

**BW – 4**

**PERMIT  
APPLICATIONS,  
RENEWALS,  
& MODS**

**2018**

State of New Mexico  
Energy, Minerals and Natural Resources Department

Susana Martinez  
Governor

Ken McQueen  
Cabinet Secretary

Matthias Sayer  
Deputy Cabinet Secretary

Heather Riley, Division Director  
Oil Conservation Division



NOVEMBER 9, 2018

CERTIFIED MAIL  
RETURN RECEIPT NO: 5995 4032

Mr. Wayne Price- Price LLC  
C/O: Mr. Larry Gandy  
Wasserhund Inc.  
P.O. Box 2140  
Lovington, New Mexico 88260

**Re: Discharge Permit (BW-4) Wasserhund Inc., UIC Class III Brine Well "Eidson State No. 1" (API# 30-025-26883) UL: M Section 31 Township 16 South, Range 35 East, 567 FSL, 162 FWL, Lat. 32.87313°, Long. 103.50503° NAD83, NMPM, Lea County, New Mexico**

Mr. Price,

The New Mexico Oil Conservation Division (OCD) is in receipt of the Wasserhund Inc. (Wasserhund) discharge permit renewal application dated June 6, 2018, received on June 12, 2018, for the Eidson State No. 1 Brine Well at the above referenced well location.

After review of the application with additional information, the OCD has determined Wasserhund's application is "*administratively complete*" per New Mexico Water Quality Control Commission regulations (20.6.2.3108 NMAC).

Wasserhund's obligation to provide public notice should commence and be demonstrated to the OCD in a timely manner. The OCD will also provide notice to various governmental groups. Depending upon the level of public interest, a hearing may be scheduled on this matter. Regardless, the OCD will continue review of the application and may request additional information.

If you have any questions, please do not hesitate to contact me by phone at (505) 476-3490, U.S. Mail at the address below, or e-mail at [carlj.chavez@state.nm.us](mailto:carlj.chavez@state.nm.us). On behalf of the OCD, I wish to thank you and your staff for your continued cooperation in this process.

Sincerely,

Carl J. Chavez  
Environmental Engineer

xc: OCD Hobbs District Office

## Chavez, Carl J, EMNRD

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**From:** Wayne Price <wayneprice@q.com>  
**Sent:** Saturday, November 3, 2018 11:04 PM  
**To:** Chavez, Carl J, EMNRD  
**Cc:** Wayne Price; Larry Gandy; jonrgandy Gandy  
**Subject:** [EXT] DRAfT BW-04 Public Notice and Well diagram with formation Tops.  
**Attachments:** Wass BW-04 2018 Public Notice Display Ad-Mod.pdf; BW-04 wel bore-log.xlsx; ATT00001.txt

Dear Carl,

Please find a draft Public Notice for your review and an Xcel spreadsheet that has the "as built" well bore arrangement superimposed on a log, which shows formation tops. Please review and advise us if this is acceptable. If you approve then I will put the excel sheet into a Tiff file or PDF and get the Spanish version sent to you.

Once we get past the BW-04 then I will work on the BW-22.

**Chavez, Carl J, EMNRD**

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**From:** Wayne Price <wayneprice@q.com>  
**Sent:** Monday, November 5, 2018 9:58 AM  
**To:** Chavez, Carl J, EMNRD  
**Cc:** Wayne Price; Larry Gandy; jonrgandy Gandy  
**Subject:** [EXT] Re: DRAft BW-04 Public Notice and Well diagram with formation Tops.  
**Attachments:** Wass BW-04 2018 Public Notice Display Ad-Mod copy.pdf; ATT00001.txt

Dear Carl,

Please use this Public Notice as I corrected the amount of stored brine on site.

## ***Public Notice Display Ad: (Lovington, NM "Leader")***

Legal notification for 3"x4" newspaper display add per Water Quality Control Commission Regulations 20.6.2.3.108.8.4 NMAC

Renewal of Discharge Permit (BW-004) Wasserhund Inc., P.O. Box 2140 Lovington, New Mexico 88260. Jon Gandy has filed a permit renewal application with the New Mexico Oil Conservation Division (OCD) to renew the operating permit for the UIC Class III Brine Well "Eidson State No. 1" (API# 30-025-26883) UL: M Section 31 Township 16 South, Range 35 East, 567 FSL, 162 FWL, Lat. 32.87313°, Long. 103.50503° NAD83, NMPM, Lea County, New Mexico.

This site is located on State Road 238 and approximately 7 miles west and 5 miles south of Lovington, New Mexico.

Fresh water is injected down a 2460' long 2-3/8" tubing arrangement contained in a 5-1/2" casing (annulus) whipstock offset located at 1734 feet. The casing is set at a depth of 2100 feet below the surface, which is 50 feet into the Salado Salt Formation.

Anticipated 10lb/gal quality brine water from the Salado salt formation is returned to the surface thru the casing annulus.

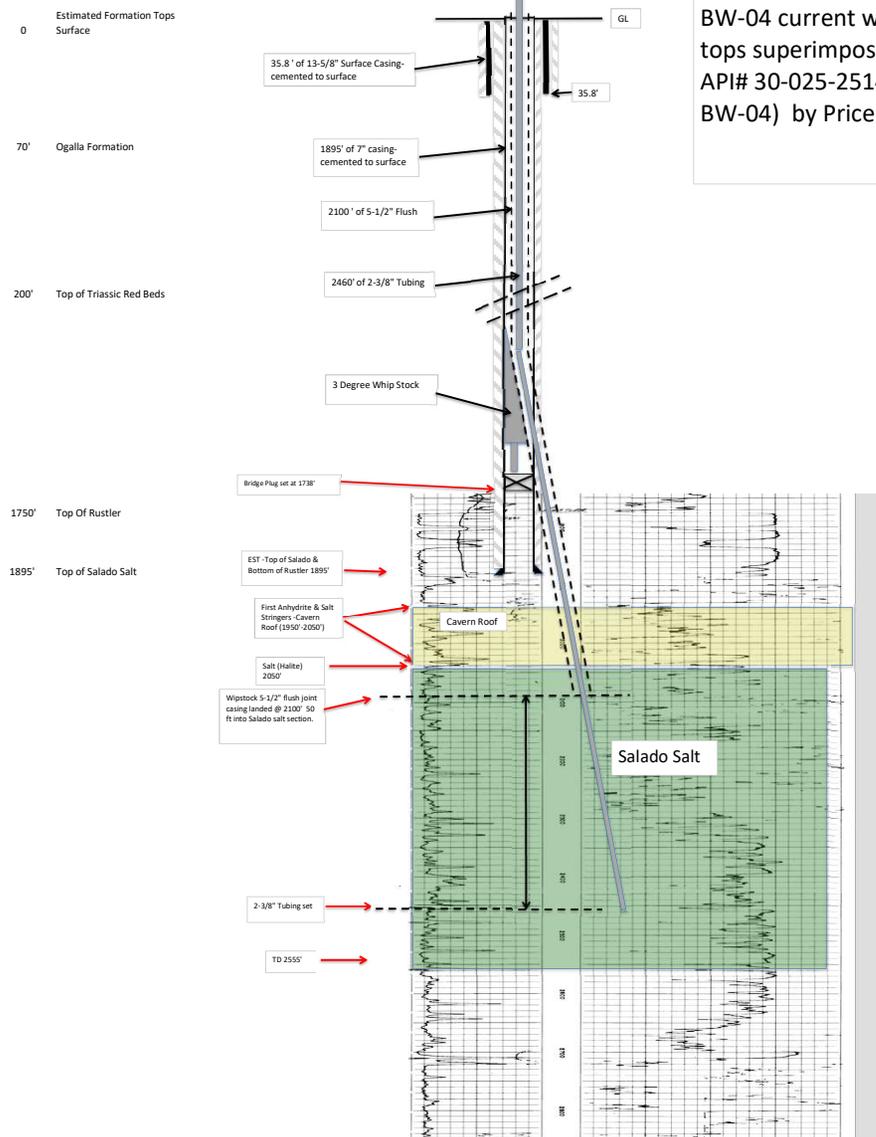
The site produces approximately 25,000 barrels of brine water per month with an average injection pressure of 260-280 psig. Maximum injection/test pressure is limited by an auto-pressure shut down switch.

Ground water in this area is approximately 75 feet below the ground surface and has a total dissolved solid content of 600-700 mg/l.

This facility has the capacity to store approximately 4,250 bbls of brine water in above ground tanks and is designed and permitted to have no intentional water contaminants discharged to the surface or subsurface for the protection of groundwater. The system has concrete and synthetic liners to prevent any spills or leaks from reaching the ground surface.

If you have any questions or concerns please do not hesitate to contact Wasserhund Inc. at the address above or you may contact Wayne Price 505-715-2809 or E-mail [wayneprice@q.com](mailto:wayneprice@q.com). Wasserhund Inc. welcomes your input.

The New Mexico Oil Conservation Division (OCD) will accept comments and statements of interest regarding this application and will create a facility-specific mailing list for persons who wish to receive future notices. Interested persons may contact Carl Chavez-Environmental Engineer, Oil Conservation Division (OCD) 505-476-3465 or by writing 1220 South Saint Francis, Santa Fe, New Mexico, 87505.



BW-04 current well bore diagram with formation tops superimposed on the Exxon St. #1 Well Log API# 30-025-25146 (Located 1/4 mile to the west of BW-04) by Price LLC November 03, 2018.



## Chavez, Carl J, EMNRD

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**From:** Wayne Price <wayneprice@q.com>  
**Sent:** Tuesday, October 2, 2018 8:40 AM  
**To:** Chavez, Carl J, EMNRD  
**Cc:** Wayne Price; Griswold, Jim, EMNRD; Larry Gandy  
**Subject:** Re: [EXT] BW-4 (Wasserhund, Inc. Eidson State #1 API# 30-025-26883): OCD Not Administratively Complete Letter Communication E-mail

Thank you Carl, this will really help me to achieve Admin approval.

On Oct 2, 2018, at 8:32 AM, Chavez, Carl J, EMNRD <[CarlJ.Chavez@state.nm.us](mailto:CarlJ.Chavez@state.nm.us)> wrote:

Wayne:

Good morning.

A few additional comments to convey on the public notice (take a look at historical public notices):

1. "This site" should be changed to "The Eidson State No. 1 brine well is located";
2. Add UL: M with (SW/4 SW/4);
3. Include the API# 30-025-26883;
4. Description of the well construction and stratum (i.e., casing shoe set at depth, well TD, rock-salt contact depth, tubing orientation and depth, window top/bot. depths, whip stock depth, etc.) in addition to the "reverse flow" description, station tank type and vols;
5. Brine quality;
6. DTW ~ 70 ft.

After OCD admin. complete determination is realized, some financial assurance info. to communicate:

1. WQCC Bonds are now required for brine wells to be in place before permit may be issued;
2. A Closure Plan for OCD approval with cost estimate to plug well, surface reclamation, 2- yrs. post closure subsidence monitoring, and any decommissioning of pipeline and surface infrastructure;
3. Upon approval of the closure plan and cost estimate, the Operator may proceed to obtain the WQCC Bond and upon approval by OCD, may request the release of any remaining bonds on the well with OCD;

Technical info. requested to proceed with permit when admin. completeness is achieved:

1. New well diagram with lithologies displayed and flow scheme (discrepancies noticed between historical well diagrams and current whip stock diagram) and should match public notice;

2. Double check AOR wells within ½ mile of the brine well with historical file info.;
3. It would appear the MSIP is about 348 based on top of whip stock;
4. FYI: OCD is very concerned about any wash-out of the rock-salt contact on any existing reverse-flow brine wells with casing shoes at or near the rock-salt contact. A recent operator opted to install liner into the good salt formation to prevent continual wash-out of cavern roof and switch to regular flow to produce high density brine. This may also be good opportunity for Operator to locate better salt zones.

Thank you.

Mr. Carl J. Chavez, CHMM (#13099)  
New Mexico Oil Conservation Division  
Energy Minerals and Natural Resources Department  
1220 South St Francis Drive  
Santa Fe, New Mexico 87505  
Ph. (505) 476-3490  
E-mail: [CarlJ.Chavez@state.nm.us](mailto:CarlJ.Chavez@state.nm.us)

**“Why not prevent pollution, minimize waste to reduce operating costs, reuse or recycle, and move forward with the rest of the Nation?” (To see how, go to: <http://www.emnrd.state.nm.us/OCD> and see “Publications”)**

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**From:** Wayne Price <[wayneprice@q.com](mailto:wayneprice@q.com)>  
**Sent:** Monday, October 1, 2018 6:40 PM  
**To:** Chavez, Carl J, EMNRD <[CarlJ.Chavez@state.nm.us](mailto:CarlJ.Chavez@state.nm.us)>  
**Cc:** Wayne Price <[wayneprice@q.com](mailto:wayneprice@q.com)>; Larry Gandy <[lgandy@gandycorporation.com](mailto:lgandy@gandycorporation.com)>; Griswold, Jim, EMNRD <[Jim.Griswold@state.nm.us](mailto:Jim.Griswold@state.nm.us)>  
**Subject:** [EXT] Re: BW-4 (Wasserhund, Inc. Eidson State #1 API# 30-025-26883): OCD Not Administratively Complete Letter

Thank you Carl, will work on.

On Oct 1, 2018, at 11:55 AM, Chavez, Carl J, EMNRD <[CarlJ.Chavez@state.nm.us](mailto:CarlJ.Chavez@state.nm.us)> wrote:

<image001.gif>

Mssrs: Larry Gandy and Wayne Price,

Please find attached the New Mexico Oil Conservation Division (OCD) above subject letter. OCD is focused on the Wasserhund, Inc. Brine Well WQCC Applications (applications) for Renewal.

OCD has taken more time to review the applications based on references to the file in the submitted original application for renewal. OCD looks forward to working with Wasserhund, Inc. to complete the administratively complete process and to receive any additional technical information to successfully complete the permit review process.

A hard copy was placed in the U.S. Mail this morning.

Thank you.

Mr. Carl J. Chavez, CHMM (#13099)  
New Mexico Oil Conservation Division  
Energy Minerals and Natural Resources Department  
1220 South St Francis Drive  
Santa Fe, New Mexico 87505  
Ph. (505) 476-3490  
E-mail: [CarlJ.Chavez@state.nm.us](mailto:CarlJ.Chavez@state.nm.us)

**“Why not prevent pollution, minimize waste to reduce operating costs, reuse or recycle, and move forward with the rest of the Nation?” (To see how, go to: <http://www.emnrd.state.nm.us/OCD> and see “Publications”)**

<OCD Not Admin Complete 10-1-2018.pdf>

Wayne Price-Price LLC  
312 Encantado Ridge CT NE  
Rio Rancho, NM 87124  
[wayneprice@q.com](mailto:wayneprice@q.com)  
505-715-2809

Wayne Price-Price LLC  
312 Encantado Ridge CT NE  
Rio Rancho, NM 87124  
[wayneprice@q.com](mailto:wayneprice@q.com)  
505-715-2809

## Chavez, Carl J, EMNRD

---

**From:** Chavez, Carl J, EMNRD  
**Sent:** Monday, October 1, 2018 11:55 AM  
**To:** Larry Gandy; Wayne Price  
**Cc:** Griswold, Jim, EMNRD  
**Subject:** BW-4 (Wasserhund, Inc. Eidson State #1 API# 30-025-26883): OCD Not Administratively Complete Letter  
**Attachments:** OCD Not Admin Complete 10-1-2018.pdf

Mssrs: Larry Gandy and Wayne Price,

Please find attached the New Mexico Oil Conservation Division (OCD) above subject letter. OCD is focused on the Wasserhund, Inc. Brine Well WQCC Applications (applications) for Renewal.

OCD has taken more time to review the applications based on references to the file in the submitted original application for renewal. OCD looks forward to working with Wasserhund, Inc. to complete the administratively complete process and to receive any additional technical information to successfully complete the permit review process.

A hard copy was placed in the U.S. Mail this morning.

Thank you.

Mr. Carl J. Chavez, CHMM (#13099)  
New Mexico Oil Conservation Division  
Energy Minerals and Natural Resources Department  
1220 South St Francis Drive  
Santa Fe, New Mexico 87505  
Ph. (505) 476-3490  
E-mail: [CarlJ.Chavez@state.nm.us](mailto:CarlJ.Chavez@state.nm.us)

**“Why not prevent pollution, minimize waste to reduce operating costs, reuse or recycle, and move forward with the rest of the Nation?” (To see how, go to: <http://www.emnrd.state.nm.us/OCD> and see “Publications”)**

State of New Mexico  
Energy, Minerals and Natural Resources Department

Susana Martinez  
Governor

Ken McQueen  
Cabinet Secretary

Matthias Sayer  
Deputy Cabinet Secretary

Heather Riley, Division Director  
Oil Conservation Division



OCTOBER 1, 2018

CERTIFIED MAIL  
RETURN RECEIPT NO: 5995 4070

Mr. Wayne Price- Price LLC  
C/O: Mr. Larry Gandy  
Wasserhund Inc.  
P.O. Box 2140  
Lovington, New Mexico 88260

**Re: Discharge Permit (BW-004) Wasserhund Inc., UIC Class III Brine Well "Eidson State No. 1" (API# 30-025-26883) UL: M Section 31 Township 16 South, Range 35 East, 567 FSL, 162 FWL, Lat. 32.87313°, Long. 103.50503° NAD83, NMPM, Lea County, New Mexico**

Mr. Price,

The New Mexico Oil Conservation Division (OCD) has received Wasserhund Inc.'s application for discharge permit renewal and the initial filing fee, dated June 12, 2018 for the Eidson State Well No. 1 located in the UL: M (SW/4 SW/4) of Section 31, Township 16 South. Range 35 East. NMPM, Lea County, New Mexico.

The department has determined based on 20.6.2.3108 NMAC that the application is **not administratively complete**.

The OCD has identified the following deficiencies:

- 1) The description of the activities that produce the discharge are not fully described as required by 20.6.2.3108(F)(3) NMAC. OCD requires more details about the brine well.
- 2) The brief description of the expected quality of the discharge is not present as required by 20.6.2.3108(F)(4) NMAC.
- 3) Synopsis of notice in English for OCD approval with complete Spanish Version also included in any Newspaper posting by operator for official WQCC Public Notice under 20.6.2.3108 (C)(2) NMAC.

Upon receipt of the information requested above, OCD may deem the application administratively complete and provide public notice pursuant to the WQCC notice requirements of 20.6.2.3108 NMAC to determine if there is any public interest.

Please contact me at (505) 476-3490 or [carlj.chavez@state.nm.us](mailto:carlj.chavez@state.nm.us) if you have questions. Thank you for your cooperation throughout the review of the application.

Respectfully,

  
Carl I. Chavez  
Environmental Engineer

xc: OCD District I Office, Hobbs

# Cash Remittance Report (CRR)

Appendix 8-14 revised 11/27/01

## Energy, Minerals & Natural Resources Department CASH REMITTANCE REPORT (CRR)



Location Name ①

Location Code ②

OCD-Environment    BW-4222

0740

Today's Date:    06                      12                      20 18  
MONTH                      DAY                      YEAR

Collection Period:    \_\_\_ / \_\_\_ / \_\_\_    through    \_\_\_ / \_\_\_ / \_\_\_ ④  
MM                      DD                      YYYY                      MM                      DD                      YYYY

Cost Center ⑤	Revenue Code ⑤	Receipt Amount ⑦	Collected Amount ⑧
0740		200.00	

**Total**    =====>    \$                      ⑨    \$                      ⑩

Over/Short Amount    \$                      ⑪

CRR Deposit Amount    \$                      ⑫

Print Name: Lorraine DeVargas    ⑬    Signature: Lorraine DeVargas    ⑬

Print Name: \_\_\_\_\_    ⑬    Signature: \_\_\_\_\_    ⑬

Distribution:    White and Yellow copy to Accounts Receivable-ASD.  
Pink copy retained at CRR submitting location.

### Official Use Only

Completed by the Accounts Receivable

Date Received: \_\_\_\_\_ ①

Notes: \_\_\_\_\_ ②

Amount Received: \_\_\_\_\_ ③

State Treasurer Deposit Number: \_\_\_\_\_ ④

Verified by: \_\_\_\_\_ ⑥

Deposit Date: \_\_\_\_\_ ⑤

EMNRDCRR    Revised 4/01

**PRICE LLC**  
312 ENCANTADO RIDGE CT NE  
RIO RANCHO, NM 87124  
PH. 505-715-2809

1656

95-32/1070 NM  
1287

DATE June 7, 2018

PAY  
TO THE  
ORDER OF

NM Water Quality Management Fund \$ 200. <sup>10</sup>/<sub>100</sub>  
Two hundred <sup>10</sup>/<sub>100</sub> DOLLARS

Photo  
Safe  
Deposit  
Details on back

**Bank of America**

ACH/R/T 107000327

BW4

May Ann Price

FOR

filing fee, Wasserkund & BW 22

⑆1010⑆ ⑆107000327⑆ ⑆107000327⑆

June 07, 2018

New Mexico Oil Conservation Division  
1220 S. Saint Francis  
Santa Fe, NM 87505

Att:: Mr. Carl Chavez-Envr. Engr.

Subject: Wasserhund Inc. BW-04 & BW-22

Dear Carl,

On behalf of Wasserhund Inc. Price LLC has enclosed permit renewal applications for the Wasserhund Inc. BW-04 and BW-22 Brine Wells, with \$200 filing fee.

Sincerely,

A handwritten signature in black ink, appearing to read "Wayne Price". The signature is fluid and cursive, with a long horizontal stroke at the end.

Wayne Price-Price LLC  
wayneprice@q.com



***Public Notice Display Ad: (Lovington, NM "Leader")***

Legal notification for 3"x4" newspaper display add per Water Quality Control Commission Regulations 20.6.2.3.108.8.4 NMAC

Wasserhund Inc., P.O. Box 2140 Lovington, New Mexico 88260, Larry Gandy, has filed a permit renewal application with the New Mexico Oil Conservation Division (OCD) to renew the operating permit for a class III brine well for its existing brine and fresh water station previously permitted by the OCD as BW-04.

This site is located on State Road 238 and approximately 7 miles west and 5 miles south of Lovington, New Mexico. The facility is located in the SW/4 of SW/4 of Section 31 of Township 16 South, Range 35 East, NMPM, Lea County, New Mexico.

Fresh water is injected into the Salado salt formation at a depth ranging from 2100 to 2600 feet below the surface to produce brine water. The site produces approximately 25,000 barrels of brine water per month.

Ground water in this area is approximately 75 feet below the ground surface and has a total dissolved solid content of 600-700 mg/l.

This facility is designed and permitted to have no intentional water contaminants discharged to the surface or subsurface for the protection of groundwater. The system has concrete and synthetic liners to prevent any spills or leaks from reaching the ground surface.

If you have any questions or concerns please do not hesitate to contact Wasserhund Inc. at the address above or you may contact Wayne Price 505-715-2809 or E-mail wayneprice@q.com. Wasserhund Inc. welcomes your input.

The New Mexico Oil Conservation Division (OCD) will accept comments and statements of interest regarding this application and will create a facility-specific mailing list for persons who wish to receive future notices. Interested persons may contact Jim Griswold, Oil Conservation Division (OCD) 505-476-3465 or by writing 1220 South Saint Francis, Santa Fe, New Mexico, 87505.

Para obtener mas informaci6n sobre esta solicitud en espanol, sirvase comunicarse par favor: New Mexico Energy, Minerals and Natural Resources Department (Depto. Del Energia, Minerals y Recursos Naturales de Nuevo Mexico), Oil Conservation Division (Depto. conservacton Del Petr6leo), 1220 South St. Francis Drive, Santa Fe, New Mexico {Contacto: Carl Chavez, 505-476-3490}

## **Public Notice Letter:**

Legal notification to property owner(s) of the site per Water Quality Control Commission Regulations 20.6.2.3.108.8.3 NMAC

### **Certified Mail Return Receipt Requested:**

Property Owner of Record: **Eidson Ranch Inc.**

Address: P.O. Box 1286

City/County: Lovington, NM 88260

State: New Mexico

### ***Public Notice:***

Wasserhund Inc., P.O. Box 2140 Lovington, New Mexico 88260, Larry Gandy, has filed a permit renewal application with the New Mexico Oil Conservation Division (OCD) to renew the operating permit for a class III brine well for its existing brine and fresh water station previously permitted by the OCD as BW-04.

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Fresh water is injected into the Salado salt formation at a depth ranging from 2100 to 2600 feet below the surface to produce brine water. The site produces approximately 25,000 barrels of brine water per month.

Ground water in this area is approximately 75 feet below the ground surface and has a total dissolved solid content of 600-700 mg/l.

This facility is designed and permitted to have no intentional water contaminants discharged to the surface or subsurface for the protection of groundwater. The system has concrete and synthetic liners to prevent any spills or leaks from reaching the ground surface.

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contact Jim Griswold, Oil Conservation Division (OCD) 505-476-3465 or by writing 1220 South Saint Francis, Santa Fe, New Mexico, 87505.

Para obtener mas informaci6n sobre esta solicitud en espanol, sirvase comunicarse par favor: New Mexico Energy, Minerals and Natural Resources Department (Depto. Del Energia, Minerals y Recursos Naturales de Nuevo Mexico), Oil Conservation Division (Depto. conservacton Del Petr6leo), 1220 South St. Francis Drive, Santa Fe, New Mexico {Contacto: Carl Chavez, 505-476-3490}

ACKNOWLEDGEMENT OF RECEIPT  
OF CHECK/CASH

I hereby acknowledge receipt of Check No. 1656 dated 06/07/2018

or cash received on 06/12/2018 in the amount of \$ 200.00

from Price, LLC

for permit renewal BN-04 BW-22

Submitted by: Carl Chavez Date: 06/12/18

Submitted to ASD by: Lorraine DeNargas Date: 06/12/18

Received in ASD by: \_\_\_\_\_ Date: \_\_\_\_\_

Filing Fee \_\_\_\_\_ New Facility: \_\_\_\_\_ Renewal:

Modification \_\_\_\_\_ Other \_\_\_\_\_

Organization Code 521.07 Applicable FY 118

To be deposited in the Water Quality Management Fund.

Full Payment \_\_\_\_\_ or Annual Increment \_\_\_\_\_



**WASSERHUND, INC.**  
**P.O. Box 2140**  
**Lovington, NM 88260-2140**

June 09, 2018

NM Oil Conservation Division  
1220 S. Saint Francis  
Santa Fe, NM 87505

Fresh Water injected at the Wasserhund Brine Station (BW-004)

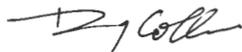
May 2018                      16985

Brine Water sold at the Wasserhund Brine Station (BW-004)

May 2018                      16948

Average Pressure on Wasserhund Brine Station was 280 psi

Sincerely Yours:

  
Donny Collins