



Delek Logistics Partners, LP  
310 Seven Springs Way, Suite 500  
Brentwood, TN 37027  
(615) 771-6701

September 8, 2023

Victoria Venegas  
New Mexico Energy, Minerals and Natural Resources Department  
Oil Conservation Division  
506 W. Texas Ave.  
Artesia, NM 88210

Re: 1RF-24 Libby Berry Fee SWD #1 FACILITY ID [fOY1801835611]  
NMOCD Email of August 16, 2023 Regarding Extension of Permit

Ms. Venegas,

We are submitting this letter in response to your email of August 16, 2023, wherein the NMOCD states that an Extension of Cessation is required for the subject Facility. We present the following information for your consideration and respectfully request the NMOCD's ("Agency") reconsideration of the requirement to submit an Extension of Cessation or proceed towards closure.

On July 11, 2022, the Water Operations Team at the subject Facility identified accumulation of liquids in the Liquid Leak Detection Sump ("LLDS") in excess of the Action Leakage Rate ("ALR"), representing a potential leak in the primary liner. We reported this on July 19 (Attachment 1) and provided an update on August 11 (Attachment 2), wherein we confirmed the leak and outlined our plans to stop adding liquids to the Pit, drain any liquids in the Pit, and pursue repair options. On August 29, the Water Operations Team completed removal of all liquids from the Pit.

In September, we continued communication with our consultant and the Agency in order to progress several matters for the subject Facility. On October 28, 2022, we submitted a proposal (Attachment 3) outlining plans to repair the Pit. On November 10, the consulting firm assisting us in this matter shared the Agency's response to the proposal (Attachment 4).

Over the next several months, communications between the Agency and our consulting firm

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progressed resolution of the issues raised by the Agency. The Agency issued an email on February 10, 2023 that approved the repair plan and appeared to provide satisfactory resolution of issues raised by the Agency after submittal of the October 28, 2022 repair plan.

Repairs to the Pit were completed by our contractor during the latter half of March 2023. We also hired a consulting firm to oversee the repair effort. On March 31<sup>st</sup> the consulting verified completeness of the repairs and on April 1<sup>st</sup> the Water Operations Team began refilling the Pit and monitoring the LLDS. Since returning the Pit to service, any measured accumulations in the LLDS have been well below the ALR.

On April 20, 2023, the Agency issued an email (Attachment 5) that approved the permit extension request and noted a requirement to submit a permit extension request before November 4, 2023. Recycling activities resumed in July 2023, as reported on Form C-148 (Attachment 6).

With respect to the Agency's email of August 16, 2023, we recognize the Agency's concern that the subject Facility has not had sufficient recycling activity in more than 6 calendar months. We ask that the Agency recognize that recycling activity was necessarily suspended in July 2022 through March 2023 because of the outage and subsequent repairs to the Pit. We also ask the Agency to recognize recycling activity that occurred in May 2022 (Attachment 7).

Further, we ask the Agency to consider a different 6-month period for recycling activity. Instead of using a 6-month period associated w/ calendar months, we ask the Agency to consider only those months in which the subject Facility was operating. Using this alternate timeframe, we offer that the Pit was operating for 5 months during the period of June 1, 2022 through July 31, 2023. These months were June and July 2022 before the outage, with operations resuming in April 2023 and being continuous thereafter.

We also recognize that the C-148 Forms submitted over this period of time did not provide any special notation that the Pit was out of service for leak investigation and/or repair or had differing Operator Names and Facility numbers. Please advise if we need to submit corrections to any C-148 Forms in order to clarify the temporary suspension of recycling operations concurrent with the outage of the Pit for the subject Facility.

September 8, 2023

Re: 1RF-24 Libby Berry Fee SWD #1 FACILITY ID [fOY1801835611]  
Response to Victoria Venegas Email of August 16, 2023 Regarding Extension of Permit

We appreciate your reconsideration of the Agency's August 16, 2023 request to submit a Cessation of Extension or proceed towards closure. We believe that our communications and actions since May 2022 have provided sufficient recycling, monitoring, and repair activities to demonstrate the continued need for operation of the subject Facility. We also intend to submit a renewal application for an annual extension before November 4, 2023.

Respectfully,

A handwritten signature in blue ink, appearing to read "Harry Lewis".

Harry Lewis  
Sr. Director, Environment, Health, and Safety  
Delek Logistics Partners, LP

Attachments

Cc: Brian O'Dell, DKL Field Services  
Wade Lynch, DKL Field Services  
James Young, Delek Logistics  
Mitchell Ratke, Envirotech

September 8, 2023

Re: 1RF-24 Libby Berry Fee SWD #1 FACILITY ID [fOY1801835611]  
Response to Victoria Venegas Email of August 16, 2023 Regarding Extension of Permit

Attachment 1: Jul 19, 2022 Letter to NMOCD (Partial thru TOC of Dec 4, 2017 Application by TetraTech)



Delek Logistics Partners, LP  
7102 Commerce Way  
Brentwood, TN 37027  
615-771-6701

July 19, 2022

Victoria Venegas  
New Mexico Energy, Minerals and Natural Resources Department  
Oil Conservation Division  
1220 S. St. Francis Dr.  
Santa Fe, NM 87505

Re: Notification of Potential Leak in Primary Containment Liner  
Libby Berry #1 Water Recycling Facility  
Permit 1RF-24; OGRID 372603

We are sending this notice to inform the Oil Conservation Division of a potential leak in the primary containment liner of the Libby Water Recycling and Containment Facility Pit. This notice is intended to conform to the conditions outlined in the Application dated December 4, 2017. We have attached a copy of this Application for your reference.

We first identified a leak in excess of the Action Leakage Rate (ALR) on July 11, 2022, when we removed 89 barrels of Produced Water from the Liquid Leak Detection (LLD) Sump. The ALR for this Pit is 32 barrels, and for each day since July 11, 2022 we continued to remove greater than the ALR amount of Produced Water from the LLD Sump.

In accordance with the Section 5.11 of the attached Operating and Maintenance Plan, we are taking the Pit out of service, draining all liquids, and will inspect the Primary Liner for system integrity. We will provide additional information to your office as we identify the nature of the potential leak, arrange for repairs, and verify the integrity of any repairs.

Thank you for your attention in this matter. Please do not hesitate to contact Brian O'Dell, Sr. Manager of Water Operations at (970) 930-5868, or Kevin Adams, Sr. Manager of Environmental, at (409) 553-1480, if you need additional information.

Respectfully,

Harry Lewis  
Sr. Director - Environment, Health, and Safety  
Delek Logistics Companies  
12700 Park Central Drive  
Dallas, TX 75251  
[Harry.lewis@deleklogistics.com](mailto:Harry.lewis@deleklogistics.com)  
(469) 704-7379

Attachment

cc: Brian O'Dell, Delek Logistics, New Mexico  
Kevin Adams, Delek Logistics, Dallas  
David White - Geolex, Denver  
Liz Klein - 3Bear Energy, Denver



**TETRA TECH**

December 4, 2017

To: Mr. Brad Jones or Permitting Specialist  
Environmental Permitting  
New Mexico Oil Conservation Division, District I  
1220 South St. Francis Dr.  
Santa Fe, New Mexico 87505

Cc: Mr. Scott Spicher  
Mr. Mike Solomon  
3Bear Energy, LLC  
1512 Larimer Street, Suite 540  
Denver, CO 80202

**Subject: Application for a Permit to Maintain and Use a Pit (Form C-147)  
3 Bear Energy, LLC; OGRID #372603  
Libby Water Recycling and Containment Facility  
Sec. 26, Township 20 South, Range 34 East  
Lea County, New Mexico**

Dear Mr. Jones or Permitting Specialist,

Tetra Tech is submitting a permit application, Form C-147, for a Recycling Facility and Recycling Containment in accordance with NMAC 19.15.34 requirements on behalf of Mr. Scott Spicher, Vice President of 3Bear Energy, LLC.

3Bear Energy, LLC respectfully requests authorization to operate a Recycling Facility and Recycling Containment in Section 26, Township 20 South, Range 34 East, Lea County, New Mexico. The attached application includes the signed C-147 from the owner and operator, 3Bear Energy, LLC, and describes their compliance with the requirements of NMAC 19.15.34.9 through 19.15.34.15 within.

3Bear Energy, LLC is eager to begin operations of this water recycling facility and respectfully requests and encourages any comments or considerations to be communicated via telephone communication in addition to written communication. Please contact Mr. Nathan Langford with Tetra Tech at 432-687-8130 or Mr. Mike Solomon with 3Bear Energy, LLC at 720-202-2824 should you wish to discuss the application further.

Sincerely,  
**TETRA TECH, INC.**

A handwritten signature in blue ink, appearing to read 'N. Langford', written over a light blue horizontal line.

Nathan A. Langford, P.E.  
Project Manager

**Attachments (1): NMOCD, FORM C-147 Registration Application Package; 3 Bear Energy, LLC, Libby Water Recycling Facility, Lea County, New Mexico**

**Tetra Tech**  
4000 North Big Spring St., Suite 401. Midland, Texas 79705  
Tel 432.682.4559 Fax 432.682.3946 [www.tetratech.com](http://www.tetratech.com)



**TETRA TECH**

## **C-147 Registration Application Package**

**3Bear Energy, LLC  
Libby Site Water Recycling Facility  
Lea County, New Mexico**



**December 4, 2017**

complex world

**CLEAR SOLUTIONS™**

**C-147 Registration Application Package**

**3Bear Energy, LLC**  
**Libby Water Recycling and Containment Facility**  
**Section 26, Township 20 South, Range 34 East**  
**Lea County, New Mexico**

*Prepared for:*

**3BEAR ENERGY, LLC**

*1512 Larimer St., Suite 540*  
*Denver, Colorado 80202*

*Prepared by:*

**Tetra Tech, INC**

*4000 N. Big Spring St., Suite 401*  
*Midland, Texas 79705*

Tetra Tech Project No. 212C-MD-00980.601

December 4, 2017

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September 8, 2023

Re: 1RF-24 Libby Berry Fee SWD #1 FACILITY ID [fOY1801835611]  
Response to Victoria Venegas Email of August 16, 2023 Regarding Extension of Permit

Attachment 2: August 11, 2023 Letter to NMOCD



Delek Logistics Partners, LP  
7102 Commerce Way  
Brentwood, TN 37027  
615-771-6701

August 11, 2022

Victoria Venegas  
New Mexico Energy, Minerals and Natural Resources Department  
Oil Conservation Division  
1220 S. St. Francis Dr.  
Santa Fe, NM 87505

Re: Update for Investigation of Potential Leak in Primary Containment Liner  
Libby Berry #1 Water Recycling Facility  
Permit 1RF-24; OGRID 372603

We are sending this update to our earlier notice of July 19<sup>th</sup> regarding the potential leak in the primary containment liner of the Libby Water Recycling and Containment Facility Pit ("Pit"). As we mentioned in that July 19<sup>th</sup> notice, we first identified a leak in excess of the Action Leakage Rate (ALR) on July 11, 2022.

Since then we have ceased addition of Produced Water into the Pit and are removing any liquids contained therein. We continue to drain the Pit and are monitoring the Liquid Leak Detection ("LLD") Sump on a daily basis. Earlier this week we detected less than 1 barrel of Produced Water in the LLD Sump and continue to observe a daily accumulation rate of less than 1 barrel.

We intend to continue draining the Pit and anticipate the Pit will be empty during the week of August 15<sup>th</sup>. We are consulting with specialized contractors to evaluate repair options for the Pit and anticipate pursuing a repair plan soon thereafter.

Later this month we intend to submit an update regarding our findings, our plans to repair the Pit, as well as our plans to verify the integrity of those repairs prior to resumption of operations. Feel free to contact Brian O'Dell, Sr. Manager of Water Operations at (970) 930-5868, or Kevin Adams, Sr. Manager of Environmental, at (409) 553-1480, if you have any questions.

Respectfully,

Harry Lewis  
Sr. Director - Environment, Health, and Safety  
Delek Logistics Companies  
12700 Park Central Drive  
Dallas, TX 75251  
[Harry.lewis@deleklogistics.com](mailto:Harry.lewis@deleklogistics.com)  
(469) 704-7379

cc: Brian O'Dell, Delek Logistics, New Mexico  
Kevin Adams, Delek Logistics, Dallas  
David White - Geolex, Denver

September 8, 2023

Re: 1RF-24 Libby Berry Fee SWD #1 FACILITY ID [fOY1801835611]  
Response to Victoria Venegas Email of August 16, 2023 Regarding Extension of Permit

Attachment 3: October 28, 2022 Repair Plan (without Attachments)



David A. White, P.G.

October 28, 2022

VIA ELECTRONIC MAIL

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

RE: DKL FIELD SERVICES, LLC PROPOSAL TO ADDRESS LIBBY RECYCLING AND  
CONTAINMENT FACILITY (1RF-24) LINER INTEGRITY ISSUE

Dear Ms. Barr,

On behalf of DKL Field Services, LLC (Delek), Geolex, Inc.<sup>®</sup> hereby submits, as an attachment to this letter, a detailed proposal to address and correct a liner integrity issue at the Libby Recycling and Containment Facility (1RF-24). The Libby Facility was acquired by Delek on June 1, 2022 and the associated containment pond has been out of service since discovery of a primary liner leak on July 19, 2022.

In developing the attached proposal to address the Libby containment pond upper liner leak, Delek has consulted with industry professionals to develop a successful strategy to correct the currently compromised primary (upper) liner and have monitored interstitial fluid levels to verify the integrity of the redundant secondary (lower) liner. In submitting this plan, Delek requests approval to proceed with corrective action, as described in the attached plan.

If you have any questions regarding this matter or wish to discuss further, please do not hesitate to contact Alberto Gutiérrez, P.G., or David White, P.G., at (505) 842-8000 at Geolex, Inc.<sup>®</sup>; 500 Marquette Avenue NW, Suite 1350; Albuquerque, New Mexico.

Regards,  
Geolex, Inc.<sup>®</sup>

David A. White, P.G.  
Vice President – Consultant to Delek Logistics

Enclosures: Attachment A – Proposal to Correct Libby Primary Liner Leak

P:\22-038A Delek - Libby Facility Liner Issue\Liner Remediation Procedure and Additional Materials\10\_28\_Cover Letter (Libby Liner).docx



## DELEK LOGISTICS PARTNERS, LP

### PROCEDURE TO REMEDIATE PRIMARY LINER INTEGRITY ISSUE AT LIBBY RECYCLING AND CONTAINMENT FACILITY

Libby Recycling and Containment Facility  
Facility 1RF-24

This document serves as a proposal to address a liner integrity issue at the Libby Recycling and Containment Facility (1RF-24), which is located in Section 26, Township 20 South, Range 34 East (32.54435, -103.52553 NAD83), in Lea County, New Mexico. The facility is currently operated by DKL Field Services, LLC (Delek), following acquisition from 3Bear Energy on June 1, 2022. Operations at the facility generally include the receipt and treatment of produced water from New Mexico Oil Conservation Division authorized oil and gas operators and delivery of treated water for use in additional well drilling and completion operations.

The Libby Facility containment pond was constructed as a dual-lined structure, which includes a primary (upper) and secondary (lower) synthetic membrane liners. In July 2022, it was discovered that a leak had developed in the primary liner in the Libby containment pond, as evidenced by activation of the interstitial leak detection alarm and the recovery of fluids via the containment sump system. In the days following the initial alarm, Delek personnel removed and disposed of water in the interstitial space to confirm loss of integrity in the upper liner, in accordance with procedures described in the approved Form C-147. Upon confirmation of the loss of integrity in the upper liner, Delek personnel provided notice to the New Mexico Oil Conservation Division (NMOCD), on July 19, 2022, and placed the containment facility out of service.

Long-term monitoring of interstitial fluid volumes, prior to, during, and after complete removal of water within the pit at the surface, demonstrates that there is no loss of integrity in the secondary (lower) liner, as fluid volumes within the sump system, at various stages of fluid removal, were observed to remain generally stable. Specifically, during the process of draining the Libby containment pit, equilibrium pool depths were observed in which no additional fluids entered the leak detection sump system. At this time, Delek ceased fluid removal operations and sump levels were continually monitored to identify changes in the liquid level, which may be indicative of fluid loss via a breach of the lower secondary liner. During these periods of sump liquid level monitoring, which were completed multiple times during the process of draining the containment pit, no loss of sump liquid level was observed that would indicate a loss of integrity in the lower liner.

### PROPOSED LIBBY FACILITY LINER REMEDIATION STRATEGY

In addressing the existing leak within the upper Libby containment liner, Delek proposes a remediation strategy in which a new upper liner and additional leak-detection system is installed. The resultant containment system that underlies the Libby containment pond will be comprised of, at a minimum, the following components: (1) a new 60 mil geomembrane, 200 mil geonet upper liner barrier, and new leak detection system, (2) existing leak detection system, and (3) a lower 60 mil geomembrane (existing). This remediation strategy will restore the original dual-lined system, which provides redundancy to containment integrity and will include two leak-detection systems within all interstitial space from the surface to the basal liner. During these operations, the existing, compromised upper liner will be cleaned



and thoroughly inspected. If the point of current integrity loss can be identified, additional effort will be made to repair the compromised area, prior to installation of the new upper liner. These operations will assure complete restoration of the integrity of the dual-lined containment system at the facility.

Design and engineering documents for the proposed remediation procedure have been included in Attachment A. Leak detection systems (2), which will be incorporated into the interstitial space of all liners, will be monitored by the facility control system and operators, and automated alarm systems will allow any failure of the remediated liner system to be identified and responded to quickly and efficiently.

The proposed repair and new installation operations will be generally completed as follows:

1. Containment pond, which currently is empty of water and out of service, will be cleaned and all sand and debris present on the upper liner surface will be removed.
2. Current upper liner will be inspected. Should it be possible to identify the point of current integrity loss, additional effort will be made in attempt to repair the compromised area. If it is determined that breach of the liner is limited to a small area, Delek will proceed with repair of the compromised area. If the containment cannot be verified following the completion of minor repair, Delek will proceed with installation of a new primary liner.
3. A new 60 mil liner, redundant interstitial leak-detection system, and geonet will be installed overlying the currently compromised liner and lowermost existing liner and associated sump system.
4. Upon completion of installation operations for the new liner, 3<sup>rd</sup>-party testing of all new liner seams will be completed to verify the success of installation operations.

In developing the proposed strategy, Delek has consulted with professional service providers to assure the successful installation of a new primary liner and complete re-establishment of integrity of the dual-liner system at the Libby Facility. At this time, it is expected that the remedial operations will be completed by Mustang Extreme Environmental Services (Mustang), as they have extensive experience with containment liner installation and remediation and have successfully completed similar remediation strategies in accordance with NMOCD-approved plans.

In submitting this proposal, Delek requests NMOCD-approval to proceed with remedial operations, as described. Following installation of a new primary liner, and potential repair of the currently compromised liner, a subsequent report of operations will be prepared and submitted to NMOCD technical personnel for review, which will include all as-built design schematics and a complete description of liner installation, repair, and testing operations completed.

#### **ADDITIONAL DESCRIPTION OF FACILITY PROCESSES REQUESTED BY NMOCD**

In preliminary coordination with NMOCD personnel to complete remedial operations at the Libby Containment Facility, additional description and materials, specifically relating to the gun-barrel separator and aeration system, were requested to supplement facility and process descriptions provided in the original Form C-147 (1RF-24). In addressing the agency's request for additional information, we provide the following additional process description for operations at the Libby Recycling and Containment Facility.



## DESCRIPTION OF RECYCLING AND CONTAINMENT FACILITY OPERATIONS

Produced saltwater streams sourced from local oil and gas exploration and production activities, which may contain solids, hydrocarbons, and brackish water are conveyed to the Libby Recycling and Containment Facility for treatment, removal of solids and hydrocarbons, and recycling and/or disposal of the saltwater and brackish water streams.

The produced saltwater stream is conveyed to the Libby facility via pipeline and trucking and gun-barrel separation tanks are utilized to isolate and remove solid materials within the produced water stream. Accumulated solids are subsequently removed, via vacuum truck collection, and transported off-site for treatment and/or disposal by appropriate third-party disposal facilities. Hydrocarbons separated via the gun-barrel system are then conveyed by LACT and pipeline to the Libby Oil Terminal, where crude oil resources are sold and transferred off site via pipeline.

Remaining saltwater and brackish water components are transferred to the Libby Facility produced water tank battery and additional hydrocarbons and solids separated in these tanks are managed as described above. Fluids not suitable for recycling operations undergo Pall Filtration and are transferred to the on-site saltwater injection well for disposal.

Fluids suitable for recycling are transferred and discharged into a lined surface impoundment and may undergo additional treatment that includes aeration and solids removal by gravity separation. Resultant brackish waters are then transferred, via an off-site pipeline system for use by third-party oil and gas exploration and production operators.

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Re: 1RF-24 Libby Berry Fee SWD #1 FACILITY ID [fOY1801835611]  
Response to Victoria Venegas Email of August 16, 2023 Regarding Extension of Permit

Attachment 4: November 10, 2022 NMOCD Response to Repair Plan

## Harry Lewis

---

**From:** David White <DWhite@geolex.com>  
**Sent:** Thursday, November 10, 2022 2:06 AM  
**To:** Harry Lewis; Brian ODell; Norman Buescher; Jesse Fiedorowicz; aag; Kevin Adams  
**Cc:** Brett Creeser  
**Subject:** [External Sender] - Libby Liner Issue

**CAUTION:** This message is NOT from a Delek email address. Please use caution when clicking links, opening attachments or responding to this email. If you suspect this email is a Phish attempt, please click the 'Report Phish' button now. Thank you!

Good day all,

Following up on the Libby liner issue, NMOCD has provided the following response to our submitted proposal (see below).

- *Delek must explain why the existing compromised primary liner isn't just being removed and disposed of prior to the replacement of the primary liner. In OCD's view, removing the primary liner would allow for a liner integrity test that would ensure the secondary liner is still intact, not just a visual inspection and monitoring of the interstitial fluid levels as proposed.*
- *When OCD met with a Delek representative to discuss the liner repair, OCD stated that the repair work would need to be certified by a New Mexico Professional Engineer (NMPE). The submitted proposal/strategy to repair the recycling containment along with the leak detection system was not certified by a NMPE. One particular concern is that the new leak detection riser pipe creates a step that makes the end of the pipe a point of localized stress that over time will compromise the liner's integrity. Note that per NMAC 19.15.34.12.A.(2) a geotextile is required under the liner to reduce localized stress-strain or protuberances that otherwise may compromise the liner's integrity.*
- *This proposal will require a variance request from 19.15.34.12(A).4. The request for variance shall include: (1) a detailed statement explaining the need for a variance; and (2) a detailed written demonstration that the variance will provide equal or better protection of fresh water, public health and the environment.*
- *Please note, permit for 1RF-24 - Libby Berry Fee SWD #1 expires on 12/4/2022 and as such OCD will not be granting an annual extension for the recycling containment if the aerators are left in place. OCD suggests the removal of the aerators as part of the containment repair project. If the facility wishes to use the aerators in the future, the facility will need to submit a 19.15.36 NMAC application and get approval prior to utilizing the aerators. Also, after the 12/4/2022 expiration date, the facility will no longer be permitted to conduct hydrocarbon recovery. This is considered a "Treating plant" under 19.15.2 NMAC. The treating plant definition means a plant constructed for wholly or partially or being used wholly or partially for reclaiming, treating, processing or in any manner making tank bottoms or other waste oil marketable. In the submitted proposal, hydrocarbons are separated via the gun-barrel system are then conveyed by LACT and pipeline to the Libby Oil Terminal, where crude oil resources **are sold** and transferred off site via pipeline. If Delek Logistic wants to do this after the expiration date, the facility would need to submit a 19.15.36 NMAC application and cease the hydrocarbon recovery until a permit is issued.*

- As for the bonding issue, the current bond doesn't match the facility location (I-26-20S-34E/ Lat-Long 32.543858, -103.525344).

Please review and let's plan to discuss.

Regards,

David A. White, P.G.  
(859) 967-7231 Cell

**PRIVILEGED & CONFIDENTIAL**

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September 8, 2023

Re: 1RF-24 Libby Berry Fee SWD #1 FACILITY ID [fOY1801835611]  
Response to Victoria Venegas Email of August 16, 2023 Regarding Extension of Permit

Attachment 5: April 20, 2023 NMOCD Approval of Annual Permit Extension Application

## Harry Lewis

---

**From:** Venegas, Victoria, EMNRD <Victoria.Venegas@emnrd.nm.gov>  
**Sent:** Thursday, April 20, 2023 4:02 PM  
**To:** Harry Lewis; Tyler Williams; Mitchell Ratke  
**Subject:** [External Sender] - 1RF-24 - Libby Berry Fee SWD #1 FACILITY ID [fOY1801835611]  
**Attachments:** C-147 1RF-24 - Libby Berry Fee SWD #1 FACILITY ID [fOY1801835611] 04.20.2023.pdf

**CAUTION:** This message is NOT from a Delek email address. Please use caution when clicking links, opening attachments or responding to this email. If you suspect this email is a Phish attempt, please click the 'Report Phish' button now. Thank you!

### 1RF-24 - Libby Berry Fee SWD #1 FACILITY ID [fOY1801835611]

Good afternoon Mr. Lewis,

NMOD has reviewed the determination of registration/permit annual extension request Application ID 205171, for 1RF-24 - Libby Berry Fee SWD #1 FACILITY ID [fOY1801835611], received from [372603] DKL Field Services, LLC on 04/07/2023. The registration/permit extension request is approved with the following conditions of approval:

- 1RF-24 - Libby Berry Fee SWD #1 FACILITY ID [fOY1801835611] is approved for one (1) year of operation from the date of the previous registration/permit expiration date of December 4, 2022. The new registration/permit expiration date is December 4, 2023.
- [372603] DKL Field Services, LLC will continue to operate, maintain, and close the 1RF-24 - Libby Berry Fee SWD #1 FACILITY ID [fOY1801835611] in compliance with 19.15.34 NMAC, to include but not limited to the performance of weekly inspections regardless of fluid levels in the containment; recording of detailed inspection reports; removal of debris, foreign objects and oil from the containment; and monthly reporting of recycling and reuse of produced water, drilling fluids, and liquid oil field waste via from C-148.
- [372603] DKL Field Services, LLC will maintain a liquid level in the containment that is at least equal to the weight of the liner plus 20%. [372603] DKL Field Services, LLC may maintain a higher liquid level if they choose.
- If less than 20% of the total fluid capacity is utilized every consecutive six months, operation of the facility is considered ceased and notification of cessation of operations should be sent electronically to [OCD Online](#). A request to extend the cessation of operations, not to exceed six months, may be submitted using a C-147 Long form through the [OCD Online](#) system.
- A minimum of 3-feet freeboard must be maintained in the recycling containment at all times.
- [372603] DKL Field Services, LLC will comply with 19.15.29 NMAC Releases in the event of any release of produced water or produced water or other oil field wastes at 1RF-24 - Libby Berry Fee SWD #1 FACILITY ID [fOY1801835611] [372603] DKL Field Services, LLC will comply with all other OCD rules.
- [372603] DKL Field Services, LLC must perform weekly inspections of the containment and leak detection system.
- If [372603] DKL Field Services, LLC wishes to extend the registration/permit past the December 4, 2023, a registration/permit extension request must be submitted to OCD. Extension requests are reviewed on a case-by-case basis and evaluated on their merit. Extensions are considered for a maximum length of one year. Additional requests must be submitted to OCD through [OCD Online](#) on a Form C-147 (long form) as an Extension request and should include a formal extension request letter, a summary of the prior registration/permit period inspection reports, and the copies of the detailed inspection records for the prior permit period. The extension request should be submitted no later than November 4, 2023.

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

Regards,

**Victoria Venegas** • Environmental Specialist  
Environmental Bureau  
EMNRD - Oil Conservation Division  
(575) 909-0269 | [Victoria.Venegas@emnrd.nm.gov](mailto:Victoria.Venegas@emnrd.nm.gov)  
<https://www.emnrd.nm.gov/o cd/>



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

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

Form C-147  
Revised April 3, 2017

## Recycling Facility and/or Recycling Containment

Type of Facility:  Recycling Facility  Recycling Containment\*  
Type of action:  Permit  Registration *Annual extension from 12/04/2022*  
 Modification  Extension *to 12/04/2023*  
 Closure  Other (explain) *11/04/20/2023*

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

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

1.  
Operator: DKL Field Services, LLC (For multiple operators attach page with information) OGRID #: 372603  
Address: 7102 Commerce Way, Brentwood, TX 37027  
Facility or well name (include API# if associated with a well): Libby Berry Fee SWD #1  
OCD Permit Number: (1RF-024) (For new facilities the permit number will be assigned by the district office)  
U/L or Qtr/Qtr SW/4 Section 26 Township 20 South Range 34 East County: Lea  
Surface Owner:  Federal  State  Private  Tribal Trust or Indian Allotment

2.  
 **Recycling Facility:**  
Location of recycling facility (if applicable): Latitude 32.543858° Longitude -103.525344° NAD83  
Proposed Use:  Drilling\*  Completion\*  Production\*  Plugging\*  
*\*The re-use of produced water may NOT be used until fresh water zones are cased and cemented*  
 Other, requires permit for other uses. Describe use, process, testing, volume of produced water and ensure there will be no adverse impact on groundwater or surface water.  
 Fluid Storage  
 Above ground tanks  Recycling containment  Activity permitted under 19.15.17 NMAC explain type \_\_\_\_\_  
 Activity permitted under 19.15.36 NMAC explain type: \_\_\_\_\_  Other explain \_\_\_\_\_  
 For multiple or additional recycling containments, attach design and location information of each containment  
 **Closure Report (required within 60 days of closure completion):**  Recycling Facility Closure Completion Date: \_\_\_\_\_

3.  
 **Recycling Containment:**  
 Annual Extension after initial 5 years (attach summary of monthly leak detection inspections for previous year)  
Center of Recycling Containment (if applicable): Latitude 32.544383° Longitude -103.526851° NAD83  
 For multiple or additional recycling containments, attach design and location information of each containment  
 Lined  Liner type: Thickness 60/60/60 mil  LLDPE  HDPE  PVC  Other \_\_\_\_\_  
 String-Reinforced  
Liner Seams:  Welded  Factory  Other Field Welded Seams Volume: 279,558 bbl Dimensions: L 810' x W 810' x D 13'  
 Recycling Containment Closure Completion Date: \_\_\_\_\_

4.

**Bonding:**

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

Bonding in accordance with 19.15.34.15(A)(1). Amount of bond \$ 2,192,173 (work on these facilities cannot commence until bonding amounts are approved)

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

5.

**Fencing:**

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

Alternate. Please specify 6' game fence with 4" mesh

6.

**Signs:**

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

Signed in compliance with 19.15.16.8 NMAC

7.

**Variances:**

Justifications and/or demonstrations that the proposed variance will afford reasonable protection against contamination of fresh water, human health, and the environment.

*Check the below box only if a variance is requested:*

Variance(s): Requests must be submitted to the appropriate division district for consideration of approval. If a Variance is requested, include the variance information on a separate page and attach it to the C-147 as part of the application.

**If a Variance is requested, it must be approved prior to implementation.**

8.

**Siting Criteria for Recycling Containment**

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

<b>General siting</b>	
<b>Ground water is less than 50 feet below the bottom of the Recycling Containment.</b> NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> NA
Within incorporated municipal boundaries or within a defined municipal fresh water well field covered under a municipal ordinance adopted pursuant to NMSA 1978, Section 3-27-3, as amended. - Written confirmation or verification from the municipality; written approval obtained from the municipality	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> NA
Within the area overlying a subsurface mine. - Written confirmation or verification or map from the NM EMNRD-Mining and Minerals Division	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Within an unstable area. - Engineering measures incorporated into the design; NM Bureau of Geology & Mineral Resources; USGS; NM Geological Society; topographic map	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Within a 100-year floodplain. FEMA map	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Within 300 feet of a continuously flowing watercourse, or 200 feet of any other significant watercourse, or lakebed, sinkhole, or playa lake (measured from the ordinary high-water mark). - Topographic map; visual inspection (certification) of the proposed site	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Within 1000 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application. - Visual inspection (certification) of the proposed site; aerial photo; satellite image	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Within 500 horizontal feet of a spring or a fresh water well used for domestic or stock watering purposes, in existence at the time of initial application. - NM Office of the State Engineer - iWATERS database search; visual inspection (certification) of the proposed site	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Within 500 feet of a wetland. - US Fish and Wildlife Wetland Identification map; topographic map; visual inspection (certification) of the proposed site	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

9. **Recycling Facility and/or Containment Checklist:**  
 Instructions: Each of the following items must be attached to the application. Indicate, by a check mark in the box, that the documents are attached.

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

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

Name (Print): Harry Lewis Title: Sr. Director, EHS  
 Signature: [Handwritten Signature] Date: Apr 7, 2023  
 e-mail address: harry.lewis@deteklogistics.com Telephone: 469.704.7379

11. **OCD Representative Signature:** Victoria Venegas Approval Date: 04/20/2023  
 Title: Environmental Specialist OCD Permit Number: 1RF-24

OCD Conditions  
 Additional OCD Conditions on Attachment

September 8, 2023

Re: 1RF-24 Libby Berry Fee SWD #1 FACILITY ID [fOY1801835611]  
Response to Victoria Venegas Email of August 16, 2023 Regarding Extension of Permit

Attachment 6: July 2023 C-148



State of New Mexico  
 Energy Minerals and Natural Resources Department  
 Oil Conservation Division  
 1220 South St. Francis Dr.  
 Santa Fe, NM 87505  
 Phone (505) 476-3441 • Fax (505) 476-3462  
<https://www.emnrd.nm.gov/ocd/>

Form C-148  
 Revised  
 January 2022

Operator Name DKL Field Services, LLC  
 RF# 1RF-24

OGRID # 372603  
 Facility # Libby Berry Fee SWD: fOY1801835611

I certify all recycling containments associated with this recycling facility are using  $\geq$  20% of the containment's total fluid capacity every 6 months until closure in compliance with 19.15.34.13(C)<sup>A</sup>

Month/Year July/2023

Recycling Equipment	Operational Capacity, (bbl) <sup>B</sup>	Produced Water Received, (bbl)	Other Fluid Received, (bbl)	Description of Other Fluid Received (e.g., fresh water, etc.)	Volume Leaving Facility for Recycling/Reuse, (bbl)
Recycling Containments	250,000	174,993	0	N/A	49,263
Above Ground Storage Tanks					
<b>Recycling Facility Totals<sup>C</sup></b>		174,993	0		49,263

<sup>A</sup> If less than 20% of the total fluid capacity is utilized every six months, beginning from the first withdraw, operation of the facility is considered ceased and a notification of cessation of operations should be sent electronically to OCD Online. A request to extend the cessation of operations, not to exceed six months, may be submitted using a C-147 Long Form to OCD Online.

<sup>B</sup> For recycling containments, operational fluid capacity is the total volume of the containment, minus the volume utilized for the three feet volume of freeboard.

<sup>C</sup> Total the volumes received and the volumes leaving the facility for all equipment.

September 8, 2023

Re: 1RF-24 Libby Berry Fee SWD #1 FACILITY ID [fOY1801835611]  
Response to Victoria Venegas Email of August 16, 2023 Regarding Extension of Permit

Attachment 7: May 2022 C-148



State of New Mexico  
 Energy Minerals and Natural Resources Department  
 Oil Conservation Division  
 1220 South St. Francis Dr.  
 Santa Fe, NM 87505  
 Phone (505) 476-3441 • Fax (505) 476-3462  
<https://www.emnrd.nm.gov/ocd/>

Form C-148  
 Revised  
 January 2022

Operator Name 3 Bear Field Services, LLC  
 RF# 1RF-24

OGRID # 372603  
 Facility # Lynch: pOY1801835707

I certify all recycling containments associated with this recycling facility are using >= 20% of the containment's total fluid capacity every 6 months until closure in compliance with 19.15.34.13(C)<sup>A</sup>

Month/Year May/2022

Recycling Equipment	Operational Capacity, (bbl) <sup>B</sup>	Produced Water Received, (bbl)	Other Fluid Received, (bbl)	Description of Other Fluid Received (e.g., fresh water, etc.)	Volume Leaving Facility for Recycling/Reuse, (bbl)
Recycling Containments	250,000	1,640,372	0	N/A	123,000
Above Ground Storage Tanks					
<b>Recycling Facility Totals<sup>C</sup></b>		1,640,372	0		123,000

<sup>A</sup> If less than 20% of the total fluid capacity is utilized every six months, beginning from the first withdraw, operation of the facility is considered ceased and a notification of cessation of operations should be sent electronically to OCD Online. A request to extend the cessation of operations, not to exceed six months, may be submitted using a C-147 Long Form to OCD Online.

<sup>B</sup> For recycling containments, operational fluid capacity is the total volume of the containment, minus the volume utilized for the three feet volume of freeboard.

<sup>C</sup> Total the volumes received and the volumes leaving the facility for all equipment.

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

**District II**  
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 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 280152

**CONDITIONS**

Operator: DKL Field Services, LLC 310 Seven Springs Way Brentwood, TN 37027	OGRID: 372603
	Action Number: 280152
	Action Type: [C-147] Water Recycle Long (C-147L)

**CONDITIONS**

Created By	Condition	Condition Date
vvenegas	None	10/27/2023