

## Venegas, Victoria, EMNRD

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**To:** 'Michael Incerto'; r@rthicksconsult.com; Bratcher, Mike, EMNRD; Hernandez, Emily, EMNRD  
**Cc:** Helen Gebhard; 'Alyssa McGuire'  
**Subject:** 1RF-458 Telluride Air Gap Above-Ground Storage Tank - Conditions of Approval

### 1RF-458 Telluride Air Gap Above-Ground Storage Tank

Mr. Incerto,

The New Mexico Oil Conservation Division has reviewed the recycling containment permit application and related documents, submitted by Solaris Water Midstream, LLC OGRID # 371643 on June 09, 2020, for the proposed Telluride Air Gap Above-Ground Storage Tank at Unit Letter P, Section 3, T25S, R34E, in Lea County, New Mexico. The application has been assigned the OCD Administrative Order number 1RF-458.

Solaris requested variances from 19.15.34 NMAC for the proposed Telluride Air Gap Above-Ground Storage Tank related to 19.15.34. NMAC

The following variances have been approved.

- The variance to 19.15.34.14 NMAC Table I for the use of alternate analytical method 8015/8015M for total petroleum hydrocarbons (TPH) is approved.
- The variance to 19.15.34.14 NMAC Table I for the use of alternate analytical method EPA 300.0 or SM4500 for the analysis of chloride is approved.
- The variance to 19.15.34.12.A (2) NMAC for the no side-slope requirement for the AST containment with vertical walls is approved.
- The variance to 19.15.34.12.A (3) NMAC for the liners to be anchored to the top of the AST steel walls with clips and no anchor trenches is approved.
- The variance to 19.15.34.12 A (4) NMAC for the installation on the AST containment of a 40-mil non-reinforced LLDPE primary liner and a 30-mil non-reinforced LLDPE secondary liner with a 200-mil geogrid drainage layer is approved.
- The variance to 19.15.34.12 A (4) NMAC for the installation on the AST containment of a 40-mil non-reinforced LLDPE primary liner and a 40-mil non-reinforced LLDPE secondary liner with a 200-mil geogrid drainage layer is approved.

The following variance has been denied.

- The variance to 19.15.34.13 B (2) NMAC for a 2-foot freeboard has been denied. The containment must operate with the 3-foot freeboard as specified by rule.

The form C-147 and related documents for the proposed Telluride Air Gap Above-Ground Storage Tank 1RF-458 is approved with the following conditions of conditions of approval:

- Solaris shall construct, operate, maintain, close, and reclaim the Telluride Air Gap Above-Ground Storage Tank containment in compliance with 19.15.34 NMAC.
- The Telluride Air Gap Above-Ground Storage Tank containment is approved for five (5) years of operation from the date of permit application. OCD received the permit application on June 09, 2020. The Telluride Air Gap Above-Ground Storage Tank containment permit expires on June 09, 2025.

- Solaris cannot receive produced water in the Telluride Air Gap Above-Ground Storage Tank until after the original copy of the financial assurance has been accepted by OCD. Per Rule 19.15.34.15.A.(1) operators without existing financial assurance pursuant to 19.15.8 NMAC shall furnish financial assurance acceptable to the division in the amount of the recycling containment's estimated closure cost or \$25,000, whichever is greater. The financial assurance bond should be mailed to the Oil Conservation Division; ATTN: Eva Mathes, Bonding and Compliance; 1220 South St Frances Drive; Santa Fe, NM 87505. OCD will notify you when the bond has been received and approved.
- Solaris shall notify OCD when construction of the Telluride Air Gap Above-Ground Storage Tank commences. Solaris shall notify OCD when recycling operations commence and cease at the Telluride Air Gap Above-Ground Storage Tank.
- A minimum of 3-feet freeboard must be maintained in the recycling containment, at all times during operations.
- If less than 20% of the total fluid capacity is utilized every six months, beginning from the first withdrawal, operation of the facility is considered ceased and notification of cessation of operations should be sent electronically to [OCD.Enviro@state.nm.us](mailto:OCD.Enviro@state.nm.us). An extension to extend the cessation of operation, not to exceed six months, may be submitted using a C-147 form to [OCD.Enviro@state.nm.us](mailto:OCD.Enviro@state.nm.us).
- Solaris shall submit monthly reports of recycling and reuse of produced water, drilling fluids, and liquid oil field waste via OCD form C-148.
- Solaris shall comply with 19.15.29 NMAC Releases in the event of any release of produced water or other oil field wastes at Telluride Air Gap Above-Ground Storage Tank.

Please reference number **1RF-458** in all future communications related to Telluride Air Gap Above-Ground Storage Tank.

Please keep a copy of this electronic communication for your files, as no paper copy of the approval will be delivered. A copy of this electronic communication can be found in 1RF-458 electronic file on OCD Imaging at: <https://ocdimage.emnrd.state.nm.us/imaging/AEOrderFileView.aspx?appNo=pVV2032839502>

Regards,

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