OVERFLOW ENERGY LLC P.O. BOX 354 BOOKER, TX 79005

May 17, 2021

NMOCD 1220 South St. Francis Dr. Santa Fe, New Mexico 87505

RE: C-147 RECYCLING FACILITY ONLY PERMIT APPLACATION FOR SANDPOINT RECLAMATION FACILITY, EDDY COUNTY, NEW MEXICO

To Ms. Victoria Venegas,

Atkins Engineering Associates, Inc. (AEA) is pleased to provide this summary letter of the C-147 permit application compiled on behalf of Overflow, LLC OGRID # 292641

Location Setbacks

- 1) Within incorporated municipal boundaries or within a defined municipal fresh water well field covered under a municipal ordinance adopted pursuant to NMSA 1978, Section 3-27-3, as amended. No, the location is in rural Eddy county the nearest municipality is Carlsbad, NM 3.5 miles to the southwest see (Figure 1)
- 2) Within the area overlying a subsurface mine. No, the location is not above a subsurface mine according to meta-data provided by EMNRD Registered Mines Map the nearest underground mine is Potash Mine 3.2 miles northeast (see Active Mines attachment)
- 3) Within an unstable area. No, BLM meta-data Karst Potential is low (see figure 2)
- 4) Within a 100-year floodplain. No, see FEMA map Figure 1
- 5) Within 300 feet of a continuously flowing watercourse, or 200 feet of any other significant watercourse, or lakebed, sinkhole, or playa lake (measured from the ordinary high-water mark). No, see figure 1 sourced from BLM and USGS meta-data
- 6) Within 1000 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application. No, see figure 2
- 7) Within 500 horizontal feet of a spring or a fresh water well used for domestic or stock watering purposes, in existence at the time of initial application. No, there are no wells with in the 500ft setback, source NMOSE iwaters.
- 8) Within 500 feet of a wetland. No, registered wetlands within 500ft source USACE and BLM metadata
- 9) Depth to groundwater. see NMOSE Log with lowest static water level of nearby sections

Recycling Facility Design

The proposed design is a series of aboveground steel bottomed 500bbl tanks within a HDEP lined secondary containment with 150% of the facility volume. Total volume proposed is (10 tanks) X (500bbl) =5000bbl) (see site Layout attached)

C-147

Summary Letter, Sandpoint Facility

Attachments

Figure 1: Hydrology Setbacks Figure 2: Karst and PODs Figure 3: Site Layout

Appendix A: Parcel Data, Owner info

Appendix B: Well log

Appendix C: Active Mines attachment

District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 S. First St., Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources
Department
Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

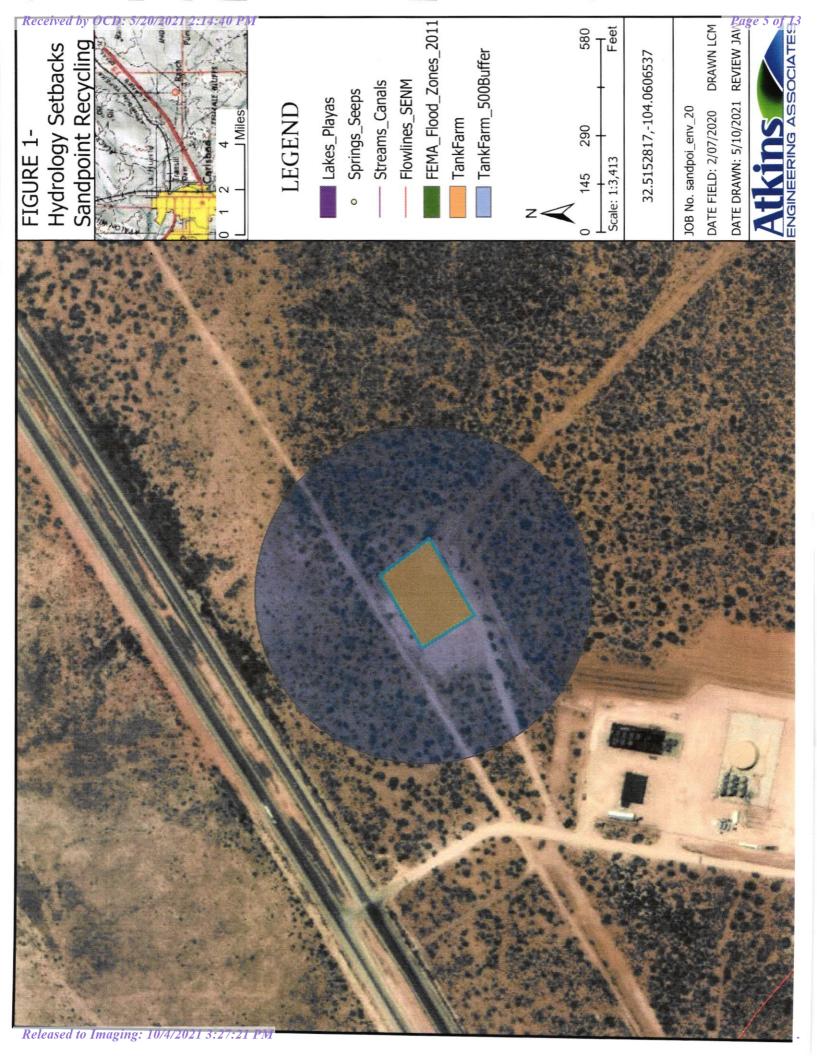
Form C-147 Revised April 3, 2017

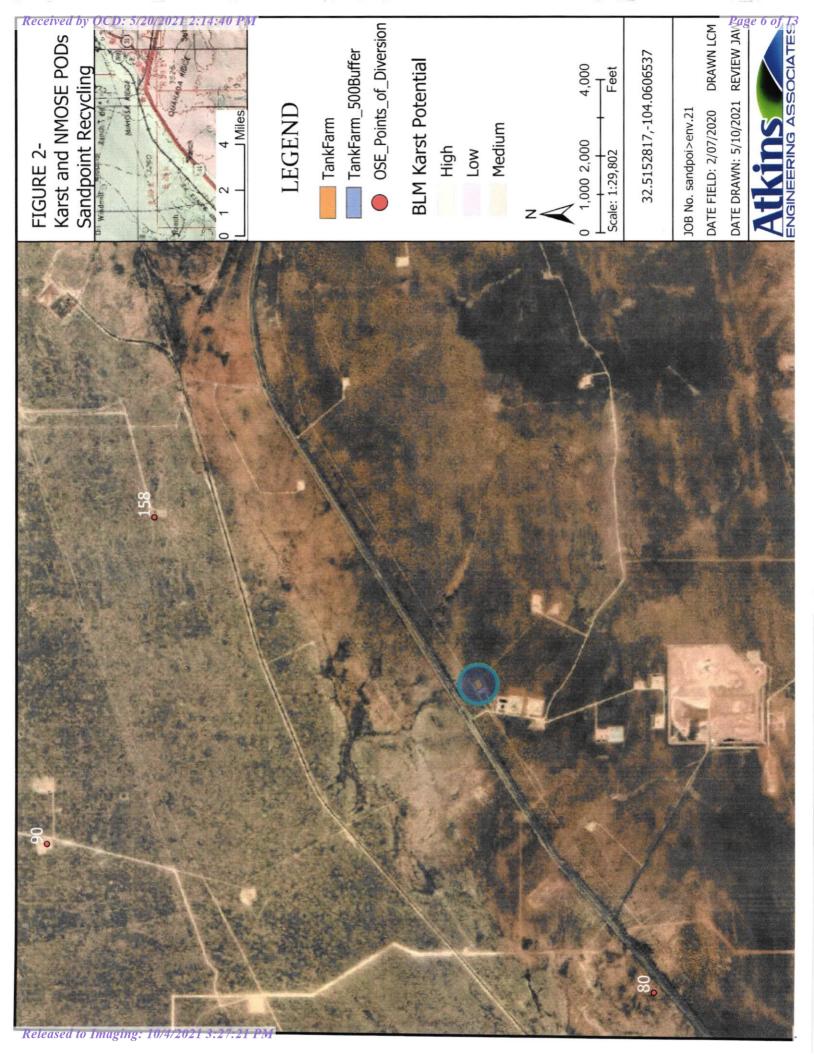
Recycling Facility Only

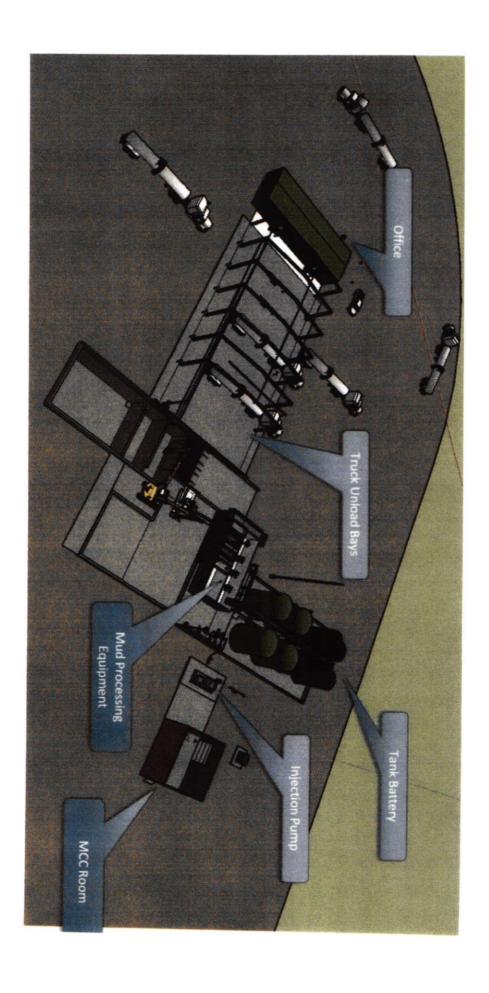
| Type of action: ☐ Permit ☐ Registration ☐ Modification ☐ | Closure Other (explain) | | | |
|---|---|--|--|--|
| Be advised that approval of this request does not relieve the operator of liability should on Nor does approval relieve the operator of its responsibility to comply with any other approval. | operations result in pollution of surface water, ground water or the environment. | | | |
| 1. | | | | |
| Operator: Overflow Energy LLC (For | | | | |
| Address: P.O. Box 354 Booker, TX 79005 Facili | ty or well name (include API# if associated with a well): | | | |
| Sandpoint Reclamation Facility | _ | | | |
| OCD Permit Number:(For new facilities the per | | | | |
| U/L or Qtr/Qtr K Section 2 Township 21S Range 28E County: Eddy | | | | |
| Surface Owner: Federal State Private Tribal Trust or Indian Allotment | | | | |
| 2. | | | | |
| Recycling Facility: | 104.000527 NAD02 | | | |
| Location of recycling facility (if applicable): Latitude 32.5152817 | Longitude | | | |
| Proposed Use: ☐ Drilling* ☐ Completion* ☐ Production* ☐ Plugging * | | | | |
| *The re-use of produced water may NOT be used until fresh water zones are cased and cemented | | | | |
| Other, requires permit for other uses. Describe use, process, testing, volume | of produced water and ensure there will be no adverse impact on | | | |
| groundwater or surface water. | | | | |
| ☐ Fluid Storage | | | | |
| 100 100 100 100 100 100 100 100 100 100 | Above ground tanks Activity permitted under 19.15.17 NMAC explain type | | | |
| Activity permitted under 19.15.36 NMAC explain type: | Other explain | | | |
| Closure Report (required within 60 days of closure completion): Recycling Facility Closure Completion Date: | | | | |
| 3. | | | | |
| Variances: | | | | |
| Justifications and/or demonstrations that the proposed variance will afford reasonable protection against contamination of fresh water, human health, and the | | | | |
| environment. Check the below box only if a variance is requested: | | | | |
| Variance(s): Requests must be submitted to the appropriate division district for consideration of approval. If a Variance is requested, include the | | | | |
| variance information on a separate page and attach it to the C-147 as part of the application. | | | | |
| If a Variance is requested, it must be approved prior to implementation | n. | | | |
| Operator Application Certification: | | | | |
| I hereby certify that the information and attachments submitted with this application | ion are true, accurate and complete to the best of my knowledge and belief. | | | |
| Name (Print): SR/HARDW | Title: VP, DEVELOPMENT | | | |
| Signature: / //////// | Date: 5-18-21 | | | |
| e-mail address: // // // // // Alon a Olsurd. Com | Telephone: 900-458-7632 | | | |
| 7774 47071 (50 0 2 (50 0 2) | | | | |
| 5. OCD Representative Signature: | | | | |
| Tide | | | | |
| | OCD Permit Number: | | | |
| OCD Conditions Additional OCD Conditions on Attachment | | | | |
| | | | | |

C-147 Summary Letter, Sandpoint Facility

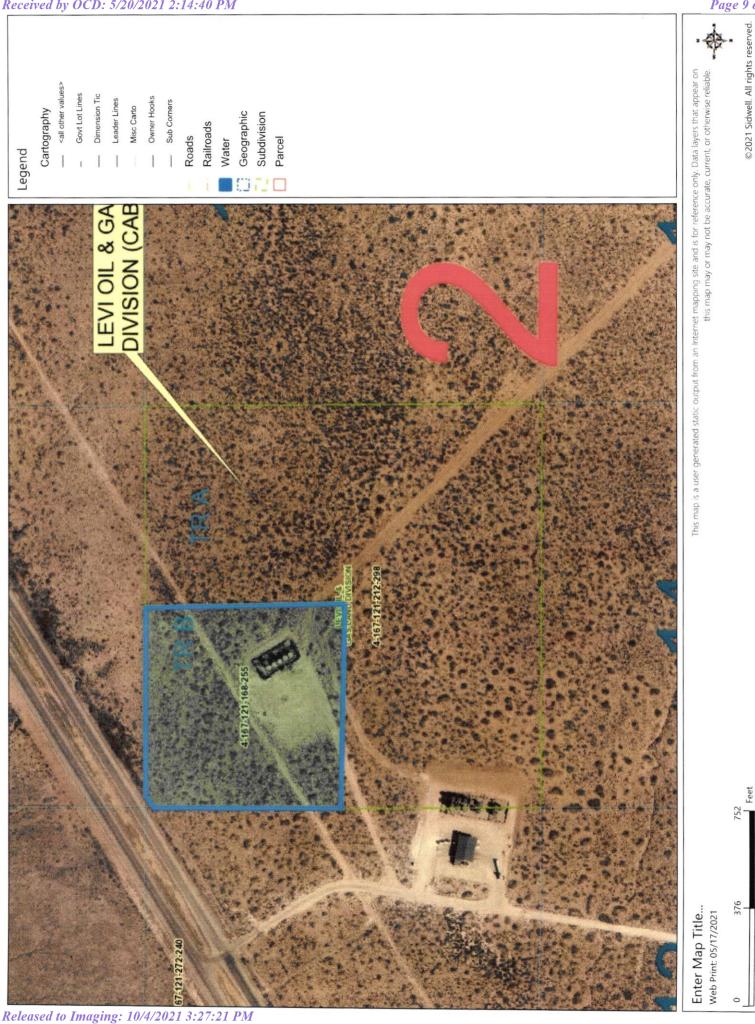
FIGURES







C-147 Summary Letter, Sandpoint Facility



Released to Imaging: 10/4/2021 3:27:21 PM

2-1959

Revised May 1993

IMPORTANT — READ INSTRUCTIONS ON BACK BEFORE FILLING OUT THIS FORM.

Declaration of Owner of Underground Water Right

Eddy County BASIN NAME Declaration No. __ C-3266 April 27, 2005 Date received STATEMENT Mailing Address 1819-2 North Com County of ____ Faddy 2. Source of water supply Shallow (artesian or shallow water aquifer) 3. Describe well location under one of the following subheadings: a. SW 4 SE 4 SE 4 of Sec. 4 Twp. 218 Rge. 28 E N.M.P.M., in of Map No. ____ feet, N.M. Coordinate System ______Zone On land owned by Wirsta Balland | Private 4. Description of well: date drilled _____/890 driller ___ inches; original capacity gal. per min.; present capacity ___ outside diameter of casing ___ ___ feet; static water level _____ & ___ feet (above) (below) land surface; gal. per min.; pumping lift _ make and type of pump ___ wind m . // make, type, horsepower, etc., of power plant ____ Fractitional or percentage interest claimed in well ____ 5. Quantity of water appropriated and beneficially used _____(acre feet per acre) acres, located and described as follows (describe only lands actually irrigated): Acreage actually irrigated _____ Subdivision Sec. Twp. Range Irrigated Owner (Note: location of well and acreage actually irrigated must be shown on plat on reverse side.) 7. Water was first applied to beneficial use _ month has been used fully and continuously on all of the above described lands or for the above described purposes except as follows: 8. Additional statements or explanations



John R. D Antonio, Jr., P.E. State Engineer



Roswell Office 1900 WEST SECOND STREET ROSWELL, NM 88201

Trn Nbr: 352252 File Nbr: C 03266

STATE OF NEW MEXICO OFFICE OF THE STATE ENGINEER

Feb. 16, 2006

WINSTON BALLARD 1819 2 N CANAL CARLSBAD, NM 88220

Greetings:

Enclosed is your copy of Declaration of Owner of the Water Right numbered above, which has been accepted for filing.

Under New Mexico Law, a Declaration is only a statement of declarant's claim. Acceptance for filing does not constitute approval or rejection of the claim.

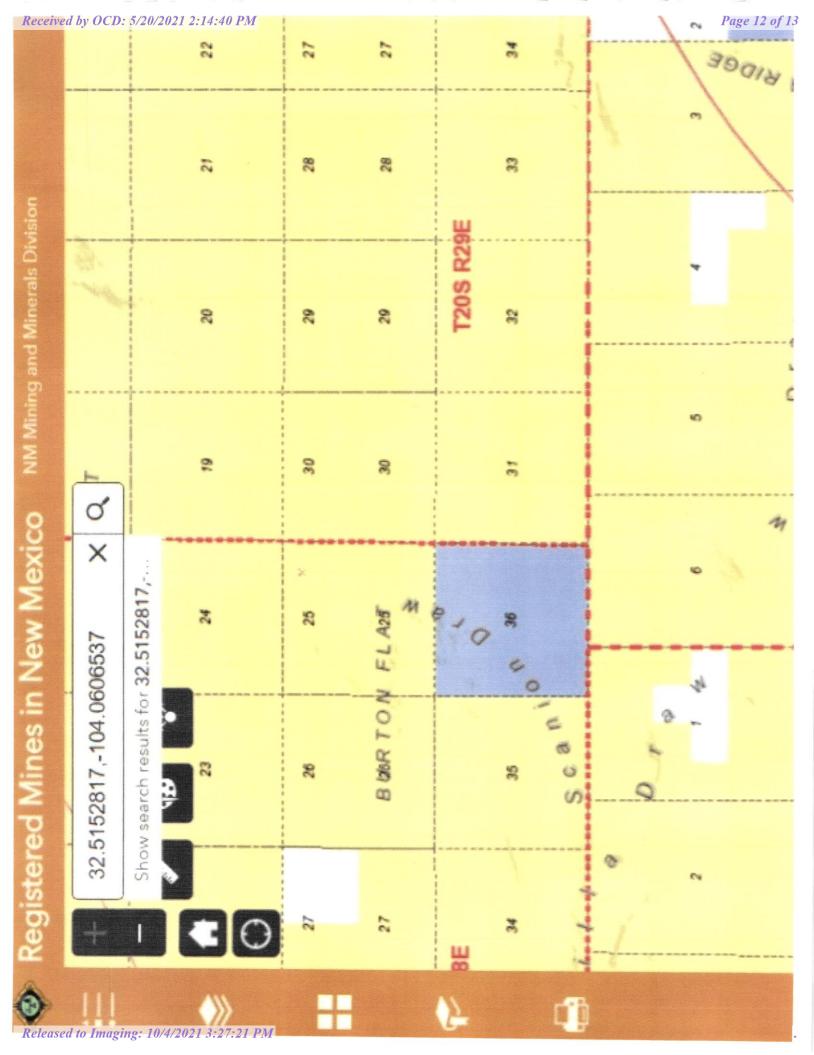
Sincerely,

Mike Stapleto (505)622-6521

Enclosure

cc: Santa Fe Office

declare



District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720

District II 811 S. First St., Artesia, NM 88210 Phone: (575) 748-1283 Fax: (575) 748-9720

District III 1000 Rio Brazos Rd., Aztec, NM 87410 Phone:(505) 334-6178 Fax:(505) 334-6170

1220 S. St Francis Dr., Santa Fe, NM 87505 Phone:(505) 476-3470 Fax:(505) 476-3462

State of New Mexico Energy, Minerals and Natural Resources Oil Conservation Division 1220 S. St Francis Dr. **Santa Fe, NM 87505**

CONDITIONS

Action 29005

CONDITIONS

| Operator: | OGRID: |
|----------------------|--------------------------------------|
| OVERFLOW ENERGY, LLC | 292641 |
| P.O. Box 354 | Action Number: |
| Booker, TX 79005 | 29005 |
| | Action Type: |
| | [C-147] Water Recycle Short (C-147S) |

CONDITIONS

| Created By | Condition | Condition Date |
|------------|-----------|----------------|
| vvenegas | None | 10/4/2021 |