Trinity Consultants
9400 Holly Avenue NE, Building 3, Suite B, Albuquerque, NM 87122 / P 505.266.6611 / **trinityconsultants.com**

July 25, 2023

Leigh Barr
State of New Mexico
Oil Conservation Division (OCD)
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Subject: **Amended Groundwater Discharge Permit Application**

Facility: Libby Gas Plant
674 Marathon Road
Hobbs, New Mexico 88240

Dear Leigh:

Per the OCD comment letter dated May 26, 2023, please find enclosed the amended Groundwater Discharge Permit Application for the above referenced facility, which addresses your comments.

If there are any questions or additional information is required, please do not hesitate to contact our office at (949) 567-9880 Ext. 5510 or srwalters@trinityconsultants.com.

Sincerely,

TRINITY CONSULTANTS

Steven R. Walters, P.E.
Director

cc: Harry Lewis, Delek Logistics

Encl.

"

GROUNDWATER DISCHARGE PERMIT APPLICATION

State of New Mexico
Oil Conservation Division
Energy, Minerals and Natural Resources Department

Site Location:

Libby Gas Plant
674 Marathon Road
Hobbs, New Mexico 88240

Prepared By:

Trinity Consultants
20 Corporate Park, Suite 285
Irvine, CA 92606

February 28, 2023
Amended July 25, 2023

Project No. 230501.0032

Trinity Consultants

TABLE OF CONTENTS

1. INTRODUCTION

On behalf of DKL Field Services, Trinity Consultants, Inc. (Trinity) has prepared this Groundwater Discharge Permit Application (Application) for the Libby Natural Gas Plant located in Lea County within the state of New Mexico (hereinafter, the "Facility"). The Application was initially submitted in February 2023 to comply with a state order issued by the New Mexico Oil Conservation Division (OCD) relating to ground and surface water protections. This updated Application was subsequently submitted in April 2023 to incorporate comments received by the OCD.

1.1 Purpose

Pursuant to 20.6.2 New Mexico Administrative Code (NMAC), the OCD requires the filing of a groundwater discharge permit application for all natural gas plants located in the state. Prior to 2022, the OCD issued previous legal guidance indicating natural gas plants located in the New Mexico did not require ground water discharge permits. However, pursuant to a letter dated October 3, 2022, OCD determined this prior guidance was incorrect and without legal basis at the time it was previously issued. Per Section 3104 in 20.6.2 NMAC, the OCD cites that existing state law prohibits a person from causing or allowing effluent or leachate to move directly or indirectly into ground water without a discharge permit. Per its letter, the OCD clarified that this state requirement applies to both actual and potential ground water discharges. Under this framework, the potential for a ground water discharge from a facility triggers applicability of this state requirement. With respect to the Facility, the OCD determined its natural gas plant operations are subject to the ground water permitting requirements of 20.6.2 NMAC, and therefore required the filing of a ground water discharge permit application. As per the state order, the completed groundwater discharge permit application must be submitted via OCD's online system at https://www.emnrd.nm.gov/ocd/ocd-e-permitting.

1.2 Applicable Requirements

Within the state of New Mexico, the Oil and Gas Act authorizes the OCD to regulate the disposition of non-domestic, non-hazardous wastes from facilities for the production, refinement, pipeline transmission of oil and gas or products thereof. In addition, the OCD has authority to regulate the oil field service industry as related to oil and gas production activities, oil field brine production wells, and carbon dioxide facilities. The OCD has combined these requirements into a single "discharge permit" which is intended to protect ground water and surface water through regulation of the transfer and storage of fluids, and disposal of waste liquids and solids.

Per applicable requirements, this Application was prepared pursuant to published OCD guidelines for the filing of groundwater discharge permit applications.[1] Upon issuance by the OCD, the groundwater discharge permit considers intentional discharges as well as potential discharges from a facility. In addition, any inadvertent discharges of liquids (i.e., leaks and spills, or any type of accidental discharge of contaminants) or improper disposal of waste solids also have a potential to cause groundwater contamination or threaten public health and the environment. Therefore, the OCD requires a Discharge Permit even for a facility that does not have any intentional discharges, but may have the potential for such discharges.

[1] Guidance Document for Ground Water Discharge Permit Applications At Refineries, Natural Gas Plants, Well Pad Tank Batteries, Gas Compressor Stations, Crude Oil Pump Stations, and Oil and Gas Service Companies (Revised 9-2022), New Mexico Oil Conservation Division

The Discharge Permit Application must address surface facility operations including all areas of containerized materials, storage pits, tankage, product storage areas, loading areas, effluent/waste treatment, stormwater management, known ongoing groundwater impacts and related concerns. Pursuant to its published guidance document, the OCD requires that the Application address the following major elements:

- Facility Description
- Site Characteristics
- Potential and Intentional Discharges
- Collection and Storage Systems
- Inspections, Maintenance and Reporting
- Proposed Modifications, if any
- Spill/Leak Prevention and Reporting Procedures
- Closure / Post Closure Plan
- Financial Assurance
- Public Notice

2. FACILITY INFORMATION

2.1 Location

The physical location of the Facility is about 25 miles southwest of Hobbs, New Mexico, on the western side of County Road 27A (aka Marathon Road) (refer to Figure 1). The Facility is a natural gas processing plant (referred to as "Libby Gas Plant") located in Lea County on an approximate 60-acre tract of land in the east half of Section (S) 26, Township 20 South (T20S), Range 34 East (R34E). As shown by Figure 3, the natural gas plant is part of a larger complex referred to as the Libby Complex, which includes the following major operating assets referenced as follows:

- Libby Gas Plant
- Libby Crude Oil Terminal
- Libby Berry Fee Salt Water Disposal (SWD) Well #1
- Libby Recycling and Containment Facility (aka Libby Water Treatment and Impound)

The Libby Complex operates on private land formerly owned by 3Bear Energy, LLC (OGRID# 372603). Due to a corporate acquisition which was completed in 2022, the current owner and operator of the Libby Complex is DKL Field Services, LLC. While the other assets operate within close proximity to the Libby Gas Plant, the crude oil terminal, SWD and recycling and containment facilities referenced above are not part of this groundwater permit application. For reference, site maps and figures for the Libby Complex are provided in Appendix A.

2.2 Operator and Owner

Facility Owner:	DKL Field Services, LLC 310 Seven Springs Way, Suite 500 Brentwood, TN 37027
Facility Operator:	DKL Field Services, LLC 310 Seven Springs Way, Suite 500 Brentwood, TN 37027
Facility Name:	Libby Gas Plant (physical address) 674 Marathon Road (aka County Road 27A) Hobbs, New Mexico 88240
Operator OGRID:	372603 (formerly 3Bear Energy, LLC)
Legal Description:	Lea County, New Mexico Section 26, Township 20 South, Range 34 East
Latitude/Longitude:	32.543858°, -103.525344°
Key Contact:	James Young, DKL Field Services, LLC
Telephone:	409-553-1480

2.3 Facility Description

Originally constructed in 2018, the Facility currently receives and processes up to 85 MMscf/day of field gas from offsite compressor stations owned and operated by DKL Field Services, LLC. The primary facility operations include the separation of natural gas liquids (NGLs) from field gas, which produces a residue gas product and NGL product. The Facility utilizes a cryogenic gas separation process for NGL extraction, which the residue gas and NGLs are then piped to respective nearby interconnect metering stations that are owned by other 3rd parties. The Facility operates continuously 24 hours per day, 7 days per week and 52 weeks per year. Facility personnel are typically onsite for 24 hours per day and 7 days per week.

2.3.1 Operational Equipment

For reference, Table 1 (Appendix B) identifies the major equipment that are related to the gas plant operations. As shown, the Facility has a 3-phase separator (V-2010, Stabilizer Feed Separator) with a capacity of 1700 bbl. Gas condensate from plant operations is stored within four (4) 400 BBL aboveground storage tanks (TK-7100, TK-7101, TK-7102 and TK-7103). NGL extraction utilizes a cryogenic separation process and refrigeration, which resulting NGL and residue gas are transferred via pipeline to nearby interconnect metering stations that are owned by 3rd parties. No trucking of NGL products is conducted.

TK-7551 is a 500 BBL API 12F gun barrel style tank where oily water mixtures are separated. The separated water and oil are stored in TK-7501 and TK-7601, which are each 400 BBL aboveground storage tanks, respectively. The Facility operates multiple residue gas compressors, which are each driven by natural gas fired internal combustion engines with capacities from 1,380 hp to 1,680 hp (refer to Table 1). Located next to each residue gas compressor are 500-gallon aboveground stock tanks for engine lube oil and compressor oil, respectively. In addition, the Facility operates process flares with capacities up to 220 MMscf/day, and process heaters with capacities up to 49 MMBtu/hr (refer to Table 1).

The Facility operates an amine sweetening unit which treats sour gas for the removal H2S and CO2. Located near the amine sweetening unit is a single 200 BBL storage tank for amine makeup water. Amine solution is stored in one (1) 550-gallon tote. Additional chemicals used onsite include methanol that is stored in portable totes. Frick oil is also stored in 55-gallon drums, which approximately 10 drums are typically kept onsite. In addition, used oil is stored in 55-gallon drums, which approximately 20 drums are typically kept onsite. 3rd party contract services using conventional transport trucks deliver lube oil, compressor oil, and Frick oil, as well as transport the used oil for offsite recycling.

2.3.2 Regulatory Permits and Programs

The Facility operates pursuant to several environmental, health and safety regulatory permits and programs required by applicable state, local and federal agencies, which include the following:

- **Air Quality** - The Facility is a major source of air pollution that operates under a New Source Review Permit No. 7482M2 for the 3Bear Libby Gas Plant, which was issued by New Mexico Environmental Department, Air Quality Bureau.
- **Groundwater** - For natural gas plants, the Facility is required to operate pursuant to a Groundwater Discharge Permit issued by the New Mexico Oil Conservation Division.
- **Class II Injection Wells** – Although not currently operating nor constructed, the Facility is permitted to inject treated acid gas consisting of carbon dioxide (CO2) and hydrogen sulfide (H2S), which are referenced as Libby Acid Gas Injection (AGI) No. 1 Well and Libby Acid Gas Injection

(AGI) No. 2 Well. [2] Permits were issued by State of New Mexico Oil Conservation Commission, which are due to expire in Calendar Year 2025. Construction of these wells have not been initiated to date.

- **Oil Spill Prevention (40 CFR Part 112)** – Based on the volume of aboveground oil storage, the Facility is subject to 40 CFR Part 112, which requires the preparation and implementation of a Spill Prevention Control and Countermeasure (SPCC) Plan to prevent the discharge of oil.
- **OSHA Process Safety Management Standard (29 CFR 1910.119)** – Based on the type and quantity of highly hazardous chemicals onsite, the Facility is required to meet process safety management (PSM) standards to prevent or minimize the consequences of catastrophic releases of toxic, reactive, flammable, or explosive chemicals.
- **EPA Risk Management Program (40 CFR Part 68)** - Based on the quantity of listed regulated substances used onsite, the Facility is required to develop a Risk Management Plan (RMP) per U.S. EPA requirements, which evaluates and prevents accidental releases.
- **OSHA Emergency Action Plan (29 CFR 1910.38)** - For employee safety, the Facility is required to develop an Emergency Action Plan which address procedures in case of spills, fire or emergency, including, alarms, evacuations, response, agency notification, training and other elements.

2.3.3 Additional Descriptions

Per applicable requirements, the Application must include a facility description along with diagrams indicating location of fences, pits/ponds, berms, tanks, loading areas, storage facilities, disposal facilities, processing facilities, wastewater treatment facilities, monitoring wells, and property boundaries. For reference, site maps and other figures are presented in Appendix A, which identify applicable site features.

- **Location of fences/property boundaries** - The Facility incorporates an outer perimeter fence that consists primarily of chain link, barbed wire and posts, and roughly corresponds to the property boundaries. The locations of these fence lines are shown on the site maps in Appendix A.
- **Location of pits/ponds** - The Facility does not use pits or ponds for any waste accumulation, or effluent discharges. As noted above, all condensate and produced water from facility operations are stored within aboveground storage tanks, which are sent offsite for disposal.
- **Location of berms** - The Facility does not use earthen berms for secondary containment.
- **Location of storage facilities and tanks** – As described above, the Facility uses aboveground tanks for storage of water, condensate and oil. The locations of these tanks are shown on the site map.
- **Location of monitoring wells –** There are no groundwater monitoring wells at the Facility. Locations of other nearby wells are provided on Figure 4.
- **Location of disposal facilities -** There are no onsite disposal facilities at the Facility.

[2] Approval of Application of 3Bear Field Services, LLC for Authorization to Inject Acid Gas into the Proposd Libby AGI #1 and AFI #2 Wells, State of New Mexico Oil Conservation Commission, July 18, 2019

3. SITE CHARACTERISTICS

The Facility is located near the northern end of the Delaware Basin, which is a geologic basin stretching across west Texas and southeastern New Mexico that contains substantial oil and gas fields. The Delaware Basin is part of, and located on the west side of the much larger Permian Basin, which covers an area of 115,000 square miles in west Texas and southeast New Mexico. Per applicable OCD requirements, additional site characteristics relating to hydrologic and geologic information are described further below, including supporting materials and reference sources.

3.1 Site Geology

Surface elevations in the immediate vicinity of the Facility range from approximately 3,550 to 3,900 feet above mean sea level (AMSL). Based on USGS topographic maps, the elevation of the Facility is approximately 3,750 feet AMSL (refer to Figure 5).[3] The Facility is located within an area that is sparsely vegetated with scrub brush. The soil at the facility is comprised primarily of Pyote and Maljamar fine sand and Berino-Cacique fine sandy loams to loamy fine sands. The Pyote-Maljamar fine sands are sandy eolian deposits derived from sedimentary rocks which are well drained. The Pyote component has high transmissivity (Ksat) while the Maljamar component is very low to moderately low Ksat. The Berino-Cacique fine sandy loams to fine loamy sands are derived from sandy eolian deposits derived from sedimentary rocks over calcareous sandy alluvium derived from sedimentary rocks that are well drained. The Berino component has a moderately high to high Ksat while the Cacique component has a very low to moderately low Ksat.

3.2 Surface Water

The Lea County Regional Water Plan indicates there are no major surface waters nearby, rather primarily intermittent streams. The nearest major surface waters appear to be ephemeral lakes of Laguna Gatuna, Laguna Plata, and Laguna Tonto, which are 10 to 13 miles west-northwest from the Facility. Monument Draw is approximately 25 miles toward the southeast, which there are two streams that are intermittent. Monument Draw leads to the Pecos River, which is approximately 42 miles away.

3.3 Groundwater

There are no ground water discharge sites (seeps, springs, marshes, swamps) within one mile of the facility. There is one pending monitoring well on the property (CP-01691) that was proposed in 2017. There are no water wells within one-quarter mile of the outside perimeter of the facility. There is a directional, saltwater disposal well nearby on northern portion of Libby Complex, as part of the Libby SWD facility, which is referenced as API: 30-025-44288 and well number 320495. Refer to Figure 4 for location of nearby drinking and other wells.

Based on information provided by the New Mexico Bureau of Geology and Mineral Resources (NMBGMR), it appears the site is above the High Plains Aquifer and is composed of Tertiary-age alluvial fan, lacustrine and eolian deposits derived from erosion of the Rocky Mountains. The only information on the lithological type of rock below the Facility is from the directional logs for the saltwater disposal well, which indicate disposal into the Devonian/Silurian. The depth to these formations is listed as it is a directional depth and not vertical

[3] United State Geological Survey, 7.5 minute series map, Lea Quadrangle, Lea County, New Mexico, 2020

depth. The directional depth for the top of the Devonian is 14,780 ft. The Devonian is described as green shale, tan dense limestone, and brown dense dolomite, totaling 140 feet in thickness.

There are no groundwater monitoring wells within one mile of the Facility (refer to Figure 4). The closest groundwater monitoring well is NM-28402, which is approximately 2.2 miles to the southwest of the site and had a groundwater depth of 113.35 feet below ground surface (bgs) as recorded in 2014. Based on best available data, the groundwater depth in Lea County may range up to 270 feet bgs.[4] Note the state databases include a permit issued by the New Mexico Office of the State Engineer (CP-01691-POD1) on September 19, 2017 for a temporary groundwater monitoring well up to 100 feet bgs, which was to be closed by September 30, 2018 (refer to Appendix D). However, this temporary monitoring well was not installed. Subsequent to permit issuance, a geotechnical investigation was completed on the north side of the Libby Complex to gather information on subsurface conditions for the construction of a proposed water storage pond, which exploratory soil borings were drilled to depths up to 100 feet bgs.[5] Per the results of this geotechnical study, groundwater was not encountered in the exploratory borings during or immediately after drilling at these depths on the Libby Complex.[6]

For reference, two United States Geologic Survey (USGS) wells (323130103324101 and 323022103321001) had total dissolved solids (TDS) concentrations of 297 to 341 mg/l, which were collected in 1972. High Plains Aquifer chemistry based on the NMBGMR study indicate a mean median concentration of 436 mg/l and a mean of 995.9 mg/l. The Facility doesn't discharge to ground surface, and therefore the likelihood of groundwater being impacted from operations is negligible. The disposal of salt water into the Devonian/Silurian is below the aquifer systems in the area and is generally associated with oil and gas production.

3.4 Stormwater

According to FEMA maps, the Facility is within an area that is categorized as Flood Zone D, which are areas with possible but undetermined flood hazards. No flood hazard analysis has been conducted for this area.[7] Average monthly rainfall for the Hobbs, New Mexico area typically ranges from 0.84 to 2.72 inches.[8] Based on NOAA data, a 25-year, 24-hour rain event can yield approximately 4.78 inches of rainfall.[9] Facility drainage is expected to flow generally toward the northeast corner of the Libby Complex, and into a constructed riprap basin prior to discharge from the property.[10] Based on review of USGS topographic maps, drainage continues offsite in a northeasterly direction for approximately 0.5 miles to a dry drainage area, and then southeast to an unnamed playa feature approximately 2 miles southeast of the Facility. Although unlikely to reach such waters given the local geographic and climatic conditions, the receiving water is estimated to be Monument Draw, which is located over 25 miles to the southeast from the Facility.[11]

[4] New Mexico Office of the State Engineer, New Mexico Water Rights Reporting System, Lea County, S24, T20S, R34E

[5] Report of Geotechnical Study – Libby Site Impoundment, Tetratech, November 2017

[6] Id. at Page 10.

[7] Federal Emergency Management Agency (FEMA) National Flood Maps, Lea County, New Mexico

[8] U.S. Climate Data, www.usclimatedata.com

[9] NOAA Atlas 14 Point Precipitation Frequency Server, Hobbs, New Mexico

[10] SPCC Plan, 3Bear Libby Gas Plant, Marquez Environmental Services, Inc., June 2018, Site Plan, Figure 2

[11] SPCC Plan, 3Bear Libby Gas Plant, Marquez Environmental Services, Inc., June 2018, Page 5

4. POTENTIAL AND INTENTIONAL DISCHARGES

Per applicable requirements, the Application is required to address the potential or intentional discharge of materials used or stored at the Facility. Based on review, there are no intentional discharges from the Facility to surface waters or groundwater. Any discharge from the Facility would be the result of an unintentional discharge that was the result of a spill or other accidental release, which there are existing prevention, controls, containment, diversionary and other measures currently in place.

4.1 Materials Stored or Used

As applicable, OCD guidance requires the identification of key materials that are stored or used in these facility operations, such as process chemicals, acids, caustics, detergents, soaps, solvents, degreasers, paraffin treatment, emulsion breakers, biocides or other materials. As described in Section 2.3, the primary facility operations include the separation of NGLs from oil field gas, which produces a residue gas product and NGL product. These operations primarily generate condensate, produced water and used oil, which are stored within aboveground storage tanks resting on concrete pads inside of secondary containment dikes (refer to Table 1). In addition, the Facility stores and uses lube oil, compressor oil, Frick oil, amine solution, refrigerant and methanol, which are stored in portable totes and 55-gallon drums within containment areas. Locations of these materials are provided in the Site Maps within Appendix A.

4.2 Effluent and Waste Streams

For each potential or intentional source, OCD guidance requires a description of major effluent or waste streams (e.g., produced water, spent gas treating fluids, heat media, hydrocarbons, sewage, etc.). For each major effluent or waste stream, the Application should provide estimated quantities in barrels or gallons, volumetric flow rates, major additives (if any), and location (yard, shop, drum storage, etc.). As noted above, there are no intentional discharges from the Facility to surface waters or groundwater. The following processes, systems and equipment are potential sources of effluent or wastes generated at the Facility.

4.2.1 Potential Sources from Facility Operations

Storage Tanks – Produced Water and Condensate

There is no underground storage nor below grade tanks at the Facility. As noted in Table 1, there are several aboveground storage tanks used to store produced water and condensate generated from facility equipment and processes, which range in shell capacities from 200 to 500 bbl. As shown on the site maps, these storage tanks are located near the southeast corner of the Libby Complex within a concrete containment dike(s). These are non-hazardous streams, which are not treated nor disposed onsite. Rather, all condensate and produced water from facility operations are routinely sent offsite for disposal or treatment. In Calendar Year 2022, approximately 6,734,765 gallons of condensate was piped to the Libby Oil Terminal (approximately 500 feet distance). In Calendar Year 2022, approximately 20,983 gallons of produced water was trucked for disposal at the Libby SWD facility.

Equipment Maintenance – Used Oil
Most plant equipment is repaired or otherwise maintained onsite, including primarily the residue gas compressors, internal combustion engines, and other equipment. Used compressor, lube and other oils from plant equipment are routinely collected in 55-gallon drums, which are kept within containment dikes and routinely hauled offsite by 3rd party contractors for recycling. These used oils are not considered hazardous waste under applicable RCRA Subtitle C. In Calendar Year 2022, approximately 7,930 gallons of used oil was generated and trucked offsite for recycling.

Storage Tank Cleaning - Bottom Sludge

Sludge accumulates at the bottom of the aboveground storage tanks, which may be required to be periodically cleaned out by 3rd party contractors. At such times, individual tanks may be taken out of service whereby the sludge is removed, containerized, and shipped off-site for oil recovery, treatment or disposal. Since the Facility was constructed, tank bottoms have not been required to be cleaned out. When such tank cleaning events may occur, it is estimated up to 10 tons per year of sludge may be generated, which would be trucked to offsite locations.

Amine Sweetening Unit - Treated Acid Gas (TAG)
The Facility produces treated acid gas (H2S and CO2) from the amine sweetening unit, which these emissions are vented to an onsite thermal oxidation control device, and an upset flare (serving as back up).[12] Thermal oxidization typically provides at least 95% destruction of air pollutants. Note that groundwater quality is not anticipated to be impacted by these air pollutants, nor operation of these control devices.

Air Emission Sources – Criteria Air Pollutants
As stated by the Title V Permit, the Facility operates numerous equipment and sources which emit pollutants (NOx, VOC, CO, PM, and CH20) into the atmosphere, including, primarily several reciprocating internal combustion engines (RICE) and aboveground storage tanks.[13] To control or reduce air pollutants, the exhaust gases from this equipment are vented to different air pollution control devices, which are located onsite. Emissions from the RICE units (NOx, VOC, CO and CH2O) are vented through a catalytic oxidation and non-selective catalytic reduction devices, which are equipped with the RICE units. VOC emissions from the aboveground storage tanks are vented to a standalone process flare. Note that groundwater quality is not anticipated to be impacted by these air pollutants, nor operation of these control devices.

4.2.2 Other Potential Sources

On-Site Disposal
Per applicable OCD requirements, the Application is required to describe each existing on-site locations used for effluent/solids discharge disposal of water, sludges, waste oils, solvents, etc., including surface impoundments, disposal pits, leach fields, floor drains, injection wells, land farms or other. As noted, the Facility does not discharge or dispose of any wastewater effluent onsite, nor any waste products. The Facility does operate several onsite air pollution control devices for the treatment and destruction of air pollutants generated from operational equipment, which do not impact groundwater quality.

Off-Site Disposal
Per applicable OCD requirements, the Application is required to describe any offsite disposal of wastewater, sludges, solids or other effluent, including, general description of waste, method of shipment (e.g., pipeline,

[12] New Source Review Permit, 3Bear Libby Gas Plant, New Mexico Air Quality Bureau, October 25, 2021, Page A10

[13] New Source Review Permit, 3Bear Libby Gas Plant, New Mexico Air Quality Bureau, October 25, 2021, Page A10

trucked), and final disposition (e.g., recycling plant, Class II disposal well, or domestic landfill, etc.). As noted above, these off-site disposal methods and locations for existing waste streams are described above in Section 4.2.1.

Ground Water Contamination
Per applicable OCD requirements, the Application is required to identify any existing ground water impacts have been found at the site, and if there is any current method for monitoring groundwater at the time of application, including, possible sources of groundwater contamination and remediation efforts. Based on knowledge of facility employees and review of available public sources, there are no sources of existing groundwater contamination at the Facility. In addition, there are no historical remediation activities nor active monitoring of groundwater wells occurring at the Facility. As noted in Section 3.3, groundwater depth at the Facility likely exceeds 100 feet bgs based on the available data from a 2017 geotechnical investigation that was conducted at the Libby Complex.[14]

Stormwater Management
In general, the vast majority of stormwater at the Facility would be considered non-contact. Due to the arid climatic conditions present in this portion of New Mexico, rainwater typically does not accumulate onsite nor within secondary containment areas for long periods of time. Note that some stormwater may be captured within secondary containment or diked areas, such as the aboveground storage tank area. However, any rainwater that accumulates within secondary containment areas are generally allowed to evaporate, or alternatively, can be removed by a vacuum truck on an as-needed basis. If the rainwater accumulation has a visible sheen based upon inspection, it is removed by vacuum truck and disposed offsite by 3rd party contractor. Any uncontained stormwater is expected to flow generally toward the northeast corner of the Libby Complex into a constructed riprap basin, which is the primary stormwater discharge location.[15] Existing site grading and drainage prevents stormwater runoff or discharge through other locations along the property boundary. The Facility does not employ any advanced treatment, capture nor retention systems for stormwater. Further, the SPCC Plan for the Facility indicates there are no plant effluents discharged to navigable waters of the United States.

4.3 Collection and Storage Systems

For collection and storage systems, the Application includes information to determine what water contaminants may be discharged to the surface and subsurface within the facility. Water and wastewater flow schematics may be used provided they have sufficient detail to show individual treatment units. Information desired includes whether tanks, piping, and pipelines are pressurized, above-ground or buried. If fluids are drained to surface impoundments, oil skimmer pits, emergency pits, shop floor drains, sumps, etc. for further transfer and processing, provide size (volume) and indicate if these collection units are lined or unlined. If lined, describe lining material (e.g., concrete, steel tank, synthetic liner, etc.).

Tanks and Chemical Storage Areas
As noted, there are no underground storage tanks nor below grade tanks at the Facility. The aboveground storage tanks are constructed of steel in accordance with API standards. The tank(s) are specifically designed to hold oil and/or water and the materials of construction are compatible with the contents. Each tank has a concrete ring below as foundation and an impermeable liner to enable leaks from the bottom to be detected

[14] Report of Geotechnical Study – Libby Site Impoundment, Tetratech, November 2017, Page 10

[15] SPCC Plan, 3Bear Libby Gas Plant, Marquez Environmental Services, Inc., June 2018, Site Plan, Figure 2

quickly. As noted by the SPCC Plan, the aboveground tanks and chemical storage have adequate secondary containment per applicable federal requirements with passive and/or active control measures. 55-gallon drums and totes with used oils or chemicals are similarly maintained with diked secondary containment areas or containment pallets.

Buried Piping

The Facility was constructed and commissioned approximately five (5) years ago in CY 2018, which all buried piping was constructed in accordance with ASME Standards B31.3 or B31.8 for process piping. Pipe grade follows API 5L PSL 2 Grade B with a yield stress of 35,000 psi. For the main buried segment coming into the plant, the pipe is 8" diameter, Schedule XH (0.5 inch thickness) and Grade B. The coating is fusion bond epoxy (FBE) and the soil to air transitions have additional coating protection in the critical zone (12" below grade and 6" above grade), which satisfy code requirements. Further, all piping is covered under the Facility's mechanical integrity program, which follows the guidelines of API 570 for inspections and maintenance. Below is a summary of the inspection program for the facility piping:

- Formal visual inspection interval is 10 year in accordance to API 570
- Ultrasonic thickness (UT) measurement interval is 10 years in accordance to API 570
- Soil to air transitions are visually inspected on a 5 year interval
- Above grade pipe visually inspected on a 5-10 year interval dependent on API 570 guidance

Note that buried piping has individual inspection circuits, which the entire pipe is not exposed during inspection per API 570 guidance. Designated piping areas may be exposed based on engineering analysis and risk assessment. Once exposed, visual inspection and UT measurement is conducted for designated areas. Guided wave ultrasonics testing is also implemented to survey the line in both directions, as required. Inspection is progressive and additional lines may be exposed when conditions arise.

5. INSPECTION, MAINTENANCE, AND REPORTING

During workdays, facility personnel conduct regular maintenance and visual observations of operating equipment during normal job duties. Operations personnel also routinely conduct visual surveillance of process areas and monitor the integrity of equipment, containment areas, concrete paving, curbing, catch basins, and trenches. Any problems are reported to the site manager for repair.

In addition, formal inspections and recordkeeping are also maintained as part of SPCC Plan requirements, which are described as follows. Facility personnel view and informally inspect aboveground storage tanks several times per week as part of their routine maintenance schedule. Aboveground storage tanks, secondary containment and associated equipment are formally inspected on a quarterly basis. During these inspections, the outside of each tank is observed for evidence of deterioration, leaks which might cause a spill, or accumulation of oil inside diked areas. This formal visual inspection of the aboveground tanks is performed quarterly as part of the facility and tank inspection, which are documented. In addition, formal testing and inspections on steel aboveground storage tanks and piping are conducted in accordance with Steel Tank Institute (STI) guidelines, API 570 or other appropriate industry standards. Additional inspections, maintenance and recordkeeping requirements are also maintained as part of other regulatory permits and programs at the Facility, including primarily:

- Air Quality / Title V Permit and applicable air quality rules
- OSHA Process Safety Management Standard (29 CFR 1910.119)
- EPA Risk Management Program (40 CFR Part 68)

With respect to stormwater inspections, some rainfall may be captured within secondary containment or diked areas of the Facility, which are readily observable. Given the arid climatic conditions present in this portion of New Mexico, rainwater typically does not accumulate onsite nor within secondary containment areas for long periods of time. Note the SPCC Plan specifies that any rainwater that accumulates within secondary containment areas are generally allowed to evaporate, or alternatively, can be removed by a vacuum truck on an as-needed basis. If the rainwater accumulation has a visible sheen based upon inspection, it is removed by vacuum truck and disposed offsite by 3rd party contractor.

6. SPILL PREVENTION AND REPORTING

The Ground Water Discharge Permit Application is required to include spill prevention and reporting procedures (or contingency plan) that anticipates where any leaks or spills might occur. The following general procedures are followed to prevent accidental releases and report such releases if they should occur.

As noted, the Facility is subject to SPCC, RMP, OSHA and other regulatory plans and programs which require prevention, containment, inspections, controls, procedures and other measures to prevent spills or accidental releases. All liquid storage at this facility occurs in aboveground tanks that have sized secondary containment for the containment of leaks and spills. Should a release occur at the Facility, any liquid leaks will accumulate and be readily observable within the secondary containment. The spilled material will be removed by vacuum truck immediately, and containment area further inspected for any damage.

As required, the Facility will notify the OCD of any accidental or unpermitted discharges/releases to the environment subject to 20.6.2.1203 NMAC, which does not define a threshold limit for reporting purposes. Consequently, all accidental or unpermitted releases to the environment (soil or groundwater), regardless of the amount released, is to be reported to OCD's Administrative Permitting Section via OCD's E-Permitting System on Form C-141 within the required timeframe. Per applicable requirements, the reporting timeframes are within 24 hours of discovery for a release meeting the criteria in section 19.15.29.7(A) NMAC, or alternatively, within 15 days after discovering any other unpermitted or accidental discharges to the environment.

7. PROPOSED MODIFICATIONS

Per applicable OCD guidance, if collection and storage systems do not meet the necessary criteria, or if protection of groundwater cannot be demonstrated by the Facility, the Application should describe what plant modifications, new facilities or other site improvements are being proposed to meet applicable requirements, such as, retention ponds, drainage systems, containment areas or other improvements. If facility modifications or other site improvements are proposed, the Application should describe the proposed changes, construction timeframes, site plans, engineering and other technical information to the extent feasible.

As noted, there are no intentional discharges from the Facility to surface waters or groundwater. Any discharge from the Facility would be the result of an unintentional discharge that was the result of a spill or other accidental release, which are addressed by existing prevention, containment, structures, diversionary and other control measures currently in place. The Facility anticipates its existing collection, storage, containment, procedures and other methods provide adequate protection of groundwater from its operations. Consequently, the Facility is not proposing any plant modifications, new facilities or other site improvements at this time in order to meet applicable requirements.

8. CLOSURE / POST CLOSURE PLAN

Pursuant to WQCC 20.6.2.3107(A)(11) NMAC, this section provides a closure plan if the Facility permanently terminates its operations, or otherwise intends to cease all facility operations and related activities. In such case, this closure plan includes specific steps and methods that will be utilized to properly close aboveground tanks, process equipment, and storage areas, including, regulatory notifications, decontamination procedures, soil sampling methods, groundwater sampling, reporting and other requirements.

8.1 Notifications

Upon a permanent closure or cessation of facility operations, the Facility will notify applicable local and state authorities upon the completion of required closure activities per this plan. All notices, reports and other correspondence related to this closure plan will be submitted to the following primary authority:

State of New Mexico
Oil Conservation Division (OCD)
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

OCD – Hobbs Office
1625 N. French Drive
Hobbs, New Mexico 88240
(575) 241-7063

8.2 Decontamination Procedures

8.2.1 Liquid Removal and Disposal

As part of closure, the effluent of any storage tanks and other equipment will be pumped and trucked offsite for proper disposal. Further, any 55-gallon drums or totes of waste material will be trucked for offsite disposal. Final cleanup, liquid removal and disposal is anticipated to involve the following major equipment and operational areas, as applicable:

- Amine Sweetening Unit
- Stabilizer Feed Separator
- Aboveground Storage Tanks (Condensate, Water, Oil)
- Containment Dikes
- Residue Gas Compressors
- Internal Combustion Engines
- Flares
- Thermal Oxidizer / Air Pollution Control Devices
- Chemical/Drum Storage Areas

If required, the Facility will conduct analytical testing to profile waste streams prior to disposal. The Facility will prepare and maintain all lab reports, profiles, waste manifests and other disposal documents. At the completion of final cleanup, the aboveground storage tanks and ancillary equipment (pumps, piping, sumps, etc.) are anticipated to be empty with residual liquids only. The Facility will hire an outside 3rd party contractor to profile and pump out the tank bottoms for appropriate offsite disposal.

8.2.2 Decontamination of Tanks, Equipment and Storage Areas

Upon completion of cleanup activities and liquid removal, visual inspections will be conducted to verify all process equipment, aboveground tanks, piping and ancillary equipment are empty. At which point, the tanks and equipment will be required to be decontaminated of any residual waste material and free liquid, as applicable. Subject to the selection of a 3rd party contractor and any further specific recommendations, the following general steps are anticipated for the contractor in in the equipment decontamination:

- The interior of all tanks will be washed with a detergent-water solution and high-pressure spray. The interior may also be scraped and/or squeegeed to remove residual waste material. Pressure washing will continue until the tank interior is visually clean, and then triple rinsed. The quantity of rinsate water will be kept to a minimum to reduce the amount required for treatment/disposal.
- Rinsate water and residual wastes that accumulate at the bottom of tanks will be removed using a remote pump, drums, IBC/totes (intermediate bulk containers), or similar, and transferred to either a vacuum truck, tanker truck or into IBC/totes.
- The decontamination wash water and residual waste from the tank will be profiled to determine hazardous waste characteristics and transported for treatment/disposal at an appropriately permitted facility, or otherwise characterized as non-hazardous waste in accordance with applicable regulations. The Facility will hire an outside 3rd party contractor for materials to be trucked for offsite disposal.
- Piping and appurtenant equipment may be flushed prior to or during residual waste removal for the tanks. Piping and appurtenant equipment will be similarly decontaminated with a detergent-water solution and high-pressure spray.
- All onsite tanks, process equipment and piping is anticipated to be demolished and otherwise removed for disposal, recycling, or re-use, depending on the condition at the time of site closure. All equipment will be disposed of or recycled in a manner approved by applicable local and state requirements.

8.2.3 Decontamination of Secondary Containment Areas

The storage tanks are maintained within secondary containment areas, which is equipped with a concrete liners and diked wall. At the time of facility closure, this secondary containment area will be inspected and decontaminated in accordance with the following general procedures, if deemed necessary.

- The tank containment area dike and slab area will be inspected by qualified personnel for the presence of cracks, fissures, missing seals, etc. If found, visible cracks or gaps in the containment area shall be sealed and otherwise repaired prior to commencement of cleaning to prevent migration of rinsate outside of the containment area.
- Based on the visual inspection by qualified personnel, if there are any unsealed cracks that are fully penetrating, excessive staining of the concrete floor or other evidence of potential containment of the subsurface, these areas will be identified or otherwise marked for soil sampling during closure as described below.

- The containment dike will be swept to remove loose debris, and then washed with a detergent water solution and high-pressure spray and then triple rinsed. The quantity of wash water will be kept to a minimum to reduce the amount required for treatment/disposal. Decontamination of the secondary containment area will be repeated as necessary, until the clean levels have been met.
- A sample of the final rinsate will be collected and analyzed for similar constituents as for the tank systems described above. The results of the rinsate analysis will be used to verify effective decontamination of the containment area.
- As required, the decontamination wash water will either be managed as a hazardous waste and transported for treatment/disposal at an appropriately permitted facility, or otherwise characterized as non-hazardous and managed in accordance with applicable regulations. The Facility will hire an outside 3rd party contractor for materials to be trucked for offsite disposal.
- All decontaminated containment areas are anticipated to be demolished and otherwise removed for disposal or recycling at offsite locations. Disposal or recycling of removed materials will be performed in a manner approved by applicable local and state requirements.
- If necessary, soil samples will be collected based on inspection. If collected, soil samples will be analyzed in accordance with applicable requirements, as further described below in the sampling plan.
- As an alternative to demolition, the decontaminated containment areas and structures may also be kept in place for subsequent future use.

8.3 Soil Sampling

Following decontamination of respective tanks, process equipment, ancillary equipment and containment areas, soil samples may be collected from beneath each containment area(s) based on the visual observations and recommendations by the qualified professional. As deemed necessary, a soil sampling plan may also be developed to specifically identify sampling locations, number of samples, sampling depths, constituents and other requirements. Based on inspection, potential areas of subsurface soil sampling would likely be directly beneath cracks in the containment area, major gaps or other areas which may be indicative of waste migrating to underlying soils. In addition, soil sampling may also occur directly underneath prior locations of storage tanks, containment areas, sumps and/or areas of excessive floor staining.

If required, soil sampling will be conducted by independent 3rd party contractors. Samples will be collected at specified depths below the cracks, gaps or other suspect areas using standard soil collection methods, such as hand auger, drill rig or other acceptable methods. The 3rd party contractors will complete and maintain copies of chain-of-custody forms upon delivery to certified laboratory for analysis. Soil types will be logged in general accordance with the ASTM D2488-00 Standard Practice for Classification of Soils (Visual -Manual Procedure), Unified Soil Classification System (USCS).

It is anticipated that soil samples will be analyzed to determine hazardous or toxicity characteristic, including at a minimum, VOCs and petroleum hydrocarbons per accepted laboratory test methods. If necessary, background samples may also be collected from other parts of the facility property for comparison purposes. Soil sample results will be compared to applicable soil closure, cleanup criteria or other criteria provided by the state of New Mexico or U.S. EPA. In the event that laboratory analysis indicates the collected soil samples do not satisfy applicable criteria, the facility shall provide the required notifications to the appropriate regional agencies. Should further remediation or other cleanup actions be deemed necessary, the Facility shall prepare a Remedial Action Plan and Post-Closure Monitoring Plan to address specific areas of concern, if required.

8.4 Groundwater Sampling

If soil sampling indicates the release of petroleum or chemicals may have impacted groundwater, groundwater samples will be collected within the areas of concern determined by qualified personnel. As deemed necessary, a groundwater sampling plan may also be developed to specifically identify sampling locations, number of samples, sampling depths, laboratory analysis, constituents and other requirements. As required, groundwater sampling will be conducted by qualified independent 3rd party contractors. Samples will be collected at specified depths and locations based on recommendations of 3rd party contractors using standard groundwater collection methods deemed acceptable per state of New Mexico. The 3rd party contractors will complete and maintain copies of chain-of-custody forms upon delivery to certified laboratory for analysis.

It is anticipated that groundwater samples will be analyzed for hazardous or toxicity characteristic, including, VOCs, metals and petroleum hydrocarbons per accepted laboratory test methods. Groundwater sample results will be compared to applicable closure, cleanup or other criteria provided by the state of New Mexico or U.S. EPA. In the event that laboratory analysis indicates the collected groundwater samples do not satisfy applicable criteria, the facility shall provide the required notifications to the appropriate regional agencies. Should further remediation or other cleanup actions be deemed necessary, the Facility shall prepare a Remedial Action Plan and Post-Closure Monitoring Plan to address specific areas of concern, if required.

8.5 Closure Report

When closure is completed, the Facility shall prepare a closure report by a 3rd party contractor. The Closure Report shall identify the equipment, tanks and areas which have been properly cleaned, decontaminated, disposed and closed in accordance with this written closure plan. Information contained in the Closure Report shall include a brief site history, site plan, equipment inventory, decontamination procedures, photographs, sampling results (if any), laboratory analytical reports, description of wastes removed, copies of waste manifests, disposal methods/locations and other required technical information. Any deviations from this closure plan will also be documented in the report. The Closure Report will be submitted to the OCD within 60 days of completion of the closure activities stated in this plan.

8.6 Closure Cost Estimate

Note the following general closure cost estimates assume the use of qualified 3rd parties to perform all closure tasks, including, decontamination, equipment dismantling, waste removal, soil and groundwater sampling and report preparations. In addition, closure costs assume there will be no significant soil nor groundwater contamination which requires remediation, or post closure monitoring.

- Liquids Removal and Disposal = $25,000
- Tank Decontaminations = $50,000
- Equipment Demolition/Removal = $250,000
- Soil and Groundwater Sampling = $50,000
- Closure Report = $15,000

Total Cost Estimate = $390,000

9. PUBLIC NOTICE

For a Groundwater Discharge Permit Application to be deemed administratively complete, the application must include all the information for purposes of public notice, as required by Paragraphs (1) through (5) of Subsection F of 20.6.2.3108 NMAC. This information shall indicate the proposed locations and newspaper for providing public notice required by Paragraphs (1) and (4) of Subsection B or Paragraph (2) of Subsection C of 20.6.2.3108 NMAC.

For OCD's review, a draft of the public notice is provided in Appendix E, which includes all required information required by Paragraphs (1) through (5) of Subsection F of 20.6.2.3108 NMAC. As required, the applicant intends to issue a public notice in the following manner:

- **Onsite Location:** A synopsis of the public notice at least 2 feet by 3 feet in size, in English and in Spanish, shall be placed near the facility entrance to the Libby Gas Plant located at 674 Marathon Road, Hobbs, New Mexico.
- **Nearby Offsite Location:** A copy of the public notice shall be posted at the Hobbs Public Library, 509 N. Shipp Street, Hobbs, New Mexico, 88240. The public library operating hours are Monday from 9:30 am to 8:00 pm, Tuesday and Wednesday 9:30 am to 6:00 pm, and Thursday and Friday 9:30 am to 5:00 pm.
- **Neighboring Properties**: Written notice by mail or electronic mail shall be provided to owners of record of all properties within a 1/3 mile distance from the boundary of the property where the discharge site is located. In the event there are no properties other than properties owned by the discharger within a 1/3 mile distance from the boundary of property where the discharge site is located, the applicant shall provide notice to owners of record of the next nearest adjacent properties not owned by the discharger.
- **Local Newspaper:** A synopsis of the notice in English and in Spanish shall be placed in Hobbs News-Sun local newspaper, which shall be a display ad at least three inches by four inches. The ad shall not be placed in the classified or legal advertisements section.

Within 15 days of completion of the public notice requirements in Subsections B or C of 20.6.2.3108 NMAC, the applicant is required to submit to the OCD proof of notice, including an affidavit of mailing(s) and the list of property owner(s), proof of publication, and an affidavit of posting, as appropriate.

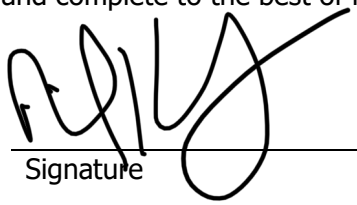
10. REFERENCES

The following key documents, maps and resources were provided by the facility, public agencies or other sources for the preparation of this Application:

- Guidance Document for Ground Water Discharge Permit Applications At Refineries, Natural Gas Plants, Well Pad Tank Batteries, Gas Compressor Stations, Crude Oil Pump Stations, and Oil and Gas Service Companies (Revised 9-2022), New Mexico Oil Conservation Division
- New Mexico Office of the State Engineer, New Mexico Water Rights Reporting System
- New Mexico Office of State Engineer, Point of Diversion Mapping Tool
- New Mexico Oil Conservation Division, Well Details
- United States Geological Survey, Topographic Maps
- United States Geological Survey, National Water Information System
- Google Earth, http://www.googleearth.com
- Federal Emergency Management Agency, Flood Zone Maps
- SPCC Plan, 3Bear Libby Gas Plant, Marquez Environmental Services, Inc., June 2018
- Approval of Application of 3Bear Field Services, LLC for Authorization to Inject Acid Gas into the Proposd Libby AGI #1 and AGI #2 Wells, State of New Mexico Oil Conservation Commission, July 18, 2019
- New Source Review Permit, 3Bear Libby Gas Plant, New Mexico Air Quality Bureau, October 25, 2021
- Report of Geotechnical Study – Libby Site Impoundment, Tetratech, November 2017

11. CERTIFICATION

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



Signature

Michael Kunko, Sr. Manager, Operations

Printed Name / Title

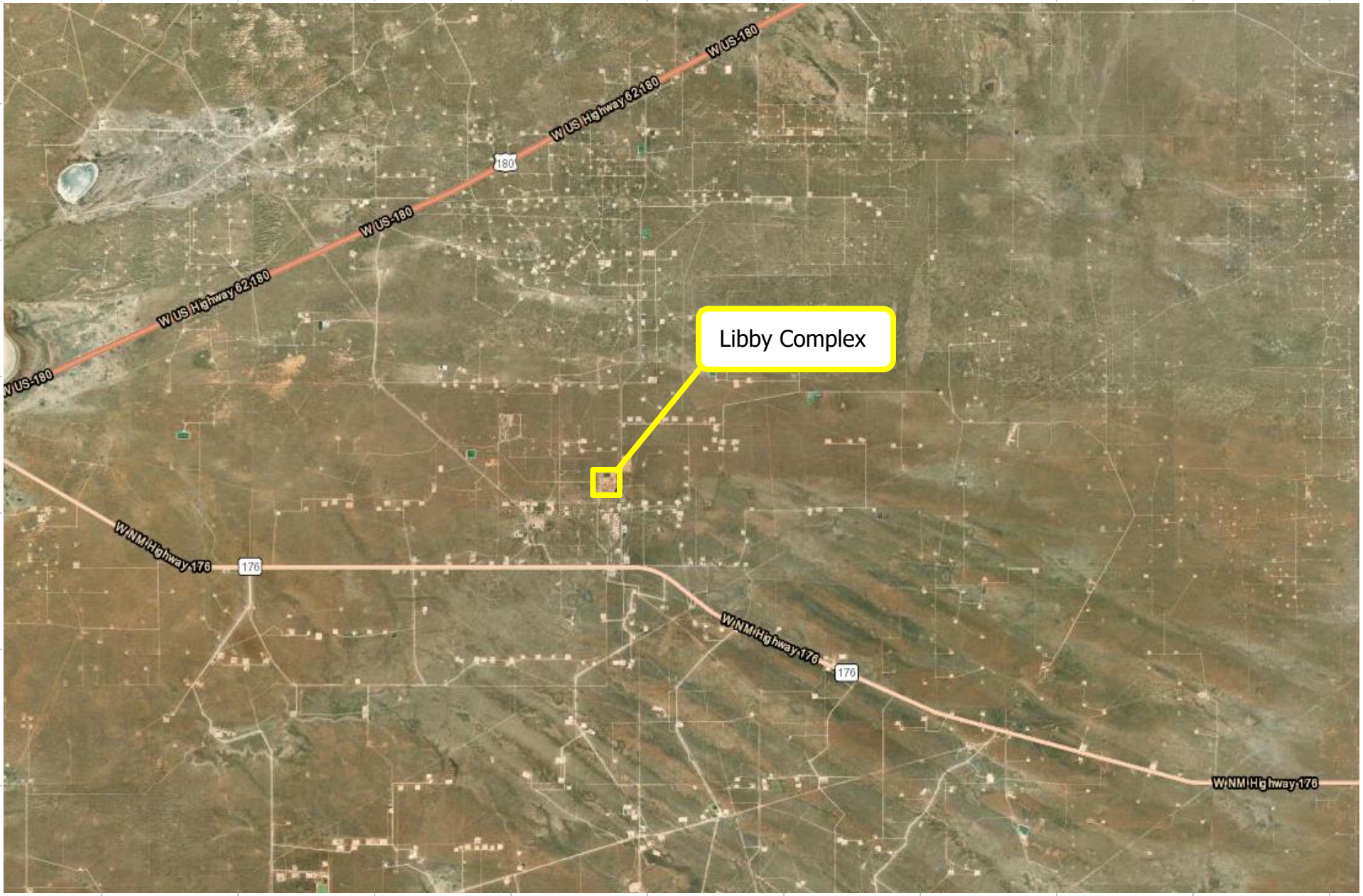
DKL Field Services, LLC

Company Name

July 25, 2023

Date

APPENDIX A. FIGURES



Trinity Consultants

Delek LOGISTICS

Libby Gas Plant
674 Marathon Road (aka County Road 27A)
Hobbs, New Mexico 88240

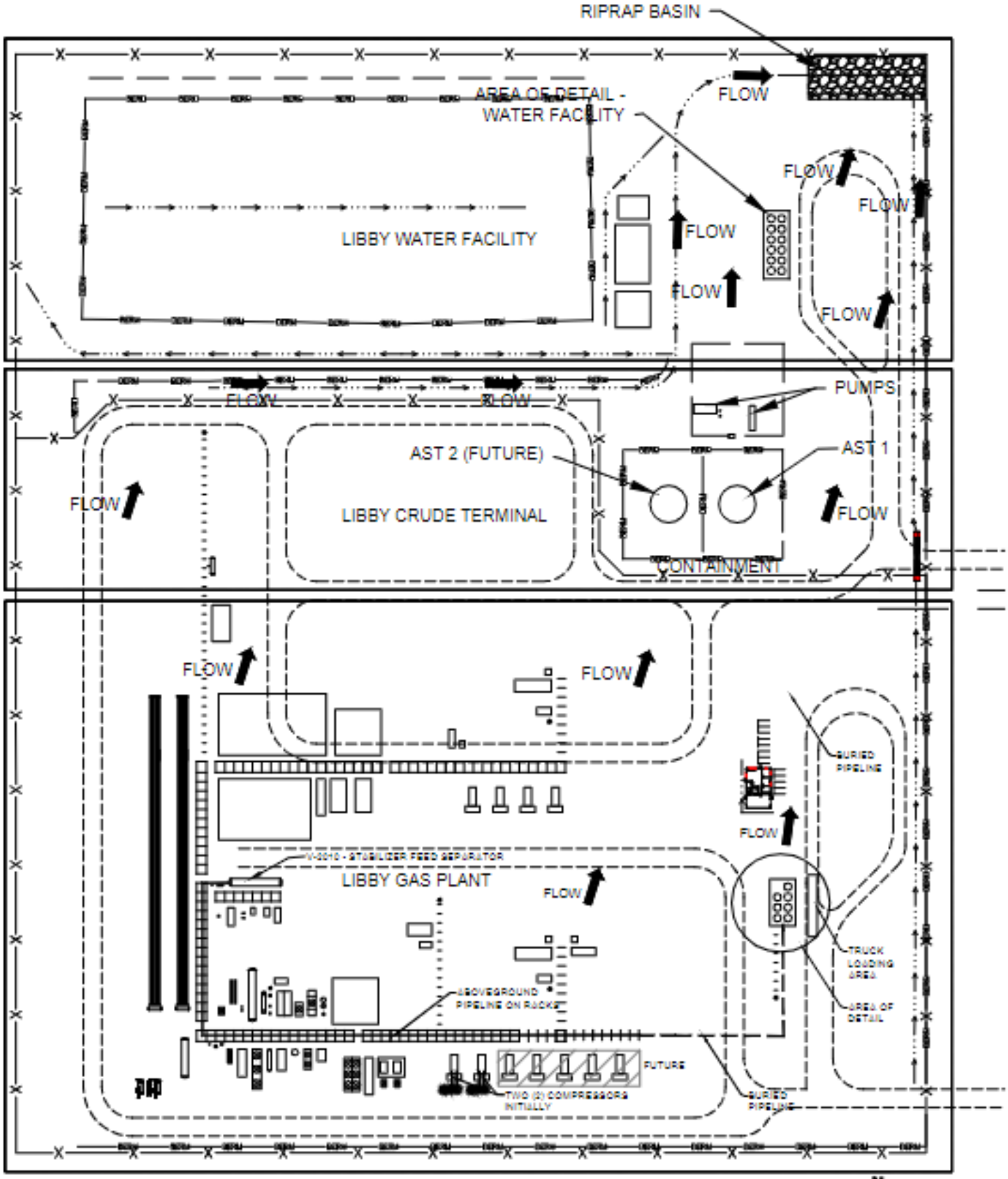
Description		
Location Map		
Scale	Date	Figure
N/A	February 2023	1

Trinity Consultants

Delek LOGISTICS

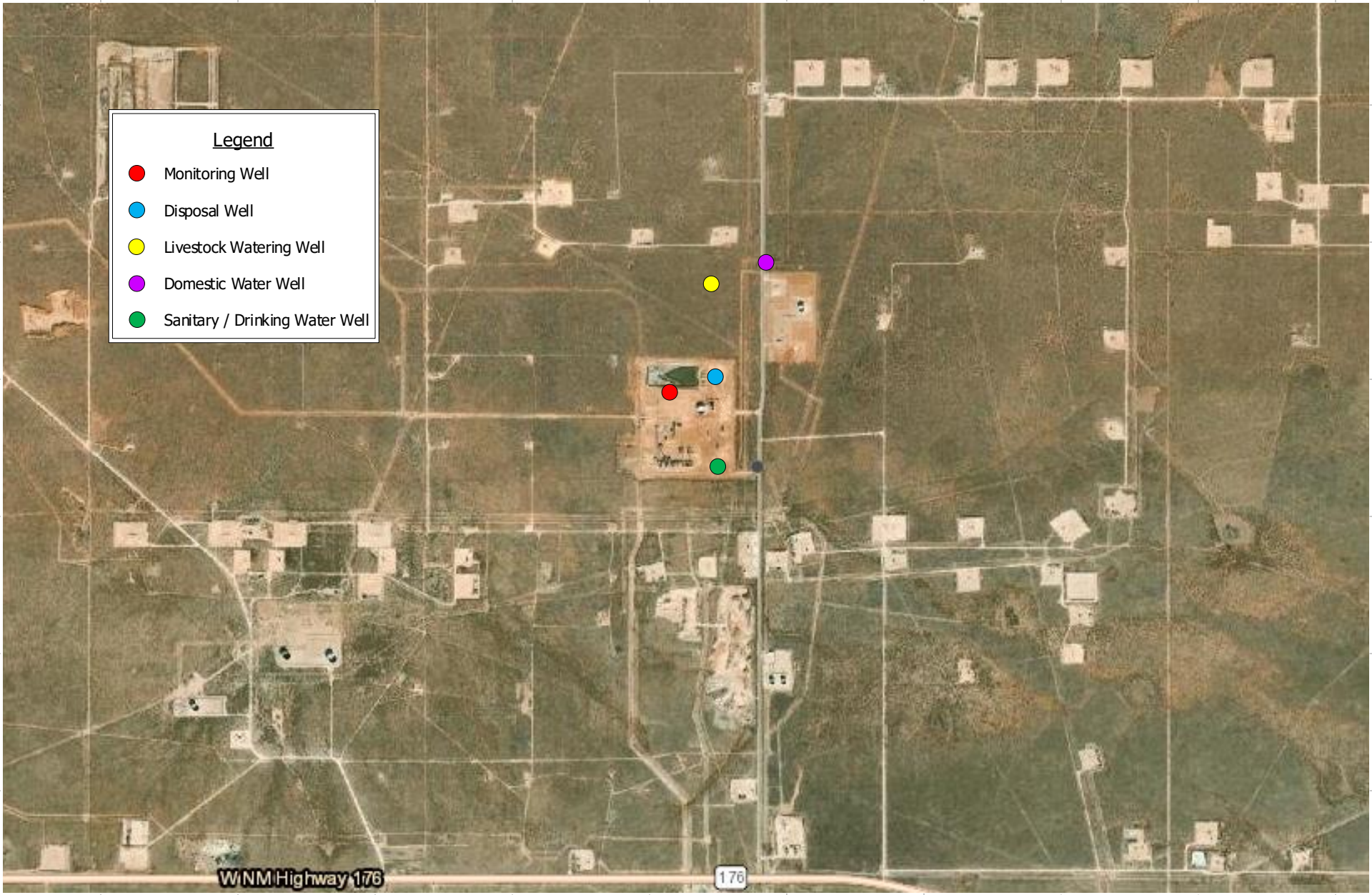
Libby Gas Plant
674 Marathon Road (aka County Road 27A)
Hobbs, New Mexico 88240

Description		
Vicinity Map		
Scale	Date	Figure
N/A	February 2023	2



PLAN VIEW

Prepared By:	Prepared For:	Description:	
Trinity Consultants	Delek Logistics Libby Gas Plant 674 Marathon Road (aka County Road 27A) Hobbs, New Mexico 88240	Site Map	
		Figure: 3	Date: February 2023



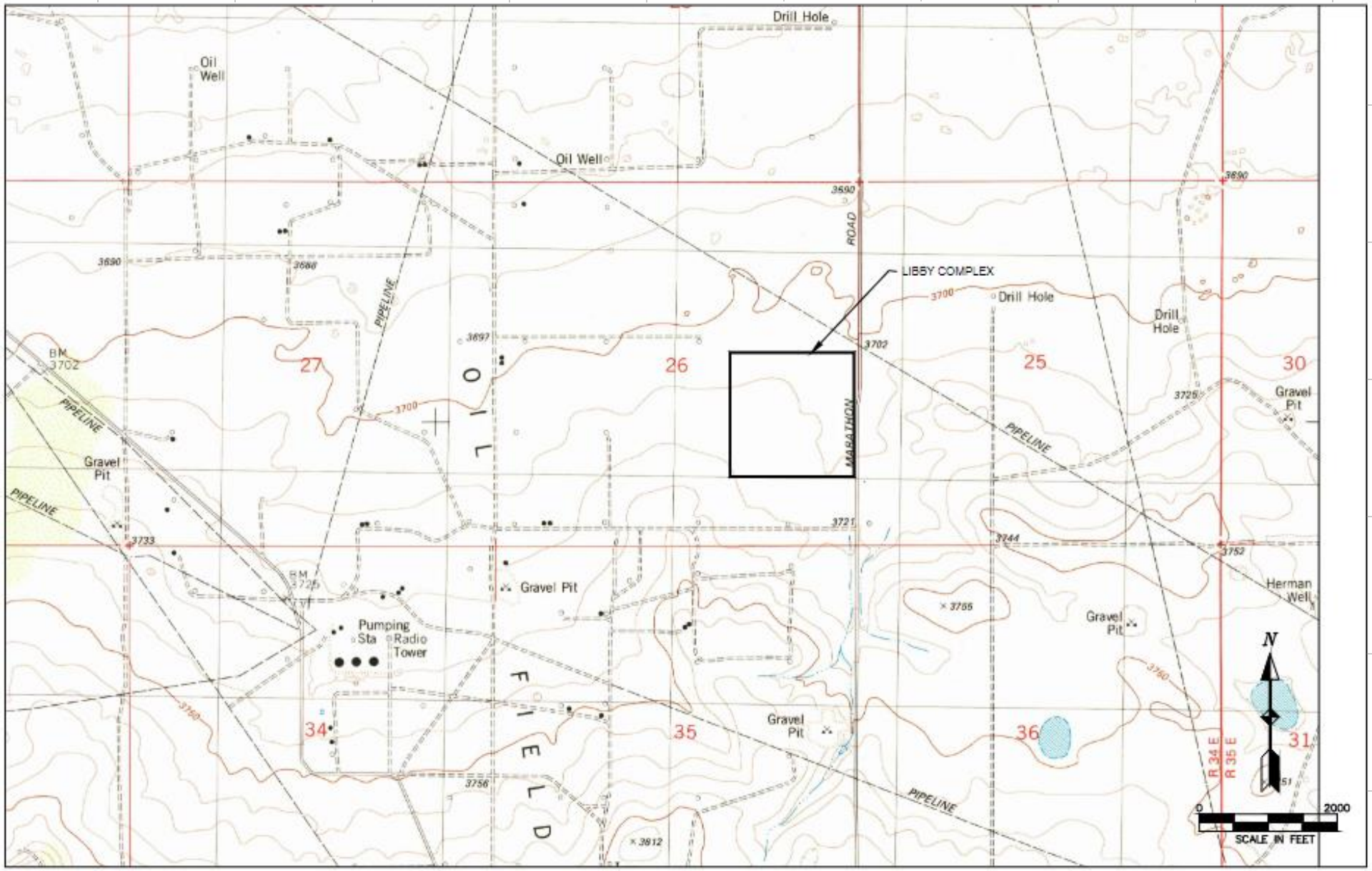
Trinity Consultants

Delek LOGISTICS

Libby Gas Plant
674 Marathon Road (aka County Road 27A)
Hobbs, New Mexico 88240

Description: Map of Nearby Wells

Scale	Date	Figure
N/A	February 2023	4



SOURCE: USGS LEA, NM 7.5-MINUTE SERIES QUADRANGLE, 1984

Trinity Consultants

Delek LOGISTICS

Libby Gas Plant
674 Marathon Road (aka County Road 27A)
Hobbs, New Mexico 88240

Description		
Topographic Map		
Scale	Date	Figure
N/A	February 2023	5

Source: Site Location Map, Libby Facilities, Lea County, NM | Marquez Environmental Services, Inc. | March 2018

APPENDIX B. TABLES

Trinity Consultants

GROUNDWATER DISCHARGE PERMIT APPLICATION

TABLE 1 - LIST OF MAJOR EQUIPMENT AND MATERIALS

Facility: Libby Gas Plant
Address: 674 Marathon Road
City, State: Hobbs, NM 88280

Map ID	Equipment ID	Description	Make	Model	Contents / Materials	Capacity	Containment Measures
56	TK-1 (TK-7551)	Gun Barrel Oil Tank (API 12F)	Permian Tank Company	4-1590	Condensate, Water	500 bbl	Tank shell, Concrete secondary containment dike 74'L x 68'W x 2'H
59	TK-2 (TK-7100)	Condensate Storage Tank (API 12F)	TOK Tank Manufacturing	-	Condensate	400 bbl	
60	TK-3 (TK-7101)	Condensate Storage Tank (API 12F)	TOK Tank Manufacturing	-	Condensate	400 bbl	
61	TK-4 (TK-7102)	Condensate Storage Tank (API 12F)	TOK Tank Manufacturing	-	Condensate	400 bbl	
62	TK-5 (TK-7103)	Condensate Storage Tank (API 12F)	TOK Tank Manufacturing	-	Condensate	400 bbl	
102	TK-6 (TK-7104)	Condensate Storage Tank (API 12F)	TOK Tank Manufacturing	-	Condensate	400 bbl	
103	TK-7 (TK-7105)	Condensate Storage Tank (API 12F)	TOK Tank Manufacturing	-	Condensate	400 bbl	
55	TK-8 (TK-7601)	Slop Oil Tank (API 12F)	TOK Tank Manufacturing	-	Slop Oil	400 bbl	
58	PWTK-1 (TK-7501)	Produced Water Tank (API 12F)	TOK Tank Manufacturing	-	Water	400 bbl	
68		Amine Makeup Water Tank (API 12F)		-	Water	200 bbl	Tank shell, Spill kits, Inspections
1	ENG-1 (C-6470)	Residue Gas Compressor, IC Engine, Natural Gas Fired	Caterpillar	G3516	Lube Oil, Compressor Oil	100 gallons	Tank shell, Spill kits, Inspections
2	ENG-2 (C-1125)	Inlet Gas Compressor, IC Engine, Natural Gas Fired	Caterpillar	G3516	Lube Oil, Compressor Oil	100 gallons	Tank shell, Spill kits, Inspections
3	ENG-3 (C-1225)	Inlet Gas Compressor, IC Engine, Natural Gas Fired	Waukesa	7044 GSI S4	Lube Oil, Compressor Oil	100 gallons	Tank shell, Spill kits, Inspections

Facility: Libby Gas Plant
Address: 674 Marathon Road
City, State: Hobbs, NM 88280

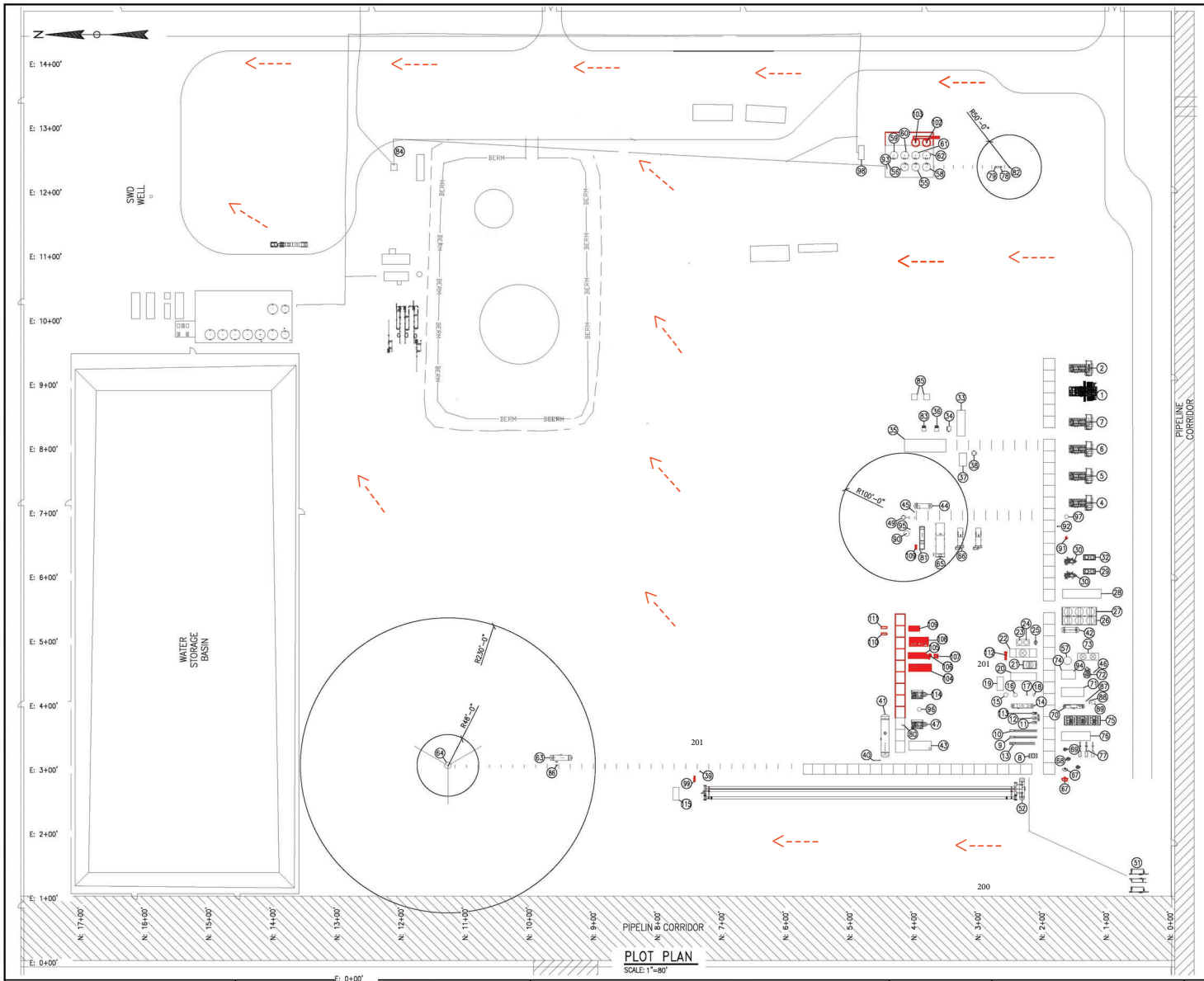
Map ID	Equipment ID	Description	Make	Model	Contents / Materials	Capacity	Containment Measures
4	ENG-4 (C-6070)	Residue Gas Compressor, IC Engine, Natural Gas Fired	Waukesa	7044 GSI S4	Lube Oil, Compressor Oil	100 gallons	Tank shell, Spill kits, Inspections
5	ENG-5 (C-6170)	Residue Gas Compressor, IC Engine, Natural Gas Fired	Caterpillar	G3516	Lube Oil, Compressor Oil	100 gallons	Tank shell, Spill kits, Inspections
6	ENG-6 (C-6270)	Residue Gas Compressor, IC Engine, Natural Gas Fired	Caterpillar	G3516	Lube Oil, Compressor Oil	100 gallons	Tank shell, Spill kits, Inspections
7	ENG-7 (C-6370)	Residue Gas Compressor, IC Engine, Natural Gas Fired	Caterpillar	G3516	Lube Oil, Compressor Oil	100 gallons	Tank shell, Spill kits, Inspections
29	AC-140	Refrigerant Compressor, Lube Oil Cooler	Caterpillar		Lube Oil, Compressor Oil	100 gallons	Tank shell, Spill kits, Inspections
30	C-140	Refrigerant Compressor, Frick Oil	Caterpillar		Lube Oil, Frick Oil	100 gallons	Tank shell, Spill kits, Inspections
31	C-141	Refrigerant Compressor, Frick Oil	Caterpillar		Lube Oil, Frick Oil	100 gallons	Tank shell, Spill kits, Inspections
32	AC-141	Refrigerant Compressor, Lube Oil Cooler	Caterpillar		Lube Oil, Compressor Oil	100 gallons	Tank shell, Spill kits, Inspections
65	HTR-1 (H-5000)	Hot Oil Heater	Tulsa Heaters	H-101	Natural Gas	49.42 mmbtu/hr	Tank shell, Spill kits, Inspections
66	HTR-2 (H-711)	Regen Gas Heater	Tulsa Heaters	H-711	Natural Gas	11 mmbtu/hr	Tank shell, Spill kits, Inspections
41	V-2010	Stabilizer Feed Separator (12' X 86')	-	-	Condensate, Water, Gas	1,700 bbl	Tank shell, Spill kits, Inspections
68	AMINE-1	Amine Sweetening Unit	-	-	-	85 mmscf/day	Tank shell, Spill kits, Inspections
49	TO-1	Thermal Oxidizer	John Zink	ZCS-0.75	Natural Gas	3.3 mmscf/day	Tank shell, Spill kits, Inspections
64	FL-1	Process Flare	Tornado	-	Natural Gas	60 mmsf/day	Tank shell, Spill kits, Inspections
82	FL-2	Tank Flare	Tornado	-	Natural Gas	220 mmsf/day	Tank shell, Spill kits, Inspections
1, 2	ENG 1, ENG 2	Catalytic Oxidation Unit	Caterpillar	-	-	-	Tank shell, Spill kits, Inspections
3, 4	ENG 3, ENG 4	Non-Selective Catalytic Reduction Unit	Waukesa	-	-	-	Tank shell, Spill kits, Inspections
1 - 7		Lube Oil Tank (7 units)	-	-	Lube Oil	500-gallon per tank	Tank shell, Spill kits, Inspections

Facility: Libby Gas Plant
Address: 674 Marathon Road
City, State: Hobbs, NM 88280

Map ID	Equipment ID	Description	Make	Model	Contents / Materials	Capacity	Containment Measures
1 - 7		Compressor Oil Tank (7 units)	-	-	Compressor Oil	500-gallon per tank	Tank shell, Spill kits, Inspections
30. 31		Frick Oil Drums (10 drums)	-	-	Frick Oil	55 gallons each	Drum shell, Containment pallet
29, 32		Used Oil Drums (20 drums)	-	-	Used Oil	55 gallons each	Drum shell, Containment pallet
Refer to site map		Amine Storage Tote	-	-	Amine solution	550-gallon	Tank shell, Spill kits, Inspections
Refer to site map		Methanol Storage Totes	-	-	Methanol	550-gallon	Tank shell, Spill kits, Inspections

Notes:
1. Source for major equipment list taken from New Source Review Air Permit and SPCC Plan.
2. Other ancllary and support equipment may not be shown.
3. Amine storage and methanol storage totes are marked on site map (Appendix A)
4. Amine system has several equipment marked on the site map with ID Nos. 68, 69, 77, 76, 75, 70, 89, 88, 87, 71, 72, 46, 94, 74, 57, 73
5. Near compressor stations include Frick oil drums, used oil drums, compressor oil tank and lube oil tank.

APPENDIX C. SUPPLEMENTAL MAPS



PLOT PLAN
SCALE: 1"=80'

EQUIPMENT LIST

ITEM	TAG NUMBER	DESRIPTION
1	C-6470	RESIDUE GAS COMPRESSOR
2	C-1125	INLET GAS COMPRESSOR (FUTURE)
3	C-1225	INLET GAS COMPRESSOR (FUTURE)
4	C-6070	RESIDUE GAS COMPRESSOR
5	C-6170	RESIDUE GAS COMPRESSOR
6	C-6270	RESIDUE GAS COMPRESSOR
7	C-6370	RESIDUE GAS COMPRESSOR (FUTURE)
8	AC-322	DEMETHANIZED PRODUCT COOLER
9	P-4030	NGL PIPELINE PUMP
10	P-4031	NGL PIPELINE PUMP
11	P-620	PRODUCT BOOSTER PUMP
12	P-619	PRODUCT BOOSTER PUMP
13	V-7005	DEMETHANIZER SURGE VESSEL (FUTURE)
14	V-422	DEMETHANIZER SURGE TANK
15	V-421A	COLD SEPARATOR
16	T-521	DEMETHANIZER TOWER
17	E-223/E-224	DEMETHANIZER SIDE/BOTTOM REBOILER
18	E-221/E-222	GAS-GAS EXCHANGER/REFLUX CONDENSER
19	C-122/EX-121	COMPRESSOR/EXPANDER
20	SK-107.10	DEMETHANIZER/EXPANDER VALVE SKID
21	AC-321	EXPANDER/COMPRESSOR DISCHARGE COOLER
22	SK-107.15	DEHY/REGEN SKID
23	V-413	DEHYDRATION ADSORBER
24	V-414	DEHYDRATION ADSORBER
25	V-410	HIGH PRESSURE GAS SEPARATOR
26	AC-343A	REFRIGERANT CONDENSER
27	AC-343B	REFRIGERANT CONDENSER
28	SK-105.15	REFRIGERANT SKID
29	AC-140	REFRIGERANT COMPRESSOR LUBE OIL COOLER
30	C-140	REFRIGERANT COMPRESSOR - FRICK
31	C-141	REFRIGERANT COMPRESSOR - FRICK
32	AC-141	REFRIGERANT COMPRESSOR LUBE OIL COOLER
33	–	MV-PDC1 BUILDING
34	TR-01	TRANSFORMER
35	–	LV-PDC1 BUILDING
36	TR-02	TRANSFORMER
37	SK-8200	INSTRUMENT AIR BUILDING
38	V-8210	INSTRUMENT AIR RECEIVER
39	F-2000	STABILIZER FEED FILTER
40	E-2005	STABILIZER FEED HEATER
41	V-2010	STABILIZER FEED SEPARATOR
42	V-9700	PROPANE STORAGE
43	SK-2000	STABILIZER REBOILER SKID
44	V-9205	ENCLOSED COMBUSTOR KO DRUM
45	P-9215	ENCLOSED COMBUSTOR KO PUMP
46	P-3041	AMINE MAKEUP PUMP
47	C-2030	OVERHEADS COMPRESSOR
48	C-2135	OVERHEADS COMPRESSOR (FUTURE)
49	FL-9200	THERMAL OXIDIZER
50		LOW PRESSURE SLUG CATCHER (FUTURE)
51	PR-xxxx	PIG RECEIVERS
52	V-1505	HP SLUG CATCHER AND FINGERS STORAGE
53		VOID
54	–	CONTROL BUILDING AND WAREHOUSE
55	TK-7601	SLOP OIL TANK
56	TK-7551	GUNBARREL OIL TANK
57	TK-3060	TREATED WATER TANK
58	TK-7501	PRODUCED WATER TANK
59	TK-7100	CONDENSATE TANK
60	TK-7101	CONDENSATE TANK
61	TK-7102	CONDENSATE TANK
62	TK-7103	CONDENSATE TANK
63	V-9005	FLARE KNOCKOUT
64	FL-9000	FLARE
65	H-5000	HOT OIL HEATER
66	H-711	REGEN GAS HEATER
67	F-3002	INLET GAS FILTER/COALESCER
68	T-3000	AMINE CONTACTOR
69	V-3003	TREATED GAS SCRUBBER
70	V-3005	AMINE FLASH DRUM
71	SK-0001	RICH AMINE FILTERS, LEAN/RICH EX., BOOSTER PUMPS SKID
72	T-3015	AMINE STILL COLUMN, SURGE TANK, & REBOILER
73	AC-3030	AMINE REFLUX CONDENSER
74	SK-0002	AMINE REFLUX ACCUMULATOR & REFLUX PUMPS SKID
75	AC-3050	LEAN AMINE COOLER
76	SK-0003	LEAN AMINE FILTERS SKID
77	P-3045/3046/3047	AMINE CIRCULATION PUMPS (P-3047 FUTURE)
78	P-9110	TANK FLARE KO PUMP
79	V-9105	TANK FLARE KO DRUM
80	P-2025	SCRUBBER DRAIN PUMP
81	SK-5000	HOT OIL PUMP SKID
82	FL-9100	TANK FLARE
83	TR-03	TRANSFORMER
84	TR-04	TRANSFORMER
85	MVS-01	MEDIUM VOLTAGE SWITCHGEAR

EQUIPMENT LIST CONT'D

ITEM	TAG NUMBER	DESRIPTION
86	SK-9010	FLARE KO PUMP SKID
87	F-8220	AMINE FILTER
88	P-8220	AMINE SUMP PUMP
89	TK-8220	AMINE SUMP TANK
90	TK-8225	HOT OIL SUMP TANK
91	F-6900A	RESIDUE GAS FILTER/COALESCER
92	F-461	FUEL GAS COALESCER
93	P-7120A/B	CONDENSATE TRUCK LOADING PUMP
94	P-3060	WATER MAKEUP PUMP
95	P-8225	HOT OIL SUMP PUMP
96	TK-8230	OH DRAIN SUMP
97	TK-8240	RESIDUE COMP DRAIN SUMP
98	SK-7200	CONDENSATE LACT SKID
99	F-2001	STABILIZER FEED FILTER
100	F-3002	INLET GAS FILTER/COALESCER
101	P-5022	HOT OIL PUMP
102	TK-7104	CONDENSATE TANK
103	TK-7105	CONDENSATE TANK
104	SK-2201	STABILIZER REBOILER/TOWER SKID
105	AC-2240	SPLITTER OH CONDENSER
106	T-2230	CONDENSATE SPLITTER TOWER
107	E-2235	SPLITTER REBOILER
108	SK-2202	REFLUX ACCUMULATOR SKID
109	AC-2220	FEED/BOTTOMS
110	P-2270	STABILIZER NGL PIPELINE PUMP
111	P-2271	STABILIZER NGL PIPELINE PUMP
112	F-413	DEHYDRATION INLET FILTER COALESCER
113	P-618	PRODUCT BOOSTER PUMP
114	C-2040	OH COMPRESSOR (FUTURE)
115	FE-4130/4230	CORIOLIS METER SKID

NOTES:

1. PROPOSED PHASE 2 IS SHOWN IN RED.

<---- Stormwater Flow Direction

200 Amine Storage

201 Methanol Storage

REFERENCED DRAWINGS

DRAWING NUMBER	TITLE
–	–

DRAWING REVISIONS

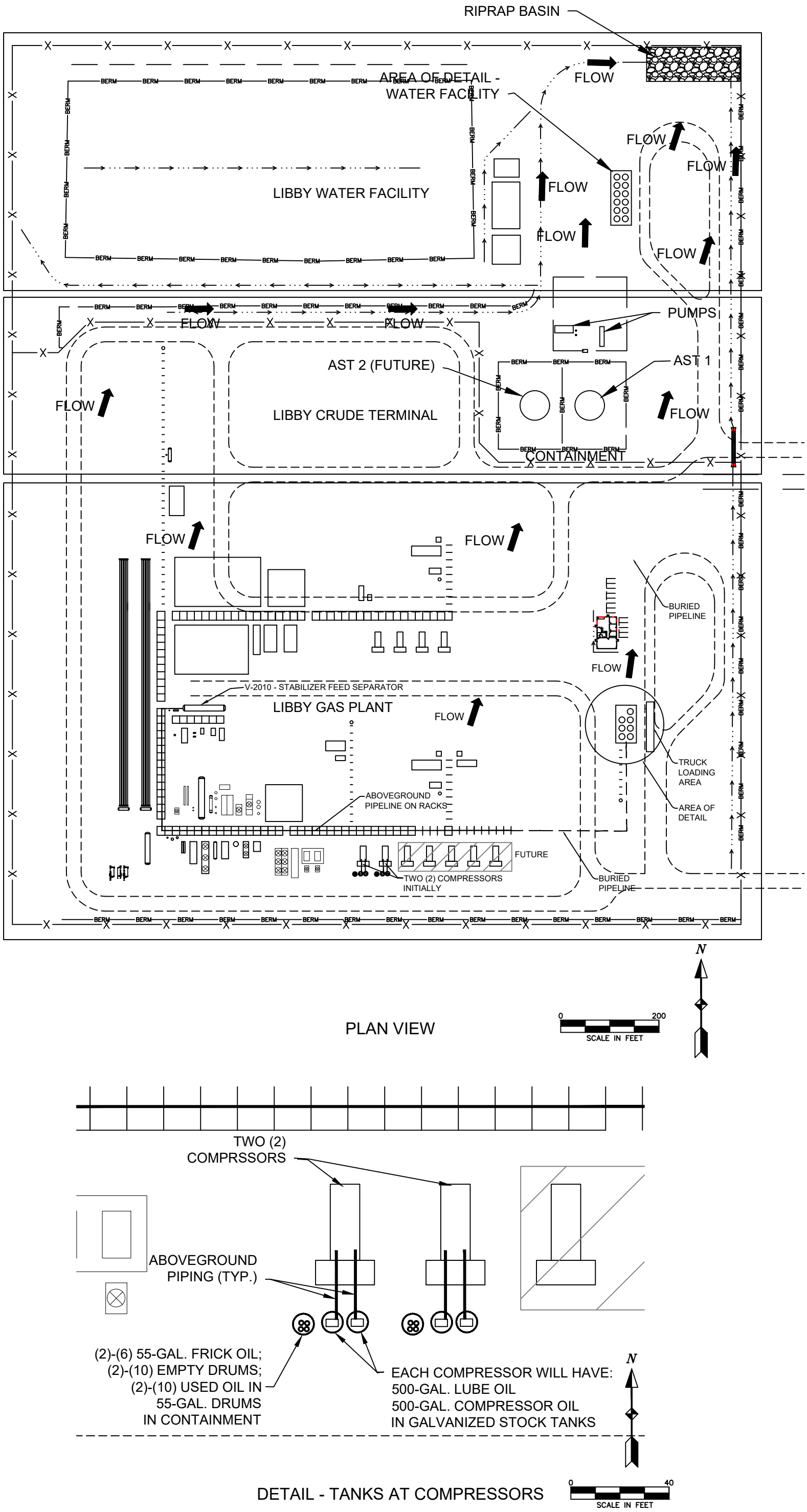
REV	DESCRIPTION	BY	CHK	APVD	DATE
0	ISSUED FOR CONSTRUCTION	DJA	RGJ	RGJ	02/16/18
1	REVISED FOR NGL STORAGE ADDITION	WBH	RGJ	RGJ	01/17/19
2	REVISED FOR NGL STORAGE ADDITION	WBH	RGJ	RGJ	02/07/19
3	REVISED FOR CONDENSATE LACT SKID	GRT	HRW	RGJ	04/09/20
4	REVISED ISSUED FOR CONSTRUCTION	ELH	JRP	RM	02/25/22
5	REVISED ISSUED FOR CONSTRUCTION	JRP	ADK	RM	04/07/22

ZAP ENGINEERING & CONSTRUCTION SERVICES, INC.

3Bear Energy

3BEAR ENERGY
LIBBY GAS PLANT
PLOT PLAN

JOB NO: 21203
DRAWING NO: 3BLIB-G01-1001
REV:
PLOT SIZE: ANSI D
SCALE: AS NOTED



PREPARED BY

Marquez Environmental Services, Inc.
Quality ■ Integrity ■ Results
www.MarquezEnvironmental.com
(303) 503-4735 ■ info@ MarquezEnvironmental.com

PREPARED FOR

3Bear Field Services, LLC
674 Marathon Rd
Hobbs, NM 88240

TITLE

FIGURE 2
SITE PLAN
3BEAR LIBBY GAS PLANT
LEA COUNTY, NM

Project: 3BEAR	Date: 6-12-2018	Revision
Scale:	Source: JLJ	△

APPENDIX D. REFERENCE MATERIALS

New Mexico Office of the State Engineer
Transaction Summary

APPRO Application to Appropriate

Transaction Number: 603606 **Transaction Desc:** CP 01204 **File Date:** 11/26/2013

Primary Status: PMT Permit
Secondary Status: APR Approved
Person Assigned: *******
Applicant: LINDA S. JURVA
Applicant: CURTIS K. SKEEN

Events

	Date	Type	Description	Comment	Processed By
get images	11/26/2013	APP	Application Received	*	*******
	12/31/2013	NFP	Notice for Publication		*******
	02/06/2014	AOP	Affidavit of Publication rcv		*******
	07/09/2014	NUC	No PBU or PCW Approval		*******
	07/09/2014	FIN	Final Action on application		*******
	03/03/2017	QAT	Quality Assurance Completed	SQ2	*******
	03/07/2017	QAT	Quality Assurance Completed	IMAGE	*******

Water Right Information

WR File Nbr	Acres	Diversion	Consumptive	Purpose of Use
CP 01204	0	200	200	COM COMMERCIAL

****Point of Diversion**

CP 01204 POD1	638755	3602250

****Place of Use**

Q 256	Q 64	Q 16	Q 4	Sec	Twn	Rng	Acres	Diversion	Consumptive	Use	Priority	Status	Other Loc Desc
							0	200	200	COM	11/26/2013	PMT	NO PLACE OF USE GIVEN

Remarks

"COMMERCIAL WATER SALES IN LEA COUNTY."

DOMESTIC USE FILE NUMBER CP-1204 WAS RENUMBERED TO OSE FILE NO. CP-1655.

Conditions

5B A totalizing meter shall be installed before the first branch of the discharge line from the well and the installation shall be acceptable to the State Engineer; the Engineer shall be advised of the make, model, serial number, date of installation, and initial reading of the meter prior to appropriation of water; pumping records shall be submitted to the District Supervisor on or before the 10th of Jan., April, July, and Oct. of each year for the 3 preceding calendar months.

7 The Permittee shall utilize the highest and best technology available to ensure conservation of water to the maximum extent practical.

Q The State Engineer retains jurisdiction over this permit.

---

x

Action of the State Engineer

**** See Image For Any Additional Conditions of Approval ****

Approval Code: A - Approved

Action Date: 07/09/2014

State Engineer:

2/24/23 2:49 PM TRANSACTION SUMMARY

New Mexico Office of the State Engineer
Transaction Summary

72121 All Applications Under Statute 72-12-1

Transaction Number: 476068 **Transaction Desc:** CP 00815 **File Date:** 08/10/1993

Primary Status: PMT Permit
Secondary Status: APR Approved
Person Assigned: *******
Applicant: DANIEL C BERRY

Events

	Date	Type	Description	Comment	Processed By
get images	08/10/1993	APP	Application Received	*	*******
	08/12/1993	FIN	Final Action on application		*******
	08/12/1993	WAP	General Approval Letter		*******
	06/10/2011	ARV	Rec & Arch - file location	CP 00815 Box: 1876	*******

Change To:

WR File Nbr	Acres	Diversion	Consumptive	Purpose of Use
CP 00815		3		STK 72-12-1 LIVESTOCK WATERING

****Point of Diversion**

CP 00815		638442	3602207*

***An (*) after northing value indicates UTM location was derived from PLSS - see Help**

Remarks

THIS APPLICATION IS MADE TO RECORD AND AUTHORIZE THE USE OF AN EXISTING WELL. NEARBURG FILED INTENT TO DRILL FOR OIL AND DID NOT COMPLETE. DRILLED TO 228 AND SET 20" CASING AND THEN TURNED WELL OVER TO ME. A RELEASE AGREEMENT IS ENCLOSED. I INTEND

CONTINUED: TO USE WELL FOR STOCK WATERING.

ABSTRACTORS NOTE: PERMIT STATES THIS IS AN EXISTING WELL. NO WELL RECORD ON FILE WITH THE OSE. NO WELL RECORD DUE DATE GIVEN ON PERMIT.

Conditions

1A Depth of the well shall not exceed the thickness of the valley fill.

4 Use shall be limited to household, non-commercial trees, lawn and garden not to exceed one acre and/or stock use.

Action of the State Engineer

**** See Image For Any Additional Conditions of Approval ****

Approval Code: A - Approved
Action Date: 08/12/1993
State Engineer:

2/24/23 3:00 PM

TRANSACTION SUMMARY

New Mexico Office of the State Engineer
Transaction Summary

EXPL Permit To Explore

Transaction Number: 613646 **Transaction Desc:** CP 01691 POD1 **File Date:** 09/18/2017

Primary Status: PMT Permit
Secondary Status: APR Approved
Person Assigned: *******
Applicant: 3 BEAR ENERGY LLC
Contact: KASIA KUK, TETRA TECH INC

Events

	Date	Type	Description	Comment	Processed By
get images	09/18/2017	APP	Application Received	*	*******
get images	09/18/2017	TEC	Technical Report	*WELL PLUG PLAN	*******
	09/19/2017	FTN	Finalize non-published Trans.		*******
	10/11/2017	QAT	Quality Assurance Completed	DATA	*******
	10/25/2017	QAT	Quality Assurance Completed	IMAGE	*******

Water Right Information

WR File Nbr	Acres	Diversion	Consumptive	Purpose of Use
CP 01691	0	0		MON MONITORING WELL
**Point of Diversion				
CP 01691 POD1		638331	3601674	

Remarks

"MONITORING WELL WILL BE INSTALLED FOR GEOTECHNICAL AND HYDROGEOLOGIC INVESTIGATION REGARDING FUTURE SITE DEVELOPMENT. MONITORING FOR WATER LEVEL AND QUALITY. THIS WELL WILL BE PLUGGED WITHIN 24 HOURS OF COMPLETION"

Conditions

1A Depth of the well shall not exceed the thickness of the valley fill.

4 No water shall be appropriated and beneficially used under this permit.

B The well shall be drilled by a driller licensed in the State of New Mexico in accordance with 72-12-12 NMSA 1978. A licensed driller shall not be required for the construction of a well driven without the use of a drill rig, provided that the casing shall not exceed two and three-eighths (2 3/8) inches outside diameter.

C The well driller must file the well record with the State Engineer and the applicant within 30 days after the well is drilled or driven. It is the well owner's responsibility to ensure that the well driller files the well record. The well driller may obtain the well record form from any District Office or the Office of the State Engineer website.

C2 No water shall be diverted from this well except for testing purposes which shall not exceed ten (10) cumulative days, and well shall be plugged or capped on or

before , unless a permit to use water from this well is acquired from the Office of the State Engineer.

6 The well authorized by this permit shall be plugged completely using the following method per Rules and Regulations Governing Well Driller Licensing, Construction, Repair and Plugging of Wells; Subsection C of 19.27.4.30 NMAC unless an alternative plugging method is proposed by the well owner and approved by the State Engineer upon completion of the permitted use. All pumping appurtenance shall be removed from the well prior to plugging. To plug a well, the entire well shall be filled from the bottom upwards to ground surface using a tremie pipe. The bottom of the tremie shall remain submerged in the sealant throughout the entire sealing process; other placement methods may be acceptable

7 The Permittee shall utilize the highest and best technology available to ensure conservation of water to the maximum extent practical.

P The well shall be constructed, maintained, and operated to prevent inter-aquifer exchange of water and to prevent loss of hydraulic head between hydrogeologic zones.

Q The State Engineer retains jurisdiction over this permit.

R Pursuant to section 72-8-1 NMSA 1978, the permittee shall allow the State Engineer and OSE representatives entry upon private property for the performance of their respective duties, including access to the ditch or acequia to measure flow and also to the well for meter reading and water level measurement.

x

Action of the State Engineer

**** See Image For Any Additional Conditions of Approval ****

Approval Code: A - Approved

Action Date: 09/19/2017

Log Due Date: 09/30/2018

State Engineer: Tom Blaine, P.E.

2/24/23 3:00 PM TRANSACTION SUMMARY

OCD Permitting

30-025-44288 LIBBY BERRY FEE SWD #001 [320495]

General Well Information

Operator:	[372603] 3BEAR FIELD SERVICES, LLC		
Status:	Active	**Direction:**	Directional
Well Type:	Salt Water Disposal	**Multi-Lateral:**	No
Work Type:	New	**Mineral Owner:**	Federal
		Surface Owner:	Private
Surface Location:	H-26-20S-34E 2510 FNL 710 FEL		
Lat/Long:	32.544457,-103.5246339 NAD83		
GL Elevation:	3707		
KB Elevation:		**Sing/Mult Compl:**	Single
DF Elevation:		**Potash Waiver:**	False

Proposed Formation and/or Notes

Depths

Proposed:	14600	**True Vertical Depth:**	16000
Measured Vertical Depth:	16004	**Plugback Measured:**	0

Formation Tops

Formation	Top	Producing	Method Obtained

Event Dates

Initial APD Approval:	12/15/2017		
Most Recent APD Approval:	12/15/2017	**Current APD Expiration:**	12/15/2019
APD Cancellation:			
APD Extension Approval:			
Spud:	03/23/2018	**Gas Capture Plan Received:**	
Approved Temporary Abandonment:		**TA Expiration:**	
Shut In:			
Plug and Abandoned Intent Received:		**PNR Expiration:**	
		Last MIT/BHT:	08/10/2022
Well Plugged:			
Site Release:			
Last Inspection:	08/10/2022		

History

Effective Date	Property	Well Number	Operator	C-101 Work Type	Well Type	Well Status	Apd Cancelled	Plug Date
12/15/2017	[320495] LIBBY BERRY FEE SWD	#001	[372603] 3BEAR FIELD SERVICES, LLC	New	Salt Water Disposal	Active		

Quic
- Gene
- Histo
- Comr
- Opera
- Pits
- Casin
- Well
- Finan
- Comp
- Order
- Produ
- Trans
- Points

Assc
- Well
- Well
- Well

New
- New
- New
- New
- New
- New
- New
- New

Pits

No Pits Found

Casing

String/Hole Type	Taper	Date Set	Boreholes, Strings and Equipment Specifications: Diameter	Top	Bottom (Depth)	Specifications for Strings and Tubing: Grade	Length	Weight	Strings Cemented and Intervals: Bot of Cem	Top of Cem	Meth	Cement and Plug Description: Class of Cement	Sacks	Pressure Test (Y/N)
Hole 1	1	03/23/2018	17.500	0	1686		0	0.0	0	0			0	No
Surface Casing	1		13.375	0	1686	J-55	1686	54.5	1686	0	Circ	Class C Cement	1230	No
Hole 2	1		12.250	1686	5778		0	0.0	0	0			0	No
Intermediate 1 Casing	1		9.625	0	5778	J-55	5778	40.0	5778	0	Circ	Class C Cement	1770	No
Hole 3	1		8.750	5778	14780		0	0.0	0	0			0	No
Production Casing	1		7.000	0	14780	P-110	14780	29.0	14780	0		Type H Cement	1730	No
Packer	1		4.500	0	14746		0	0.0	0	0			0	No
Tubing 1	1		4.500	0	14746		0	0.0	0	0			0	No

Well Completions

[96319] SWD; MISS-DEVONIAN

Status: Cancelled
Last Produced:
Bottomhole Location: H-26-20S-34E 2367 FNL 692 FEL
Lat/Long:
Acreage:
DHC:
Consolidation Code:
Production Method:

Well Test Data

Production Test:
Test Length: 0 hours
Flowing Tubing Pressure: 0 psi
Flowing Casing Pressure: 0 psi
Choke Size: 0.000 inches
Testing Method:
Gas Volume: 0.0 MCF
Oil Volume: 0.0 bbls
Gas-Oil Ratio: 0 Kcf / bbl
Oil Gravity: 0.0 Corr. API
Disposition of Gas:
Water Volume: 0.0 bbls

Perforations

Date	Top Measured Depth (Where Completion Enters Formation)	Bottom Measured Depth (End of Lateral)	Top Vertical Depth	Bottom Vertical Depth

Notes

TD Reached: 05/21/2018
Deviation Report Received: No
Directional Survey Run: Yes
Directional Survey Received: Yes
First Oil Production:
First Injection:
Ready to Produce:
C-104 Approval:
Plug Back:
Authorization Revoked Start:
DHC:
Rig Released: 05/23/2018
Logs Received: Yes
Closure Pit Plat Received:
First Gas Production:
Completion Report Received:
New Well C-104 Approval:
Revoked Until:

Well Completion History

Effective Date	Property	Well Number	Operator	Completion Status	TA Expiration Date
12/15/2017	[320495] LIBBY BERRY FEE SWD	#001	[372603] 3BEAR FIELD SERVICES, LLC	Cancelled	

[97869] SWD; DEVONIAN-SILURIAN

Status: Active
Bottomhole Location: H-26-20S-34E 2367 FNL 692 FEL
Lat/Long:
Acreage:
DHC: No
Last Produced: 11/01/2022
Consolidation Code:
Production Method:

Well Test Data

Production Test:
Flowing Tubing Pressure: 0 psi
Choke Size: 0.000 inches
Gas Volume: 0.0 MCF
Gas-Oil Ratio: 0 Kcf / bbl
Disposition of Gas:
Test Length: 0 hours
Flowing Casing Pressure: 0 psi
Testing Method:
Oil Volume: 0.0 bbls
Oil Gravity: 0.0 Corr. API
Water Volume: 0.0 bbls

Perforations

Date	Top Measured Depth (Where Completion Enters Formation)	Bottom Measured Depth (End of Lateral)	Top Vertical Depth	Bottom Vertical Depth
	14746	16000	0	0

Notes

Event Dates

Initial Effective/Approval: 12/15/2017
Most Recent Approval: 06/08/2018
Confidential Requested On:
Test Allowable Approval:
TD Reached: 05/21/2018
Deviation Report Received: No
Directional Survey Run: No
Directional Survey Received: No
First Oil Production:
First Injection: 06/11/2018
Ready to Produce:
C-104 Approval:
Plug Back:
TA Expiration:
Confidential Until:
Test Allowable End:
DHC:
Rig Released: 05/23/2018
Logs Received: No
Closure Pit Plat Received:
First Gas Production:
Completion Report Received:
New Well C-104 Approval:
Revoked Until:

Date					
06/08/2018	[320495] LIBBY BERRY FEE SWD	#001	[372603] 3BEAR FIELD SERVICES, LLC	Active	
12/15/2017	[320495] LIBBY BERRY FEE SWD	#001	[372603] 3BEAR FIELD SERVICES, LLC	New, Not Drilled	

Financial Assurance

Effective	Bond Type	Base	Balance	Issuer	Cash/Surety	Cancellation Date
07/29/2020	Blanket	50000	50000	QBE Insurance Corporation	Surety	

Requests to release bonds must be submitted in writing. You may send an e-mail to OCDAdminComp@state.nm.us or fax a letter to (505) 476-3462.

Compliance

Note that Financial Assurance and Inactive Well Compliance are documented in separate reports (Inactive Well Report, Financial Assurance Report).

Also note that some compliance issues are addressed at the operator level so not listed under each well.

Orders

SWD-1728-0

Applicant: [372603] 3BEAR FIELD SERVICES, LLC
Contact: Brian Wood; Agent
Approved By: BLM
Reviewer: Phillip Goetze
Issuing Office: Santa Fe

Processing Dates

Received: 03/09/2018
Ordered: 05/02/2018
Approved: 05/02/2018
Denied:
Expiration:
Cancelled: 08/22/2018

Order Pools

Pool	Gas Percent	Oil Percent
[96101] SWD;DEVONIAN	0	0

Injection Orders

	Injection					Pressure		
Formation	Top	Bottom	Packer Depth	Tubing Size	Gradient	Injection Limit	CO2 Limit	Comments
Devonian	13350	14600	13250	4.5	0.2	2670	0	

SWD-1728-A

Applicant: [372603] 3BEAR FIELD SERVICES, LLC
Contact: Brian Wood, Permits West
Approved By: BLM
Reviewer: Phillip Goetze
Issuing Office: Santa Fe

Processing Dates

Received: 06/18/2018
Ordered: 08/22/2018
Approved: 08/22/2018
Denied:

[97869] SWD;DEVONIAN-SILURIAN	0	0

Injection Orders

Injection					Pressure			
Formation	Top	Bottom	Packer Depth	Tubing Size	Gradient	Injection Limit	CO2 Limit	Comments
Devonian	14780	16000	14680	4.5	0.2	2956	0	Silurian included

Production / Injection

The production & injection volumes are sourced from monthly production reports (C-115) submissions.

Earliest Production in OCD Records: 6/2018 **Last** 11/2022 Show All Production Export to Excel

	Production				Injection				
Time Frame	Oil (BBLS)	Gas (MCF)	Water (BBLS)	Days P/I	Water (BBLS)	Co2 (MCF)	Gas (MCF)	Other	Pressure
2018	0	0	0	0	1,573,674	0	0	0	N/A
2019	0	0	0	0	3,554,879	0	0	0	N/A
2020	0	0	0	0	2,290,278	0	0	0	N/A
2021	0	0	0	0	2,661,214	0	0	0	N/A
2022	0	0	0	0	1,795,700	0	0	0	N/A
Grand Total:	0	0	0	0	11,875,745	0	0	0	N/A

Transporters

Transporter	Product	Most Recent for Property

Points of Disposition

ID	Type	Description	Pool(s)

New Mexico Office of the State Engineer
Transaction Summary

72121 All Applications Under Statute 72-12-1

Transaction Number: 682168 **Transaction Desc:** CP 01859 POD1 **File Date:** 11/18/2020

Primary Status: PMT Permit
Secondary Status: APR Approved
Person Assigned: *******
Applicant: 3 BEAR DELAWARE OPERATING NM
Contact: DOUGLAS SWANSON

Events

	Date	Type	Description	Comment	Processed By
get images	11/18/2020	APP	Application Received	*	*******
	11/23/2020	FIN	Final Action on application		*******
	11/23/2020	WAP	General Approval Letter		*******
	11/24/2020	QAT	Quality Assurance Completed	DATA	*******
	12/22/2020	QAT	Quality Assurance Completed	IMAGE	*******
	12/29/2020	ARW	WRAB Main File Rm Arch Sect	CP 01859 Archived	*******

Change To:

WR File Nbr	Acres	Diversion	Consumptive	Purpose of Use
CP 01859		1		
**Point of Diversion				
CP 01859 POD1		638569	3601311	

Remarks

"THE WELL WOULD SERVICE A PLANNED SMALL OFFICE BUILDING OF APROXIMATELY 10 OFFICES AND 2 BATHROOMS (4 TOILETS)

Conditions

5B The well owner shall cause to be installed, a totalizing meter before the first branch of the discharge line from the well and the installation shall be acceptable to the State Engineer; the Engineer shall be advised of the make, model, serial number, date of installation, and initial reading of the meter prior to appropriation of water; pumping records shall be submitted to the District Supervisor on or before the 10th of Jan., April, July and Oct. of each year for the 3 preceding calendar months.

10 Total diversion from all wells under this permit number shall not exceed 1 acre-feet per annum.

13 This permit authorizes the diversion of water for drinking and sanitary uses that are incidental to the operations of a governmental, commercial, or non-profit facility. The total diversion of water under this permit shall not exceed 1 acre-feet per year. Water may not be used under this type of permit for any commercial use

such as the manufacture of a product, car wash, water bottling, concrete batching, or the irrigation of crops grown for commercial sale.

x

Action of the State Engineer

**** See Image For Any Additional Conditions of Approval ****

Approval Code: A - Approved

Action Date: 11/23/2020

Log Due Date: 11/23/2021

State Engineer: John R. D Antonio,

2/24/23 2:51 PM TRANSACTION SUMMARY

F o. CP-1691

NEW MEXICO OFFICE OF THE STATE ENGINEER

WR-07 APPLICATION FOR PERMIT TO DRILL

A WELL WITH NO WATER RIGHT

(check applicable box):

For fees, see State Engineer website: http://www.ose.state.nm.us/ 2-38621

Purpose:	☐ Pollution Control And/Or Recovery	☐ Ground Source Heat Pump
☐ Exploratory Well (Pump test)	☐ Construction Site/Public Works Dewatering	☐ Other(Describe):
☒ Monitoring Well	☐ Mine Dewatering	

A separate permit will be required to apply water to beneficial use regardless if use is consumptive or nonconsumptive.

☒ Temporary Request - Requested Start Date: 9/20/17	Requested End Date: 11/1/18
Plugging Plan of Operations Submitted? ☒ Yes ☐ No	

1. APPLICANT(S)

Name: 3Bear Energy, LLC	Name:
Contact or Agent: check here if Agent ☒ Kasia Kuk - Tetra Tech, Inc.	Contact or Agent: check here if Agent ☐
Mailing Address: 4000 N. Big Spring, Suite 401	Mailing Address:
City: Midland	City:
State: TX Zip Code: 79705	State: Zip Code:
Phone: 7138543645 ☐ Home ☒ Cell Phone (Work):	Phone: ☐ Home ☐ Cell Phone (Work):
E-mail (optional): kasia.kuk@tetratech.com	E-mail (optional):

FOR OSE INTERNAL USE Application for Permit, Form WR-07, Rev 11/17/16

File No.: CP-1691	Trn. No.: 603646	Receipt No.:
Trans Description (optional): POD 1		
Sub-Basin: CP	PCW/LOG Due Date: 9-30-18	

Page 1 of 3

2017 SEP 18 AM 10:21

STATE ENGINEER OFFICE ROSWELL, NEW MEXICO

2. WELL(S) Describe the well(s) applicable to this application.

Location Required: Coordinate location must be reported in NM State Plane (NAD 83), UTM (NAD 83), or Latitude/Longitude (Lat/Long - WGS84).
District II (Roswell) and District VII (Cimarron) customers, provide a PLSS location in addition to above.

☐ NM State Plane (NAD83) (Feet)
☐ NM West Zone
☐ NM East Zone
☐ NM Central Zone

☐ UTM (NAD83) (Meters)
☐ Zone 12N
☐ Zone 13N

■ Lat/Long (WGS84) (to the nearest 1/10th of second)

Well Number (if known):	X or Easting or Longitude:	Y or Northing or Latitude:	Provide if known: -Public Land Survey System (PLSS) (*Quarters or Halves , Section, Township, Range*) OR - Hydrographic Survey Map & Tract; OR - Lot, Block & Subdivision; OR - Land Grant Name
CP-1691 POD 1 1	103°31'36.45"W	32°32'37.79"N	Quarter NW 1/4 of SE 1/4 of Section S26 T20S R34E, NM

NOTE: If more well locations need to be described, complete form WR-08 (Attachment 1 – POD Descriptions)
Additional well descriptions are attached: ☐ **Yes** ■ **No** **If yes, how many**_____

Other description relating well to common landmarks, streets, or other:

Well is on land owned by: 3 Bear Energy

Well Information: NOTE: If more than one (1) well needs to be described, provide attachment. Attached? ☐ **Yes** ■ **No**
If yes, how many_____

Approximate depth of well (feet): 100	Outside diameter of well casing (inches): 2
Driller Name: John White, White Drilling Company, Inc.	Driller License Number: WD-1456 Exp. 9/30/18

3. ADDITIONAL STATEMENTS OR EXPLANATIONS

Monitoring well will be installed for geotechnical and hydrogeologic investigation regarding future site development. Monitoring for water level and quality. These well will be plugged within 24 hours of completion.

2017 SEP 19 AM 10:21

STATE ENGINEER OFFICE ROSWELL, NEW MEXICO

FOR OSE INTERNAL USE Application for Permit, Form WR-07

File No.: CP-1691 Trn No.: 613446

4. SPECIFIC REQUIREMENTS: The applicant must include the following, as applicable to each well type. Please check the appropriate boxes, to indicate the information has been included and/or attached to this application:

Exploratory:	**Pollution Control and/or Recovery:**	**Construction De-Watering:**	**Mine De-Watering:**
☐ Include a description of any proposed pump test, if applicable.	☐ Include a plan for pollution control/recovery, that includes the following: ☐ A description of the need for the pollution control or recovery operation. ☐ The estimated maximum period of time for completion of the operation. ☐ The annual diversion amount. ☐ The annual consumptive use amount. ☐ The maximum amount of water to be diverted and injected for the duration of the operation. ☐ The method and place of discharge.	☐ Include a description of the proposed dewatering operation, ☐ The estimated duration of the operation, ☐ The maximum amount of water to be diverted, ☐ A description of the need for the dewatering operation, and, ☐ A description of how the diverted water will be disposed of.	☐ Include a plan for pollution control/recovery, that includes the following: ☐ A description of the need for mine dewatering. ☐ The estimated maximum period of time for completion of the operation. ☐ The source(s) of the water to be diverted. ☐ The geohydrologic characteristics of the aquifer(s). ☐ The maximum amount of water to be diverted per annum. ☐ The maximum amount of water to be diverted for the duration of the operation. ☐ The quality of the water. ☐ The method of measurement of water diverted. ☐ The recharge of water to the aquifer. ☐ Description of the estimated area of hydrologic effect of the project. ☐ The method and place of discharge. ☐ An estimation of the effects on surface water rights and underground water rights from the mine dewatering project. ☐ A description of the methods employed to estimate effects on surface water rights and underground water rights. ☐ Information on existing wells, rivers, springs, and wetlands within the area of hydrologic effect.
Monitoring: ■ Include the reason for the monitoring well, and, ■ The duration of the planned monitoring.	☐ The method of measurement of water produced and discharged. ☐ The source of water to be injected. ☐ The method of measurement of water injected. ☐ The characteristics of the aquifer. ☐ The method of determining the resulting annual consumptive use of water and depletion from any related stream system. ☐ Proof of any permit required from the New Mexico Environment Department. ☐ An access agreement if the applicant is not the owner of the land on which the pollution plume control or recovery well is to be located.	**Ground Source Heat Pump:** ☐ Include a description of the geothermal heat exchange project, ☐ The number of boreholes for the completed project and required depths. ☐ The time frame for constructing the geothermal heat exchange project, and, ☐ The duration of the project. ☐ Preliminary surveys, design data, and additional information shall be included to provide all essential facts relating to the request.	

ACKNOWLEDGEMENT

I, We (name of applicant(s)), Kasia Kuk
Print Name(s)

affirm that the foregoing statements are true to the best of (my, our) knowledge and belief.

K. Kuk
Applicant Signature

Applicant Signature

ACTION OF THE STATE ENGINEER

This application is:

☒ approved ☐ partially approved ☐ denied

provided it is not exercised to the detriment of any others having existing rights, and is not contrary to the conservation of water in New Mexico nor detrimental to the public welfare and further subject to the attached conditions of approval.

Witness my hand and seal this 19th day of September 20 17, for the State Engineer,

Tom Blaine, P.E., State Engineer

By:
Signature Print

Title: Juan Hernandez, Water Resources Manager 1
Print

2017 SEP 18 AM 10:21

STATE ENGINEER OFFICE
ROSWELL, NEW MEXICO

FOR OSE INTERNAL USE Application for Permit, Form WR-07

File No.: CP-1691 Trn No.: 613646

NEW MEXICO STATE ENGINEER OFFICE
PERMIT TO EXPLORE

SPECIFIC CONDITIONS OF APPROVAL

17-1A Depth of the well shall not exceed the thickness of the valley fill.

17-4 No water shall be appropriated and beneficially used under this permit.

17-6 The well authorized by this permit shall be plugged completely using the following method per Rules and Regulations Governing Well Driller Licensing, Construction, Repair and Plugging of Wells; Subsection C of 19.27.4.30 NMAC unless an alternative plugging method is proposed by the well owner and approved by the State Engineer upon completion of the permitted use. All pumping appurtenance shall be removed from the well prior to plugging. To plug a well, the entire well shall be filled from the bottom upwards to ground surface using a tremie pipe. The bottom of the tremie shall remain submerged in the sealant throughout the entire sealing process; other placement methods may be acceptable and approved by the state engineer. The well shall be plugged with an office of the state engineer approved sealant for use in the plugging of non-artesian wells. The well driller shall cut the casing off at least four (4) feet below ground surface and fill the open hole with at least two vertical feet of approved sealant. The driller must fill or cover any open annulus with sealant. Once the sealant has cured, the well driller or well owner may cover the seal with soil. A Plugging Report for said well shall be filed with the Office of the State Engineer in a District Office within 30 days of completion of the plugging, but no later than 09/30/2018.

Trn Desc: CP 01691 POD1 File Number: CP 01691
Trn Number: 613646

NEW MEXICO STATE ENGINEER OFFICE
PERMIT TO EXPLORE

SPECIFIC CONDITIONS OF APPROVAL (Continued)

17-7 The Permittee shall utilize the highest and best technology available to ensure conservation of water to the maximum extent practical.

17-B The well shall be drilled by a driller licensed in the State of New Mexico in accordance with 72-12-12 NMSA 1978. A licensed driller shall not be required for the construction of a well driven without the use of a drill rig, provided that the casing shall not exceed two and three-eighths (2 3/8) inches outside diameter.

17-C The well driller must file the well record with the State Engineer and the applicant within 30 days after the well is drilled or driven. It is the well owner's responsibility to ensure that the well driller files the well record.
The well driller may obtain the well record form from any District Office or the Office of the State Engineer website.

17-C2 No water shall be diverted from this well except for testing purposes which shall not exceed ten (10) cumulative days, and well shall be plugged or capped on or before , unless a permit to use water from this well is acquired from the Office of the State Engineer.

17-P The well shall be constructed, maintained, and operated to prevent inter-aquifer exchange of water and to prevent loss of hydraulic head between hydrogeologic zones.

17-Q The State Engineer retains jurisdiction over this permit.

Trn Desc: CP 01691 POD1 File Number: CP 01691
Trn Number: 613646

NEW MEXICO STATE ENGINEER OFFICE
PERMIT TO EXPLORE

SPECIFIC CONDITIONS OF APPROVAL (Continued)

17-R Pursuant to section 72-8-1 NMSA 1978, the permittee shall allow the State Engineer and OSE representatives entry upon private property for the performance of their respective duties, including access to the ditch or acequia to measure flow and also to the well for meter reading and water level measurement.

LOG The Point of Diversion CP 01691 POD1 must be completed and the Well Log filed on or before 09/30/2018.

IT IS THE PERMITTEES RESPONSIBILITY TO OBTAIN ALL AUTHORIZATIONS AND PERMISSIONS TO DRILL ON PROPERTY OF OTHER OWNERSHIP BEFORE COMMENCING ACTIVITIES UNDER THIS PERMIT.

SHOULD THE PERMITTEE CHANGE THE PURPOSE OF USE TO OTHER THAN MONITORING PURPOSES, AN APPLICATION SHALL BE ACQUIRED FROM THE OFFICE OF THE STATE ENGINEER.

ACTION OF STATE ENGINEER

Notice of Intention Rcvd: Date Rcvd. Corrected:
Formal Application Rcvd: 09/18/2017 Pub. of Notice Ordered:
Date Returned - Correction: Affidavit of Pub. Filed:

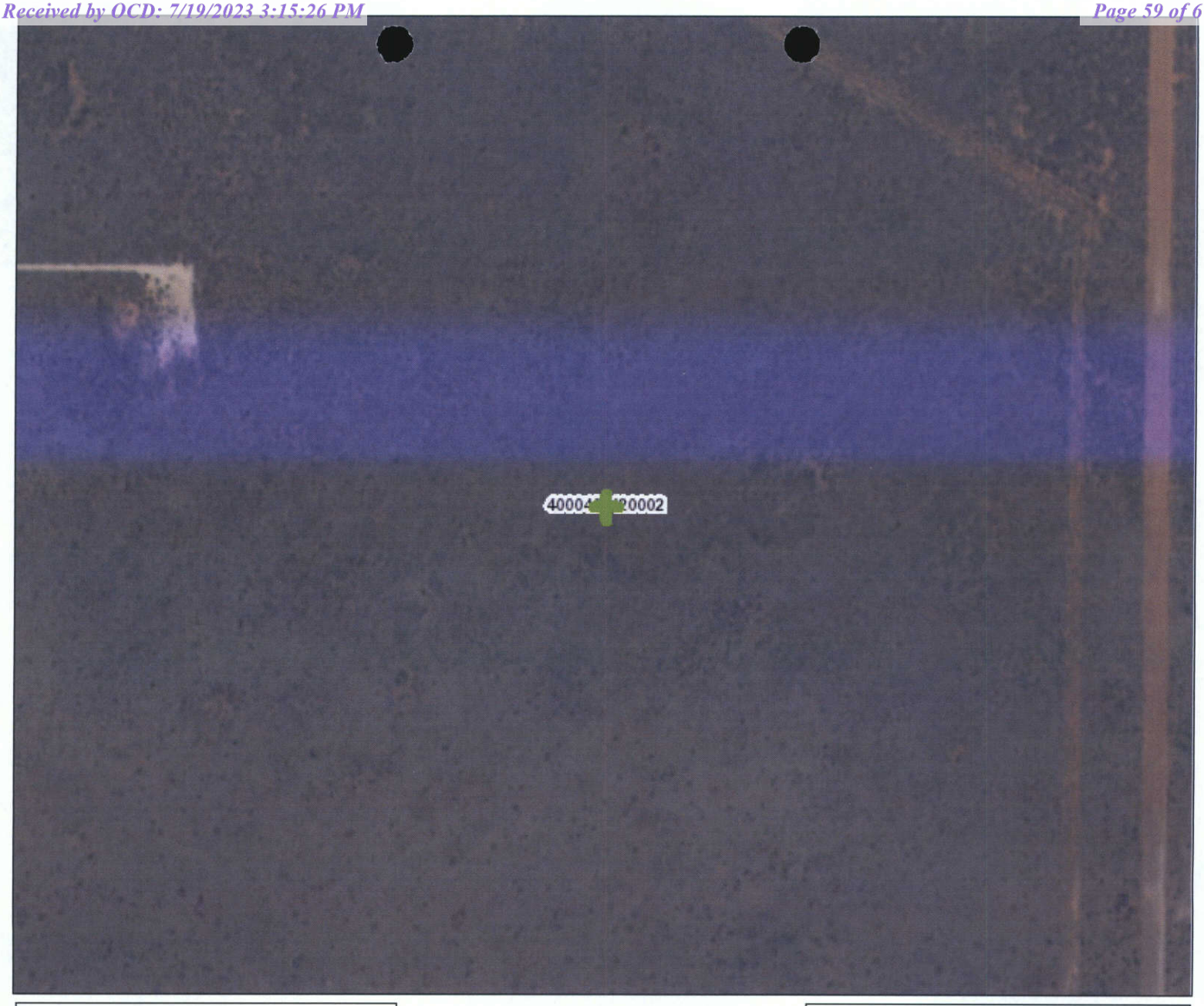
This application is approved provided it is not exercised to the detriment of any others having existing rights, and is not contrary to the conservation of water in New Mexico nor detrimental to the public welfare of the state; and further subject to the specific conditions listed previously.

Witness ~~my hand~~ and seal this 19th day of Sep A.D., 2017

Tom Blaine, P.E., State Engineer

By: Juan Hernandez

Trn Desc: CP 01691 POD1 File Number: CP 01691
Trn Number: 613646



Coordinates

UTM - NAD 83 (m) - Zone 13

Easting 638332.141

Northing 3601674.030

State Plane - NAD 83 (f) - Zone E

Easting 789875.144

Northing 562515.354

Degrees Minutes Seconds

Latitude 32 : 32 : 37.790000

Longitude -103 : 31 : 36.450000

NEW MEXICO OFFICE OF THE STATE ENGINEER

1:4,514

ft

0 90 180 360

N

Image Info
Source: USDA FSA
Date: 5/11/2016
Resolution (m):1
Accuracy (m): 6

Spatial Information

County: Lea

Groundwater Basin: Capitan

Sub-Basin:

Land Grant: Not in Land Grant

Restrictions:

NA

PLSS Description

NENENWSE Quarter of Section 26, Township 020S, Range 034E

Derived from CADNSDI- Qtr Sec. locations are calculated and are only approximations

POD Information

Owner: 3 BEAR ENERGY

File Number: CP-POD1

POD Status: NoData

Permit Status: NoData

Permit Use: NoData

Purpose: MONITOR

YMENDIOLA 9/18/2017

Selected POD
OSE District Boundary
Catron County parcel points 2014
Guadalupe County parcel points 2016
Mora County parcel points 2014
Quay County parcel points 2015
Union County parcel points 2015
Bernalillo County parcels 2016
Chaves County parcels 2016
Cibola County parcels 2016
Colfax County parcels 2016
Curry County parcels 2016
De Baca County parcels 2016
Doña Ana County parcels 2016
Eddy County 2016
Grant County parcels 2016
Harding County parcels 2016
Hidalgo County parcels 2014
Lea County parcels 2016
Lincoln County parcels 2016
Los Alamos County parcels 2016
Luna County parcels 2016
McKinley County parcels 2016
Otero County parcels 2016
Rio Arriba County parcels 2016
Roosevelt County parcels 2016
Sandoval County parcels 2016
Santa Fe County parcels 2016
San Juan County parcels 2016
San Miguel County Parcels 2015
Sierra County parcels 2016
Socorro County parcels 2016
Taos County parcels 2016
Torrance County parcels 2016
Valencia County parcels 2016

Application Fee 1 boxing x $5 = $5 attached in cash

Plugging plan submitted separately by White drilling Company (FedEx on 9/15/17)

Email from owner of the well 3Bear Energy with permition to submit forms on their beahe will be forwarded ASAP to Goetz, Catherine, OSE <Catherine.Goetz@state.nm.us>

Tom Blaine, P.E.
State Engineer

Roswell Office
1900 WEST SECOND STREET
ROSWELL, NM 88201

STATE OF NEW MEXICO
OFFICE OF THE STATE ENGINEER

Trn Nbr: 613646
File Nbr: CP 01691 POD1

Sep. 19, 2017

KASIA KUK, TETRA TECH INC
3 BEAR ENERGY LLC
4000 N BIG SPRING SUITE 401
MIDLAND, TX 79705

Greetings:

Enclosed is your copy of the above numbered permit that has been approved subject to the conditions set forth on the approval page. In accordance with the conditions of approval, the well can only be tested for 10 cumulative days, and the well is to be plugged on or before 09/30/2018, unless a permit to use the water is acquired from this office.

A Well Record & Log (OSE Form wr-20) shall be filed in this office within twenty (20) days after completion of drilling, but no later than 09/30/2018.

Appropriate forms can be downloaded from the OSE website www.ose.state.nm.us or will be mailed upon request.

Sincerely,

for Juan Hernandez
(575)622-6521

Enclosure

explore

APPENDIX E. SAMPLE PUBLIC NOTICE

LEGAL NOTICE

NOTICE OF PUBLICATION

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

Notice is hereby given that pursuant to New Mexico Water Quality Control Commission Regulations (20.6.2.3108 NMAC), the following discharge permit application has been submitted to the Engineering Bureau of the New Mexico Oil Conservation Division ("OCD"), 1220 South St. Francis Drive, Santa Fe, New Mexico 87505, Telephone (505) 476-3200.

DKL Field Services, LLC, Owner, 310 Seven Springs Way, Suite 500, Brentwood, TN 37027, has submitted an application for a groundwater discharge permit for a natural gas plant located at 674 Marathon Road, Hobbs, New Mexico 88240 in Section 26, Township 20 South, Range 34 East, Lea County, New Mexico (Lat: 32.543858°, Long: - 103.525344°). Signage of the natural gas plant will be located on private land adjacent to County Road 27A (aka Marathon Road) at the above referenced physical address.

Pursuant to 20.6.2 NMAC, the OCD required the filing of a groundwater discharge permit application for all natural gas plants located in the state, which covers intentional, accidental or other potential discharges to groundwater. This natural gas plant receives and processes up to 85 MMscf/day of field gas from offsite compressor stations. Primary facility operations include the separation of natural gas liquids (NGLs) from field gas, which produces a residue gas product and NGL product. Residue gas and NGLs are then piped to the respective nearby interconnect metering stations that are owned by 3rd parties. Major plant equipment includes aboveground storage tanks for produced water and condensate with shell capacities ranging from 200 bbl to 500 bbl, compressors driven by natural gas fired internal combustion engines with capacities from 1,380 hp to 1,680 hp, an amine sweetening unit with design capacity of 85 MMscf/day, process flares with capacities up to 220 mmscf/day, and process heaters with capacities up to 49 mmbtu/hr. The natural gas plant does not operate any onsite disposal facilities, surface impoundments, wastewater effluent nor other equipment that intentionally discharge to surface water or groundwater. Unintentional discharges may occur from the result of spills or accidental release from site operations or equipment, which the plant has existing containment, countermeasures, diversionary and other prevention measures. The gas plant does not have any history of groundwater contamination, nor prior installation of groundwater monitoring wells. Based on best available data, recent geotechnical survey data for the gas plant indicate groundwater depth exceeds 100 feet bgs. Based on best available data, groundwater depth in Lea County may range up to 270 feet bgs and Total Dissolved Solids (TDS) concentration in the local groundwater is approximately 400 ppm. The discharge permit addresses site operations, inspections, maintenance, contingency plan in the event of accidental discharges.

The OCD will accept comments and statements of interest regarding this application and will create a facility-specific mailing list of persons who wish to receive future notices. Persons interested in obtaining further information, submitting comments or requesting to be on a facility-specific mailing list may contact the following agency contact person:

Leigh Barr
Supervisor – Administrative Permitting Program
New Mexico Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, NM 87505
(505) 795-1722
leighp.barr@emnrd.nm.gov

The application may be viewed at the OCD web site: http://www.emnrd.state.nm.us/ocd/. Persons interested in obtaining a copy of the application may contact the OCD at the address given above.

Para obtener mas informaci6n sobre esta solicitud en español, sirvase comunicarse por favor: New Mexico Energy, Minerals and Natural Resources Department (Depto. Del Energia, Minerals y Recursos Naturales de Nuevo Mexico), Oil Conservation Division (Depto. Conservación Del Petró1eo), 1220 South St. Francis Drive, Santa Fe, New Mexico (Contacto: Shelley Wells, 505-469-7520).

Given under the Seal of New Mexico Oil Conservation Commission at Santa Fe, New Mexico, on this _____ day of _____ 2023.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

Dylan Fuge, Director

State of New Mexico
Energy, Minerals and Natural Resources Department

Michelle Lujan Grisham
Governor

Sarah Cottrell Propst
Cabinet Secretary

Todd E. Leahy, JD, PhD
Deputy Cabinet Secretary

Dylan Fuge, Division Director
Oil Conservation Division

BY ELECTRONIC MAIL ONLY

August 3, 2023

Kevin Adams
DKL Field Services, LLC
310 Seven Springs Way, Suite 500
Brentwood, TN 37027
Kevin.adams@delekus.com

RE: **DKL Field Services, LLC - Notice of an Administratively Complete Discharge Permit Application for Libby Gas Plant**

Dear Mr. Adams:

The New Mexico Energy, Minerals and Natural Resource Department's Oil Conservation Division (OCD) has reviewed your amended discharge permit application, dated July 25, 2023, for DKL Field Services, LLC (DKL), Libby Gas Plant. OCD has determined that the amended discharge permit application is administratively complete.

Given OCD's determination, DKL must provide public notice within 30 days of receipt of this letter (i.e., September 2, 2023) in accordance with the requirements of 20.6.2.3108(B) NMAC to the general public in the locale of the Plant by each of the methods listed below:

1. Prominently posting a synopsis of the public notice at least 2 feet by 3 feet in size, in English and in Spanish, at the Plant's main entrance and at the Hobbs Public Library for 30 days;

2. Providing written notice of the discharge by mail or electronic mail, to owners of record of all properties within a 1/3 mile distance from the boundary of the property where the discharge site is located; if there are no properties other than properties owned by the discharger within a 1/3 mile distance from the boundary of property where the discharge site is located, DKL shall provide notice to owners of record of the next nearest adjacent properties not owned by the discharger;

3. Providing notice by certified mail, return receipt requested, to the owner of the discharge site if DKL is not the owner; and

4. Publishing a synopsis of the notice in English and in Spanish, in a display ad at least three inches by four inches ***not*** in the classified or legal advertisements section, in the Hobbs News-Sun. Note, the public notice in the application needs to be modified to account for the following:

    - The discharge permit application was submitted to the Environmental Bureau and not the Engineering Bureau.
    - The main telephone number for the OCD is (505) 476-3441.
    - Remove the statement, "The application may be viewed at the OCD web site: http://www.emnrd.state.nm.us/ocd/."
    - The OCD contact in the Spanish Section of the public notice is Laura Tulk (575-703-3842) and not Shelly Wells. Note, the primary contact information for Leigh Barr remains the same.

Within 15-days of completion of the public notice requirements in 20.6.2.3108(B) NMAC, DKL must submit to the OCD proof of the notice, including affidavit of mailing(s) and the list of property owner(s), proof of publication, and an affidavit of posting, as appropriate.

Also, as part of the discharge permit application, DKL was required to submit a Closure/Post Closure Plan for OCD approval. OCD has reviewed this plan and hereby approves the Closure/Post Closure Plan. The financial assurance (FA) associated with this plan is $390,000. The FA must be on OCD-prescribed forms, or forms otherwise acceptable to the OCD, payable to the OCD. Bond forms can be found at the bottom of OCD's Forms Page located at https://www.emnrd.nm.gov/ocd/ocd-forms/. The FA is due to the OCD within 30-days of email receipt of this letter (i.e., September 2, 2023).

If you have any questions, please do not hesitate to contact me by email, LeighP.Barr@emnrd.nm.gov, or by phone, (505) 795-1722. On behalf of the OCD, I wish to thank you and your staff for your cooperation during this process.

Regards,

Leigh Barr

Leigh Barr
Administrative Permitting Supervisor

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 242265

CONDITIONS

Operator: DKL Field Services, LLC 310 Seven Springs Way Brentwood, TN 37027	OGRID: 372603
	Action Number: 242265
	Action Type: [UF-DP] Discharge Permit (DISCHARGE PERMIT)

CONDITIONS

Created By	Condition	Condition Date
lbarr	None	8/3/2023