.
- [330968] Silverback Operating II, LLC shall submit monthly reports of recycling and reuse of produced water, drilling fluids, and liquid oil field waste on OCD form C-148 via OCD Permitting even if there is zero activity.
- [330968] Silverback Operating II, LLC shall inspect the recycling containments and associated leak detection systems weekly while it contains fluids. The operator shall maintain a current log of such inspections and make the logs available for review by the division upon request according to 19.15.34.13.A.
- [330968] Silverback Operating II, LLC shall comply with 19.15.29 NMAC Releases in the event of any release of produced water or other oil field waste at 2RF-208 - DAYTON RECYCLING FACILITY AND CONTAINMENTS #1, #2, [fVV2427449353].

Please reference number 2RF-208 - DAYTON RECYCLING FACILITY AND CONTAINMENTS #1, #2, [fVV2427449353] in all future communications.

Regards,

Victoria Venegas • Environmental Specialist

Environmental Bureau

EMNRD - Oil Conservation Division

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State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
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CONDITIONS

Action 427976

CONDITIONS

Operator: Silverback Operating II, LLC 1001 W. Wilshire Blvd Oklahoma City, OK 73112	OGRID: 330968
	Action Number: 427976
	Action Type: [C-147] Water Recycle Long (C-147L)

CONDITIONS

Created By	Condition	Condition Date
vvenegas	None	2/4/2025