



STEWARD

ENERGY

November 16, 2023

Environmental Bureau
EMNRD- Oil Conservation Division
506 W. Texas Ave. Artesia, NM 88210
Attention: Victoria Venegas

Re: Steward Energy
Llano Estacado Reuse Facility
NMOCD Permit # 1RF-506

To whom it may concern,

Thank you for allowing Steward Energy to promote water recycling and subsequent use of recycled produced water for Oil & Gas operations in the State of New Mexico. The objective of this letter is to notify the NMOCD of a primary liner breach in the Llano Estacado Reuse Pit.

At approximately 3:40 pm on 11/14/2023, the leak detection system was run at the Llano Estacado Reuse Pit, NMOCD Permit # 1RF-506. Upon performing our weekly leak detection test, facility operators notified the supervisor that water was present and pumping approximately 16 GPM.

The leak detection test last ran on 11/07/2023 when the pit level was below 6 feet and zero flow was detected. Between the dates of 11/07/2023 and 11/14/2023, the pit level rose to 10 feet in preparation for an upcoming frac to which this water is dedicated. We are confident that the primary liner breach is somewhere between the water level depth of 6 to 10 feet.

We are currently draining the pit, monitoring & inspecting every foot of depth that volume goes down. We plan to start pulling the pit level down by end of day 11/16/2023.

Steward Energy would like to propose continuing to run the leak detection pump to reduce the volume of water between the primary and secondary liners. Once pit operations commence, the facility operators will inspect the pit liner at each foot of depth reduced. A comprehensive report with details and pictures of the Root Cause will be provided to the NMOCD with corrective actions to be implemented.

Please contact the undersigned at 214-297-0533 or vanessa.delossantos@stewardenergy.com should you have any questions or need any additional information.

Sincerely,

Vanessa De Los Santos

Senior Analyst-Regulatory & Environmental

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

CONDITIONS

Action 286441

CONDITIONS

Operator: STEWARD ENERGY II, LLC 2600 Dallas Parkway Frisco, TX 75034	OGRID: 371682
	Action Number: 286441
	Action Type: [C-147] Water Recycle Long (C-147L)

CONDITIONS

Created By	Condition	Condition Date
vvenegas	Your notice has been received and noted in ePermitting.	11/17/2023