From:	Weaver, Crystal, EMNRD
To:	<u>"msolomon@3bearllc.com"</u>
Cc:	Billings, Bradford, EMNRD; Bratcher, Mike, EMNRD
Subject:	3Bear Energy LLC Cottonwood Recycling Facility
Date:	Tuesday, April 17, 2018 2:10:00 PM

RE: 3Bear Energy, LLC * Cottonwood Recycling Facility * **2RF-128** * N-20-26S-26E * 32.021682, -104.318203 * Eddy County New Mexico

Mike Solomon,

The Form C-147 submitted for registration and permitting of the above referenced recycling facility and related containments is accepted/approved. The facility has been assigned NMOCD Admin Permit number 2RF-128. The storage tank containments will be assigned sub-labeling so that each containment is trackable as a separate item. OCD will utilize the sub-labeling system 3Bear Energy indicated for their containments on the diagrams that are titled "3BEAR ENERGY, LLC COTTONWOOD PRODUCED WATER RECYCLING CONTAINMENT AREA" within the Appendix B portion of the submitted C-147 Registration Application Package, so as to read as 2RF-128-A, 2RF-128-B, 2RF-128-C, 2RF-128-D, 2RF-128-E corresponding to the related locational placement of the containment such as is documented in the diagrams. Please use these reference numbers for all future correspondence and for monthly Form C-148 volume reporting.

3Bear Energy has requested variances from [19.15.34.12 A (4)] liner requirements, [19.15.34.12 D (2)] fencing requirements, [19.15.34.12 E] netting requirements, and [19.15.34.11 A (1)] depth to ground water requirement. These four variances are approved as requested in the submittal. OCD notes that the facility and its containments are being placed in an area that the BLM has demarked on their GIS map layer as a high karst zone.

As a condition of approval, the operator agrees to construct, operate, maintain and close the facility and related containments in compliance with [19.15.34] NMAC.

OCD approval does not relieve the operator of liability should their operations pose a threat to ground water, surface water, human health or the environment. In addition, OCD approval does not relieve the operator of responsibility for compliance with any other federal, state, local laws and/or regulations.

Crystal Weaver

Environmental Specialist OCD – Artesia District II 811 S. 1st Street Artesia, NM 88210 Office: 575-748-1283 ext. 101 Cell: 575-840-5963 Fax: 575-748-9720