

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 and/or Recycling Containment

Type of Facility: Recycling Facility Recycling Containment*

Type of action: Permit Registration
 Modification Extension
 Closure Other (explain) _____

* At the time C-147 is submitted to the division for a Recycling Containment, a copy shall be provided to the surface owner.

Be advised that approval of this request does not relieve the operator of liability should operations result in pollution of surface water, ground water or the environment. Nor does approval relieve the operator of its responsibility to comply with any other applicable governmental authority's rules, regulations or ordinances.

1. Operator: Solaris Midstream LLC OGRID #: 371643
 Address: 9811 Katy Freeway, Suite 900, Houston, TX, 77024
 Facility or well name (include API# if associated with a well): Telluride Air Gap Above-Ground Storage Tank
 OCD Permit Number: _____ (For new facilities the permit number will be assigned by the district office)
 U/L or Qtr/Qtr: P Section: 3 Township: 25S Range: 34E County: Lea
 Surface Owner: Federal State Private Tribal Trust or Indian Allotment

2. **Recycling Facility:** THIS AST IS ON A PIPELINE AND FACILITATES RECYCLING AT NUMEROUS RECYCLING FACILITIES
 Location of (if applicable): Latitude: 32.1553749°N Longitude: 103.4526942°W approximately (NAD83)
 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
 Above ground tanks Recycling containment Activity permitted under 19.15.17 NMAC explain type _____
 Activity permitted under 19.15.36 NMAC explain type: _____ Other explain _____
 For multiple or additional recycling containments, attach design and location information of each containment
 Closure Report (required within 60 days of closure completion): Recycling Facility Closure Completion Date: NOT APPLICABLE

3. **Recycling Containment:**
 Annual Extension after initial 5 years (attach summary of monthly leak detection inspections for previous year)
 Center of Recycling Containment (if applicable) Lat 32.1553702°N Long 103.4527172°W approx. (NAD83)
 For multiple or additional recycling containments, attach design and location information of each containment
 Lined Liner type: Thickness 40 mil Primary, 40 mil or 30 mil Secondary LLDPE HDPE PVC Other _____
 String-Reinforced
 Liner Seams: Welded Factory Other Volume: 22,000 BBL Dimensions 138 ft diameter x 8 ft tall
 Recycling Containment Closure Completion Date: July 31, 2021

4.

Bonding:

- Covered under bonding pursuant to 19.15.8 NMAC per 19.15.34.15(A)(2) NMAC (These containments are limited to only the wells owned or operated by the owners of the containment.)
- Bonding in accordance with 19.15.34.15(A)(1). Amount of bond \$ _____ (work on these facilities cannot commence until bonding amounts are approved)
- Attach closure cost estimate and documentation on how the closure cost was calculated. (See Transmittal Letter)

5.

Fencing:

- Four-foot height, four strands of barbed wire evenly spaced between one and four feet
- Alternate. Please specify: _____.

6.

Signs:

- 12"x 24", 2" lettering, providing Operator's name, site location, and emergency telephone numbers
- Signed in compliance with 19.15.16.8 NMAC

7.

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. See Volume 2 for Variances

8.

Siting Criteria for Recycling Containment

Instructions: The applicant must provide attachments that demonstrate compliance for each siting criteria below as part of the application. Potential examples of the siting attachment source material are provided below under each criteria.

General siting

Ground water is less than 50 feet below the bottom of the Recycling Containment.

NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells FIGURES 1-2

- Yes No
- NA

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.

- Yes No
- NA

- Written confirmation or verification from the municipality; written approval obtained from the municipality FIGURE 3

Within the area overlying a subsurface mine.

- Yes No

- Written confirmation or verification or map from the NM EMNRD-Mining and Minerals Division FIGURE 4

Within an unstable area.

- Yes No

- Engineering measures incorporated into the design; NM Bureau of Geology & Mineral Resources; USGS; NM Geological Society; topographic map FIGURE 5

Within a 100-year floodplain. FEMA map FIGURE 6

- Yes No

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).

- Yes No

- Topographic map; visual inspection (certification) of the proposed site FIGURE 7

Within 1000 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application.

- Yes No

- Visual inspection (certification) of the proposed site; aerial photo; satellite image FIGURE 8

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. FIGURES 1 and 7

- Yes No

- NM Office of the State Engineer - iWATERS database search; visual inspection (certification) of the proposed site

Within 500 feet of a wetland. FIGURE 9

- Yes No

- US Fish and Wildlife Wetland Identification map; topographic map; visual inspection (certification) of the proposed site

9.

Recycling Facility and/or Containment Checklist:

Instructions: Each of the following items must be attached to the application. Indicate, by a check mark in the box, that the documents are attached.

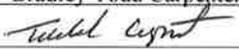
- Design Plan - based upon the appropriate requirements.
- Operating and Maintenance Plan - based upon the appropriate requirements.
- Closure Plan - based upon the appropriate requirements.
- Site Specific Groundwater Data -
- Siting Criteria Compliance Demonstrations -
- Certify that notice of the C-147 (only) has been sent to the surface owner(s)

10.

Operator Application Certification:

I hereby certify that the information and attachments submitted with this application are true, accurate and complete to the best of my knowledge and belief.

Name (Print): Bradley Todd Carpenter Title: Operations Manager

Signature:  Date: _____

e-mail address todd.carpenter@solarismidstream.com Telephone: 432-413-0918

Empty space for additional information or comments.

Empty space for additional information or comments.

11.

OCD Representative Signature: _____ Approval Date: _____

Title: _____ OCD Permit Number: _____

OCD Conditions _____

Additional OCD Conditions on Attachment _____

Venegas, Victoria, EMNRD

From: Venegas, Victoria, EMNRD
Sent: Tuesday, December 7, 2021 10:53 AM
To: 'Michael Incerto'; 'Todd Carpenter'; 'Teena Robbins'
Cc: Enviro, OCD, EMNRD; r@rthicksconsult.com
Subject: 1RF-458 Telluride Air Gap Above-Ground Storage Tank Facility ID fVV2032840095. Closure Approved.
Attachments: C-147 Closure. 1RF-458_Solaris_TellurideAirGapAST 12.07.2021.pdf

1RF-458 Telluride Air Gap Above-Ground Storage Tank Facility ID [fVV2032840095](#).

Good morning,
NMOCED has reviewed the closure report submitted by [371643] SOLARIS WATER MIDSTREAM, LLC, on November 30, 2021, for 1RF-458 Telluride Air Gap Above-Ground Storage Tank Facility ID [fVV2032840095](#) in P-03-25S-34E, Lea County, New Mexico. The closure report has been approved. The permit associated with 1RF-458 Telluride Air Gap Above-Ground Storage Tank Facility ID [fVV2032840095](#) is closed.

If [371643] SOLARIS WATER MIDSTREAM, LLC chooses to re-install an AST Containment on this location, [371643] SOLARIS WATER MIDSTREAM, LLC must submit a new permit application. The application must include Form C-147 with the "Recycling Containment" box and the "Permit" box checked, the corresponding supporting documentation as well as a new closure cost estimated.

Please note that according to 19.15.34.14.G: The re-vegetation and reclamation obligations imposed by federal, state trust land or tribal agencies on lands managed by those agencies shall supersede these provisions and govern the obligations of any operator subject to those provisions, provided that the other requirements provide equal or better protection of fresh water, human health and the environment. As stated by 19.15.34.14.H, the operator shall notify the Division when reclamation and re-vegetation are complete.

Regards,

Victoria Venegas • Environmental Specialist
Environmental Bureau
EMNRD - Oil Conservation Division
811S. First St. | Artesia, NM 88210
(575) 909-0269 | Victoria.Venegas@state.nm.us
<http://www.emnrd.state.nm.us/OCD/>



R. T. HICKS CONSULTANTS, LTD.

901 Rio Grande Blvd NW ▲ Suite F-142 ▲ Albuquerque, NM 87104 ▲ 505.266.5004 ▲ Since 1996

November 16, 2021

Ms. Teena Robbins
Solaris Water Midstream
Via-Email

RE: Closure Report for Telluride Air Gap AST (1RF-458)

Ms. Robbins:

This closure report is required by NMOCD Rule 34, which is reproduced below for your benefit with **emphasis** added.

19.15.34.14 CLOSURE AND SITE RECLAMATION REQUIREMENTS FOR RECYCLING CONTAINMENTS:

A. Once the operator has ceased operations, **the operator shall remove all fluids within 60 days and close the containment within six months from the date the operator ceases operations from the containment for use.** The division district office may grant an extension for the removal of all fluids not to exceed two months. The division district office may grant an extension to close the containment not to exceed six months. If the operator wants to use the containment for a purpose other than recycling then the operator must have that use approved or permitted by the division in accordance with the appropriate rules.

B. The operator shall close a recycling containment by first removing all fluids, contents and synthetic liners and transferring these materials to a division approved facility.

C. The operator shall test the soils beneath the containment for contamination with a five-point composite sample which includes stained or wet soils, if any, and that sample shall be analyzed for the constituents listed in Table I below.

(1) If any contaminant concentration is higher than the parameters listed in Table I, the division may require additional delineation upon review of the results and the operator must receive approval before proceeding with closure.

(2) If all contaminant concentrations are less than or equal to the parameters listed in Table I, then the operator can proceed to backfill with non-waste containing, uncontaminated, earthen material.

D. Within 60 days of closure completion, the operator shall **submit a closure report on form C-147,** including required attachments, to document all closure activities **including sampling results** and the details on any backfilling, capping or covering, where applicable. The closure report shall certify that all information in the report and attachments is correct and that the operator has complied with all applicable closure requirements and conditions specified in division rules or directives.

A description of the sampling protocol, the laboratory reports and a copy of the OCD approval are presented in Appendices A, B and C respectively.

The results of closure sampling are presented below. Because the depth to groundwater as provided in the permit application is about 170 feet (page 3 of Siting Criteria Demonstration, June 2020), we used the appropriate remediation standards for a depth to groundwater greater than 100 feet.

Appendix A contains the BLM reclamation form for the west pond and indicates the east pond remains in use.

November 16, 2021

Page 2

| | Depth | Chloride | Benzene | Total BTEX | GRO | DRO | extDRO |
|------------|--------|----------|---------|------------|-------|-------|--------|
| Sample ID | ft BGS | mg/kg | mg/kg | mg/kg | mg/kg | mg/kg | mg/kg |
| 5-pt comp. | 0-4 | 16 | <0.050 | <0.300 | <10.0 | <10.0 | <10.0 |
| 5-pt comp. | 4.1 | 32 | <0.050 | <0.300 | <10.0 | <10.0 | <10.0 |
| Table 1 | | 20,000 | 10 | 50 | 2500 | | |

The test results show no evidence of any seepage, and the site meets the remediation standards of Table 1.

Please note the following:

- The Telluride Air Gap location is permitted to hold an AST for 5 years from the submission date of the permit (June 9, 2020, as indicated in Appendix C). If Solaris elects to re-install an AST Containment on this location during the active period of the permit, we recommend:
 1. Submit a C-147 Form with the modification box checked
 2. Submit a revised Volume 1 of the original permit and substitute pages 12-31 with appropriate documents from the AST provider.
- The pad associated with the AST Containment permit existed as a working pad prior to the submission of the C-147. The pad remains active and is the subject of bonding with the Bureau of Land Management (surface owner representative).
- Although the AST is closed, the permit remains open. In our opinion, any existing closure bond for the original AST may be removed. If a new AST Containment is permitted, however, Solaris must provide evidence of bonding per Rule 34.

If you or OCD representatives have any questions regarding this closure report, please contact me.

Sincerely,
R.T. Hicks Consultants, LTD



Randall Hicks
Principal

Attachments

- Appendix A Sampling protocol
- Appendix B Laboratory reports
- Appendix C OCD approval

R. T. HICKS CONSULTANTS, LTD.

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Appendix A: Closure Sampling at Telluride Air Gap

Tuesday, October 5, 2021

- B&M Welding is responsible as the excavator to ensure clearance from the NM811 “one-call” service for underground facilities location before any excavation begins.
- RT Hicks Consultants is responsible for the storage, integrity, and transport of all of the samples collected.

PROCEDURE

The following procedure will be followed to collect samples at the former Telluride AST Containment using an auger mounted on a skid-steer:

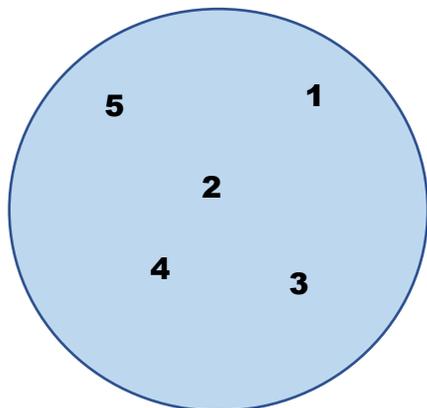
1. Advance drill to 4 ft BGS and slowly remove auger from hole. Hicks Consultants will collect soil sample from stem of auger drill as a composite of the 0-4 ft depth interval.
2. Return to the hole and advance auger to approximately 4.3 ft BGS and slowly remove stem from hole. Hicks Consultants will collect soil sample from this interval.
3. Backfill hole with remaining cuttings using a shovel.
4. Repeat at each sample point marked by an “X” on the enclosed maps or as directed by Hicks Consultants on site.

LOCATIONS

TELLURIDE Air Gap AST 32.155375, -103.452694

Auger 5 holes in “dice” pattern at site of former tank at NE corner of pad to 4.3 ft BGS each.

The AST was approximately 140 ft in diameter as indicated in the image. Although the outline of the tank was not visible on the pad, directions from Solaris and the size of the tank provide high confidence that all borings were within the tank footprint.





PHONE (575) 393-2326 ° 101 E. MARLAND ° HOBBS, NM 88240

October 08, 2021

RANDALL HICKS

R T HICKS CONSULTANTS

901 RIO GRANDE BLVD SUITE F-142

ALBUQUERQUE, NM 87104

RE: TELLURIDE AST

Enclosed are the results of analyses for samples received by the laboratory on 10/06/21 10:50.

Cardinal Laboratories is accredited through Texas NELAP under certificate number T104704398-21-14. Accreditation applies to drinking water, non-potable water and solid and chemical materials. All accredited analytes are denoted by an asterisk (*). For a complete list of accredited analytes and matrices visit the TCEQ website at www.tceq.texas.gov/field/qa/lab_accred_certif.html.

Cardinal Laboratories is accredited through the State of Colorado Department of Public Health and Environment for:

| | |
|------------------|------------------------------|
| Method EPA 552.2 | Haloacetic Acids (HAA-5) |
| Method EPA 524.2 | Total Trihalomethanes (TTHM) |
| Method EPA 524.4 | Regulated VOCs (V1, V2, V3) |

Accreditation applies to public drinking water matrices.

This report meets NELAP requirements and is made up of a cover page, analytical results, and a copy of the original chain-of-custody. If you have any questions concerning this report, please feel free to contact me.

Sincerely,

A handwritten signature in black ink that reads "Celey D. Keene".

Celey D. Keene

Lab Director/Quality Manager



PHONE (575) 393-2326 ° 101 E. MARLAND ° HOBBS, NM 88240

Analytical Results For:

R T HICKS CONSULTANTS
 RANDALL HICKS
 901 RIO GRANDE BLVD SUITE F-142
 ALBUQUERQUE NM, 87104
 Fax To: NONE

| | | | |
|-------------------|---------------|---------------------|----------------|
| Received: | 10/06/2021 | Sampling Date: | 10/05/2021 |
| Reported: | 10/08/2021 | Sampling Type: | Soil |
| Project Name: | TELLURIDE AST | Sampling Condition: | Cool & Intact |
| Project Number: | NONE GIVEN | Sample Received By: | Tamara Oldaker |
| Project Location: | SOLARIS | | |

Sample ID: 5PT. COMP @ 0-4' (H212780-06)

| BTEX 8021B | | mg/kg | | Analyzed By: MS | | | | | |
|----------------|--------|-----------------|------------|-----------------|------|------------|---------------|------|-----------|
| Analyte | Result | Reporting Limit | Analyzed | Method Blank | BS | % Recovery | True Value QC | RPD | Qualifier |
| Benzene* | <0.050 | 0.050 | 10/06/2021 | ND | 2.01 | 101 | 2.00 | 6.63 | |
| Toluene* | <0.050 | 0.050 | 10/06/2021 | ND | 1.96 | 98.1 | 2.00 | 6.63 | |
| Ethylbenzene* | <0.050 | 0.050 | 10/06/2021 | ND | 1.92 | 95.9 | 2.00 | 6.85 | |
| Total Xylenes* | <0.150 | 0.150 | 10/06/2021 | ND | 5.83 | 97.2 | 6.00 | 6.04 | |
| Total BTEX | <0.300 | 0.300 | 10/06/2021 | ND | | | | | |

Surrogate: 4-Bromofluorobenzene (PID) 101 % 69.9-140

| Chloride, SM4500Cl-B | | mg/kg | | Analyzed By: AC | | | | | |
|----------------------|--------|-----------------|------------|-----------------|-----|------------|---------------|------|-----------|
| Analyte | Result | Reporting Limit | Analyzed | Method Blank | BS | % Recovery | True Value QC | RPD | Qualifier |
| Chloride | 16.0 | 16.0 | 10/07/2021 | ND | 432 | 108 | 400 | 0.00 | |

| TPH 8015M | | mg/kg | | Analyzed By: MS | | | | | |
|------------------|--------|-----------------|------------|-----------------|-----|------------|---------------|-------|-----------|
| Analyte | Result | Reporting Limit | Analyzed | Method Blank | BS | % Recovery | True Value QC | RPD | Qualifier |
| GRO C6-C10* | <10.0 | 10.0 | 10/07/2021 | ND | 223 | 112 | 200 | 2.36 | |
| DRO >C10-C28* | <10.0 | 10.0 | 10/07/2021 | ND | 222 | 111 | 200 | 0.599 | |
| EXT DRO >C28-C36 | <10.0 | 10.0 | 10/07/2021 | ND | | | | | |

Surrogate: 1-Chlorooctane 85.9 % 44.3-133

Surrogate: 1-Chlorooctadecane 81.6 % 38.9-142

Cardinal Laboratories

*=Accredited Analyte

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Celey D. Keene, Lab Director/Quality Manager



PHONE (575) 393-2326 ° 101 E. MARLAND ° HOBBS, NM 88240

Notes and Definitions

- ND Analyte NOT DETECTED at or above the reporting limit
- RPD Relative Percent Difference
- ** Samples not received at proper temperature of 6°C or below.
- *** Insufficient time to reach temperature.
- Chloride by SM4500Cl-B does not require samples be received at or below 6°C
Samples reported on an as received basis (wet) unless otherwise noted on report

Cardinal Laboratories

*=Accredited Analyte

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Celey D. Keene

Celey D. Keene, Lab Director/Quality Manager



CHAIN-OF-CUSTODY AND ANALYSIS REQUEST

101 East Marland, Hobbs, NM 88240
 (575) 393-2326 FAX (575) 393-2476

ANALYSIS REQUEST

Company Name: RT Hicks Consultants
 Project Manager: Randy Hicks
 Address: 901 Rio Grande Blvd NW Suite E-142
 City: Albuquerque State: NM Zip: 87104
 Phone #: 505-426-5004 Fax #: _____
 Project #: _____ Project Owner: Solaris
 Project Name: Telluride AST City: _____ State: _____ Zip: _____
 Project Location: _____ Phone #: 505-238-9515 Fax #: _____
 Sampler Name: Kristin Pope

BILL TO
 P.O. #: _____
 Company: RT Hicks
 Attn: Randy Hicks
 Address: _____
 City: _____ State: _____ Zip: _____
 Phone #: _____ Fax #: _____

| Lab I.D. | Sample I.D. | (G)RAB OR (C)OMP. | # CONTAINERS | MATRIX | | | | | | | DATE | TIME | ANALYSIS REQUEST | | | | | | |
|----------------|--------------------------|-------------------|--------------|-------------|------------|------|-----|--------|---------|------------|------|------|------------------|--|--|--|--|--|--|
| | | | | GROUNDWATER | WASTEWATER | SOIL | OIL | SLUDGE | OTHER : | ACID/BASE: | | | | | | | | | |
| <u>H212780</u> | <u>1 SP 1 @ 0-4 ft</u> | <u>G</u> | <u>1</u> | | | | | | | | | | | | | | | | |
| | <u>2 SP 2 @ 0-4 ft</u> | <u>G</u> | <u>1</u> | | | | | | | | | | | | | | | | |
| | <u>3 SP 3 @ 0-4 ft</u> | <u>C</u> | <u>1</u> | | | | | | | | | | | | | | | | |
| | <u>4 SP 4 @ 0-4 ft</u> | <u>C</u> | <u>1</u> | | | | | | | | | | | | | | | | |
| | <u>5 SP 5 @ 0-4 ft</u> | <u>C</u> | <u>1</u> | | | | | | | | | | | | | | | | |
| | <u>6 Spt Comp @ 0-4'</u> | <u>C</u> | <u>1</u> | | | | | | | | | | | | | | | | |

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Relinquished By: Kristin Pope Date: 10-6-21 Time: 10:50
 Received By: Yasuko Uchida
 Relinquished By: _____ Date: _____ Time: _____
 Received By: _____

Delivered By: (Circle One) 1.96 C-0.52 Sample Condition: Cool Intact
 Sampler - UPS - Bus - Other: 1.14 C #113 Yes No

CHECKED BY: (Initials) Y.U.

REMARKS:
 • Email to R@rthicksconsult.com,
 Kristin@ "
 • Report composite as "5-pt. comp. @ 0-4 ft"

† Cardinal cannot accept verbal changes. Please fax written changes to (575) 393-2326

Appendix C

From: [Venegas, Victoria, EMNRD](#)
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
Date: Monday, December 7, 2020 2:39:25 PM

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 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. 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.
- 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,

Victoria Venegas • Engineering Tech. III
Environmental Bureau
EMNRD - Oil Conservation Division
811S. First St. | Artesia, NM 88210

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 and/or Recycling Containment

Type of Facility: Recycling Facility Recycling Containment*

Type of action: Permit Registration
 Modification Extension
 Closure Other (explain) _____

* At the time C-147 is submitted to the division for a Recycling Containment, a copy shall be provided to the surface owner.

Be advised that approval of this request does not relieve the operator of liability should operations result in pollution of surface water, ground water or the environment. Nor does approval relieve the operator of its responsibility to comply with any other applicable governmental authority's rules, regulations or ordinances.

1. Operator: Solaris Midstream LLC OGRID #: 371643
 Address: 9811 Katy Freeway, Suite 900, Houston, TX, 77024
 Facility or well name (include API# if associated with a well): Telluride Air Gap Above-Ground Storage Tank
 OCD Permit Number: 1RF-458 (For new facilities the permit number will be assigned by the district office)
 U/L or Qtr/Qtr: P Section: 3 Township: 25S Range: 34E County: Lea
 Surface Owner: Federal State Private Tribal Trust or Indian Allotment

2. **Recycling Facility:** THIS AST IS ON A PIPELINE AND FACILITATES RECYCLING AT NUMEROUS RECYCLING FACILITIES
 Location of (if applicable): Latitude: 32.1553749°N Longitude: 103.4526942°W approximately (NAD83)
 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
 Above ground tanks Recycling containment Activity permitted under 19.15.17 NMAC explain type _____
 Activity permitted under 19.15.36 NMAC explain type: _____ Other explain _____
 For multiple or additional recycling containments, attach design and location information of each containment
 Closure Report (required within 60 days of closure completion): Recycling Facility Closure Completion Date: NOT APPLICABLE

3. **Recycling Containment:**
 Annual Extension after initial 5 years (attach summary of monthly leak detection inspections for previous year)
 Center of Recycling Containment (if applicable) Lat 32.1553702°N Long 103.4527172°W approx. (NAD83)
 For multiple or additional recycling containments, attach design and location information of each containment
 Lined Liner type: Thickness 40 mil Primary, 40 mil or 30 mil Secondary LLDPE HDPE PVC Other _____
 String-Reinforced
 Liner Seams: Welded Factory Other Volume: 22,000 BBL Dimensions 138 ft diameter x 8 ft tall
 Recycling Containment Closure Completion Date: July 31, 2021

4.

Bonding:

Covered under bonding pursuant to 19.15.8 NMAC per 19.15.34.15(A)(2) NMAC (These containments are limited to only the wells owned or operated by the owners of the containment.)

Bonding in accordance with 19.15.34.15(A)(1). Amount of bond \$ _____ (work on these facilities cannot commence until bonding amounts are approved)

Attach closure cost estimate and documentation on how the closure cost was calculated. (See Transmittal Letter)

5.

Fencing:

Four-foot height, four strands of barbed wire evenly spaced between one and four feet

Alternate. Please specify: _____.

6.

Signs:

12"x 24", 2" lettering, providing Operator's name, site location, and emergency telephone numbers

Signed in compliance with 19.15.16.8 NMAC

7.

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. See Volume 2 for Variances

8.

Siting Criteria for Recycling Containment

Instructions: The applicant must provide attachments that demonstrate compliance for each siting criteria below as part of the application. Potential examples of the siting attachment source material are provided below under each criteria.

| <u>General siting</u> | |
|---|--|
| <u>Ground water is less than 50 feet below the bottom of the Recycling Containment.</u> NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells FIGURES 1-2 | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> NA |
| 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. - Written confirmation or verification from the municipality; written approval obtained from the municipality FIGURE 3 | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> NA |
| Within the area overlying a subsurface mine. - Written confirmation or verification or map from the NM EMNRD-Mining and Minerals Division FIGURE 4 | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| Within an unstable area. - Engineering measures incorporated into the design; NM Bureau of Geology & Mineral Resources; USGS; NM Geological Society; topographic map FIGURE 5 | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| Within a 100-year floodplain. FEMA map FIGURE 6 | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| 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). - Topographic map; visual inspection (certification) of the proposed site FIGURE 7 | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| Within 1000 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application. - Visual inspection (certification) of the proposed site; aerial photo; satellite image FIGURE 8 | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| 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. FIGURES 1 and 7 - NM Office of the State Engineer - iWATERS database search; visual inspection (certification) of the proposed site | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| Within 500 feet of a wetland. FIGURE 9 - US Fish and Wildlife Wetland Identification map; topographic map; visual inspection (certification) of the proposed site | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |

9.

Recycling Facility and/or Containment Checklist:

Instructions: Each of the following items must be attached to the application. Indicate, by a check mark in the box, that the documents are attached.

- Design Plan - based upon the appropriate requirements.
- Operating and Maintenance Plan - based upon the appropriate requirements.
- Closure Plan - based upon the appropriate requirements.
- Site Specific Groundwater Data -
- Siting Criteria Compliance Demonstrations -
- Certify that notice of the C-147 (only) has been sent to the surface owner(s)

10.

Operator Application Certification:

I hereby certify that the information and attachments submitted with this application are true, accurate and complete to the best of my knowledge and belief.

Name (Print): Bradley Todd Carpenter Title: Operations Manager
 Signature: *Bradley Todd Carpenter* Date: _____
 e-mail address todd.carpenter@solarismidstream.com Telephone: 432-413-0918

11.

OCD Representative Signature: Victoria Venegas Approval Date: 12/07/2021

Title: Environmental Specialist OCD Permit Number: 1RF-458

- OCD Conditions _____
- Additional OCD Conditions on Attachment _____

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

District IV
 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 64178

CONDITIONS

| | |
|--|---|
| Operator: SOLARIS WATER MIDSTREAM, LLC 907 Tradewinds Blvd, Suite B Midland, TX 79706 | OGRID: 371643 |
| | Action Number: 64178 |
| | Action Type: [C-147] Water Recycle Long (C-147L) |

CONDITIONS

| Created By | Condition | Condition Date |
|------------|---|----------------|
| venegas | NMOCD has reviewed the closure report submitted by [371643] SOLARIS WATER MIDSTREAM, LLC, on November 30, 2021, for 1RF-458 Telluride Air Gap Above-Ground Storage Tank ID fVV2032840095 in P-03-25S-34E, Lea County, New Mexico. The closure report has been approved. The permit associated with 1RF-458 Telluride Air Gap Above-Ground Storage Tank ID fVV2032840095 is closed. If [371643] SOLARIS WATER MIDSTREAM, LLC chooses to re-install an AST Containment on this location, Solaris must submit a new permit application. The application must include Form C-147 with the "Recycling Containment" box and "Permit" box checked, the corresponding supporting documentation as well as a new closure cost estimated. | 12/7/2021 |