

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

OCD received
oh
3/16/2018

Form C-147
Revised April 3, 2017

Recycling Facility and/or Recycling Containment

FAB1810837464

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: 3Bear Field Services, LLC (For multiple operators attach page with information) OGRID #: 372603
Address: 1512 Larimer Street, Suite 540: Denver CO. 80202
Facility or well name (include API# if associated with a well): Cottonwood Recycling Facility
OCD Permit Number: 2RF-128 (For new facilities the permit number will be assigned by the district office)
U/L or Qtr/Qtr SW/4 Section 20 Township 26 South Range 26 East County: Eddy
Surface Owner: Federal State Private Tribal Trust or Indian Allotment

2.
 Recycling Facility: (Section 26, T20S, R34E)
Location of recycling facility (if applicable): Latitude 32.021682 °N Longitude -104.318203 °W WGS84
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: (Section 20, T26S, R26E; "TANK 3")
 Annual Extension after initial 5 years (attach summary of monthly leak detection inspections for previous year)
Center of Recycling Containment (if applicable): Latitude 32.021682 °N Longitude -104.318203 °W WGS84
 For multiple or additional recycling containments, attach design and location information of each containment
 Lined Liner type: Thickness 40 mil LLDPE HDPE PVC Other _____
 String-Reinforced
Liner Seams: Welded Factory Other _____ Volume: 44,448 bbl Dimensions: L 190' x W N/A x D 12' (height)
 Recycling Containment Closure Completion Date: _____

3.
 Recycling Containment: (Section 20, T26S, R26E; "TANK 1") **NOTE: ADDITIONAL 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 32.021338 °N Longitude -104.318868 °W WGS84
 For multiple or additional recycling containments, attach design and location information of each containment
 Lined Liner type: Thickness 40 mil LLDPE HDPE PVC Other _____
 String-Reinforced
Liner Seams: Welded Factory Other _____ Volume: 44,448 bbl Dimensions: L 190' x W N/A x D 12' (height)
 Recycling Containment Closure Completion Date: _____

3.
 Recycling Containment: (Section 20, T26S, R26E; "TANK 2") **NOTE: ADDITIONAL 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 32.021993 °N Longitude -104.318881 °W WGS84
 For multiple or additional recycling containments, attach design and location information of each containment
 Lined Liner type: Thickness 40 mil LLDPE HDPE PVC Other _____
 String-Reinforced
Liner Seams: Welded Factory Other _____ Volume: 44,448 bbl Dimensions: L 190' x W N/A x D 12' (height)
 Recycling Containment Closure Completion Date: _____

3.
 Recycling Containment: (Section 20, T26S, R26E; "TANK 4") **NOTE: ADDITIONAL 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 32.021989 °N Longitude -104.317677 °W WGS84
 For multiple or additional recycling containments, attach design and location information of each containment
 Lined Liner type: Thickness 40 mil LLDPE HDPE PVC Other _____
 String-Reinforced
Liner Seams: Welded Factory Other _____ Volume: 44,448 bbl Dimensions: L 190' x W N/A x D 12' (height)
 Recycling Containment Closure Completion Date: _____

3.
 Recycling Containment: (Section 20, T26S, R26E; "TANK 5") **NOTE: ADDITIONAL 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 32.021334 °N Longitude -104.317703 °W WGS84
 For multiple or additional recycling containments, attach design and location information of each containment
 Lined Liner type: Thickness 40 mil LLDPE HDPE PVC Other _____
 String-Reinforced
Liner Seams: Welded Factory Other _____ Volume: 44,448 bbl Dimensions: L 190' x W N/A x D 12' (height)
 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 \$ 2,811,302 (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 Six-foot high, chain-link fencing, with 3-strand barb-wire.

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.

Variations:

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	
<p>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</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> NA</p>
<p>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.</p> <ul style="list-style-type: none"> - Written confirmation or verification from the municipality; written approval obtained from the municipality 	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> NA</p>
<p>Within the area overlying a subsurface mine.</p> <ul style="list-style-type: none"> - Written confirmation or verification or map from the NM EMNRD-Mining and Minerals Division 	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>
<p>Within an unstable area.</p> <ul style="list-style-type: none"> - Engineering measures incorporated into the design; NM Bureau of Geology & Mineral Resources; USGS; NM Geological Society; topographic map 	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>
<p>Within a 100-year floodplain. FEMA map (FEMA MAP DATA NOT AVAILABLE FOR PROPERTY)</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>
<p>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).</p> <ul style="list-style-type: none"> - Topographic map; visual inspection (certification) of the proposed site 	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>
<p>Within 1000 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application.</p> <ul style="list-style-type: none"> - Visual inspection (certification) of the proposed site; aerial photo; satellite image 	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>
<p>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.</p> <ul style="list-style-type: none"> - NM Office of the State Engineer - iWATERS database search; visual inspection (certification) of the proposed site 	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>
<p>Within 500 feet of a wetland.</p> <ul style="list-style-type: none"> - US Fish and Wildlife Wetland Identification map; topographic map; visual inspection (certification) of the proposed site 	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>

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): Scott Spicher Title: Vice President
 Signature: *Scott Spicher* Date: 3-16-18
 e-mail address: scott@3bearllc.com Telephone: 303-862-3960

11.

OCD Representative Signature: per review of Bradford Billings - CW Approval Date: 4/17/18
 Title: Environmental specialist - crystal weaver District II - Artesia OCD Permit Number: 2RF-128
 OCD Conditions
 Additional OCD Conditions on Attachment