



July 12, 2023

NM Oil Conservation Division
Environmental Bureau
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Re: Desoto Springs #3 Recycling Containment and Recycling Facility
1 RF-498
Facility ID #fVV2234954815
Section 5 T26S R36E, Lea County

Ameredev operating respectfully submits notification of the following:

A leak was discovered on 7/10/2023 on the primary liner of the 40K AST. No fluid is currently in our secondary containment, so the secondary liner is holding. We are draining the AST right now and will repair the leak when we can identify the source.

Sincerely,

Shane McNeely
Production Manager
Direct: (737) 300-4729
Email: smcneely@ameredev.com

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

https://www.emnrd.nm.gov/ocd/ocd-e-permitting/

Recycling Facility and/or Recycling Containment

Type of Facility: [X] Recycling Facility [X] Recycling Containment*
Type of action: [] Permit [] Registration
[] Modification [] Extension
[] Closure [X] Other (explain) Leak in 40K AST

* 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: Amerede Operating, LLC (For multiple operators attach page with information) OGRID #: 37224
Address: 2901 Via Fortuna Suite 6000, Austin, TX 78746
Facility or well name (include API# if associated with a well): Desoto Springs Recycling Facility
OCD Permit Number: 1-RF 498 (For new facilities the permit number will be assigned by the district office)
U/L or Qtr/Qtr A,B,G,H Section 5 Township 26 S Range 36 E County: Lea
Surface Owner: [] Federal [] State [X] Private [] Tribal Trust or Indian Allotment

2. [X] Recycling Facility:
Location of recycling facility (if applicable): Latitude 32.07599 Longitude -103.28225 NAD83
Proposed Use: [X] Drilling* [X] Completion* [X] Production* [X] 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.
[X] Fluid Storage
[X] Above ground tanks [X] 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. [X] Recycling Containment: 40K
[X] Annual Extension after initial 5 years (attach summary of monthly leak detection inspections for previous year)
Center of Recycling Containment (if applicable): Latitude 32.0758458 Longitude -103.2846368 NAD83
[] For multiple or additional recycling containments, attach design and location information of each containment
[X] Lined [] Liner type: Thickness 40 mil [X] LLDPE [] HDPE [] PVC [] Other Primary and Secondary Liners
[] String-Reinforced 12'3.5" Height / 159'2" Diameter
Liner Seams: [X] Welded [X] Factory [] Other Volume: 40,000 bbl Dimensions: L x W x D
[] 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 \$ _____ (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 Game fencing 8 ft with single strand barbed wire on top

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.

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	<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): Shane McNeely Title: Engineer
 Signature: *Shane McNeely* Date: 7/12/2023
 e-mail address: smcneely@ameredev.com Telephone: 737-300-4729

11.

OCD Representative Signature: *Victoria Venegas* Approval Date: 07/19/2023

Title: Environmental Specialist OCD Permit Number: 1RF-498

- 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 239235

CONDITIONS

Operator: AMEREDEV OPERATING, LLC 2901 Via Fortuna Austin, TX 78746	OGRID: 372224
	Action Number: 239235
	Action Type: [C-147] Water Recycle Long (C-147L)

CONDITIONS

Created By	Condition	Condition Date
vvenegas	None	7/19/2023