

**2RF-162 -  
MILLS RANCH  
RECYCLING  
CONTAINMENT -  
FACILITY ID  
fVV2121556196**

**C-147/Conditions of  
Approval**

**[329620] Enchantment  
Water, LLC  
August 5, 2021**

**Venegas, Victoria, EMNRD**

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**From:** Venegas, Victoria, EMNRD  
**Sent:** Thursday, August 5, 2021 3:53 PM  
**To:** peter@water.energy; Matthew Grisell; Michael Bailey  
**Cc:** Enviro, OCD, EMNRD  
**Subject:** 2RF-162 - MILLS RANCH RECYCLING CONTAINMENT - FACILITY ID fVV2121556196.  
Conditions of approval.  
**Attachments:** C-147 2RF-162 - MILLS RANCH RECYCLING CONTAINMENT 08.05.2021.pdf

**2RF-162 - MILLS RANCH RECYCLING CONTAINMENT - FACILITY ID [fVV2121556196](#). Conditions of approval.**

Mr. Grisell,

NMOCD has reviewed the recycling containment application and related documents, submitted by [329620] Enchantment Water, LLC on July 26, 2021, for 2RF-162 - MILLS RANCH RECYCLING CONTAINMENT - FACILITY ID [fVV2121556196](#) in Unit Letter M, Section - 06, Township - 23S, Range - 31E, Eddy County, New Mexico.

[329620] Enchantment Water, LLC requested a variance from 19.15.34 NMAC for 2RF-162 - MILLS RANCH RECYCLING CONTAINMENT - FACILITY ID [fVV2121556196](#), related to 19.15.34. NMAC.

The following variance have been approved:

- The variance from 19.15.34.13.E NMAC for the installation of an audible bird deterrence system, "Bird-X Mega-Blaster Pro", is approved.

The form C-147 and related documents for 2RF-162 - MILLS RANCH RECYCLING CONTAINMENT - FACILITY ID [fVV2121556196](#), is approved with the following conditions of approval:

- [329620] Enchantment Water, LLC shall construct, operate, maintain, close, and reclaim the 2RF-162 - MILLS RANCH RECYCLING CONTAINMENT - FACILITY ID [fVV2121556196](#) in compliance with 19.15.34 NMAC.
- The 2RF-162 - MILLS RANCH RECYCLING CONTAINMENT - FACILITY ID [fVV2121556196](#) is approved for five (5) years of operation from the date of permit application.
- 2RF-162 - MILLS RANCH RECYCLING CONTAINMENT - FACILITY ID [fVV2121556196](#) permit expires on July 26, 2026. If [329620] Enchantment Water, LLC wishes to extend operations past five (5) years, an annual permit extension request must be submitted using an OCD form C-147 through the [OCD Online](#) system by June 26, 2026.
- [329620] Enchantment Water, LLC cannot receive produced water in 2RF-162 - MILLS RANCH RECYCLING CONTAINMENT - FACILITY ID [fVV2121556196](#) 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. The total closure cost estimate for 2RF-162 - MILLS RANCH RECYCLING CONTAINMENT - FACILITY ID [fVV2121556196](#) consisting of one (1) inground containment in Unit Letter M, Section - 06, Township - 23S, Range - 31E, Eddy County, New Mexico in the amount of \$245,105.00, satisfies the requirements of NMAC 19.15.34.15.A.(1).
- 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.
- [329620] Enchantment Water, LLC shall notify OCD when construction of 2RF-162 - MILLS RANCH RECYCLING CONTAINMENT - FACILITY ID [fVV2121556196](#) commences.

- [329620] Enchantment Water, LLC shall notify OCD when recycling operations commence and cease at the 2RF-162 - MILLS RANCH RECYCLING CONTAINMENT - FACILITY ID [fVV2121556196](#).
- [329620] Enchantment Water, LLC shall provide OCD with the calculations for the operational total fluid capacity of each of the containments within 30 days of receiving produced water in the containment. The operational fluid capacity is the total volume of the containment, minus the volume not utilized due to the freeboard.
- 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 Online](#). An extension to extend the cessation of operation, not to exceed six months, may be submitted using a C-147 form through [OCD Online](#).
- [329620] Enchantment Water, LLC shall submit monthly reports of recycling and reuse of produced water, drilling fluids and liquid oil field waste on via [OCD Online](#) on form C-148 even if there is zero activity. Form C-148 is available for download at the OCD website at:  
<https://www.emnrd.nm.gov/wp-content/uploads/sites/6/C-147LongFINAL4-3-17.pdf>
- [329620] Enchantment Water, LLC shall comply with 19.15.29 NMAC Releases in the event of any release of produced water or other oil field wastes at 2RF-162 - MILLS RANCH RECYCLING CONTAINMENT - FACILITY ID [fVV2121556196](#).

Please reference number 2RF-162 - MILLS RANCH RECYCLING CONTAINMENT - FACILITY ID [fVV2121556196](#) in all future communications.

Please let me know if you have any further questions or concerns

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](mailto:Victoria.Venegas@state.nm.us)

<http://www.emnrd.state.nm.us/OCD/>



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: Enchanment Water, LLC (For multiple operators attach page with information) OGRID #: 329620  
Address: 1250 S. Capital of Texas Hwy, Ste 1-270, Austin, TX 78746  
Facility or well name (include API# if associated with a well): Mills Ranch Recycling Containment  
OCD Permit Number: 2RF-162 (For new facilities the permit number will be assigned by the district office)  
U/L or Qtr/Qtr SW4 **FACILITY ID FVV2121556196** Section 6 Township 23S Range 31E County: Eddy  
Surface Owner:  Federal  State  Private  Tribal Trust or Indian Allotment

2.  
 **Recycling Facility:** 32.281667 -103.780833  
Location of recycling facility (if applicable): Latitude 32° 16'54"N Longitude 103° 46'51"W 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: \_\_\_\_\_

3.  
 **Recycling Containment:** 32.328611 -103.82251  
 Annual Extension after initial 5 years (attach summary of monthly leak detection inspections for previous year)  
Center of Recycling Containment (if applicable): Latitude 32° 19'43"N Longitude 103° 49'21"W NAD83  
 For multiple or additional recycling containments, attach design and location information of each containment  
 Lined  Liner type: Thickness 60 & 40 mil  LLDPE  HDPE  PVC  Other \_\_\_\_\_  
 String-Reinforced  
Liner Seams:  Welded  Factory  Other \_\_\_\_\_ Volume: 315,000 bbl Dimensions: L 516' x W 391.5' x D 15'  
 Recycling Containment Closure Completion Date: \_\_\_\_\_

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 \$ 247,105 (work on these facilities cannot commence until bonding amounts are approved)

Attach closure cost estimate and documentation on how the closure cost was calculated.

5.

**Fencing:**

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

Alternate. Please specify See "Fencing" of the Appendix B

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.

**Variations:**

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.**

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.*

<b>General siting</b>	
<b>Ground water is less than 50 feet below the bottom of the Recycling Containment.</b> NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells	<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	<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	<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	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Within a 100-year floodplain. FEMA map	<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	<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	<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. - 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. - 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:**

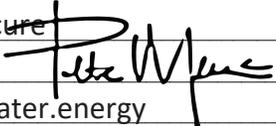
*Instructions: Each of the following items must be attached to the application. Indicate, by a check mark in the box, that the documents are attached.*

- 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): Peter Mercure Title: Chief Operating Officer  
 Signature:  Date: July 26, 2021  
 e-mail address: peter@water.energy Telephone: (432) 242-1550

11.

OCD Representative Signature: Victoria Venegas Approval Date: \_\_\_\_\_

Title: Environmental Specialist OCD Permit Number: 2RF-162

OCD Conditions \_\_\_\_\_ **FACILITY ID FVV2121556196**

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 72045

**CONDITIONS**

Operator: Enchantment Water, LLC P.O Box 60 Jal, TX 88252	OGRID: 329620
	Action Number: 72045
	Action Type: [C-147] Water Recycle Long (C-147L)

**CONDITIONS**

Created By	Condition	Condition Date
vvenegas	None	1/12/2022