

**BW – 4**

**PERMIT  
APPLICATIONS,  
RENEWALS,  
& MODS**

**2018**

**From:** [Griswold, Jim, EMNRD](#)  
**To:** [Chavez, Carl J, EMNRD](#); [Wayne Price \(wayneprice77@earthlink.net\)](mailto:WaynePrice77@earthlink.net); [Bratcher, Mike, EMNRD](#)  
**Subject:** Renewal of brine well permit BW-4 for Wasserhund in Buckeye  
**Date:** Thursday, December 26, 2019 4:29:10 PM  
**Attachments:** [Wasserhund BW-4 renewal of 12-26-19.pdf](#)

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See attached. Original sent to Mr. Gandy via snailmail today. Carl, would you please be sure this gets into the administrative record. Thanks.

**Jim Griswold**

*Environmental Bureau Chief*  
Oil Conservation Division  
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State of New Mexico  
Energy, Minerals and Natural Resources Department

Michelle Lujan Grisham  
Governor

Sarah Cottrell Propst  
Cabinet Secretary

Todd E. Leahy, JD, PhD  
Deputy Secretary

Adrienne Sandoval  
Director, Oil Conservation Division



December 26, 2019

Mr. Larry Gandy  
Wasserhund Inc.  
P.O. Box 2140  
Lovington, New Mexico 88260

**Re: Renewal of Discharge Permit BW-4, Wasserhund Inc. UIC Class III Brine Well, Eidson State No. 1 (API# 30-025-26883) Located in Unit Letter M in Section 31 of Township 16 South, Range 35 East NMPM, Lea County, New Mexico**

Mr. Gandy,

The renewal of discharge permit BW-4 for the Eidson State No. 1 brine well is hereby approved under the terms and conditions specified herein. Be advised that approval of this permit does not relieve Wasserhund, Inc. (Wasserhund) of liability if operations result in pollution of surface water, groundwater, or the environment. This permit will expire on **December 26, 2024** and Wasserhund should submit a discharge permit renewal application in ample time before this date. Under 20.6.2.3106F NMAC, if a discharger submits a discharge permit renewal application at least 120 days before the discharge permit expires and is in compliance with the approved discharge permit, then the existing discharge permit will not expire until the application for renewal has been approved or disapproved.

Every facility submitting a discharge permit application is assessed a non-refundable filing fee of \$100.00 as well as a permit fee. The Oil Conservation Division (OCD) has already received the filing fee, but the \$1,700.00 permit fee for a Class III injection well is now required by check made payable to the "Water Quality Management Fund."

If you have any questions, please contact Carl Chavez of my staff at 505-476-3490 or by email at [CarlJ.Chavez@state.nm.us](mailto:CarlJ.Chavez@state.nm.us). On behalf of the staff of the OCD, I wish to thank you and your staff for your cooperation during this permit renewal review.

Respectfully,

A handwritten signature in blue ink, appearing to read "AS", is written over a light blue rectangular background.

Adrienne Sandoval  
OCD Director

Enclosure: BW-4 Permit Conditions

cc: Hobbs District Office

## DISCHARGE PERMIT APPROVAL CONDITIONS

### 1. GENERAL PROVISIONS:

**1.A. PERMITTEE AND PERMITTED FACILITY :** The Director of the Oil Conservation Division (OCD) of the Energy, Minerals and Natural Resources Department renews Discharge Permit BW-4 to Wasserhund, Inc. (Permittee) to operate a Underground Injection Control (UIC) Class III Well for the solution mining of salt (Eidson State Well No. 1 API # 30-025-26883) located 567 FSL, and 162 FWL, Unit Letter M (SW/4 of SW/4) of Section 31, Township 16 South, Range 35 East, Lat. N 32.87313°, Long. W -103.50503°, NMPM, Lea County, New Mexico. This brine well is located approximately 7 miles west and 5 miles south of City of Lovington on State Road 238. The brine station or sales terminal is located approximately 100 ft. east of BW-4. A fresh water supply is located approximately 250 ft. west of BW-4. Produced brine is metered at surface and transported via a surface 3-inch polyethylene pipeline to the brine station for sale.

The Permittee is permitted to inject water into the subsurface salt layers and produce brine for use in the oil and gas industry. Groundwater that may be affected by a spill, leak, or accidental discharge of brine occurs at a depth of approximately 85 feet below ground surface and has a total dissolved solids (TDS) concentration of approximately 450 mg/L.

**1.B. SCOPE OF PERMIT:** OCD has been granted the authority by statute and by delegation from the Water Quality Control Commission (WQCC) to administer the Water Quality Act (Chapter 74, Article 6 NMSA 1978) as it applies to Class III wells associated with the oil and gas industry (See Section 74-6-4, 74-6-5 NMSA 1978).

The Water Quality Act and the rules promulgated pursuant to the Act protect groundwater and surface water of the State of New Mexico by providing that, unless otherwise allowed by 20.6.2 NMAC, no person shall cause or allow effluent or leachate to discharge so that it may move directly or indirectly into groundwater unless such discharge is pursuant to an approved discharge plan (See 20.6.2.3104 NMAC, 20.6.2.3106 NMAC, and 20.6.2.5000 through 20.6.2.5399 NMAC).

This Discharge Permit for a Class III Brine Well is issued pursuant to the Water Quality Act and WQCC rules, 20.6.2 NMAC. This Discharge Permit does not authorize any treatment of, or on-site disposal of, any materials, product, by-product, or oil field waste.

Pursuant to 20.6.2.5004A NMAC, the following underground injection activities are prohibited:

1. The injection of fluids into a motor vehicle waste disposal well is prohibited.
2. The injection of fluids into a large capacity cesspool is prohibited.
3. The injection of any hazardous or radioactive waste into a well is prohibited except as provided by 20.6.2.5004A(3) NMAC.
4. Class IV wells are prohibited, except for wells re-injecting treated groundwater into the same formation from which it was drawn as part of a removal or remedial action.
5. Barrier wells, drainage wells, recharge wells, return flow wells, and motor vehicle waste disposal wells are prohibited.

This Discharge Permit does not convey any property rights of any sort nor any exclusive privilege, and does not authorize any injury to persons or property, any invasion of other private rights, or any infringement of state, federal, or local laws, rules or regulations.

The Permittee shall operate in accordance with the terms and permit conditions specified in this Discharge Permit to comply with the Water Quality Act and the rules issued pursuant to that Act, so that neither a hazard to public health nor undue risk to property will result (see 20.6.2.3109C NMAC); so that no discharge will cause or may cause any stream standard to be violated (see 20.6.2.3109H(2) NMAC); so that no discharge of any water contaminant will result in a hazard to public health, (see 20.6.2.3109H(3) NMAC); so that the numerical standards specified in 20.6.2.3103 NMAC are not exceeded; and, so that the technical criteria and performance standards (see 20.6.2.5000 through 20.6.2.5399 NMAC) for Class III wells are met. Pursuant to 20.6.2.5003B NMAC, the Permittee shall comply with 20.6.2.1 through 20.6.2.5399 NMAC.

The Permittee shall not allow or cause water pollution, discharge, or release of any water contaminant that exceeds the Water Quality Control Commission (WQCC) standards specified at 20.6.2.3101 NMAC and 20.6.2.3103 NMAC or 20.6.4 NMAC (Water Quality Standards for Interstate and Intrastate Streams). Pursuant to 20.6.2.5101A NMAC, the Permittee shall not inject non-hazardous fluids into groundwater having 10,000 mg/l or less total dissolved solids (TDS).

The issuance of this permit does not relieve the Permittee from the responsibility of complying with the provisions of the Water Quality Act, any applicable regulations or water quality standards of the WQCC, or any applicable federal laws, regulations or standards (See Section 74-6-5 NMSA 1978).

**1.C. DISCHARGE PERMIT:** This Discharge Permit is a permit renewal that replaces the permit being renewed. Replacement of a prior permit does not relieve the Permittee of its responsibility to comply with the terms of that prior permit while that permit was in effect.

**1.D. DEFINITIONS:** Terms not specifically defined in this Discharge Permit shall have the same meanings as those in the Water Quality Act or the rules adopted pursuant to the Act, as the context requires.

**1.E. FILING FEES AND PERMIT FEES:** Pursuant to 20.6.2.3114 NMAC, every facility that submits a Discharge Permit application for initial approval or renewal shall pay the permit fees specified in Table 1 and the filing fee specified in Table 2 of 20.6.2.3114 NMAC. OCD has already received the required \$100.00 filing fee. The Permittee is now required to submit the \$1,700.00 permit fee for a Class III well. Please remit payment made payable to the "Water Quality Management Fund" in care of OCD at 1220 South St. Francis Drive in Santa Fe, New Mexico 87505.

**1.F. EFFECTIVE DATE, EXPIRATION, RENEWAL CONDITIONS, AND PENALTIES FOR OPERATING WITHOUT A DISCHARGE PERMIT:** This Discharge Permit becomes effective immediately from the date that the Permittee receives this discharge permit or until the permit is terminated or expires. This Discharge Permit will expire on **December 26, 2024**. The Permittee shall submit an application for renewal no later than 120 days before that expiration date, pursuant to 20.6.2.5101F NMAC. If a Permittee submits a renewal application at least 120 days before the Discharge Permit expires and is in compliance with the approved Discharge Permit, then the existing Discharge Permit will not expire until OCD has approved or disapproved the renewal application. A discharge permit continued under this provision remains fully effective and enforceable. Operating with an expired Discharge Permit may subject the Permittee to civil and/or criminal penalties (See Section 74-6-10.1 NMSA 1978 and Section 74-6-10.2 NMSA 1978).

**1.G. MODIFICATIONS AND TERMINATIONS:** The Permittee shall notify the OCD Director and OCD's Environmental Bureau of any Facility expansion or process modification (See 20.6.2.3107C NMAC). The OCD Director may require the Permittee to submit a Discharge Permit modification application pursuant to 20.6.2.3109E NMAC and may modify or terminate a Discharge Permit pursuant to Sections 74-6-5(M) through (N) NMSA 1978.

1. If data submitted pursuant to any monitoring requirements specified in this Discharge Permit or other information available to the OCD Director indicate that 20.6.2 NMAC is being or may be violated, then the OCD Director may require modification or, if it is determined by the OCD Director that the modification may not be adequate, may terminate this Discharge Permit for a Class III well that was approved pursuant to the requirements of 20.6.2.5000 through 20.6.2.5399 NMAC for the following causes:
  - a. Noncompliance by Permittee with any permit condition of this Discharge Permit; or,
  - b. The Permittee's failure in the discharge permit application or during the discharge permit review process to disclose fully all relevant facts, or Permittee's misrepresentation of any relevant facts at any time; or,
  - c. A determination that the permitted activity may cause a hazard to public health or undue risk to property and can only be regulated to acceptable levels by discharge permit modification or termination (See Section 75-6-6 NMSA 1978; 20.6.2.5101I NMAC; and, 20.6.2.3109E NMAC).

2. This Discharge Permit may also be modified or terminated for any of the following causes:
  - a. Violation of any provisions of the Water Quality Act or any applicable regulations, standard of performance or water quality standards;
  - b. Violation of any applicable state or federal effluent regulations or limitations; or
  - c. Change in any permit condition that requires either a temporary or permanent reduction or elimination of the permitted discharge (See Section 75-6-5M NMSA 1978).

**1.H. TRANSFER OF CLASS III WELL DISCHARGE PERMIT:**

1. The transfer provisions of 20.6.2.3111 NMAC do not apply to a discharge permit for a Class III well.
2. Pursuant to 20.6.2.5101H NMAC, the Permittee may request to transfer its Class III well discharge permit if:
  - a. The OCD Director receives written notice 30 days prior to the transfer date; and
  - b. The OCD Director does not object prior to the proposed transfer date. OCD may require modifications to the discharge permit as a condition of transfer and may require demonstration of adequate financial responsibility.
3. The written notice required in accordance with Permit Condition 1.H.2.a shall:
  - a. Have been signed by the Permittee and the succeeding Permittee, and shall include an acknowledgement that the succeeding Permittee shall be responsible for compliance with the Class III well discharge permit upon taking possession of the facility; and
  - b. Set a specific date for transfer of the discharge permit responsibility, coverage and liability; and
  - c. Include information relating to the succeeding Permittee's financial responsibility required by 20.6.2.5210B(17) NMAC.

**1.I. COMPLIANCE AND ENFORCEMENT:** If the Permittee violates or is violating a condition of this Discharge Permit, OCD may issue a compliance order that requires compliance immediately or within a specified time period, or assess a civil penalty, or both (See Section 74-6-10 NMSA 1978). The compliance order may also include a suspension or termination of this Discharge Permit. OCD may also commence a civil action in district court for appropriate relief, including injunctive relief (See Section 74-6-10(A)(2) NMSA 1978). The Permittee may be subject to criminal penalties for discharging a water contaminant without a discharge permit or in violation of a condition of a discharge permit; making any false material statement, representation, certification or omission of material fact in a renewal application, record, report, plan or other document filed, submitted or required to be maintained under the Water Quality Act; falsifying, tampering with or rendering inaccurate any monitoring device, method or record required to be maintained under the Water Quality Act; or failing to monitor, sample or report as required by a Discharge Permit issued pursuant to a state or federal law or regulation (See Section 74-6-10.2 NMSA 1978).

**2. GENERAL FACILITY OPERATIONS:**

**2.A. SEMI-ANNUAL MONITORING REQUIREMENTS FOR CLASS III WELLS:** The Permittee may use either or both fresh water or water from otherwise non-potable sources. Pursuant to 20.6.2.5207C, the Permittee shall provide analysis of the injected fluids and brine at least semi-annually to yield data representative of their characteristics. The Permittee shall analyze both the injected fluids and brine for the following characteristics: pH; density, concentration of total dissolved solids (TDS); chloride concentration; and sodium concentration (for brine only).

- 1. Groundwater Monitoring Well:** Within 90 days of permit issuance, the Permittee shall install a downgradient groundwater monitoring well within 50 feet of the brine well into the water table aquifer and collect a groundwater sample for general chemistry and WQCC 20.6.2.3103 NMAC groundwater constituents.

Groundwater quality data shall comply with EPA Quality Assurance/Quality Control (QA/QC) and Data Quality Objectives (DQOs) and be submitted to OCD for review and comparison with historical water quality information within 30-days of monitoring well construction. The monitoring well construction shall comply with EPA Standards and be required to be sampled and monitored semi-annually thereafter for the following characteristics:

- pH (Method 9040);
- Eh;
- Specific conductance;
- Specific gravity;
- Temperature; and
- General groundwater quality parameters (general chemistry/cations and anions, including: fluoride, calcium, potassium, magnesium, sodium bicarbonate, carbonate, chloride, sulfate, total dissolved solids, cation/anion balance, pH, and bromide using the methods specified in 40 CFR 136.3).

The environmental data results shall be reported in the Annual Report (Section 2.J).

## **2.B. SOLUTION CAVERN MONITORING PROGRAM:**

- 1. Surface Subsidence Monitoring Plan:** The Permittee shall submit a Surface Subsidence Monitoring Plan to OCD within 180 days of the effective date of this permit. The Surface Subsidence Monitoring Plan shall specify that the Permittee will install at least three survey monuments and shall include a proposal to monitor the elevation of the monuments and top of well casing at least semi-annually.

The Permittee shall survey each survey monument and top of well casing at least semiannually to monitor for possible surface subsidence and shall tie each survey to the nearest USGS geodetic benchmark. The Permittee shall employ a licensed professional surveyor to conduct the subsidence monitoring program with proper instrument accuracy assessment at the conclusion of each survey. The Permittee shall submit the results of all subsidence surveys with summary of results and any recommendations to OCD within 15 days of survey completion. If the monitored surface subsidence survey at any measuring point deviates 0.10 ft. or more compared to its baseline elevation, then the Permittee shall notify OCD within 30 days of survey completion for further instructions. If survey results continue to demonstrate subsidence over time, and the Permittee cannot demonstrate the integrity of the cavern and well to the satisfaction of OCD, then it shall cease all brine production and submit a corrective action plan to mitigate the subsidence.

The Permittee shall include the above information in the Annual Report (Section 2.J).

- 2. Solution Cavern Characterization Program:** The Permittee shall submit a Solution Cavern Characterization Plan to characterize the size and shape of the solution cavern using geophysical methods within 180 days of the effective date of this permit, unless a plan has already been approved by OCD. Based upon the maturity of the cavern and upon OCD request, the Permittee shall characterize the size and shape of the solution cavern using a geophysical method or other approved method by OCD. The Permittee shall demonstrate that at least 90% of the calculated volume of salt removed based upon injection and production volumes has been accounted for by the approved method(s) for such testing to be considered truly representative.
  - a. The Permittee shall provide an estimate of the size and shape of the solution cavern at least annually in the Annual Report (Section 2.J), based on fluid injection and brine production data.

b. The Permit shall compare the ratio of the volume of injected fluids to the volume of produced brine monthly. If the average ratio of injected fluid to produced brine varies is less than 90% or greater than 110%, or varies by greater than 20%, the Permittee shall report this to OCD and cease injection and production operations of its Class III well within 24 hours. The Permittee shall begin an investigation to determine the cause of this abnormal ratio within 72 hours. The Permittee shall regard the exceedance or variation to be an MIT failure, and shall submit to OCD a report of its investigation within 15 days of cessation of injection and production operations of its Class III well for further instructions from OCD.

**3. Annual Certification:** The Permittee shall certify annually in the Annual Report (Section 2.J) that continued salt solution mining will not cause cavern collapse, surface subsidence, property damage, or otherwise threaten public health and the environment, based on geologic and engineering data.

If the solution cavern is determined by either OCD or the Permittee to be potentially unstable by either direct or indirect means, then the Permittee shall cease all fluid injection and brine production within 24 hours. If the Permittee ceases operations because it or OCD has determined that the solution cavern is unstable, then it shall submit a plan to stabilize the solution cavern within 30 days. OCD may require the Permittee to implement additional subsidence monitoring and to conduct additional corrective action.

**2.C. CONTINGENCY PLANS:** The Permittee shall implement its proposed contingency plan(s) included in its Permit Application to cope with failure of a system(s) in the Discharge Permit.

**2.D. CLOSURE:** The Permittee shall submit for OCD approval, a facility closure plan with third-party cost estimate pursuant to 20.6.2.5209 NMAC and as specified in Permit Conditions 2.I and 5.B to address: well plug and abandonment, land surface restoration; environmental groundwater monitoring (if applicable); pipeline abandonment; and three years of surface subsidence monitoring.

**1. Pre-Closure Notification:** Pursuant to 20.6.2.5005A NMAC, the Permittee shall submit a pre-closure notification to OCD's Environmental Bureau at least 30 days prior to the date that it proposes to close or to discontinue operation of its Class III well. Pursuant to 20.6.2.5005B NMAC, OCD's Environmental Bureau must approve all proposed well closure activities before Permittee may implement its proposed closure plan.

**2. Required Information:** The Permittee shall provide OCD's Environmental Bureau with the following information:

- Name of facility;
- Address of facility;
- Name of Permittee (and owner or operator, if appropriate);
- Address of Permittee (and owner or operator, if appropriate);
- Contact person;
- Phone number;
- Number and type of well(s);
- Year of well construction;
- Well construction details;
- Type of discharge;
- Average flow (gallons per day);
- Proposed well closure activities (e.g., sample fluids/sediment, appropriate disposal of remaining fluids/sediments, remove well and any contaminated soil, clean out well, install permanent plug, conversion to other type of well, groundwater and vadose zone investigation, other);
- Proposed date of well closure;
- Proposed method and date of surface restoration;
- Proposed method and date of pipeline abandonment;
- Name of preparer; and
- Date.

**2.E. PLUGGING AND ABANDONMENT PLAN:** Pursuant to 20.6.2.5209A NMAC, the Permittee shall submit to OCD a plugging and abandonment plan that meets the requirements of 20.6.2.3109C NMAC, 20.6.2.5101C NMAC, and 20.6.2.5005 NMAC for protection of groundwater. If requested by OCD, Permittee shall submit for approval prior to closure, a revised or updated plugging and abandonment plan. The obligation to implement the plugging and abandonment plan as well as the requirements of the plan survives the termination or expiration of this Discharge Permit. The Permittee shall comply with 20.6.2.5209 NMAC.

**2.F RECORD KEEPING:** The Permittee shall maintain records of all inspections, surveys, investigations, etc., required by this Discharge Permit at its Facility office for a minimum of five years and shall make those records available for inspection at the request of an OCD Representative.

**2.G. RELEASE REPORTING:** The Permittee shall comply with the following permit conditions, pursuant to 20.6.2.1203 NMAC, if it determines that a release of oil or other water contaminant, in such quantity as may with reasonable probability injure or be detrimental to human health, animal or plant life, or property, or unreasonably interfere with the public welfare or the use of property, has occurred. The Permittee shall report unauthorized releases of water contaminants in accordance with any additional commitments made in its approved Contingency Plan. If the Permittee determines that any constituent exceeds the standards specified at 20.6.2.3103 NMAC, then it shall report a release to OCD's Environmental Bureau.

**1. Oral Notification:** As soon as possible after learning of such a discharge, but in no event more than twenty-four (24) hours thereafter, the Permittee shall notify OCD's Environmental Bureau. The Permittee shall provide the following:

- The name, address, and telephone number of the person or persons in charge of the facility, as well as of the owner and/or operator of the facility;
- The name and location of the facility;
- The date, time, location, and duration of the discharge;
- The source and cause of discharge;
- A description of the discharge, including its chemical composition;
- The estimated volume of the discharge; and,
- Any corrective or abatement actions taken to mitigate immediate damage from the discharge.

**2. Written Notification:** Within one week after the Permittee has discovered a discharge, the Permittee shall send written notification (may use form C-141 with attachments) to OCD's Environmental Bureau verifying the prior oral notification as to each of the foregoing items and providing any appropriate additions or corrections to the information contained in the prior oral notification.

The Permittee shall provide subsequent corrective actions and written reports as required by OCD's Environmental Bureau.

**2.H. OTHER REQUIREMENTS:**

**1. Inspection and Entry:** Pursuant to Section 74-6-9 NMSA 1978 and 20.6.2.3107A NMAC, the Permittee shall allow any authorized representative of the OCD Director, to:

- Upon the presentation of proper credentials, enter the premises at reasonable times;
- Inspect and copy records required by this Discharge Permit;
- Inspect any treatment works, monitoring, and analytical equipment;
- Sample any injection fluid or produced brine;
- Conduct various types environmental media sampling, and
- Use the Permittee's monitoring systems and wells in order to collect groundwater samples.

**2. Advance Notice:** The Permittee shall provide OCD's Environmental Bureau and Hobbs District Office with at least five (5) working days advance notice of any environmental sampling to be performed pursuant to this

Discharge Permit, or any well plugging, abandonment or decommissioning of any equipment associated with its Class III well.

3. **Environmental Monitoring:** The Permittee shall ensure that any environmental sampling and analytical laboratory data collected meets the standards specified in 20.6.2.3107B NMAC or EPA QA/QC Standards. The Permittee shall ensure that all environmental samples are analyzed by an accredited "National Environmental Laboratory Accreditation Conference" (NELAC) Laboratory. The Permittee shall submit environmental sampling data summary tables, all raw analytical data, and laboratory QA/QC.
  - a. A monitor well shall be installed hydrogeologically downgradient from the Brine Well and sampled in accordance with Section 2.A.1.

**2.I. BONDING OR FINANCIAL ASSURANCE:** Pursuant to 20.6.2.5210B(17) NMAC, the Permittee shall maintain financial assurance, at a minimum, in the amount that Permittee shall estimate and the Director shall approve, in accordance with Permit Conditions 2.D and 5.B, to cover potential costs associated with plugging and abandonment of the Class III well, surface restoration, environmental groundwater monitoring (if applicable), pipeline abandonment, along with three years of surface subsidence monitoring thereafter. OCD may require additional financial assurance to ensure adequate funding is available to plug and abandon the well and/or for any required environmental related corrective actions. The Permittee's cost estimate shall be based on third person estimates.

Acceptable financial assurance mechanisms include: (1) a surety bond; (2) a trust fund with a New Mexico bank in the name of the State of New Mexico, with the State as Beneficiary; (3) a non-renewable letter of credit made out to the State of New Mexico; (4) liability insurance specifically covering the contingencies listed in this paragraph; or (5) a performance bond, generally in conjunction with another type of financial assurance. If an adequate bond is posted by the Permittee to a federal or another state agency, and this bond covers all of the measures specified above, the OCD Director shall consider this bond as satisfying the bonding requirements of Sections 20.6.2.5000 through 20.6.2.5399 NMAC wholly or in part, depending upon the extent to which such bond is adequate to ensure that the Permittee will fully perform the measures required herein above.

**2.J. ANNUAL REPORT:** The Permittee shall submit its annual report pursuant to 20.6.2.3107 NMAC to OCD's Environmental Bureau by June 1st of the following year. The annual report shall include the following:

- Cover sheet marked as "Annual Class III Well Report, Name of Permittee, Discharge Permit Number, API number of well(s), date of report, and person submitting report;
- Summary of Class III well operations for the year including a description and reason for any remedial or major work on the well with a copy of form C-103;
- Monthly fluid injection and brine production volume, including the cumulative total carried over each year;
- Semi-annual monitor well analytical data results;
- Injection pressure data;
- Pipeline hydrostatic test results;
- Pipeline visual leak inspection monitoring results at joints;
- A copy of the quarterly chemical analyses shall be included with data summary and all QA/QC information;
- Copy of any mechanical integrity test chart, including the type of test, i.e., duration, gauge pressure, etc.;
- Brief explanation describing deviations from the normal operations;
- Results of any leaks and spill corrective action reports;
- An Area of Review (AOR) update summary;
- A summary with interpretation of MITs, surface subsidence surveys, estimated cavern size and shape, cavern volume and geometry measurements with conclusion(s) and recommendation(s);
- A summary of the ratio of the monthly volume of injected fluids to the volume of produced brine;
- A summary of all major Facility activities or events, which occurred during the year with any conclusions and recommendations;
- Annual Surface Subsidence Monitoring Plan data results in accordance with Permit Condition 2.B.1;
- Annual Solution Cavern Characterization data results in accordance with Permit Condition 2.B.2;
- Annual certification in accordance with Permit Condition 2.B.3; and

- The Permittee shall file its Annual Report in an electronic format with a hard copy submittal to OCD's Environmental Bureau.

### 3. CLASS III WELL OPERATIONS:

**Owner/Operator Commitments.** Once a permit is issued, the owner/operator must ensure all operations are consistent with the terms and conditions of the permit and in conformance with all pertinent rules and regulations under the Water Quality Act. The owner/operator shall abide by all commitments submitted in its discharge permit application including any attachments and/or amendments along with these approval conditions. Applications which reference previously approved plans on file with the OCD shall be incorporated into this permit and the owner/operator shall abide by all commitments of such plans.

**3.A. OPERATING REQUIREMENTS:** The Permittee shall comply with the operating requirements specified in 20.6.2.5206A NMAC and 20.6.2.5206A NMAC to ensure that:

- 1. Brine Production Method:** During the daily brine production, a "normal flow" configuration consisting of fresh water injection shall occur through the 2-3/8 in. tubing at approximately 2,460 ft. bgl, and brine production through the 5-1/2 in. flush joint casing annulus directed through and within a whipstock window in 7 in. casing offset at an approximate depth of 1,734 ft. bgl to a depth of 2,100 ft. bgl, which is approximately 100 ft. below the top of the Salado "Salt" Formation at approximately 2,000 ft. bgl. Injection and production flow may temporarily be reversed as required periodically to clean the tubing and annulus. However, a "normal flow" regime is required during daily injection and production operations and shall only occur within the intended solution mining interval.
- 2. Injection Out of Zone:** Injection between the outermost casing and the well bore is prohibited in a zone other than the authorized injection zone. If the Permittee determines that its Class III well is discharging or suspects that it is discharging fluids into a zone or zones other than the permitted injection zone specified in Permit Condition 3.B.1., then the Permittee shall within 24 hours notify OCD's Environmental Bureau and Hobbs District Office of the circumstances and action(s) taken. The Permittee shall cease operations until proper repairs are made and it has received approval from OCD to re-start injection operations.
- 3. Pipeline:** Hydrostatic testing of brine pipeline is required after repair for any pipeline pressure loss, leakage, etc. The hydrostatic test report with "as-built" pipeline transect, and associated construction information shall be submitted to OCD for approval within 3 months of permit issuance. Mandatory hydrostatic testing of the pipeline is required after leakage and/or before the expiration date of the Permit. Daily pipeline inspection and monitoring is required at a minimum for the first week of permit issuance and each time the pipeline is brought back into service after shut-down, service work, etc. The pipeline shall be inspected within 8-hours of pipeline pressure loss, upset, etc. Weekly inspection and monitoring at a minimum is required thereafter. Inspection record keeping is required and shall include the date and time of each inspection, inspectors name and contact information, weather conditions with inspection summary, any conclusion on pipeline condition with any recommendations. Spills or release locations shall include NAD83 GPS Coordinates and be handled in accordance with Permit Condition 2.G Release Reporting herein.

### 3.B. INJECTION OPERATIONS:

- 1. Well Injection Pressure Limit:** The Permittee shall ensure that the maximum wellhead or surface injection pressure of 400 psig on its Class III well shall not exceed the fracture pressure in the injection salt formation and will not cause new fractures or propagate any existing fractures or cause damage to the system and underground source of drinking water.
- 2. Pressure Limiting Device:** The Permittee shall equip and operate its Class III well or system with a pressure limiting device which shall, at all times, limit surface injection pressure to the maximum allowable pressure of 400 psig for its Class III well. The Permittee shall monitor the pressure-limiting device daily and shall report all pressure exceedances within 24 hours of detecting an exceedance to OCD's Environmental Bureau.

The Permittee shall take all steps necessary to ensure that the injected fluids enter only the proposed injection interval and is not permitted to escape to other formations, fresh water zones, or onto the ground surface. The Permittee shall report to OCD's Environmental Bureau within 24 hours of discovery any indication that new fractures or existing fractures have been propagated, or that damage to the well, the injection zone, or formation has occurred.

**3.C. CONTINUOUS MONITORING DEVICES:** The Permittee shall use continuous monitoring devices to provide a record of surface injection pressure, flow rate, flow volume, and pressure on the annulus between the tubing and the long string of casing.

**3.D. MECHANICAL INTEGRITY FOR CLASS III WELLS:**

1. Pursuant to 20.6.2.5204 NMAC, the Permittee shall demonstrate mechanical integrity for its Class III well at least once every five years or more frequently as the OCD Director may require for good cause during the life of the well. The Permittee shall demonstrate mechanical integrity for its Class III well every time it performs a well workover, including when it pulls the tubing. A Class III well has mechanical integrity if there is no detectable leak in the casing or tubing which OCD considers to be significant at maximum operating temperature and pressure; and no detectable conduit for fluid movement out of the injection zone through the well bore or vertical channels adjacent to the well bore which the OCD Director considers to be significant. The Permittee shall conduct a casing Mechanical Integrity Test (MIT) from the surface to the approved injection depth to assess casing integrity. The MIT shall consist of a 30-minute test at a minimum pressure of 500 psig measured at the surface when tubing is removed, and a plug is installed within 20 ft. of the casing shoe depth. Alternatively, the MIT may consist of a casing/cavern 4-hr. test at a minimum pressure of 300 psig measured at the surface when the cavern and casing are full and tubing remains in the well. More work is required in the "casing/cavern" test in the event of failure to determine the actual cause.

The Permittee shall notify OCD's Environmental Bureau and Hobbs District Office at least 5 days prior to conducting any MIT to allow OCD Hobbs the opportunity to witness the MIT.

2. The following criteria will determine if the Class III well has passed the MIT:
  - a. Passes MIT if zero bleed-off during the test;
  - b. Passes casing MIT if final test pressure is within +/- 10% of starting pressure, if approved by OCD (Note: Passes cavern test on a case-by-case basis determined by OCD);
  - c. When the MIT is not witnessed by OCD and fails, the Permittee shall notify OCD within 24 hours of the failure of the MIT.
  - d. All chart recorder information, charts containing appropriate information, calibration sheets, etc. shall be provided to OCD within 5 working days of completing an MIT.
3. Pursuant to 20.6.2.5204C NMAC, the OCD Director may consider the use by the Permittee of equivalent alternative test methods to determine mechanical integrity. The Permittee shall submit information on the proposed test and all technical data supporting its use. The OCD Director may approve the Permittee's request if it will reliably demonstrate the mechanical integrity of the well for which its use is proposed.
4. Pursuant to 20.6.2.5204D NMAC, when conducting and evaluating the MIT(s), the Permittee shall apply methods and standards generally accepted in the oil and gas industry. When the Permittee reports the results of all MIT(s) to the OCD Director, it shall include a description of the test(s), the method(s) used, and the test results.

**3.E. WELL WORKOVER OPERATIONS:** Pursuant to 20.6.2.5205A(5) NMAC, the Permittee shall provide notice to and shall obtain approval from OCD prior to commencement of any remedial work or any other workover operations to allow OCD the opportunity to witness the operation. The Permittee shall request approval using form C-103 (Sundry Notices and Reports on Wells). Properly completed Forms C-103 and/or C-105 must be filed with OCD upon completion of workover activities and copies included in that year's Annual Report (Section 2.J).

**3.F. FLUIDS INJECTION AND BRINE PRODUCTION VOLUMES AND PRESSURES:** The Permittee shall continuously monitor the volumes of water injected and brine production. The Permittee shall submit monthly reports of its injection and production volumes on or before the 10th day of the following month. The Permittee shall suspend injection if the monthly injection volume is less than 110% or greater than 120% of associated brine production. If such an event occurs, the Permittee shall notify OCD within 24 hours.

**3.G. AREA OF REVIEW (AOR):** The Permittee shall report within 72 hours of discovery any new wells, conduits, or any other device that penetrates or may penetrate the injection zone within a 1-mile radius from its Class III well. OCD shall be notified within 24 hours of having knowledge of any wells lacking cement within the cavern interval within a ½-mile radius from the Class III well.

**4. CLASS V WELLS:** Pursuant to 20.6.2.5002B NMAC, leach fields and other waste fluids disposal systems that inject non-hazardous fluid into or above an underground source of drinking water are UIC Class V injection wells. This Discharge Permit does not authorize the use of a Class V injection well for the disposal of industrial waste. Pursuant to 20.6.2.5005 NMAC, the Permittee shall close any Class V industrial waste injection well that injects non-hazardous industrial wastes or a mixture of industrial wastes and domestic wastes (e.g., septic systems, leach fields, dry wells, etc.) within 90 calendar days of the issuance of this Discharge Permit. The Permittee shall document the closure of any Class V wells used for the disposal of non-hazardous industrial wastes or a mixture of industrial wastes and domestic wastes other than contaminated groundwater in its Annual Report. Other Class V wells, including wells used only for the injection of domestic wastes, shall be permitted by the New Mexico Environment Department.

**5. SCHEDULE OF COMPLIANCE:**

**5.A. ANNUAL REPORT:** The Permittee shall submit its annual report to OCD by June 1<sup>st</sup> of each year.

**5.B. BONDING OR FINANCIAL ASSURANCE:** The Permittee shall submit an estimate of the minimum cost to properly close, plug and abandon its Class III well, conduct groundwater restoration if applicable, and any post-operational monitoring as may be needed (see 20.6.2. 5210B(17) NMAC). The Permittee's cost estimate shall be based on third person estimates. After review, OCD will require the Permittee to submit a single well plugging bond based on the third person cost estimate.

**5.C. SURFACE SUBSIDENCE MONITORING PLAN:** The Permittee shall submit the Surface Subsidence Monitoring Plan required in accordance with Permit Condition 2.B.1 within 180 days of permit issuance.

**5.D. SOLUTION CAVERN CHARACTERIZATION PLAN:** The Permittee shall submit the Solution Cavern Characterization Plan required in accordance with Permit Condition 2.B.2 within 180 days of permit issuance.

## Chavez, Carl J, EMNRD

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**From:** Wayne Price <wayneprice@q.com>  
**Sent:** Tuesday, July 9, 2019 11:42 AM  
**To:** Griswold, Jim, EMNRD; Chavez, Carl J, EMNRD  
**Cc:** Wayne Price; jonrgandy Gandy  
**Subject:** [EXT] Re: Wasserhund BW-04 Comments to Draft Permit  
**Attachments:** Wass Draft Letter to OCD July 7.pdf; ATT00001.txt

Please use this version.

July 8, 2019

Mr. Jim Griswold-Environmental Bureau Chief  
New Mexico Oil Conservation Division  
1220 South Saint Francis Drive  
Santa Fe. New Mexico 87505

Reference: Wasserhund Inc. Brine Well BW-04

Subject: OCD Issued Draft Permit

Dear Mr. Griswold,

Please find herein comments relating to the recently issued Draft Permit BW-04 for the Wasserhund Inc. (Wasserhund) Edison State Brine Well.

As you are aware Wasserhund's consultant (Price LLC) made a request to offer changes to the current permit before the draft permit was issued. These changes were also requested in previous annual reports. OCD never followed up on these request.

Wasserhund then requested a preliminary copy of the draft permit before OCD issued in order to discuss these changes. Subsequently, OCD sent an E-mail (Keith Herman-OCD Attorney January 25, 2019) rejecting Wasserhund's ability to provide meaningful input indicating it may be perceived as trying to influence OCD's permit conditions. (E-Mail Attached).

Wasserhund would like to point out that Mr. Herman's comment did allow input during the application process, but OCD did not follow-up on these request that were listed in the annual reports and discussions with OCD staff.

Therefore, Wasserhund feels as though OCD never followed up on changes that would correct some permit deficiencies and ambiguous language.

Therefore pursuant to **20.6.2.3108.M** reads in part *"All comments will be considered by the department."*

*And; Pursuant to **20.6.2.3109** (SECRETARY APPROVAL, DISAPPROVAL, MODIFICATION OR TERMINATION OF DISCHARGE PERMITS, AND REQUIREMENT FOR ABATEMENT PLANS:)*

**3109. Part A. Reads in part;** *“The department shall evaluate the application for a discharge permit, modification or renewal based on information contained in the department’s administrative record”.*

Wasserhund had submitted changes to the permit and was told by OCD staff that these would be considered during the renewal process.

**3109. Part B. Reads in part;** *“The Secretary shall issue a response to comments which shall specify which provisions, if any, in the draft permit were changed and the reasons for the change”*

This never occurred, and OCD issued the draft permit without taking these requested changes in consideration.

In the past OCD has always worked with operators concerning permit language before issuing a draft permit. Reviewing the OCD web site, it appears OCD used a boilerplate draft permit for all operators without taking into consideration site specific permit conditions and previous comments.

Wasserhund hereby submits comments for OCD to consider for the Wasserhund BW-04 permit and hopefully OCD will incorporate some of these changes without requiring an expensive hearing process.

If OCD fails to respond in a timely fashion, Wasserhund does not waive its ability to request a hearing.

Sincerely,

A handwritten signature in blue ink that reads "Wayne Price-Price". The signature is stylized and cursive.

Wayne Price-Price LLC  
Consultant for Wasserhund Inc.

Attachments:

Recommended changes to Draft Permit;  
Copy of E-mail;

## Recommended Changes to Draft Permit

**2A.1. Groundwater Monitor Well:** This is a new requirement from past permit conditions:

Wasserhund Response: Wasserhund respectfully request this requirement be removed for the following reasons:

Pursuant to **20.6.2.3104 DISCHARGE PERMIT REQUIRED:** In Part reads *“Unless otherwise provided by this Part, no person shall cause or allow effluent or leachate to discharge so that it may move directly or indirectly into ground water unless he is discharging pursuant to a discharge permit issued by the secretary”*

Wasserhund’s brine well does not discharge effluent or leachate and therefore monitoring for such discharges should not be required. OCD by it’s own motion, allowed discharge permits to expire when there was no active on-going discharge, and that policy is still in place.

Wasserhund does recognize that Part **20.6.2.5000 (UNDERGROUND INJECTION CONTROL:)** does apply to the Wasserhund Class III brine well and generally requires that a 3104 discharge permit be obtained.

However, as stated above, Wasserhund’s operations do not discharge directly or indirectly into groundwater and the need for a monitoring well under Part 3104 should be waived.

Pursuant to **20.6.2.3107 (MONITORING, REPORTING, AND OTHER REQUIREMENTS:)**

*“3107.A. Each discharge plan shall provide for the following as the secretary may require:*

- (1) The installation, use, and maintenance of effluent monitoring devices;*
- (2) The installation, use, and maintenance of monitoring devices for the ground water most likely to be affected by the discharge;*
- (3) monitoring in the vadose zone; “*

In each listed item above, these requirements hinge upon actual discharges. As previously stated, the brine well operations are designed not to actively discharge water contaminants.

Notwithstanding the fact that certain unintentional releases may require certain monitoring per NMOCD release and abatement rules not related to injection operations.

Pursuant to **20.6.2.5205** (*CONSTRUCTION REQUIREMENTS FOR CLASS I NON-HAZARDOUS WASTE INJECTION WELLS AND CLASS III WELLS:*)

Wasserhund's brine well currently meets the construction standards of **5205.1.b** "*Class III wells will not cause or allow movement of fluids out of the injection zone into ground water having 10,000 mg/l or less TDS except for fluid movement approved pursuant to Section 20.6.2.5103 NMAC*".

Under **5205.C.** (*Additional construction requirements for Class III wells*) reads in part;

**"(1)** *Where injection is into a formation containing ground water having 10,000 mg/l or less TDS, monitoring wells shall be completed into the injection zone and into the first formation above the injection zone containing ground water having 10,000 mg/l or less TDS which could be affected by the extraction operation.*"

Wasserhund would like to point out that the injection is into a confined bedded salt section void of any groundwater and while the casing may go thru a protectable zone, the injection does not penetrate (i.e. discharge into any protectable zone). The construction requirements and resulting testing requirement ensures groundwater protection and Wasserhund has had no known releases or casing failures that would be cause of concern.

Once again, notwithstanding a future release may trigger a monitor well. Installing a monitor well at this time would be detrimental to Wasserhund's operations as this site is located on State Trust Lands which will require additional annual fees with the presumption that having a monitor well may be an unwarranted admission of groundwater contamination which could result in premature fee increases, additional bonding and possible fines from the land agency.

**"(2)** *Where injection is into a formation which does not contain ground water having 10,000 mg/l or less TDS, no monitoring wells are necessary in the injection zone. However, monitoring wells may be necessary in adjoining zones with ground water having 10,000 mg/l or less TDS that could be affected by the extraction operation"*

Wasserhund understands that OCD "**may**" want monitoring wells, but without sufficient knowledge or past information that would possibly lead to a probable cause, this requirement would be in our opinion arbitrary and capricious at this time.

Wasserhund would like to point out that except for the major collapse issues, we have no knowledge that a current operating brine well has caused ground water contamination from its injection operations.

Installing monitor wells may trigger an unwarranted investigation due to off-site contamination from oil and gas operations not related to the brine well.

This could cause Wasserhund to have to install additional wells to defend itself. As previously stated, this would be very expensive with the presumption of guilt until proven otherwise.

***Per 20.6.2.5104.B (WAIVER OF REQUIREMENT BY SECRETARY FOR CLASS I WELLS AND CLASS III WELLS:)***

Specifically allow waivers for Class III wells. **Wasserhund hereby requests a waiver from the installation of a new monitor well, unless OCD can demonstrate a site-specific need at this time.**

### **2.B.1 SOLUTION CAVERN MONITORING PROGRAM:**

*Draft Permit Reads in Part; "The Permittee shall submit the results of all subsidence surveys with summary of results and any recommendations to OCD within 15 days of survey completion."*

Wasserhund currently does not have subsidence monitors. **Wasserhund hereby commits to installing the required monitors pursuant OCD recommendations. We respectfully request we be allowed to install and have the first reading by June 01, 2021.**

**In addition, Wasserhund is requesting that the results be submitted in the annual report as long as the criteria of .10 feet is not exceeded, otherwise agree with condition.**

### **2.B.2 Solution Cavern Characterization Program:**

*Draft Permit Reads; "The Permittee shall submit a Solution Cavern Characterization Plan to characterize the size and shape of the solution cavern using geophysical methods within 180 days of the effective date of this permit. The Permittee shall characterize the size and shape of the solution cavern using a geophysical method approved by OCD at least once before the expiration date of the permit. The Permittee shall demonstrate that at least 90% of the calculated volume of salt removed based upon injection and production volumes has been accounted for by the approved geophysical method(s) for such testing to be considered truly representative.*

Wasserhund Response: Price LLC, Wasserhund's Consultant, currently knows no "cost effective" method using any known geophysical method or tool to accurately characterize the size and shape of the bedded salt cavern. Since OCD has not provided any guidance in this area, or until OCD comes up with such a method or

recommends an acceptable cost effective procedure, **Wasserhund respectfully requests a waiver.**

In the past, Wasserhund used the worst-case upright cone volume method to determine a diameter and depth by using the measured volume of salt removed. However, since OCD has now required “Normal Flow” where the bottom or middle of the cavern will be expanded, rather than the top, the up-right cone method may not work.

While a mathematical configuration can be estimated, there is no way to accurately confirm the size and shape using a geophysical method or tool.

OCD has used various methods on the infamous Carlsbad Brine well to determine a two-dimensional surface plot, but these methods are questionable for deep brine wells, does not give good three-dimensional aspects and is certainly not cost effective.

**Again, Wasserhund request a waiver and commits to working with OCD to find an acceptable method.**

- a. *“The Permittee shall provide an estimate of the size and shape of the solution cavern at least annually in the Annual Report (Condition 2.J), based on fluid injection and brine production data.”*

Wasserhund Response: As pointed out above, this estimate cannot be backed by any geophysical method. Wasserhund can use a mathematical configuration to estimate the cavern volume, but cannot provide any three-dimensional pictorial with any accuracy.

- b. *“The Permittee shall compare the ratio of the volume of injected fluids to the volume of produced brine monthly. If the average ratio of injected fluid to produced brine varies is less than 90% or greater than 110%, the Permittee shall report this to OCD and cease injection and production operations of its Class III well within 24 hours. The Permittee shall begin an investigation to determine the cause of this abnormal ratio within 72 hours. The Permittee shall submit to OCD a report of its investigation within 15 days of cessation of injection and production operations of its Class III well for further instructions.”*

Wasserhund Response: Wasserhund’s Consultant (Price LLC) has requested a variance on this requirement in the past annual reports. Due to intermittent production times, flow rate variation, pressure build ups, brine density changes, monthly injection and production numbers can vary outside of the 90%-110% range, but over time always comes back to normal and generally falls within the 105% range.

There are many reasons for this as we have discussed, and thus the requirement to suspend operations is not based on any real parameter or trend that may be an immediate threat to the well, groundwater or the environment. The current requirement puts operators in a continuous violation and interruption of operations.

Of course notwithstanding, if you have a well that takes water without producing, or starts to pressure up, then you know you may have lost circulation or communicated to a pressure zone, then immediate action should be taken and notification to the agency.

The point to be made here is that this parameter is a trailing indicator not a leading indicator. Of course a continued pattern for a few months would be beneficial.

**Therefore, Wasserhund recommends the following language:**

**Wasserhund will monitor the brine well operation and if the well has a sudden loss or gain of pressure, lost circulation, unexpected water flow, specific gravity changes significantly, or a continued pattern of difference between the fresh water injected and production of brine that falls outside of the acceptable range of 90-110%, then Wasserhund will shut down operations and notify the OCD within 72 hours.**

**Within 30 days, Wasserhund will submit a corrective action plan for OCD approval.**

**2.D. CLOSURE:** Reads; “The Permittee shall submit an updated closure plan, with third-party cost estimate for its well pursuant to 20.6.2.5209 NMAC and as specified in Permit Conditions 2.I and 5.B to address: well plug and abandonment, land surface restoration; environmental groundwater monitoring (if applicable); pipeline abandonment; and five years of surface subsidence monitoring.”

**Wasserhund Response:** A closure plan has been submitted to address the items listed above, however during discussions with OCD staff, the surface subsidence monitoring was allowed for three years. **Wasserhund hereby request this condition be changed to reflect the three years rather than five.**

In addition, Wasserhund would like for the word “Pipeline” be removed as it has certain connotations in the oilfield and the fact there are no dedicated pipelines at the BW-04 facility.

**We recommend using the language “piping removal or underground line abandonment.”**

**2.G. RELEASE REPORTING: “As Listed in Draft Permit”**

Wasserhund Response: The entire language appears to come from the WQCC part 20.6.2.1203 NMAC (**NOTIFICATION OF DISCHARGE-REMOVAL**)

The WQCC reporting conditions and the OCD reporting conditions are not exactly the same. It appears OCD is mixing regulations and may cause confusion with the operator and the local district offices.

Therefore Wasserhund recommends that the entire language under 2.G. Release reporting be removed and replaced with the following:

**All releases shall be reported and corrective actions taken pursuant to OCD rule 19.15.29 (Releases).**

***2.I. BONDING OR FINANCIAL ASSURANCE:*** Draft permit reads in part; *“Pursuant to 20.6.2.5210B(17) NMAC, the Permittee shall maintain at a minimum, a single well plugging bond in the amount that it shall determine, in accordance with Permit Conditions 2.D and 5.B, to cover potential costs associated with plugging and abandonment of the Class III well, surface restoration, environmental ground water monitoring (if applicable), pipeline abandonment, along with five years of surface subsidence monitoring thereafter. OCD may require additional financial assurance to ensure adequate funding is available to plug and abandon the well and/or for any required environmental related corrective actions.”*

Wasserhund Response: As requested above, recommend removing the word “Pipeline” and replace with the following language.

**“piping removal or underground line abandonment.”**

**2.J. ANNUAL REPORT: Reads** in part “The Permittee shall submit its annual report pursuant to 20.6.2.3107 NMAC to OCD’s Environmental Bureau by June 1st of the following year. The annual report shall include the following:

- Semi-annual monitor well analytical data results;

Wasserhund Response: **Wasserhund has requested a waiver on the new requirement for a monitor well. Please remove.**

- Pipeline hydrostatic test results;
- Pipeline visual leak inspection monitoring results at joints;

**Wasserhund Response: As mentioned above, Wasserhund does not have any pipelines. Please remove.**

- The Permittee shall file its Annual Report in an electronic format with a hard copy submittal to OCD's Environmental Bureau.

**Wasserhund Response: Wasserhund requests waiver of a hardcopy unless OCD specifically has need for it. Wasserhund will supply upon individual request.**

**3.A. OPERATING REQUIREMENTS:** Reads in part; *"The Permittee shall comply with the operating requirements specified in 20.6.2.5206A NMAC and 20.6.2.5206A NMAC to ensure that:"*

3. *"Pipeline: Initial hydrostatic testing of pipeline is required for any pressure loss, leakage, etc. at joints. The hydrostatic test report with "as-built" pipeline transect and associated construction information shall be submitted to OCD for approval before pipeline activation. Mandatory Hydrostatic Testing of the pipeline is required after leakage and/or before the expiration date of the Permit. The pipeline shall be constructed with an Emergency Shut-Down Device with block off locations for pipeline isolation, access, cleaning, testing, etc. Daily pipeline inspection and monitoring is required at a minimum for the first week and each time the pipeline is brought back into service after shut-down, service work, etc. The pipeline shall be inspected within 8-hours of pipeline pressure loss, upset, etc. Weekly inspection and monitoring at a minimum is required thereafter. Inspection record keeping is required and shall include the date and time of each inspection, inspectors name and contact information, weather conditions with inspection summary, any conclusion on pipeline condition with any recommendations. Spills or release locations shall include GPS Coordinates and be handled in accordance with Permit Condition 2.G."*

**Wasserhund Response:** It appears that some of the new brine wells recently permitted does have a long brine water lines and OCD has boiler plated this in all permits.

Wasserhund's BW-04 brine system does not have a pipeline by definition, but only has aboveground lines other than fresh water. The lines from the brine tanks to load lines are underlain with a secondary containment. There is one short aboveground brine line from the well over to the aboveground tanks.

**Wasserhund requests that item 3, be removed from the draft permit.**

**3.D. MECHANICAL INTEGRITY FOR CLASS III WELLS:** Reads in Part;

*“The MIT shall consist of a 30-minute test at a minimum pressure of 500 psig measured at the surface when tubing is removed and a plug is installed within 20 ft. of the casing shoe depth. “*

Wasserhund Response: Pursuant to **19.15.26.11** (TESTING, MONITORING, STEP-RATE TESTS, NOTICE TO THE DIVISION, REQUESTS FOR PRESSURE INCREASES) The minimum test pressure is 300 psig.

**Wasserhund request that the permit reflect this change from 500 psig to 300 psig.**

**3.D.2.b Reads** in part; *“Passes casing MIT if final test pressure is within +/- 10% of starting pressure, if approved by OCD (Note: Passes cavern test on a case-by-case basis determined by OCD);”*

Wasserhund understands the sensitivity issue on cavern tests due to formation and water compressibility factors, but OCD not allowing some tolerance is not practical.

**Wasserhund request that at a minimum tolerance of +/- 1% be allowed, and more on a case by case basis approved by OCD.**

**3.D.2.d Reads** in part; *“All chart recorder information, charts containing appropriate information, calibration sheets, etc. shall be provided to OCD within 5 working days of completing an MIT.”*

Wasserhund Response: In order to be consistent with OCD rule **19.15.7.14.G** (SUNDRY NOTICES AND REPORTS ON WELLS (Form C-103)

**Wasserhund Request that 30 working days be allowed to submit the information along with the required C-103.**

**3.E. WELL WORKOVER OPERATIONS:** In part reads; *“Properly completed Forms C-103 and/or C-105 must be filed with OCD upon completion of workover activities and copies included in that year’s Annual Report”*

Wasserhund Response: **Wasserhund hereby request that the OCD form C-105 not be required for pressure test, tubing repair, and miscellaneous remedial**

**work, unless the casing is altered, new casing installed, or different tubing is installed and the setting depth is changed over a 100 feet.**

**3.F. FLUIDS INJECTION AND BRINE PRODUCTION VOLUMES AND PRESSURES:**

Reads in part; *“The Permittee shall submit monthly reports of its injection and production volumes on or before the 10th day of the following month.*

Wasserhund’s response: **Wasserhund hereby request that the submittal of monthly reports be omitted and the reports will be submitted in the annual report.**

*“The Permittee shall suspend injection if the monthly injection volume is less than 110% or greater than 120% of associated brine production. If such an event occurs, the Permittee shall notify OCD within 24 hours.”*

Wasserhund’s response: **Wasserhund recommends this part be omitted as it conflicts with draft permit condition 2.B.2.b.**

**3.G. AREA OF REVIEW (AOR):** Reads; *“The Permittee shall report within 72 hours of discovery any new wells, conduits, or any other device that penetrates or may penetrate the injection zone within a 1-mile radius from its Class III well. OCD shall be notified within 24 hours of having knowledge of any wells lacking cement within the cavern interval within a 1/2-mile radius from the Class III well”*

Wasserhund Response: Wasserhund has no ability to control wells that are permitted in the area nor be able to control the casing programs. This is solely OCD’s responsibility.

Wasserhund’s consultant (Price LLC) has had numerous conversations with OCD concerning this issue. OCD was suppose to implement a program that ID’s brine wells so the OCD District offices would be able to control permitting of proximity wells.

Wasserhund also does an annual review of the wells located within ½ mile radius. OCD’s bureau chief agreed a 1/4 mile AOR is sufficient.

**Therefore, Wasserhund request that this section be changed or omitted from the permit conditions.**

**5. SCHEDULE OF COMPLIANCE:** Reads in part;

**5.B. BONDING OR FINANCIAL ASSURANCE:** “The Permittee shall submit an estimate of the minimum cost to properly close, plug and abandon its UIC Class III well, conduct ground water restoration if applicable, and any post-operational monitoring as may be needed (see 20.6.2.5210B(17) NMAC) within 90 days of permit issuance, and/or the Closure Plan addresses this requirement and is approved by OCD. The Permittee’s cost estimate shall be based on third person estimates. After review, OCD will require the Permittee to submit a single well plugging bond based on the third person cost estimate.”

Wasserhund Response: Wasserhund was required to submit this with the application. **Wasserhund requests this be removed from the permit conditions.**

**5.D. SOLUTION CAVERN CHARACTERIZATION PLAN:** The Permittee shall submit the Solution Cavern Characterization Plan required in accordance with Permit Condition 2.B.2 within 180 days of permit issuance.

Wasserhund Response: As pointed out above, there is no geophysical method or plan that is currently cost effective. **Wasserhund request this requirement be waived until OCD has a method that is viable and can be applied to most brine wells.**

## Chavez, Carl J, EMNRD

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**From:** Wayne Price <wayneprice@q.com>  
**Sent:** Tuesday, July 9, 2019 11:14 AM  
**To:** Griswold, Jim, EMNRD; Chavez, Carl J, EMNRD  
**Cc:** Wayne Price; jonrgandy Gandy  
**Subject:** [EXT] Wasserhund BW-04 Comments to Draft Permit  
**Attachments:** Wass Letter to OCD July 7.pdf; ATT00001.txt

Dear Mr. Griswold and Chavez,

Please find attached comments for your consideration concerning the BW-04 Draft permit.

July 8, 2019

Mr. Jim Griswold-Environmental Bureau Chief  
New Mexico Oil Conservation Division  
1220 South Saint Francis Drive  
Santa Fe. New Mexico 87505

Reference: Wasserhund Inc. Brine Well BW-04

Subject: OCD Issued Draft Permit

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*And; Pursuant to **20.6.2.3109** (SECRETARY APPROVAL, DISAPPROVAL, MODIFICATION OR TERMINATION OF DISCHARGE PERMITS, AND REQUIREMENT FOR ABATEMENT PLANS:)*

**3109. Part A. Reads in part;** *“The department shall evaluate the application for a discharge permit, modification or renewal based on information contained in the department’s administrative record”.*

Wasserhund had submitted changes to the permit and was told by OCD staff that these would be considered during the renewal process.

**3109. Part B. Reads in part;** *“The Secretary shall issue a response to comments which shall specify which provisions, if any, in the draft permit were changed and the reasons for the change”*

This never occurred, and OCD issued the draft permit without taking these requested changes in consideration.

In the past OCD has always worked with operators concerning permit language before issuing a draft permit. Reviewing the OCD web site, it appears OCD used a boilerplate draft permit for all operators without taking into consideration site specific permit conditions and previous comments.

Wasserhund hereby submits comments for OCD to consider for the Wasserhund BW-04 permit and hopefully OCD will incorporate some of these changes without requiring an expensive hearing process.

If OCD fails to respond in a timely fashion, Wasserhund does not waive its ability to request a hearing.

Sincerely,

A handwritten signature in blue ink that reads "W Price". The signature is written in a cursive, flowing style.

Wayne Price-Price LLC  
Consultant for Wasserhund Inc.

Attachments:

Recommended changes to Draft Permit;  
Copy of E-mail;

## Recommended Changes to Draft Permit

**2A.1. Groundwater Monitor Well:** This is a new requirement from past permit conditions:

Wasserhund Response: Wasserhund respectfully request this requirement be removed for the following reasons:

Pursuant to **20.6.2.3104 DISCHARGE PERMIT REQUIRED:** In Part reads *“Unless otherwise provided by this Part, no person shall cause or allow effluent or leachate to discharge so that it may move directly or indirectly into ground water unless he is discharging pursuant to a discharge permit issued by the secretary”*

Wasserhund’s brine well does not discharge effluent or leachate and therefore monitoring for such discharges should not be required. OCD by it’s own motion, allowed discharge permits to expire when there was no active on-going discharge, and that policy is still in place.

Wasserhund does recognize that Part **20.6.2.5000 (UNDERGROUND INJECTION CONTROL:)** does apply to the Wasserhund Class III brine well and generally requires that a 3104 discharge permit be obtained.

However, as stated above, Wasserhund’s operations do not discharge directly or indirectly into groundwater and the need for a monitoring well under Part 3104 should be waived.

Pursuant to **20.6.2.3107 (MONITORING, REPORTING, AND OTHER REQUIREMENTS:)**

*“3107.A. Each discharge plan shall provide for the following as the secretary may require:*

- (1) The installation, use, and maintenance of effluent monitoring devices;*
- (2) The installation, use, and maintenance of monitoring devices for the ground water most likely to be affected by the discharge;*
- (3) monitoring in the vadose zone; “*

In each listed item above, these requirements hinge upon actual discharges. As previously stated, the brine well operations are designed not to actively discharge water contaminants.

Notwithstanding the fact that certain unintentional releases may require certain monitoring per NMOCD release and abatement rules not related to injection operations.

Pursuant to **20.6.2.5205** (*CONSTRUCTION REQUIREMENTS FOR CLASS I NON-HAZARDOUS WASTE INJECTION WELLS AND CLASS III WELLS:*)

Wasserhund's brine well currently meets the construction standards of **5205.1.b** "*Class III wells will not cause or allow movement of fluids out of the injection zone into ground water having 10,000 mg/l or less TDS except for fluid movement approved pursuant to Section 20.6.2.5103 NMAC*".

Under **5205.C.** (*Additional construction requirements for Class III wells*) reads in part;

**"(1)** *Where injection is into a formation containing ground water having 10,000 mg/l or less TDS, monitoring wells shall be completed into the injection zone and into the first formation above the injection zone containing ground water having 10,000 mg/l or less TDS which could be affected by the extraction operation.*"

Wasserhund would like to point out that the injection is into a confined bedded salt section void of any groundwater and while the casing may go thru a protectable zone, the injection does not penetrate (i.e. discharge into any protectable zone). The construction requirements and resulting testing requirement ensures groundwater protection and Wasserhund has had no known releases or casing failures that would be cause of concern.

Once again, notwithstanding a future release may trigger a monitor well. Installing a monitor well at this time would be detrimental to Wasserhund's operations as this site is located on State Trust Lands which will require additional annual fees with the presumption that having a monitor well may be an unwarranted admission of groundwater contamination which could result in premature fee increases, additional bonding and possible fines from the land agency.

**"(2)** *Where injection is into a formation which does not contain ground water having 10,000 mg/l or less TDS, no monitoring wells are necessary in the injection zone. However, monitoring wells may be necessary in adjoining zones with ground water having 10,000 mg/l or less TDS that could be affected by the extraction operation"*

Wasserhund understands that OCD "**may**" want monitoring wells, but without sufficient knowledge or past information that would possibly lead to a probable cause, this requirement would be in our opinion arbitrary and capricious at this time.

Wasserhund would like to point out that except for the major collapse issues, we have no knowledge that a current operating brine well has caused ground water contamination from its injection operations.

Installing monitor wells may trigger an unwarranted investigation due to off-site contamination from oil and gas operations not related to the brine well.

This could cause Wasserhund to have to install additional wells to defend itself. As previously stated, this would be very expensive with the presumption of guilt until proven otherwise.

***Per 20.6.2.5104.B (WAIVER OF REQUIREMENT BY SECRETARY FOR CLASS I WELLS AND CLASS III WELLS:)***

Specifically allow waivers for Class III wells. **Wasserhund hereby requests a waiver from the installation of a new monitor well, unless OCD can demonstrate a site-specific need at this time.**

#### **2.B.1 SOLUTION CAVERN MONITORING PROGRAM:**

*Draft Permit Reads in Part; "The Permittee shall submit the results of all subsidence surveys with summary of results and any recommendations to OCD within 15 days of survey completion."*

Wasserhund currently does not have subsidence monitors. **Wasserhund hereby commits to installing the required monitors pursuant OCD recommendations. We respectfully request we be allowed to install and have the first reading by June 01, 2021.**

**In addition, Wasserhund is requesting that the results be submitted in the annual report as long as the criteria of .10 feet is not exceeded, otherwise agree with condition.**

#### **2.B.2 Solution Cavern Characterization Program:**

*Draft Permit Reads; "The Permittee shall submit a Solution Cavern Characterization Plan to characterize the size and shape of the solution cavern using geophysical methods within 180 days of the effective date of this permit. The Permittee shall characterize the size and shape of the solution cavern using a geophysical method approved by OCD at least once before the expiration date of the permit. The Permittee shall demonstrate that at least 90% of the calculated volume of salt removed based upon injection and production volumes has been accounted for by the approved geophysical method(s) for such testing to be considered truly representative.*

**Wasserhund Response:** Price LLC, Wasserhund's Consultant, currently knows no "cost effective" method using any known geophysical method or tool to accurately characterize the size and shape of the bedded salt cavern. Since OCD has not provided any guidance in this area, or until OCD comes up with such a method or

recommends an acceptable cost effective procedure, **Wasserhund respectfully requests a waiver.**

In the past, Wasserhund used the worst-case upright cone volume method to determine a diameter and depth by using the measured volume of salt removed. However, since OCD has now required “Normal Flow” where the bottom or middle of the cavern will be expanded, rather than the top, the up-right cone method may not work.

While a mathematical configuration can be estimated, there is no way to accurately confirm the size and shape using a geophysical method or tool.

OCD has used various methods on the infamous Carlsbad Brine well to determine a two-dimensional surface plot, but these methods are questionable for deep brine wells, does not give good three-dimensional aspects and is certainly not cost effective.

**Again, Wasserhund request a waiver and commits to working with OCD to find an acceptable method.**

- a. *“The Permittee shall provide an estimate of the size and shape of the solution cavern at least annually in the Annual Report (Condition 2.J), based on fluid injection and brine production data.”*

Wasserhund Response: As pointed out above, this estimate cannot be backed by any geophysical method. Wasserhund can use a mathematical configuration to estimate the cavern volume, but cannot provide any three-dimensional pictorial with any accuracy.

- b. *“The Permittee shall compare the ratio of the volume of injected fluids to the volume of produced brine monthly. If the average ratio of injected fluid to produced brine varies is less than 90% or greater than 110%, the Permittee shall report this to OCD and cease injection and production operations of its Class III well within 24 hours. The Permittee shall begin an investigation to determine the cause of this abnormal ratio within 72 hours. The Permittee shall submit to OCD a report of its investigation within 15 days of cessation of injection and production operations of its Class III well for further instructions.”*

Wasserhund Response: Wasserhund’s Consultant (Price LLC) has requested a variance on this requirement in the past annual reports. Due to intermittent production times, flow rate variation, pressure build ups, brine density changes, monthly injection and production numbers can vary outside of the 90%-110% range, but over time always comes back to normal and generally falls within the 105% range.

There are many reasons for this as we have discussed, and thus the requirement to suspend operations is not based on any real parameter or trend that may be an immediate threat to the well, groundwater or the environment. The current requirement puts operators in a continuous violation and interruption of operations.

Of course notwithstanding, if you have a well that takes water without producing, or starts to pressure up, then you know you may have lost circulation or communicated to a pressure zone, then immediate action should be taken and notification to the agency.

The point to be made here is that this parameter is a trailing indicator not a leading indicator. Of course a continued pattern for a few months would be beneficial.

**Therefore, Wasserhund recommends the following language:**

**Wasserhund will monitor the brine well operation and if the well has a sudden loss or gain of pressure, lost circulation, unexpected water flow, specific gravity changes significantly, or a continued pattern of difference between the fresh water injected and production of brine that falls out side of the acceptable range of 90-110%, then Wasserhund will shut down operations and notify the OCD within 72 hours.**

**Within 30 days, Wasserhund will submit a corrective action plan for OCD approval.**

**2.D. CLOSURE:** Reads; “The Permittee shall submit an updated closure plan, with third-party cost estimate for its well pursuant to 20.6.2.5209 NMAC and as specified in Permit Conditions 2.I and 5.B to address: well plug and abandonment, land surface restoration; environmental groundwater monitoring (if applicable); pipeline abandonment; and five years of surface subsidence monitoring.”

**Wasserhund Response:** A closure plan has been submitted to address the items listed above, however during discussions with OCD staff, the surface subsidence monitoring was allowed for three years. **Wasserhund hereby request this condition be changed to reflect the three years rather than five.**

In addition, Wasserhund would like for the word “Pipeline” be removed as it has certain connotations in the oilfield and the fact there are no dedicated pipelines at the BW-04 facility.

**We recommend using the language “piping removal or underground line abandonment.”**

**2.G. RELEASE REPORTING: “As Listed in Draft Permit”**

Wasserhund Response: The entire language appears to come from the WQCC part 20.6.2.1203 NMAC (**NOTIFICATION OF DISCHARGE-REMOVAL**)

The WQCC reporting conditions and the OCD reporting conditions are not exactly the same. It appears OCD is mixing regulations and may cause confusion with the operator and the local district offices.

Therefore Wasserhund recommends that the entire language under 2.G. Release reporting be removed and replaced with the following:

**All releases shall be reported and corrective actions taken pursuant to OCD rule 19.15.29 (Releases).**

***2.I. BONDING OR FINANCIAL ASSURANCE:*** Draft permit reads in part; *“Pursuant to 20.6.2.5210B(17) NMAC, the Permittee shall maintain at a minimum, a single well plugging bond in the amount that it shall determine, in accordance with Permit Conditions 2.D and 5.B, to cover potential costs associated with plugging and abandonment of the Class III well, surface restoration, environmental ground water monitoring (if applicable), pipeline abandonment, along with five years of surface subsidence monitoring thereafter. OCD may require additional financial assurance to ensure adequate funding is available to plug and abandon the well and/or for any required environmental related corrective actions.”*

Wasserhund Response: As requested above, recommend removing the word “Pipeline” and replace with the following language.

**“piping removal or underground line abandonment.”**

**2.J. ANNUAL REPORT: Reads** in part “The Permittee shall submit its annual report pursuant to 20.6.2.3107 NMAC to OCD’s Environmental Bureau by June 1st of the following year. The annual report shall include the following:

- Semi-annual monitor well analytical data results;

Wasserhund Response: **Wasserhund has requested a waiver on the new requirement for a monitor well. Please remove.**

- Pipeline hydrostatic test results;
- Pipeline visual leak inspection monitoring results at joints;

Wasserhund Response: **As mentioned above, Wasserhund does not have any pipelines. Please remove.**

- The Permittee shall file its Annual Report in an electronic format with a hard copy submittal to OCD's Environmental Bureau.

Wasserhund Response: **Wasserhund requests waiver of a hardcopy unless OCD specifically has need for it. Wasserhund will supply upon individual request.**

**3.A. OPERATING REQUIREMENTS:** Reads in part; *"The Permittee shall comply with the operating requirements specified in 20.6.2.5206A NMAC and 20.6.2.5206A NMAC to ensure that:"*

3. *"Pipeline: Initial hydrostatic testing of pipeline is required for any pressure loss, leakage, etc. at joints. The hydrostatic test report with "as-built" pipeline transect and associated construction information shall be submitted to OCD for approval before pipeline activation. Mandatory Hydrostatic Testing of the pipeline is required after leakage and/or before the expiration date of the Permit. The pipeline shall be constructed with an Emergency Shut-Down Device with block off locations for pipeline isolation, access, cleaning, testing, etc. Daily pipeline inspection and monitoring is required at a minimum for the first week and each time the pipeline is brought back into service after shut-down, service work, etc. The pipeline shall be inspected within 8-hours of pipeline pressure loss, upset, etc. Weekly inspection and monitoring at a minimum is required thereafter. Inspection record keeping is required and shall include the date and time of each inspection, inspectors name and contact information, weather conditions with inspection summary, any conclusion on pipeline condition with any recommendations. Spills or release locations shall include GPS Coordinates and be handled in accordance with Permit Condition 2.G."*

Wasserhund Response: It appears that some of the new brine wells recently permitted does have a long brine water lines and OCD has boiler plated this in all permits.

Wasserhund's BW-04 brine system does not have a pipeline by definition, but only has aboveground lines other than fresh water. The lines from the brine tanks to load lines are underlain with a secondary containment. There is one short aboveground brine line from the well over to the aboveground tanks.

**Wasserhund requests that item 3, be removed from the draft permit.**

**3.D. MECHANICAL INTEGRITY FOR CLASS III WELLS:** Reads in Part;

*“The MIT shall consist of a 30-minute test at a minimum pressure of 500 psig measured at the surface when tubing is removed and a plug is installed within 20 ft. of the casing shoe depth. “*

Wasserhund Response: Pursuant to **19.15.26.11** (TESTING, MONITORING, STEP-RATE TESTS, NOTICE TO THE DIVISION, REQUESTS FOR PRESSURE INCREASES) The minimum test pressure is 300 psig.

**Wasserhund request that the permit reflect this change from 500 psig to 300 psig.**

**3.D.2.b Reads** in part; *“Passes casing MIT if final test pressure is within +/- 10% of starting pressure, if approved by OCD (Note: Passes cavern test on a case-by-case basis determined by OCD);”*

Wasserhund understands the sensitivity issue on cavern tests due to formation and water compressibility factors, but OCD not allowing some tolerance is not practical.

**Wasserhund request that at a minimum tolerance of +/- 1% be allowed, and more on a case by case basis approved by OCD.**

**3.D.2.d Reads** in part; *“All chart recorder information, charts containing appropriate information, calibration sheets, etc. shall be provided to OCD within 5 working days of completing an MIT.”*

Wasserhund Response: In order to be consistent with OCD rule **19.15.7.14.G** (SUNDRY NOTICES AND REPORTS ON WELLS (Form C-103)

**Wasserhund Request that 30 working days be allowed to submit the information along with the required C-103.**

**3.E. WELL WORKOVER OPERATIONS:** In part reads; *“Properly completed Forms C-103 and/or C-105 must be filed with OCD upon completion of workover activities and copies included in that year’s Annual Report”*

Wasserhund Response: **Wasserhund hereby request that the OCD form C-105 not be required for pressure test, tubing repair, and miscellaneous remedial**

**work, unless the casing is altered, new casing installed, or different tubing is installed and the setting depth is changed over a 100 feet.**

**3.F. FLUIDS INJECTION AND BRINE PRODUCTION VOLUMES AND PRESSURES:**

Reads in part; *“The Permittee shall submit monthly reports of its injection and production volumes on or before the 10th day of the following month.*

Wasserhund’s response: **Wasserhund hereby request that the submittal of monthly reports be omitted and the reports will be submitted in the annual report.**

*“The Permittee shall suspend injection if the monthly injection volume is less than 110% or greater than 120% of associated brine production. If such an event occurs, the Permittee shall notify OCD within 24 hours.”*

Wasserhund’s response: **Wasserhund recommends this part be omitted as it conflicts with draft permit condition 2.B.2.b.**

**3.G. AREA OF REVIEW (AOR):** Reads; *“The Permittee shall report within 72 hours of discovery any new wells, conduits, or any other device that penetrates or may penetrate the injection zone within a 1-mile radius from its Class III well. OCD shall be notified within 24 hours of having knowledge of any wells lacking cement within the cavern interval within a 1/2-mile radius from the Class III well”*

Wasserhund Response: Wasserhund has no ability to control wells that are permitted in the area nor be able to control the casing programs. This is solely OCD’s responsibility.

Wasserhund’s consultant (Price LLC) has had numerous conversations with OCD concerning this issue. OCD was suppose to implement a program that ID’s brine wells so the OCD District offices would be able to control permitting of proximity wells.

Wasserhund also does an annual review of the wells located within ½ mile radius. OCD’s bureau chief agreed a ½ mile AOR is sufficient, not the one mile specified.

**Therefore, Wasserhund request that this section be omitted from the permit conditions.**

**5. SCHEDULE OF COMPLIANCE:** Reads in part;

**5.B. BONDING OR FINANCIAL ASSURANCE:** “The Permittee shall submit an estimate of the minimum cost to properly close, plug and abandon its UIC Class III well, conduct ground water restoration if applicable, and any post-operational monitoring as may be needed (see 20.6.2.5210B(17) NMAC) within 90 days of permit issuance, and/or the Closure Plan addresses this requirement and is approved by OCD. The Permittee’s cost estimate shall be based on third person estimates. After review, OCD will require the Permittee to submit a single well plugging bond based on the third person cost estimate.”

Wasserhund Response: Wasserhund was required to submit this with the application. **Wasserhund requests this be removed from the permit conditions.**

**5.D. SOLUTION CAVERN CHARACTERIZATION PLAN:** The Permittee shall submit the Solution Cavern Characterization Plan required in accordance with Permit Condition 2.B.2 within 180 days of permit issuance.

Wasserhund Response: As pointed out above, there is no geophysical method or plan that is currently cost effective. **Wasserhund request this requirement be waived until OCD has a method that is viable and can be applied to most brine wells.**

# AFFIDAVIT OF PUBLICATION

## STATE OF NEW MEXICO

County of Bernalillo SS

NOTICE OF PUBLICATION  
ON STATE OF NEW MEXICO  
ENERGY MINERAL  
SAND NATURAL RESOURCES  
DEPARTMENT OF  
OIL CONSERVATION  
INDUSTRIAL DEVELOPMENT  
AND ENERGY  
REGULATION  
BY GIVE THAT PURSUANT

Elise Rodriguez, the undersigned, on oath states that she is an authorized Representative of The Albuquerque Journal, and that this newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Session Laws of 1937, and that payment therefore has been made or assessed as court cost; that the notice, copy of which hereto attached, was published in said paper in the regular daily edition, for 1 time(s) on the following date(s):

06/30/2019



Sworn and subscribed before me, a Notary Public, in and for the County of Bernalillo and State of New Mexico this 1 day of July of 2019

PRICE \$1,484.60

Statement to come at the end of month.

ACCOUNT NUMBER 1009556



# DAVIT OF PUBLICATION OF NEW MEXICO

## NOTICE OF PUBLICATION

STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES  
DEPARTMENT  
OIL CONSERVATION DIVISION

Bernalillo SS

Notice is hereby given that pursuant to New Mexico Water Quality Control Commission Regulations (20.6.2.3108 NMAC), the following discharge permit renewal application has been submitted to the Director of the New Mexico Oil Conservation Division ("OCD"), 1220 S. Saint Francis Drive, Santa Fe, New Mexico 87505, Telephone (505) 476-3460:

Rodriguez, the undersigned, on oath states that she is an authorized Representative of the [redacted] Journal, and that this newspaper is duly qualified to publish legal notices [redacted] within the meaning of Section 3, Chapter 167, Session Laws of 1937, and that [redacted] before has been made of assessed as court cost; that the notice, copy of which hereto is published in said paper in the regular daily edition, for 1 time(s) on the following

(BW-4) Wasserhund Inc., Jon Gandy, Owner, P.O. Box 2140, Lovington, NM 88260, has submitted an application for an Underground Injection Control (UIC) Class III Brine Well Discharge Permit Renewal for the "Eldson State No. 1" (API# 30-025-26883), located 567 FSL and 162 FWL, UL: M in Section 31, Township 16 South, Range 35 East (Lat. N 32.87313", Long.: W 103.50503"), NMPM, Lea County, New Mexico. The brine well is located on State Road 238 approximately 7 miles west and 5 miles south of Lovington, New Mexico.

The brine production flow process is termed "normal flow" which consists of fresh water injection through the 2-3/8 in. tubing at an average surface injection rate of 10 - 15 gpm or approximately 475 bbl./day at an injection pressure range of 260 - 289 psig to a depth of approximately 2,460 ft. bgl. Brine is produced to surface via a 5-1/2 in. flush joint casing annulus directed through a whipstock window in 7 in. casing offset at an approximate depth of 1,734 ft. bgl to a depth of 2,100 bgl or at least 100 ft. below the top of the Salado "Salt" Formation at about 2,000 ft. bgl. Injection and production flow may temporarily be reversed as required periodically to clean the tubing and annulus. Injection pressure shall not exceed the permitted maximum surface injection pressure (MSIP) of 400 psig. Fresh water is supplied by a water supply well located approximately 250 ft. west of the brine well.

The brine station is approximately 100 ft. east of the brine well with an approximate 4,250 bbl. brine tank(s) storage capacity. The tank storage system is constructed with concrete and synthetic liners to prevent any spills or leaks from impacting land surface.

Brine fluid is expected to be at a Total Dissolved Solids-TDS concentration of about 324,000 ppm. Groundwater most likely to be affected by a spill, leak or accidental discharge is at a depth of approximately 85 ft. bgl with a TDS concentration of approximately 450 ppm. The discharge permit addresses well construction, operation, monitoring, ground subsidence, associated surface facilities, financial assurance, closure, and provides a contingency plan in the event of an accidental discharge.

The OCD has determined the renewal application is administratively complete and has prepared a draft permit. The 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. Persons interested in obtaining further information, submitting comments or requesting to be on a facility-specific mailing list may contact the Environmental Bureau Chief of the OCD at the address given above. The permit may be viewed at the above address between 8:00 a.m. and 4:00 p.m., Monday through Friday, or at the OCD web site <http://www.emnrd.state.nm.us/ocd/>. Persons interested in obtaining a copy of the application and draft permit may contact the OCD at the address given above. Prior to ruling on any proposed permit, the Director shall allow a period of at least thirty (30) days after the date of publication of this notice, during which interested persons may submit comments or request that OCD hold a public hearing. Requests for a hearing shall set forth the reasons why a hearing should be held. A hearing will be held if the Director determines there is significant public interest.

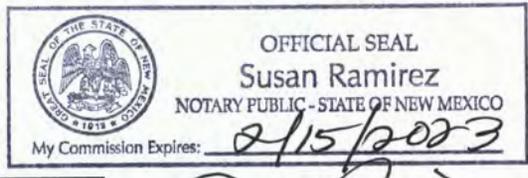
If no hearing is held, the Director will approve the proposed permit based on information available, including all comments received. If a public hearing is held, the director will approve or disapprove the proposed permit based on information in the permit application and information submitted at the hearing.

Para obtener más información sobre esta solicitud en español, sírvase comunicarse por favor: New Mexico Energy, Minerals and Natural Resources Department (Depto. Del Energía, Minerals y Recursos Naturales de Nuevo México), Oil Conservation Division (Depto. Conservación Del Petróleo), 1220 South St. Francis Drive, Santa Fe, New México (Contacto: Laura Tulk, 575-748-1283).

GIVEN under the Seal of New Mexico Oil Conservation Commission at Santa Fe, New Mexico, on this 30th day of June 2019.

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION

SEAL  
Adrienne Sandoval, Director



*[Signature]*

Subscribed before me, a Notary Public, in and County of Bernalillo and State of New Mexico this \_\_\_\_\_ day of \_\_\_\_\_ of 2019

\$1,484.60

to come at the end of month.

NUMBER 1009556

*[Signature]*

**Chavez, Carl J, EMNRD**

---

**From:** Wayne Price <wayneprice@q.com>  
**Sent:** Wednesday, April 10, 2019 1:16 PM  
**To:** Chavez, Carl J, EMNRD  
**Cc:** Wayne Price; jonrgandy Gandy  
**Subject:** [EXT] BW-04 Land Owner Notification  
**Attachments:** NMSLO Cert Letter PN BW-04 copy.pdf; ATT00001.txt

Dear Carl,

Please find attached verification that Wasserhund sent the landowner notification. Please file.

Certified-Return Receipt: 7017 2620 0000 4580 3735

April 3, 2019

New Mexico State Land Office  
310 Old Santa Fe Trail,  
Santa Fe, NM 87504

Reference: Salt Lease M197520001

Subject: Landowner Notification

Dear NMSLO:

Please find enclosed a revised Public Notice concerning the OCD permit renewal process for Brine Well-BW-04 located in Lea County NM.

If you have any questions please do not hesitate to call or E-mail Wayne Price-Price LLC consultant for Wassehund Inc. @ 505-715-2809 or [wayneprice@q.com](mailto:wayneprice@q.com).

In addition you may contact Mr. Carl Chavez (NMOCD) as noted in the Public Notice.

Sincerely,

A handwritten signature in black ink that reads "W Price". The signature is written in a cursive, flowing style.

Wayne Price-Price LLC

CC: Jon Gandy-Wasserhund Inc.  
Carl Chavez-NMOCD

Attachments 2-

**SENDER: COMPLETE THIS SECTION**

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

New Mexico State Land Office  
 310 Old Santa Fe Trail,  
 Santa Fe, NM 87504



9590 9402 4460 8248 5847 51

2. Article Number *(Transfer from reverse)*  
 7017 2620 0000 4580 3735

PS Form 3811, July 2015 PSN 7530-02-000-9053

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature *Sami*  Agent  Addressee  
 X

B. Received by *(Printed Name)* C. Date of Delivery

D. Is delivery address different from item 1?  Yes  
 if YES, enter delivery address below:  No

3. Service Type
- Adult Signature Restricted Delivery
  - Certified Mail®
  - Collect on Delivery
  - Insured Mail (over \$500)
  - Priority Mail Express®
  - Registered Mail™
  - Registered Mail Restricted Delivery
  - Return Receipt for Merchandise
  - Signature Confirmation™
  - Signature Confirmation Restricted Delivery

Domestic Return Receipt

## New Mexico Roundup News From Around The State

### Former Hidalgo County Economic Developer Convicted Of Child Molestation

LORDSBURG — A former economic developer for the city and for Hidalgo County has been sentenced to four years in prison for molesting a boy in Fountain City,

Wis., last summer. Thaddeus A. (Tad) Powers, 56, pleaded guilty to felony second-degree sexual assault of a child. A criminal complaint said Powers sexually

fondled and abused a 13-year-old boy. The offense took place at a house Powers owned in Fountain City last June.

Powers is the former direc-

tor of Habitat for Humanity of Winona-Fillmore counties in Wisconsin. His connections with the organization were severed when the charges became public.

### Roswell Man's Dream Of Horse Racing Venue Faces Long Odds

ROS WELL — A Chaves County property owner has dreams of a horse racing and horse training facility on his land east of the city, and he plans to pursue the idea in spite of objections of some neighbors and a vote against it by a local commission.

Six people spoke against Margarito Rodriguez's request for a special use permit at a Nov. 20 meeting of the Roswell-Chaves County Extraterritorial Zoning (ETZ) Commission.

Prior to the meeting, 37 people had signed a petition in opposition to the permit, submitting their complaints to the Chaves County Planning and Zoning Department.

After listening to Rodriguez and his neighbors, the commission voted 4-0 to deny Rodriguez's application to train and race quarter horses.

Rodriguez said after the vote that he intended to appeal the commission's deci-

sion to the ETZ Authority.

Chaves County Planning Director Marlin Johnson and his staff had recommended to the commission that the request for a public horse racing venue be denied but said a horse training facility would be compatible with the area, if certain conditions were met. The city of Roswell, represented by Planning and Zoning Administrator Director Merideth Hildreth, took the same position.

Rodriguez, however, told the commission that he does not want to build a training facility if he cannot also have a public horse racing venue.

The commissioners noted that nothing would prohibit Rodriguez from training horses for himself or others, as long as he does not make that operation a commercial enterprise and no gambling is associated with it.

Rodriguez has 30 days to file an appeal, according to Johnson.

### Pearce Announces Candidacy To Head State GOP

SANTA ROSA — U.S. Rep. Steve Pearce, who was defeated in his bid for New Mexico governor, has an-

nounced his candidacy for chairman of the Republican Party of New Mexico.

If elected by the party's

State Central Committee, Pearce will serve a two-year term as chairman.

The selection for a new

party chair will take place at the Marriott Pyramid of Albuquerque on Dec. 8.

### Plastic Gun Results In Brief Clovis High School Lockdown

CLOVIS — The high school had a brief lockdown Nov. 19, and two teens were arrested in an incident that started with a plastic imitation gun.

According to a release from the Clovis Police Department, officers were dispatched to CHS after a parent had reported seeing a male student with a gray and black hooded sweatshirt and

a gray backpack and a firearm in his waistband.

The report put the school into a Level 1 lockdown, where instruction continues but all entrances are locked.

According to information supplied by Capt. Roman Romero of the CPD, units from the CPD, Curry County Sheriff's Office and New Mexico State Police arrived on the scene at 1:03 p.m.,

and by 1:05 found a subject matching the description in the center of the school.

The suspect, a 17-year-old male, was taken into custody and charged with the delinquent act of interference with the educational process.

A black imitation handgun was recovered from the juvenile.

A second student,

Jeremiah Maes, was also taken into custody when he walked by an officer who was speaking with a witness and called the witness a "(expletive) snitch." The officer detained Maes, reasoning in the report that Maes decided to include himself in the investigation.

It was discovered Maes had an outstanding warrant for larceny, criminal damage and residential burglary. He was arrested for the warrant, and also charged with intimidation of a witness.

## Lea Regional Announces New Pain Management Service

Lea Regional Medical Center (LRMC) CEO Timothy Thornell is pleased to announce a new service, Pain Management that is being offered at Lea Regional by a new provider, Jose Luis Ramirez, CRNA, NPSM-C.

Pain management is the process of providing medical care that alleviates or reduces acute or chronic pain.

Acute pain is short term, and is normally attributed to a recent illness, injury, or surgery. The level of pain improves with the healing process.

Chronic pain is prolonged pain that ranges from mild to severe and may be constant or recurring.

Jose will treat pain related to the neck, lower back, lumbago nerve, sciatic nerve, headaches, migraines, and complex regional pain syndrome. Jose works as a part of a pain management team, consulting with patient's primary care provider. Jose will offer interventions in the office or ultrasound and fluoroscopic X-ray guided injections in an outpatient hospital setting.

LRMC CEO Tim Thornell stated, "We're thrilled to offer this new service to the residents of Lea County and the association of provider like Jose Luis. Jose has a professional yet soothing manner. He listens to his patients concerns and evaluates the severity and causes of their pain. He provides his patients with treatment options and they select the best treatment together."

Tim continued, "While Jose treats chronic pain patients, he also treats migraines. Migraines can be a debilitating nuisance to people who suffer from them, and almost 40 million Americans suffer from migraines. Jose can help peo-

ple who suffer from migraines, allowing those people to return to a more normal life."

Jose Luis comes most recently from Nor-Lea Hospital District, and he has been practicing in New Mexico for the past eight years. He has almost 15 years of experience in the medical field. He received his Bachelor of Science in Nursing (BSN) from New Mexico State University, and Master of Science in Nurse Anesthesia from Mount Marty College in Yankton, SD. Jose has also completed an Advanced Pain Management Fellowship at the University of South Florida in Tampa, FL. Jose is Board Certified in interventional pain management and anesthesiology.

Jose said, "My professional objective is to improve the quality of life for the complex acute and chronic pain patient by providing compassionate and quality comprehensive pain management care with a patient centered focus in a rural community." He continued, "Everyone in Lea County has been warm and welcoming to me, especially the staff at Lea Regional. I look forward to building a long-term Pain Management program here, so that my patients do not have to drive two or more hours to get the care they need. I also look forward to helping my patients get back to their lives by alleviating their pain."

Jose Luis is seeing patients now at Lea Regional Medical Group: Primary & Urgent Care located at 5320 N. Lovington Hwy., please call (575) 492-LRMC (5764) to schedule an appointment. Or visit our website, www.MyHobbsDoc.com to learn more. Patients may need a referral, and they should check with their primary care provider.

### Tucumcari Woman Charged With ID Theft

TUCUMCARI — A local woman was arrested and jailed in a 66-count complaint of identity theft and illegally using a debit or credit card for nearly \$3,000 in transactions.

Crystal Marie Jones, 34, was booked Nov. 9 into the Quay County Detention Center and released by court order five days later, according to jail records. No attorney for her was listed in court records.

Frank Gutierrez, lead investigator for the 10th Judicial District Attorney's Office in Tucumcari, wrote the criminal complaint and filed it in magistrate court Nov. 8.

In the complaint, Gutierrez accuses Jones in 33 counts of unlawful use or theft of an ATM or credit card and 33 counts of identity theft.

Both types of charges are fourth-degree felonies that carry a penalty of up to 18 months in jail or up to a

\$5,000 fine.

According to the complaint, Jones used a debit or credit card for 17 transactions at Logan Food Mart, eight at Allsup's in Tucumcari, seven at Sun Valley Rides the carnival campus at the Quay County Fair) and one at Hudson Auto Supply in Tucumcari.

District Attorney Tim Rose stated in an email the victims, a husband and wife, were from Curry County.

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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. 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.

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Se anticipa la devolución de 10 libras/galón de agua salmuera de la formación de sales "Salado" a la superficie a través del entre-caño.

El sitio produce aproximadamente 25,000 barriles de agua salmuera por mes con un promedio de presión por inyección de 260K280 psig. Está limitada la inyección máxima/presión de ensayo por un interruptor de apagado de auto presión.

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Esta instalación cuenta con la capacidad de almacenar aproximadamente 4,250 barriles de agua salmuera en tanques de superficie, y está diseñada y permitida para que no tenga contaminantes de agua intencionales que se vuelquen a la superficie o subsuperficie para así proteger el agua subterránea. El sistema cuenta con fros sintéticos y de concreto para no permitir que ningún derrame o fuga llegue a la superficie.

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La División de Preservación del Petróleo de Nuevo México [New Mexico Oil Conservation Division] (OCD) aceptará todo comentario y declaración de interés respecto a la presente solicitud y generará una lista de direcciones específicas de la instalación para aquellas personas que quieran recibir avisos futuros. Los interesados pueden comunicarse con Carl Chavez-Ingeniero Ambiental de la División de Preservación del Petróleo [Oil Conservation Division] (OCD) o al escribir a 1220 South Saint Francis, Santa Fe, New Mexico, 87505.

Published in the Lovington Leader November 29, 2018

**JINGLE BELL JOG & PARADE OF LIGHTS**

**JINGLE BELL JOG - SATURDAY, DECEMBER 1**  
Open to all ages and dogs on leashes, too!  
Wear your lights to participate in the fun run.  
Pre-register at [odessaparks.org/jinglebelljog](https://odessaparks.org/jinglebelljog) or at the City of Odessa Parks office: 1160 W. 42nd St.  
Race Day Registration at Odessa College Deadrick Hall - South Parking Lot  
4:00 p.m. - 5:00 p.m. • Run begins at 6:00 p.m.

**PARADE OF LIGHTS - SATURDAY, DECEMBER 1**  
Enjoy festive floats, dancers, marching bands and the appearance of Santa.  
Up to \$2,000 cash prize for winning float!  
Begins at 6:30 p.m.

Route: Starts at 23rd Street and Grant Avenue and travels south to 3rd Street.  
Visit [odessa-tx.gov/parade](https://odessa-tx.gov/parade) for the route map and parade float application.  
For more information, visit [odessaparks.org](https://odessaparks.org).

SPONSORED BY: VITAL CARE URGENT CARE, PROSPERITY BANK, ODESSA, DOWNTOWN ODESSA

**Affidavit of Publication**

STATE OF NEW MEXICO )  
 ) ss.  
COUNTY OF LEA )

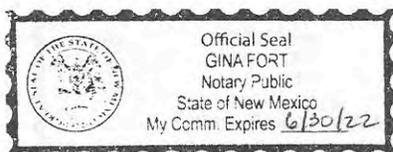
Joyce Clemens being first duly sworn on oath deposes and says that she is Advertising Manager of THE LOVINGTON LEADER, a once a week newspaper of general paid circulation published in the English language at Lovington, Lea County, New Mexico; that said newspaper has been so published in such county continuously and uninterruptedly for a period in excess of Twenty-six (26) consecutive weeks next prior to the first publication of the notice hereto attached as hereinafter shown; and that said newspaper is in all things duly qualified to publish legal notices within the meaning of Chapter 167 of the 1937 Session Laws of the State of New Mexico.

That the notice which is hereto attached, entitled Public Notice was published in a regular and entire issue of THE LOVINGTON LEADER and not in any supplement thereof, for one (1) day(s), beginning with the issue of November 29, 2018 and ending with the issue of November 29, 2018.

And that the cost of publishing said notice is the sum of \$ 128.70 which sum has been (Paid) as Court Costs.

*Joyce Clemens*  
Joyce Clemens, Advertising Manager  
Subscribed and sworn to before me this 29th day of November , 2018.

*Gina Fort*  
Gina Fort  
Notary Public, Lea County, New Mexico  
My Commission Expires June 30, 2022



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

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

Anticipated 10lb/gal quality brine water from the Salado salt formation is produced and flows thru the casing annulus.

The site produces approximately 25,000 barrels of brine water per month at a wellhead pressure of 260-280 psig. Maximum injection/test pressure is limited by a pressure control down switch.

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

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

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

The New Mexico Oil Conservation Division (OCD) will accept comments and suggestions regarding this application and will create a facility-specific mailing list for interested persons to receive future notices. Interested persons may contact Carl Chavez-Enviro at the address above or by writing to the New Mexico Oil Conservation Division (OCD) 505-476-3465 or by writing 1220 South Santa Fe Avenue, Santa Fe, New Mexico, 87505.

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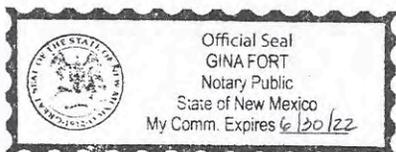
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Cualquier duda o comentario que tenga, no dude en comunicarse con Wasserhund señalada o usted puede comunicarse con Wayne Price al 505-715-2809 wayneprice@q.com. Wasserhund Inc. agradece sus sugerencias.

La División de Preservación del Petróleo de Nuevo México [New Mexico Oil Co aceptará todo comentario y declaración de interés respecto a la presente solicitud direcciones específicas de la instalación para aquellas personas que quieran r interesados pueden comunicarse con Carl Chávez-Ingeniero Ambiental de la División Petróleo [Oil Conservation Division] (OCD) o al escribir a 1220 South Saint Francis 87505.

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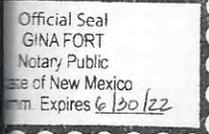
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Published in the Lovington Leader November 29, 2018

## Public Notice

Renovación del Permiso de Vuelco (BWK004) Wassherhund Inc., apartado postal 2140, ciudad de Lovington, estado de Nuevo México, C.P. 88260. Jon Gando presentó una solicitud de renovación de permiso ante la División de Preservación del Petróleo de Nuevo México [*New Mexico Oil Conservation Division*] (OCD) para renovar el permiso operativo del pozo de agua salmuera "Eidson State N° 1" de UIC clase III (API# 30K 025K26883) UL: M Sección 31, Comuna 16 Sur, Área 35 Oriental, 567 FSL, 162 FWL, Lat. 32.87313°, Long. 103.50503° NAD83, NMPM, Condado de Lea, estado de Nuevo México.

Se ubica el presente sitio en Camino Estatal 238 y aproximadamente 7 millas hacia el oeste y 5 millas hacia el sur de la ciudad de Lovington, estado de Nuevo México.

Se inyecta agua dulce a una distribución de caños de 2K3/8" y de 2460 pies de largo, que se encuentra encapsulada en un desplazamiento de revestimientos whipstock (entre-caño) ubicado a los 1734 pies. Se fijó el revestimiento a una profundidad de 2100 pies por debajo de la superficie, que se encuentra a 50 pies dentro de la Formación de Sales "Salado".

Se anticipa la devolución de 10 libras/galón de agua salmuera de la formación de sales "Salado" a la superficie a través del entre-caño.

El sitio produce aproximadamente 25,000 barriles de agua salmuera por mes con un promedio de presión por inyección de 260K280 psig. Está limitada la inyección máxima/presión de ensayo por un interruptor de apagado de auto presión.

El agua subterránea en este sector se encuentra a aproximadamente 75 pies por debajo de la superficie y cuenta con un contenido sólido totalmente disuelto de 600K700 mg/l.

Esta instalación cuenta con la capacidad de almacenar aproximadamente 4,250 barriles de agua salmuera en tanques de superficie, y está diseñada y permitida para que no tenga contaminantes de agua intencionales que se vuelquen a la superficie o subsuperficie para así proteger el agua subterránea. El sistema cuenta con forros sintéticos y de concreto para no permitir que ningún derrame o fuga llegue a la superficie.

Cualquier duda o comentario que tenga, no dude en comunicarse con Wasserhund Inc. a la dirección arriba señalada o usted puede comunicarse con Wayne Price al 505-715-2809 o al correo electrónico wayneprice@q.com. Wasserhund Inc. agradece sus sugerencias.

La División de Preservación del Petróleo de Nuevo México [*New Mexico Oil Conservation Division*] (OCD) aceptará todo comentario y declaración de interés respecto a la presente solicitud y generará una lista de direcciones específicas de la instalación para aquellas personas que quieran recibir avisos futuros. Los interesados pueden comunicarse con Carl Chávez-Ingeniero Ambiental de la División de Preservación del Petróleo [*Oil Conservation Division*] (OCD) o al escribir a 1220 South Saint Francis, Santa Fe, New Mexico, 87505.

Published in the Lovington Leader November 29, 2018

## Chavez, Carl J, EMNRD

---

**From:** Chavez, Carl J, EMNRD  
**Sent:** Monday, December 10, 2018 4:37 PM  
**To:** Estes, Bob, DCA  
**Cc:** Eck, David; 'Wayne Price'; jonrgandy Gandy; Griswold, Jim, EMNRD  
**Subject:** RE: wasserhund bw 4  
**Attachments:** log 109256.pdf; Map of BW-4 Mineral Ownership.pdf; Map of BW-4 on State Land.pdf

Bob, et al.:

Thank you for the Department of Cultural Affairs- Historic Preservation Division (HPD) letter (see attachment) with a finding and recommended action for the Permittee to contact the State Land Office.

OCD also confirms the well to be on State Lands (see attached Energy, Minerals and Natural Resources Department GIS Land Map). However the Mineral Ownership Map (also attached) indicates the U.S. does not own minerals at the well location.

By receipt of this e-mail, the New Mexico Oil Conservation Division (OCD) requires the Permittee to respond to the attached HPD letter for the OCD Administrative Record and permitting consideration.

Thank you.

-----Original Message-----

**From:** Estes, Bob, DCA  
**Sent:** Monday, December 10, 2018 2:45 PM  
**To:** Chavez, Carl J, EMNRD <CarlJ.Chavez@state.nm.us>  
**Cc:** Eck, David <deck@slo.state.nm.us>  
**Subject:** FW: wasserhund bw 4

'Afternoon Carl,

Here is SHPO's response to the Wasserhund permit renewal (BW-4) in Lea county.

Please note that the property ownership on the application may be in error.

If you have any questions or comments, please feel free to call me directly at 505-827-4225 or email me.

Bob Estes Ph.D.  
HPD Staff Archaeologist  
New Mexico State Historic Preservation Division  
407 Galisteo St., Suite 236  
Santa Fe, New Mexico 87501

-----Original Message-----

From: HPDXerox@state.nm.us [mailto:HPDXerox@state.nm.us]

Sent: Monday, December 10, 2018 2:14 PM

To: Estes, Bob, DCA

Subject: wasserhund bw 4

Please open the attached document. It was scanned and sent to you using a Xerox Multifunction Device.

Attachment File Type: pdf, Multi-Page

Multifunction Device Location: machine location not set

Device Name: HPD\_Xerox\_WorkCentre\_5945

For more information on Xerox products and solutions, please visit <http://www.xerox.com>



Susana Martinez  
Governor

STATE OF NEW MEXICO  
**DEPARTMENT OF CULTURAL AFFAIRS**  
**HISTORIC PRESERVATION DIVISION**

BATAAN MEMORIAL BUILDING  
407 GALISTEO STREET, SUITE 236  
SANTA FE, NEW MEXICO 87501  
PHONE (505) 827-6320 FAX (505) 827-6338

December 10, 2018

Carl Chavez  
Environmental Engineer  
Oil Conservation Bureau-Environmental Bureau Mining and Minerals Division  
1220 South St. Francis Drive  
Santa Fe, NM 87505

Re: Wassrhund Inc. Brine Well Discharge Permit renewal BW-4 (HPD Log 109256)

Dear Mr. Chavez:

This letter is in response to the above referenced permit renewal application received at the Historic Preservation Division (HPD) on November 09, 2018. According to the application, the proposed project is within Township 16 South, Range 35 East, Section 31.

My review shows that the NM State Land Office (SLO) owns the surface and minerals, although the renewal application indicates the land is private property. Additional research strongly suggests that the property owner listed in the application is leasing the surface rights from the SLO.

I reviewed our records to determine if cemeteries, burial grounds or cultural resources listed on the State Register of Cultural Properties or the National Register of Historic Places exist within or near the permit area. Our records show that there are no cultural resources listed on the National Register or State Register within or near the proposed permit area and no known cemeteries or burial grounds.

Our records also show that there have been only two surveys to identify cultural resource near the permit area. Although no cultural resources were identified during those surveys, we do not have enough information to be sure that no cultural resources on state land have been, or will be affected.

We recommend that permit applicant contact the State Land Office for advice on whether or not a survey is necessary for the permit renewal. I have Cc' this letter to David Eck, SLO archaeologist.

Please do not hesitate to contact me if you have any questions regarding these comments. I can be reached by telephone at (505) 827-4225 or by email at [bob.estes@state.nm.us](mailto:bob.estes@state.nm.us).

Sincerely,

A handwritten signature in blue ink that reads "Bob Estes". The signature is written in a cursive style with a long horizontal stroke at the end.

Bob Estes Ph.D.  
Archaeologist

Cc. David Eck  
State Land Office  
310 Old Santa Fe Trail  
Santa Fe, NM 87501  
(505) 827-5857  
[deck@state.nm.us](mailto:deck@state.nm.us)

32.873056, -103.505202

Show search results for 32.873...

Legend

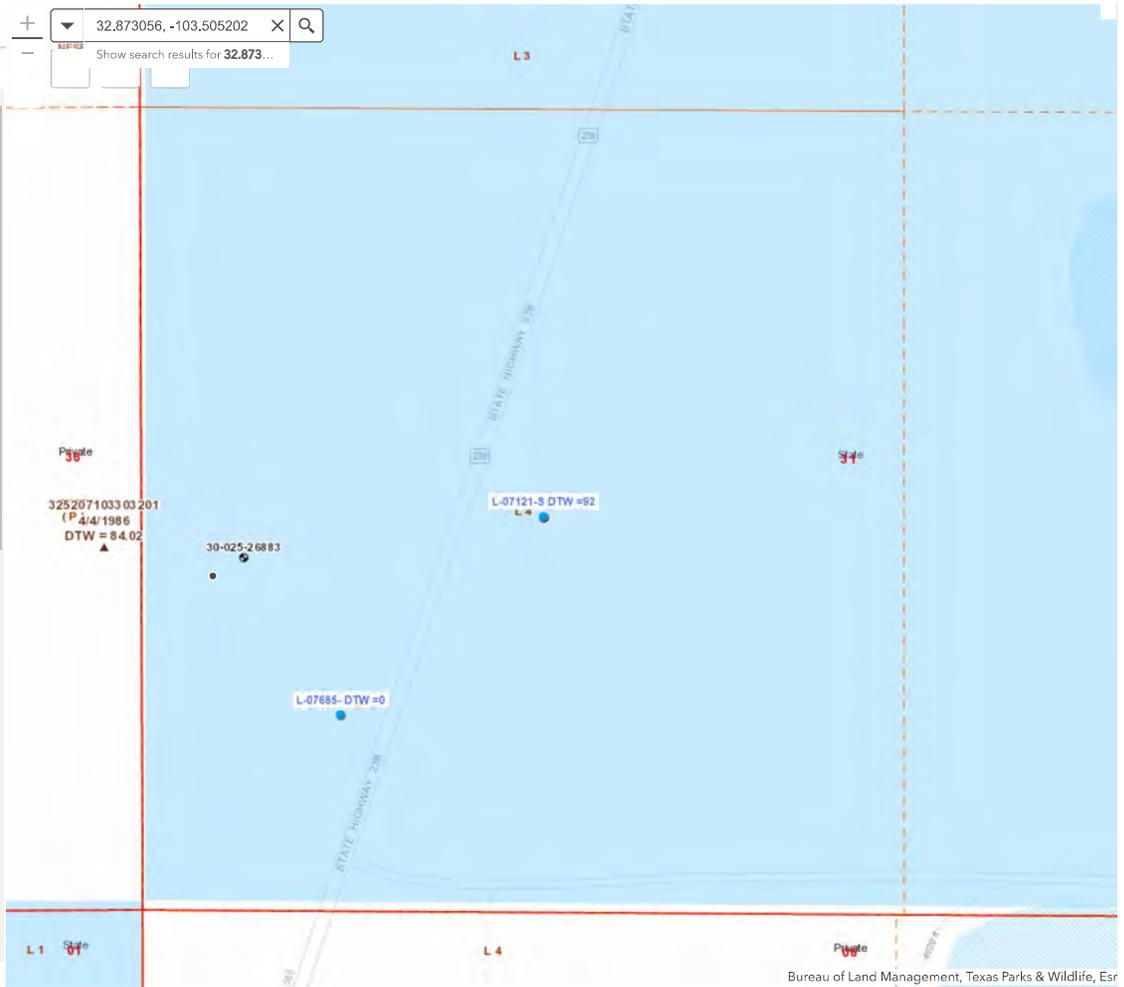
OSE\_PODS

NM Oil and Gas Well Locations

Well Locations - Large Scale

- Miscellaneous
- CO2 Active
- CO2 Cancelled
- CO2 New
- CO2, Plugged
- CO2, Temporarily Abandoned
- Gas Active
- Gas, Cancelled, Never Drilled
- Gas, New
- Gas, Plugged
- Gas, Temporarily Abandoned
- Injection, Active
- Injection, Cancelled
- Injection, New
- Injection, Plugged
- Injection, Temporarily Abandoned
- Oil, Active
- Oil, Cancelled
- Oil, New
- Oil, Plugged
- Oil, Temporarily Abandoned
- Salt Water Injection, Active
- Salt Water Injection, Cancelled
- Salt Water Injection, New
- Salt Water Injection, Plugged
- Salt Water Injection Temporarily Abandoned
- Water, Active
- Water, Cancelled
- Water, New
- Water, Plugged
- Water, Temporarily Abandoned

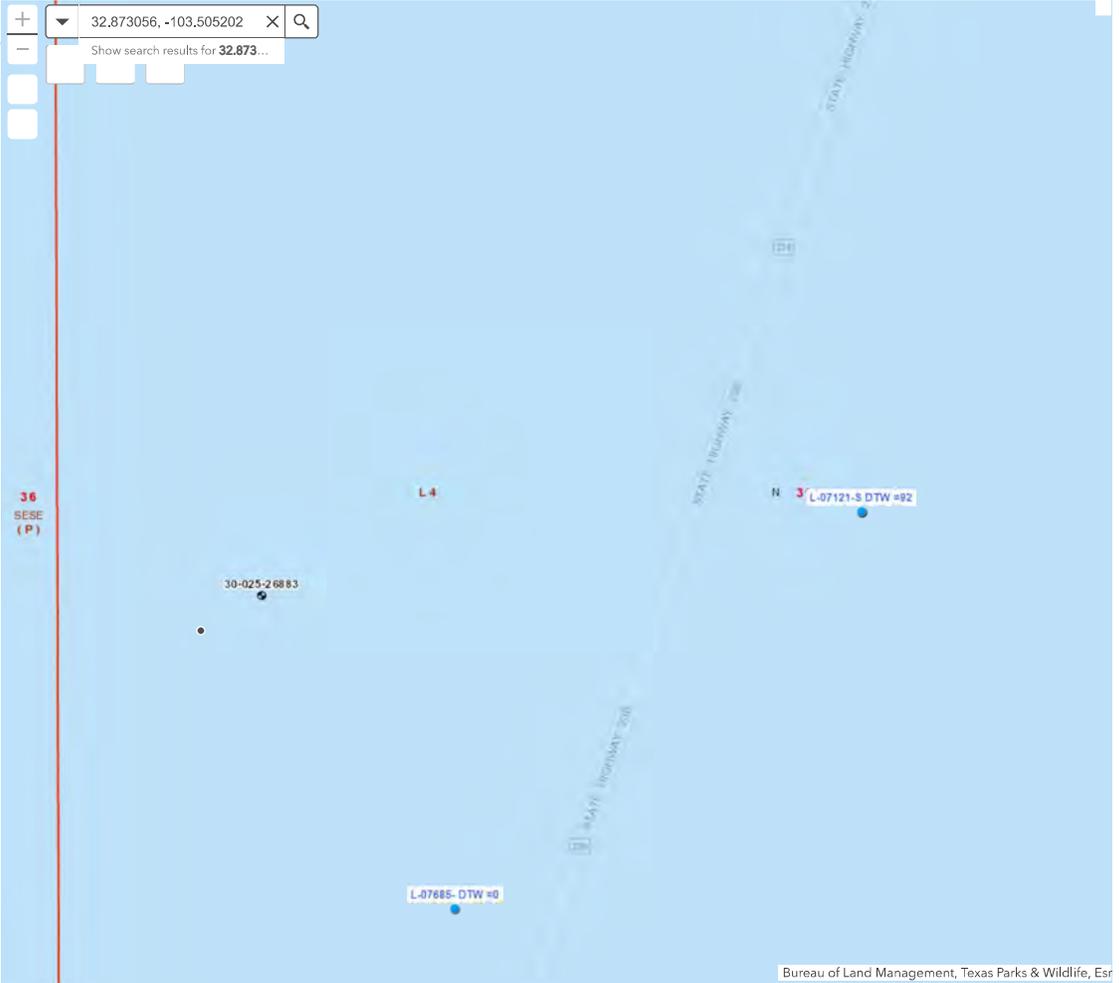
USGS Groundwater Wells



Bureau of Land Management, Texas Parks & Wildlife, Esri



32.87400 -103.50474 Degrees



- Legend**
- ▲ Salt Water Injection, Active
  - △ Salt Water Injection, Cancelled
  - ▲ Salt Water Injection, New
  - ▲ Salt Water Injection, Plugged
  - ▲ Salt Water Injection Temporarily Abandoned
  - ▲ Water, Active
  - ▲ Water, Cancelled
  - ▲ Water, New
  - ▲ Water, Plugged
  - ▲ Water, Temporarily Abandoned

- USGS Groundwater Wells**
- OCDGIS.OCDPUB.Lea\_County\_Monitoring\_Wells
- ▲
- USGS Active Monitoring GW Wells
- ▲
- USGS Historical GW Wells
- ▲

- OCD PLSS**
- PLSS Second Division
- 
- PLSS First Division
- 

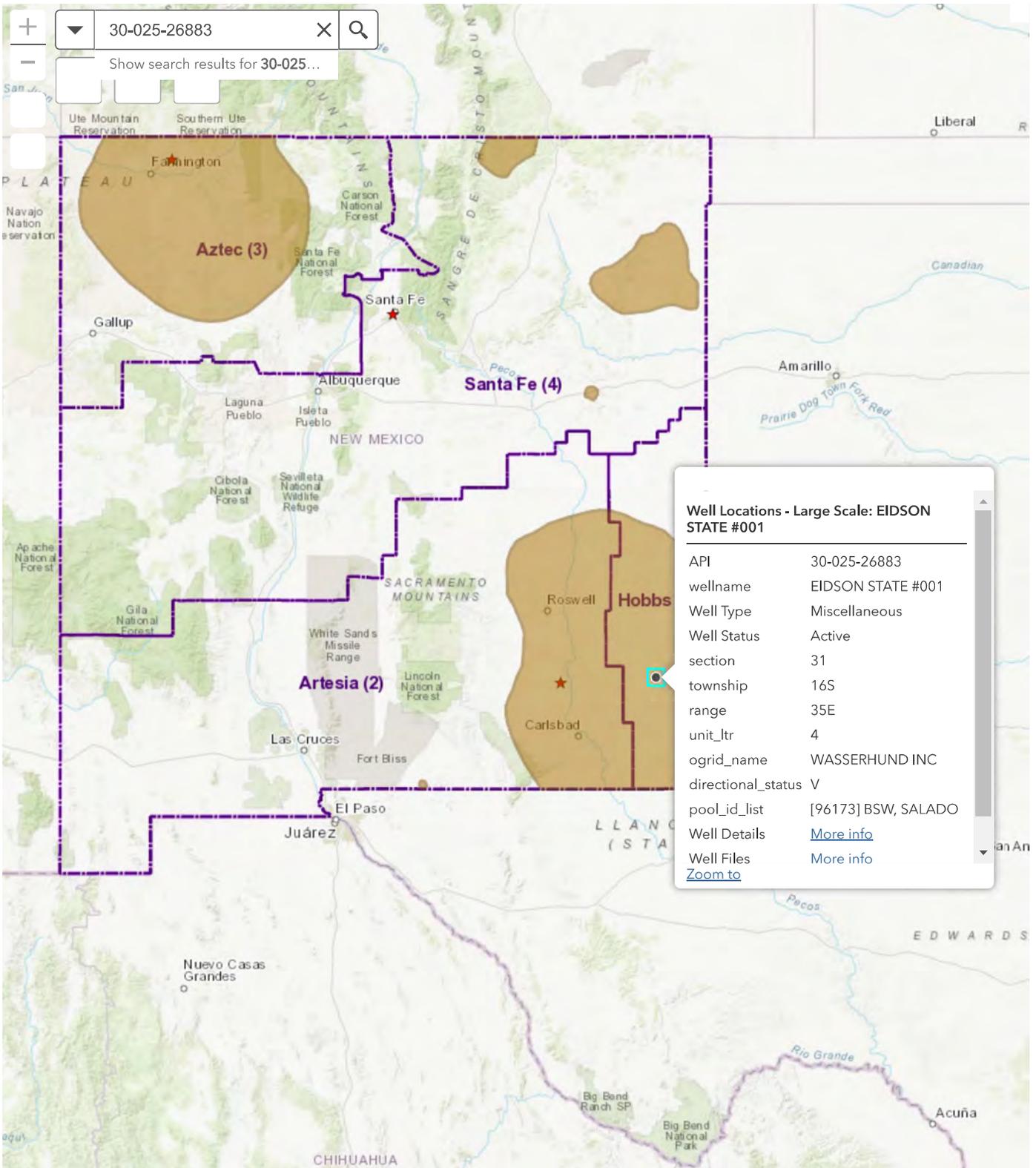
- Mineral and Surface Ownership**
- Mineral Ownership
- A-All minerals are owned by U.S.
  - C-Only coal is owned by the U.S.
  - G-Only oil, gas and coal are owned by the U.S.
  - N-No minerals are owned by the U.S.
  - O-Only oil and gas are owned by the U.S.
  - T-Other minerals are owned by the U.S.

- OCD Districts and Offices**
- OCD District Offices
- ★

Bureau of Land Management, Texas Parks & Wildlife, Esri



32.87354 -103.50464 Degrees



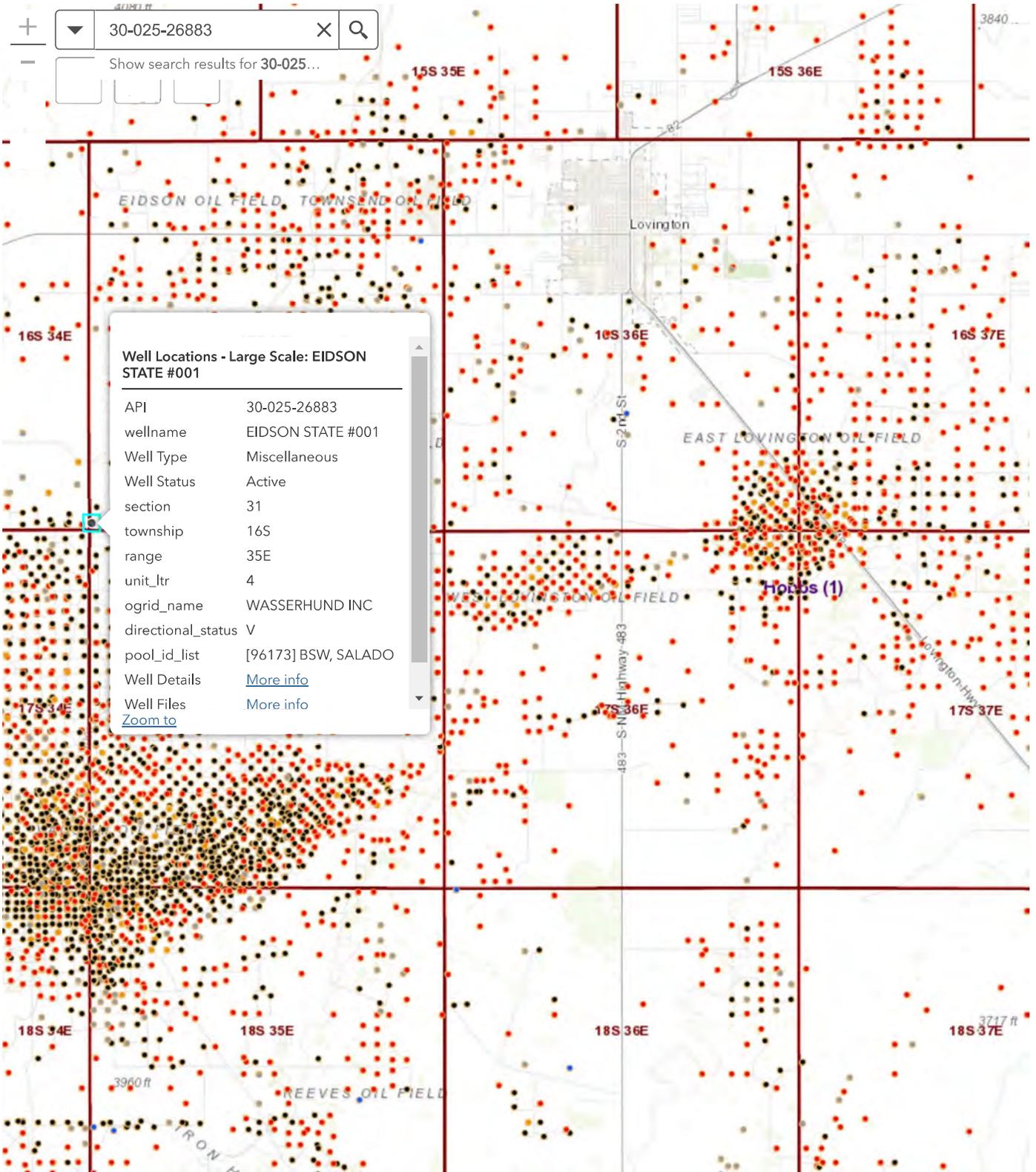
**Well Locations - Large Scale: EIDSON STATE #001**

API	30-025-26883
wellname	EIDSON STATE #001
Well Type	Miscellaneous
Well Status	Active
section	31
township	16S
range	35E
unit_ltr	4
ogrid_name	WASSERHUND INC
directional_status	V
pool_id_list	[96173] BSW, SALADO
Well Details	<a href="#">More info</a>
Well Files	<a href="#">More info</a>
<a href="#">Zoom to</a>	



34.68506 -105.74028 Degrees

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# NM OCD Environmental Map

Show search results for 30-025...

NESE (I)

SESE (P)

L 3

SWSE (J)

L 2

01

36

L 4

30-02-5-37993

L 1

01

325207103303201  
4/4/1986  
DTW = 84.03

L 1

L-04084-S2 DTW = 74

30-02-5-37018

30-02-5-25146

L-07685- DTW = 0

L-06357- DTW = 80

30-02-5-25170

L-08222- DTW = 65

L-10142-S DTW = 0

30-02-5-35678

30-02-5-24631

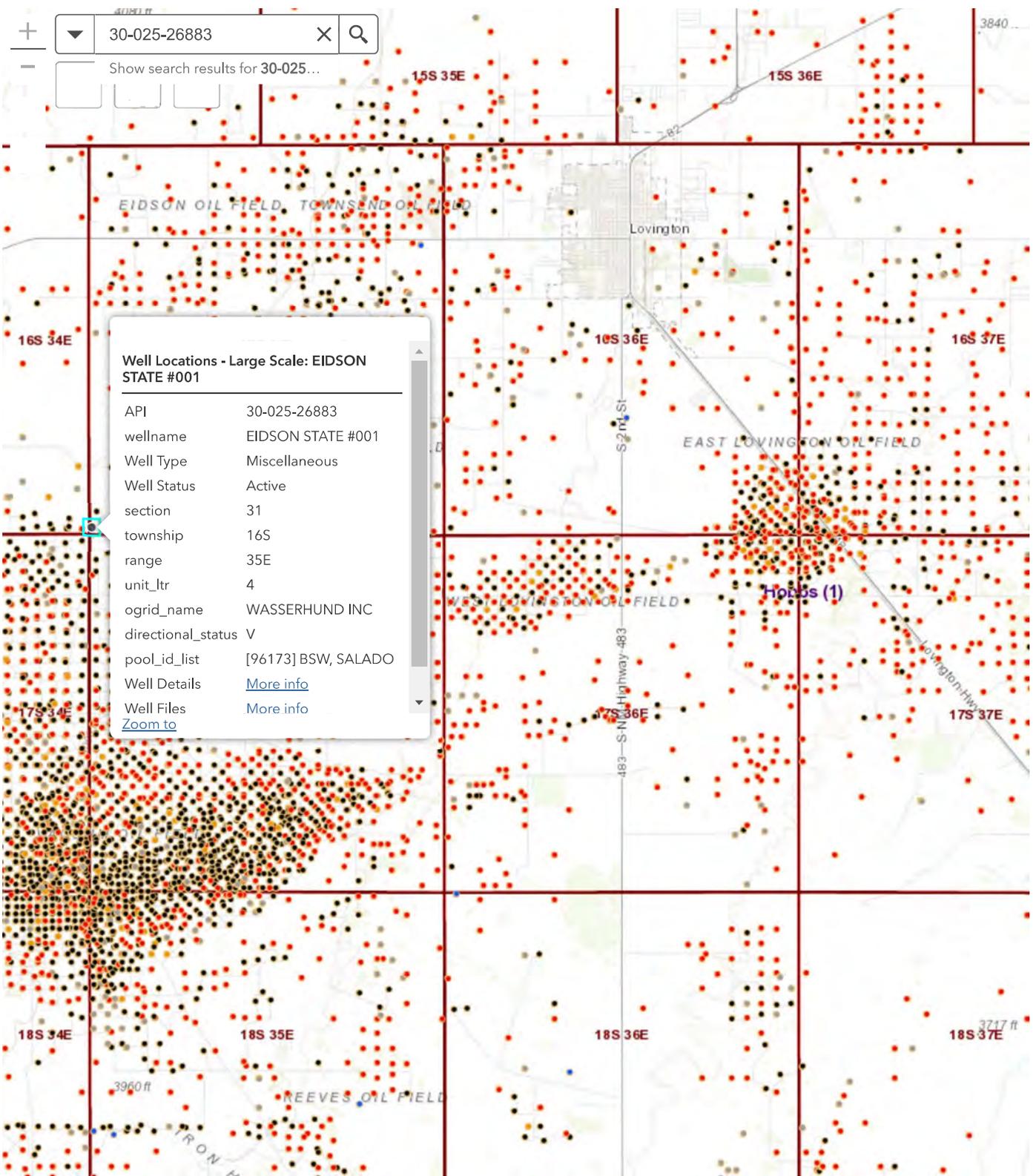
32.87269 -103.50689 Degrees

100m  
300ft

State Highway 238

All rights reserved

https://gis.emnrd.state.nm.us/webgis/apps/webappviewer/index.html?id=b16ebd3dde240339e6b5a6351757599



32.92859 -103.38209 Degrees

All rights reserved

# NM OCD Environmental Map

Show search results for 30-025...

NESE (I)

SESE (P)

30-02-5-37993

SWSE  
30-02-5-37018

30-02-5-25170

30-02-5-25146

325207103303201  
4/4/1986  
DTW = 84.03

30-025-26883

L-10142-S DTW = 0

L-08222- DTW = 65

L-07685- DTW = 0

L-04084-S2 DTW = 74

30-02-5-35678

01

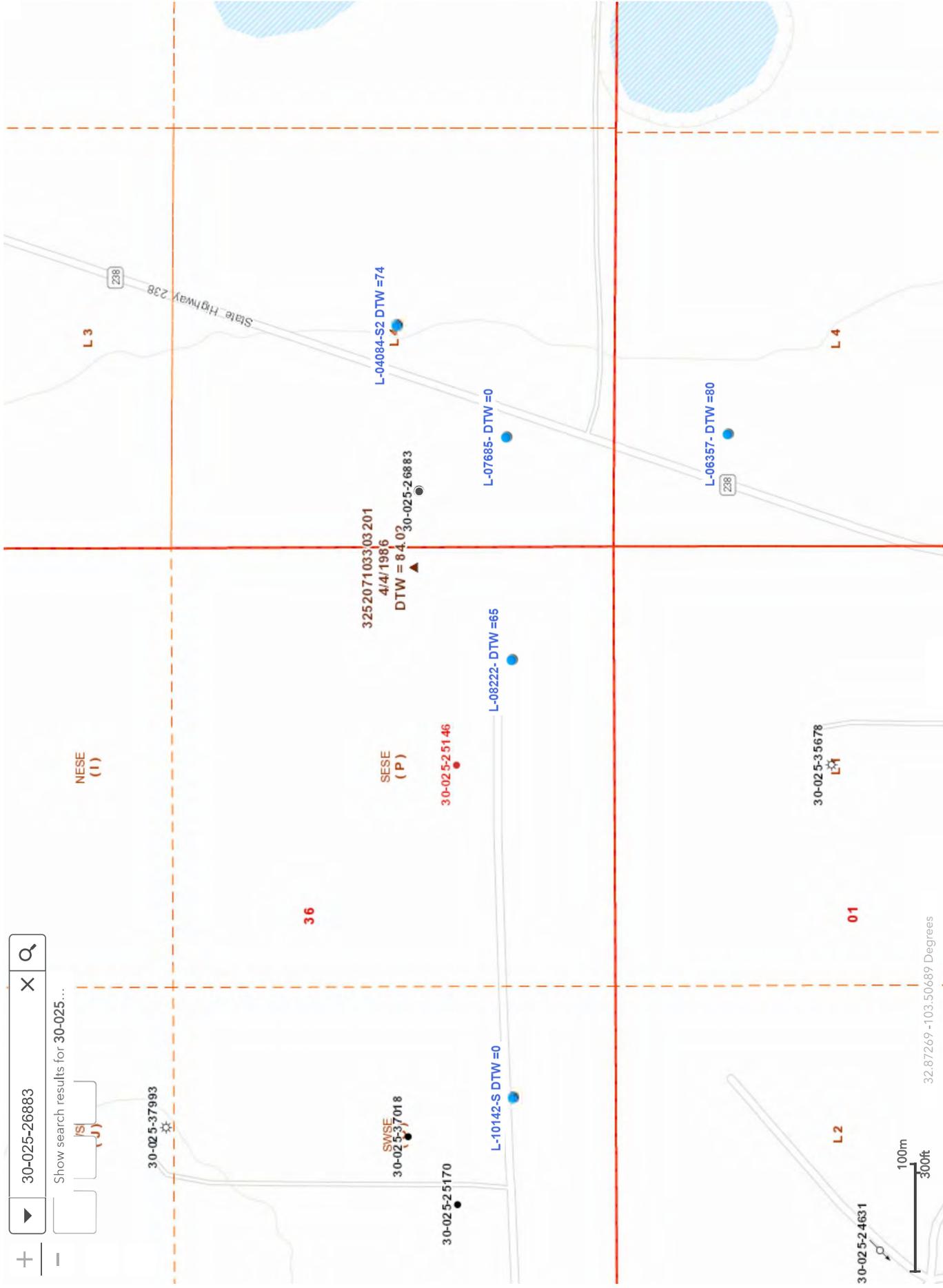
L2

30-02-5-24631

100m

300ft

32.87269 -103.50689 Degrees



All rights reserved



Show search results for: 30-025...

325207103303201  
 4/4/1986  
 DTW = 184.02

30-025-26883

L-04084-S2 DTW =74

L-07685-DTW =0

SESE (P) 36

31

L 4

30m  
100ft

32.87275 -103.50502 Degrees





Show search results for: 30-025...

30-02-5-26883



4m  
 20ft

32.87319 -103.50493 Degrees

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

---

**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**

---

**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.

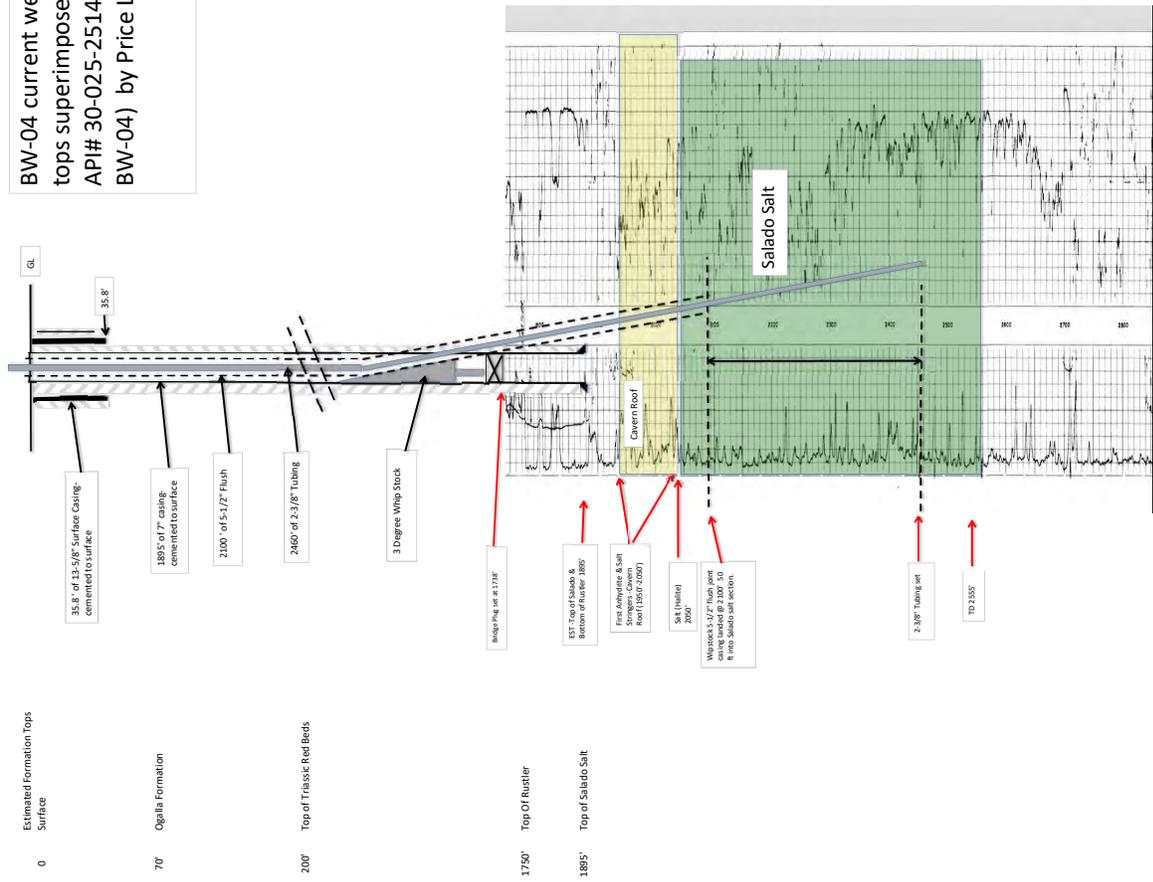
Ground water in this area is approximately 75 feet below the ground surface and has a total dissolved solid content of 600-700 mg/l.

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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## Chavez, Carl J, EMNRD

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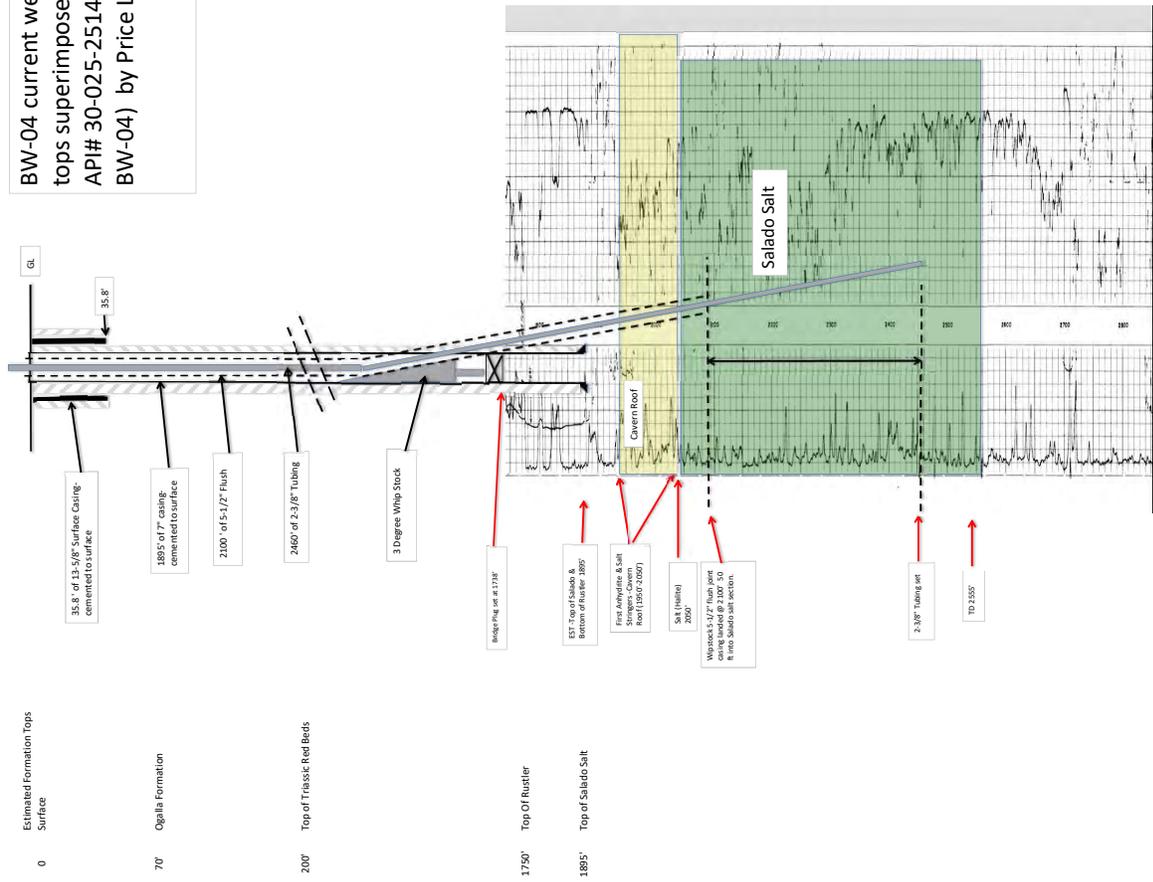
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## Chavez, Carl J, EMNRD

---

**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”)**

---

**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.

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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. <sup>00</sup>	

**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  
Two hundred <sup>NO</sup>/<sub>100</sub>

\$ 200. <sup>NO</sup>/<sub>100</sub>

DOLLARS

 Photo  
Safe  
Deposit  
Details on back

**Bank of America**

ACH/R/T 107000327

BW4

FOR

filing fee, Wasserkund & BW 22

May Ann Price

⑆00000⑆ ⑆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, written over a light blue horizontal line.

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:***

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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)

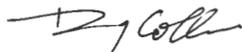
May 2018                      16985

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