

NM1 - 5

**PERMIT
RENEWAL
DETERMINATION**

April 10, 2020

Jones, Brad A., EMNRD

From: Griswold, Jim, EMNRD
Sent: Friday, April 10, 2020 11:11 AM
To: John Volkerding
Cc: Jones, Brad A., EMNRD; mkingsley@team-psc.com
Subject: Renewal application for surface waste management permit NM1-5
Attachments: April 2020 Basin Disposal not approvable letter.pdf

John,

See attached. I am not currently able to send certified snailmail, but this is addressed in the attached letter. Please reach out to Brad Jones about setting up a meeting for further discussion. OCD staff cannot meet in person at this time due to the virus restrictions. If you have MS Teams, we can do a multi-media meeting where we can hear each other, see each other (if you want), and review documents simultaneously.

Jim Griswold

Oil Conservation Division
5200 Oakland NE, Suite 100
Albuquerque, New Mexico 87113
505.660.1067
email: jim.griswold@state.nm.us

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



April 10, 2020

John Volkerding
Basin Disposal Inc.
PO Box 100
Aztec, New Mexico 87410
jvolkerding@basindisposalinc.com

RE: Renewal Application for Surface Waste Management Facility Permit #NM1-5 Located in Section 3, Township 29 North, Range 11 West, NMPM San Juan County, New Mexico

Mr. Volkerding:

The Oil Conservation Division (OCD or Division) has completed our review of Basin Disposal Inc.'s (Basin) application dated November 11, 2019 to renew your existing commercial surface waste management facility permit NM1-5. In accordance with Paragraph (2) of 19.15.36.9.B NMAC, the OCD has determined the renewal application is not approvable for the following reasons:

The Closure/Post-Closure Plan does not demonstrate compliance to the requirements of 19.15.36.18 NMAC. OCD would not be able to use the plan to obtain third-party cost estimates for OCD to complete the closure and post-closure activities pursuant to 19.15.36.18.G NMAC. The cost estimates propose costs for protocols and procedures that are not recognized by a written protocol or procedure in the closure and post-closure plan as required of 19.15.36.8.C(9) NMAC, and therefore suggests that exceptions and waivers are being requested.

The Operations, Inspection, and Maintenance Plan proposes exception requests (such as on-site disposal and to not retain records for a minimum of 5 years) and does not recognize or incorporate Condition 6A of OCD's June 30, 2010 modification approval into the renewal application regarding an alternative wastewater pipeline testing method.

The Hydrogen Sulfide (H₂S) Prevention and Contingency Plan does not incorporate permit Conditions F, G, and H of OCD's May 19, 2010 modification approval into the renewal application. There are multiple detection levels/concentrations of H₂S proposed in the plan for evacuation; one consistent detection level/concentration should be identified. The Emergency

Response Equipment List does not clearly identify the number of available units or pieces of equipment during a 24-hour day and has not been updated to include equipment proposed for use in the plan. The plan proposes to use mailing addresses of the owners of the property registered with the San Juan County Assessor's Office to notify "adjacent landowners/persons within 1/2 mile of the facility" when it is evacuated and closed. The same mailing addresses are also proposed for notification in the H2S contingency plan for emergencies and evacuations.

Pursuant to Paragraph (3) of 19.15.36.9.B NMAC, Basin would have 60 days from today to submit a revised application. However, given the restraints imposed by the current COVID-19 situation, this letter will not be provided via certified mail until a future date. Your 60-day response period will not begin until that time. Basin may request additional time to submit a revised application and the Division may grant additional time for good cause. Basin may notify the Division that it will not submit a revised application. If so, within 10 days of receipt of such notification the Division shall deny the application without prejudice. If Basin fails to timely submit a revised application or notify the Division that it will not submit a revised application, the Division shall deny the application without prejudice within 10 days after the 60-day time limit for the applicant to respond to the deficiency letter has expired. A revised permit renewal application must be submitted through the OCD fee portal and will be subject to a \$10,000 fee.

OCD would like to schedule a conference call with Basin to discuss this review in further detail. Please contact Brad Jones at (505) 476-3487 or brad.a.jones@state.nm.us to schedule.

Respectfully,

A handwritten signature in blue ink, appearing to read "J. Griswold".

Jim Griswold

JG/baj