

State of New Mexico
Energy, Minerals and Natural Resources Department

Michelle Lujan-Grisham
Governor

Melanie A. Kenderdine
Cabinet Secretary

Benjamin Shelton
Deputy Secretary

Erin Taylor
Deputy Secretary

Gerasimos "Gerry" Razatos
Division Director (Acting)
Oil Conservation Division



Certified Mail Receipt # 7019 1640 0000 7986 3632

May 30, 2025

Mr. Calvin Brown
Moonshine Energy, LLC
3206 Ma Mar Drive
Midland, Texas 79705
c.brown@moonshineenergy.com

RE: Tentative Decision Regarding Permit Application for a Surface Waste Management Facility Permit for Moonshine Energy, LLC

Dear Mr. Brown:

The Oil Conservation Division (OCD) has completed a review of Moonshine Energy, LLC's (Moonshine) application for a surface waste management facility (SWMF). The OCD has tentatively decided on permit approval with conditions. Attached is draft permit, NM1-69, with general and specific conditions. The OCD has posted this decision, along with the draft permit, on OCD's website.

Given OCD's determination, Moonshine is now required to issue an OCD-approved notice of this decision by:

- 1) Publishing notice in a newspaper of general circulation in Lea County.
- 2) Giving written notice by certified mail, return receipt requested, of the OCD's proposed decision to surface owners within one-half mile of the facility boundary on or before publication of the newspaper notice;
- 3) Giving notice by first class mail or email to persons identified by the OCD who have requested notification of applications and to affected local, state, and tribal governmental agencies (see attached listing) on or before publication of the newspaper notice.

Note, this notice must include all the information required in 19.15.36.9.D NMAC and Moonshine must provide proof to the OCD that the public notice requirements of Subsections C and D of 19.15.36.9 NMAC have been met prior to the OCD scheduling a hearing pursuant to 19.15.36.10 NMAC or issuing the permit.

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

Respectfully,

Leigh Barr

Leigh Barr
Administrative Permitting Supervisor

MOONSHINE ENERGY, LLC
SURFACE WASTE MANAGEMENT FACILITY

NM1-69
DATE

**SURFACE WASTE MANAGEMENT FACILITY PERMIT NM1-69
MOONSHINE ENERGY, LLC – BIG STILL FACILITY**

1. GENERAL PROVISIONS.

- A. PERMITTEE AND PERMITTED FACILITY:** The Oil Conservation Division (OCD) of the Energy, Minerals and Natural Resources Department hereby issues surface waste management facility (SWMF) permit, **NM1-69** (Permit), to Moonshine Energy, LLC (Operator). The SWMF is located near mile marker 37.3 on New Mexico (NM) Highway 128, approximately 15 miles west of the City of Jal, NM. The site is within Township 24 South, Range 34 East, Section 25 and has a latitude and longitude of 32.195150, -103.426849.

The SWMF will consist of $5.4 \pm$ acres for a commercial oil treating plant. The SWMF will consist of the following permitted units: ten 500 barrel (bbl) basic sediment and water steel frac tanks, ten 500 bbl separated oil steel frac tanks, and four 750 bbl separated water fiberglass tanks. Brought in waste at approximately 6,000 bbl/day will be offloaded through hoses equipped with secondary containment Pollution Control Corporation (PCC) connectors. All tanks will be located within secondary containment constructed of steel walls and lined with a 40-mil High Density Polyethylene (HDPE) liner.

- B. SCOPE OF PERMIT:** The OCD regulates the disposition, handling, transport, storage, recycling, treatment and disposal of produced water during, or for reuse in, the exploration, drilling, production, treatment or refinement of oil or gas, including disposal by injection pursuant to authority delegated under the federal Safe Drinking Water Act, in a manner that protects public health, the environment and fresh water resources pursuant to authority granted in the Oil and Gas Act (Chapter 70, Article 2 NMSA 1978) at Section 70-2-12(B)(15) NMSA 1978.

The OCD regulates the disposition of nondomestic wastes resulting from the exploration, development, production or storage of crude oil or natural gas to protect the public health and the environment pursuant to authority granted in the Oil and Gas Act (Chapter 70, Article 2 NMSA 1978) at Section 70-2-12(B)(21) NMSA 1978.

The OCD regulates disposition of nondomestic wastes resulting from the oil field service industry, the transportation of crude oil or natural gas, the treatment of natural gas or the refinement of crude oil to protect public health and the environment pursuant to authority granted in the Oil and Gas Act (Chapter 70, Article 2 NMSA 1978) at Section 70-2-12(B)(22) NMSA 1978.

This Permit does not convey any property rights of any sort or any exclusive privilege, and does not authorize any injury to persons or property, any invasion of other private rights, or any infringement of state, federal or local laws, rules or regulations.

MOONSHINE ENERGY, LLC
SURFACE WASTE MANAGEMENT FACILITY

NM1-69
DATE

- C. PERMIT CONDITIONS AND OPERATOR COMMITMENTS:** The Operator must ensure all operations are consistent with the terms and conditions of this Permit and in conformance with all pertinent rules and regulations under the Oil & Gas Act. Furthermore, the Operator shall abide by the approval conditions contained herein, along with all commitments submitted in the May 2025 permit application, including any attachments and/or amendments, all of which are incorporated into this Permit by reference.
- D. MODIFICATIONS:** The Operator must submit an application to the OCD in advance of any major or minor modifications for approval. A major modification means a modification of a SWMF that involves an increase in the land area that the permitted SWMF occupies; a change in the design capacity or nature of the permitted oil field waste stream; addition of a new treatment process; an exception to, waiver of or change to a numerical standard provided in 19.15.36 NMAC; or other modification that the OCD determines is sufficiently substantial that public notice and public participation in the application process are appropriate. A minor modification means a modification of a SWMF that is not a major modification.
- E. DEFINITIONS:** Terms not specifically defined in this Permit shall have the same meanings as those in the Oil and Gas Act or the rules adopted pursuant to that Act, as the context requires.
- F. GENERAL PERFORMANCE STANDARDS:** The Operator shall operate in a manner as to prevent waste of oil and gas, prevent the contamination of fresh waters and so that oil and gas are not used wastefully or allowed to leak or escape from a natural reservoir or from wells, tanks, containers, pipe or other storage conduit or operating equipment.
- G. EFFECTIVE DATE, EXPIRATION, RENEWAL, AND PENALTIES FOR OPERATING WITHOUT A PERMIT:** This Permit is effective on **MONTH DAY, 2025** and will expire ten years thereafter on **MONTH DAY, 2035**. The Operator may submit an application for renewal to the OCD no later than 120 calendar days before the expiration date. If the operator submits such a renewal application before the required date and is in compliance with the existing permit, then that existing permit will not expire until the OCD approves or denies the renewal application. Operating with an expired permit will subject the Operator to civil and/or criminal penalties (see Section 70-2-31 NMSA 1978).
- H. FINANCIAL ASSURANCE:** The Operator shall provide financial assurance (FA) in a form approved by the OCD for the commercial SWMF's estimated closure and post closure cost. The amount of FA required is \$171,664.00. The FA must be submitted to the OCD prior to permit issuance (See 19.15.36.11.B NMAC).

The Operator shall also submit to the OCD an updated closure/post-closure plan, including the associated cost estimates, to determine the adequacy of FA during every successive five-year term. The five-year term due date is **MONTH DAY, 2030** (i.e., 5-years from permit issuance).

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I. TRANSFER OF PERMIT: The Operator shall not transfer this Permit without the OCD's prior written approval. A request for transfer of a permit shall identify officers, directors and owners of twenty-five percent or greater in the transferee.

2. GENERAL FACILITY OPERATIONS.

A. LABELING: The Operator shall clearly label all tanks, drums, and containers to identify the contents along with pertinent emergency notification information.

B. INSPECTIONS AND MAINTENANCE OF SECONDARY CONTAINMENT SYSTEMS: The Operator shall inspect all secondary containment systems at least daily, including secondary containment PCC connectors to ensure proper operation and to prevent system failure. The Operator shall empty all secondary containment systems of any fluids within one week of discovery or within 48-hours of discovery if a visible sheen is observed. The Operator shall keep written records of inspections using inspection form(s) as specified in its approved Application.

C. RELEASE REPORTING AND CORRECTIVE ACTION FOR RELEASES: The Operator shall comply with the spill/release reporting and corrective action provisions of 19.15.29 NMAC and 19.15.30 NMAC, as applicable.

D. ANNUAL REPORT: The Operator shall submit an annual report to the OCD by April 30th of each year. The annual report shall include the following information for the preceding calendar year:

- i. A summary of any noted deficiencies/issues determined from the inspections conducted as part of Table 3 in the Operation, Maintenance and Inspection Plan submitted in the approved Application and any corrective actions taken;
- ii. A discussion on the effectiveness of stormwater run-on and run-off plans/controls, including berm condition and erosion control measures;
- iii. A copy of the annual hydrogen sulfide (H₂S) monitoring results for tank batteries in accordance with permit condition 9D;
- iv. A copy of all facility training records;
- v. A copy of all complaint logs and resolutions; and
- vi. A summary report that includes the nature and amount of any reportable releases pursuant to 19.15.29 NMAC, with a description of the disposition of any contaminated soil or water.

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3. MATERIAL STORAGE.

- A. DRUM AND CONTAINER STORAGE:** The Operator shall store all drums and other containers, including empty drums and containers, on a contained impermeable pad. "Containers" include tote tanks, sacks, and buckets. The Operator shall store empty drums on their sides with the bungs in place and lined up on a horizontal plane. The Operator may store fresh water outside the drum and container, process, maintenance, material and waste storage areas without having a contained impermeable pad, liner, pavement, or curbing.
- B. ABOVE GROUND TANKS:** The Operator shall place all above ground tanks, excluding freshwater tank(s), within secondary containment; the secondary containment areas must be constructed as specified in the approved Application. Note, changes to any engineering designs presented in the approved Application must be discussed and approved by the OCD prior to construction.

4. WASTE MANAGEMENT.

- A. WASTE STREAMS:** This Permit authorizes the Operator to handle the **exempt** oil field waste streams as specified in Subsection 3.1 of the Oil Field Waste Management and Exclusion Plan submitted in the approved Application. The Operator must obtain the OCD's approval to receive any waste stream not specified in its approved Application for collection, disposal, reclamation, treatment, or storage. Note, naturally occurring radioactive material (NORM) waste cannot be accepted at the Facility.
- B. WASTE STORAGE:** The Operator shall store waste at the Facility only in clearly marked waste storage areas that have been specified in the approved Application, except that waste generated during emergency response operations may be stored elsewhere for no more than 72 hours. The OCD may approve additional waste storage areas on a case-by-case basis.

The Operator shall not store oil field waste, as defined in 19.15.2.7.O(3) NMAC, generated at the Facility by the Operator on-site for more than 180 calendar days from the date that the container is filled without obtaining approval from the OCD.

- C. WASTE ACCEPTANCE:** The Operator shall follow the below waste acceptance criteria:
- i. The Operator shall not accept oil field wastes transported by motor vehicle at the SWMF unless the transporter has a form C-133, authorization to move liquid waste, approved by the OCD.
 - ii. The Operator shall require a certification on form C-138, signed by the generator or the generator's authorized agent, that represents and warrants that the oil field wastes are generated from oil and gas exploration and production operations, are exempt waste and are not mixed with non-exempt waste.

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- iii. The Operator shall not accept oil field wastes associated with tank bottoms, removal of sediment oil, or miscellaneous hydrocarbons unless accompanied by a signed C-117A form.
- 5. **BELOW-GRADE TANKS AND SUMPS:** The Operator shall obtain the OCD's approval before installing a below-grade tank or sump. The Operator shall submit a proposed design plan that meets the design and construction specifications for below-grade tanks in 19.15.17.11 NMAC and which meets the definition for sumps specified in 19.15.17.7.Q NMAC to the OCD at least 90 calendar days before installation of the unit. Design plans for below-grade tanks/sumps shall incorporate secondary containment and/or leak detection. The OCD will review and approve with or without conditions or deny the Operator's proposed design for a new below-grade tank or sump.
- 6. **UNDERGROUND PROCESS AND WASTEWATER PIPELINES.**
 - A. **UNDERGROUND PIPELINES:** The Operator shall notify the OCD prior to installing any underground pipelines. The Operator shall submit a design plan to the OCD for new underground pipelines at least 90 calendar days before commencement of construction. The OCD shall determine whether any modifications to this Permit are necessary and appropriate based on the new underground pipelines.
 - B. **SCHEMATIC DIAGRAMS OR PLANS:** As applicable, the Operator shall maintain at the Facility all underground process and wastewater pipeline schematic diagrams or plans showing all drains, vents, risers, valves, underground piping, pipe type, rating, size, and approximate location.
- 7. **STORMWATER:** The Operator shall implement and maintain stormwater run-on and run-off plans/controls as specified in the approved Application. The perimeter berm shall be constructed along the northeastern, northern, western, and southern boundaries of the facility as shown on the permit drawings in the approved Application (i.e., Appendix S.C.P.1). Note, changes to any engineering designs presented in the approved Application must be discussed and approved by the OCD prior to construction. The Operator shall inspect the perimeter berm monthly and after a major rainfall or windstorm event, and maintain the stormwater control features in such a manner as to prevent erosion.
- 8. **CLOSURE/POST-CLOSURE.**
 - A. In addition to the closure/post-closure plan submitted in the approved Application, the Operator shall complete the following action items during closure of the entire Facility:
 - i. Tanks and equipment used for oil treatment are cleaned and oil field waste is disposed of at an OCD approved SWMF (the Operator shall reuse, recycle or remove tanks and equipment from the Facility within 90 days of closure);
 - ii. Buildings, fences, and roads are removed; and

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- iii. Upon closure of the entire Facility, the Operator shall not accept any material for the collection, disposal, remediation, reclamation, treatment, or storage.

B. If the Operator chooses to close part of the Facility while continuing to operate the other parts of the Facility, the Operator shall submit a partial closure plan to the OCD. The OCD will review and approve with or without conditions or deny the Operator's proposed partial closure plan.

9. ADDITIONAL SITE SPECIFIC CONDITIONS:

- A. The Operator shall comply with all applicable requirements of the SWMF Rule (19.15.36 NMAC), the Oil and Gas Act (Chapter 70, Article 2 NMSA 1978), all conditions specified in this Permit, and the commitments made in the approved Application.
- B. The Operator shall include the SWMF permit number, NM1-69, on the sign pursuant to 19.15.36.13.J NMAC.
- C. The Operator shall within 24 hours of receiving notification from the OCD or a concerned party that an objectionable odor has been detected or reported, implement the following response procedures:
 - i. Log date and approximate time of notice that an odor exists, including the name of the complainant and any contact information; and
 - ii. Investigate the source of the odor and log steps taken, including date and time, actions taken, and conclusions reached.
- D. The Operator shall monitor at least once per year for H₂S at the vent of each covered tank. The Operator shall include the results of the annual H₂S monitoring event in the required Annual Report. The Operator shall also comply with 19.15.11.12.E NMAC as applicable.
- E. The Operator shall obtain OCD approval prior to any design changes to the oil treating plant.
- F. The Operator shall obtain OCD approval prior to the installation of any wells or other structures within the boundaries of the Facility.
- G. The Operator shall file to the OCD a copy of form C-118, Sheet 1, by the 15th of the next succeeding month.
- H. As appropriate, the Operator shall file to the OCD a copy of form C-117A (Tank Cleaning, Sediment Oil Removal, Transportation of Miscellaneous Hydrocarbons and Disposal Permit). Note, a copy of this form must be on location during tank cleaning, removal of sediment oil or miscellaneous hydrocarbons at the treating plant to which it is delivered.

MOONSHINE ENERGY, LLC
SURFACE WASTE MANAGEMENT FACILITY

NM1-69
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- I. In the event the Operator determines if there are abandoned well(s) that are unplugged or improperly plugged within the Facility boundary, the Operator shall take appropriate corrective actions in accordance with OCD regulations.

DRAFT

**OCD Identified Entities for Notice by First Class Mail or E-mail in Accordance with
19.15.36.9.C (3) - (4) NMAC for Surface Waste Management Facilities**

Mayor of Jal
710 W. Wyoming
Jal, NM 88252

Lea County Manager
100 Main St., STE 4
Lovington, NM 88260

Field Supervisor
US Fish & Wildlife Service
2105 Osuna Road, Northeast
Albuquerque, NM 87113-1001

State Historic Preservation Officer
407 Galisteo, Suite 236
Santa Fe, NM 87501

Dr. Harry Bishara
PO Box 748
Cuba, NM 87013

Commissioner of Public Lands
New Mexico State Land Office
PO Box 1148
Santa Fe, NM 87504

Director
New Mexico Department of Game & Fish
1 Wildlife Way
Santa Fe, NM 87507

Secretary
Indian Affairs Department
1220 South Saint Francis Drive
Santa Fe, NM 87505

Director of NM Department of Agriculture
1050 Stewart Street
Las Cruces, NM 88003

Director of BLM
100 Sun Avenue, NE
Pan American Building, Suite 330
Albuquerque, NM 87109

Director of NM State Parks
1220 South St. Francis Drive
Santa Fe, NM 87505

State Engineer
Office of the State Engineer
PO Box 25102
Santa Fe, NM 87504-5102

New Mexico Oil & Gas Association
PO Box 1864
Santa Fe, New Mexico 87504

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Secretary
New Mexico Environment Department
PO Box 5469
Santa Fe, NM 87502-5469

Ground Water Quality Bureau Chief
New Mexico Environment Department
PO Box 5469
Santa Fe, NM 87502-5469

USDA Forest Service
333 Broadway Blvd. SE
Albuquerque, NM 87102

Hazardous Waste Bureau Chief
New Mexico Environment Department
2905 Rodeo Park Dr. E
Building 1
Santa Fe, NM 87505

Solid Waste Bureau Chief
New Mexico Environment Department
PO Box 5469
Santa Fe, NM 87502-5469

Surface Water Quality Bureau Chief
New Mexico Environment Department
PO Box 5469
Santa Fe, NM 87502-5469

Claudette Horn
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Executive Director
Independent Petroleum Association of New Mexico
P.O. Box 6101
Roswell, NM 88202

Attorney at Law
325 Paseo de Peralta
Santa Fe, NM 87501

SURFACE WASTE MANAGEMENT FACILITY PERMIT APPLICATION

The Big Still Oil Treatment Facility Lea County, New Mexico



New Mexico Oil Conservation Division
C-137 Surface Treatment Facility Application
May 2025

Prepared for:



Moonshine Energy, LLC
3206 Ma Mar Ave
Midland, TX 79705



Souder, Miller & Associates
Engineering ♦ Environmental ♦ Geomatics

5454 Venice Avenue NE, Suite D ♦ Albuquerque, NM 87113
505.299.0942 ♦ fax 505.293.3430 ♦ www.soudermiller.com

**PROPOSED BIG STILL OIL TREATMENT FACILITY
SURFACE WASTE MANAGEMENT FACILITY PERMIT APPLICATION**

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Note: Page Numbers above reference the page number of the compiled PDF application, not individual plan/submittal pages.

APPLICATION CERTIFICATION

Applicant Certification

As a member, manager, and Authorized Person for the Applicant, Moonshine Energy, LLC, I certify to the best of my knowledge that this document and attachments specifically regarding the establishment, design, and permitting of the proposed 5.4-acre Big Still Surface Waste Management Facility (referred to the Big Still Oil Treatment Facility herein) are true, accurate, and complete, and adhere to the requirements of 19.15.36 NMAC.



Mike McCurdy
Manager, Moonshine Energy, LLC

Preparer Certification

As a representative of the Applicant, Moonshine Energy, LLC, I certify to the best of my professional judgement that this document and attachments specifically regarding the establishment, design, and permitting of the proposed 5.4-acre Big Still Surface Waste Management Facility (referred to the Big Still Oil Treatment Facility herein) are true, accurate, and complete, and adhere to the requirements of 19.15.36 NMAC.



Matthew A. Earthman, P.G.

Professional Geologist License: 8881905-2250
State of Utah
Expiration: March 31, 2027

**The Big Still Oil Treatment Facility
SURFACE WASTE MANAGEMENT FACILITY PERMIT APPLICATION
NM OCD C-137 Facility Application
May 2025**

1.0 INTRODUCTION

The Moonshine Energy, LLC Big Still Oil Treatment Facility (Facility) is a proposed surface waste treatment facility which will be constructed and operated in accordance with New Mexico Oil Conservation Division (NM OCD) regulations as outlined and defined in 19.15.36 New Mexico Administrative Code (NMAC). The purpose of the facility will include processing tank bottoms, produced water, or other hydrocarbons from oil and gas operations to separate usable hydrocarbon material for sale and processing.

The Sections below provide responses to Regulations and Requirements for a Surface Waste Management Facility Application in accordance with the requirements of 19.15.36 NMAC. Responses are organized by order of regulatory requirements and in accordance with the C-137 Permit Application Checklist which was submitted as part of this application. Page numbers referenced in the C-137 Permit Guidelines refer to the PDF Page numbers for the entire submittal packet, and not individual plan page numbers.

2.0 APPLICANT AND ORGANIZATIONAL LEADERSHIP INFORMATION

Reference: 19.15.36.8C(1) NMAC

The names, mailing addresses, and email addresses of principal officers and owners of more than a 25% share of Moonshine Energy, LLC are listed below:

1. Mr. Mike McCurdy
2004 Humble Ave.
Midland, TX 79705
m.mccurdy@moonshineenergy.com
2. Ms. Sarah Presley
3503 Edgemont Dr.
Midland, TX 79707
s.presley@moonshineenergy.com
3. Mr. Calvin Brown
491 Scarlet Ct.
Canyon Lake, TX 78133
c.brown@moonshineenergy.com

A Manager's Certification providing authorization of consent for Moonshine, LLC signatories is included as Appendix A.

3.0 FACILITY LOCATION AND SURFACE LAND OWNERSHIP

3.1 Facility Location

Reference: 19.15.36.8C(2) NMAC

The proposed Facility will be located near mile marker 37.3 on New Mexico Highway 128, approximately 15 miles west of the City of Jal, New Mexico. The property is located within Township 24 South, Range 34 East, Section 25, and consists of a 5.4± acre parcel leased to Moonshine Energy, LLC. A vicinity map indicating the facility boundary on a USGS 7.5-Minute (1:24,000 scale) topographic map is included as Figure 1. Figure 2 includes a vicinity map identifying permanent structures and facilities within one-half mile of the facility boundary.

The proposed facility will be located immediately south of New Mexico Highway 128 within a previously undeveloped parcel of land owned by the James Moomaw Trust. A plat map of the property prepared and stamped by a New Mexico-registered land surveyor is included as Appendix B

3.2 Surface Land Ownership Information

Reference: 19.15.36.8C(3) NMAC

Surface land ownership information for the property which will contain the proposed facility and properties within one mile of the facility were obtained through the Lea County Assessor's Office. On October 2, 2024, Souder, Miller & Associates (SMA) contacted the Lea County Clerk's office regarding obtaining a list of property owners in the facility's vicinity and were referred to the County Assessor's office. Upon contacting the County Assessor, SMA was directed to the Geographic Information System (GIS) administrator who ensured SMA that the data within the online database was current and reflected the same information available to their staff. The GIS administrator directed SMA to the web resource allowing for download of the property records for the county, which was completed on October 2, 2024.

The name and address of the owner of the real property in which the SWMF will be sited is below:

James H Moomaw Trust
PO Box 341
Tremonton, UT 84337

A copy of the lease authorizing use of the property by Moonshine Energy, LLC is included with the Boundary Plat Survey in Appendix A.

Figure 3 is a map with property owners mapped within one-half mile of the facility boundary. A list of property owners within one mile of the facility boundary, as obtained from the Lea County Assessor's Office including mailing addresses and parcel numbers, is included as Table 1.

4.0 FACILITY PROCESS, DESIGN AND OPERATION PLANS

4.1 Facility Description

Reference: 19.15.36.8C(4) NMAC

The proposed Facility will be located near mile marker 37.3 on New Mexico Highway 128, approximately 15 miles west of the City of Jal, New Mexico. The property is located within Township 24 South, Range 34 East, Section 25, and consists of a 5.4± acre parcel leased to Moonshine Energy, LLC. A vicinity map indicating the facility boundary on a USGS 7.5-Minute (1:24,000 scale) topographic map is included as Figure 1. Figure 2 includes a vicinity map on an aerial photograph identifying permanent structures and facilities within one-half mile of the facility boundary.

The proposed facility will be located immediately south of New Mexico Highway 128 within a previously undeveloped parcel of land owned by the James Moomaw Trust. A plat map of the property prepared and stamped by a New Mexico-registered land surveyor is included as Appendix B. A site plan of the proposed facility on an aerial photograph is included as Figure 9.

The Facility will operate 24 hours a day/7 days a week, and is expected to receive approximately 6,000 bbls of material each day.

Waste at the facility will be managed utilizing the processes outlined in the Operations, Maintenance, and Inspection Plan included as Appendix E. The Facility will utilize vacuum trucks to transport and move all waste at the Facility – no pumps or inter-tank piping will be utilized or required. The Facility will accept oilfield exempt wastes including tank bottoms, produced water, hydrocarbons from processing streams, and waste crude oil. Waste delivered to the facility will be properly characterized and manifested utilizing NM OCD Form C-138, and delivered by registered haulers to the Facility. After checking in with the Facility operators, the delivering truck will be directed to the appropriate unloading area and the material will be offloaded through hoses equipped with secondary containment Pollution Control Corporation (PCC) connectors directly into one of the ten (10) 500-barrel BS&W frac tanks located in the northern battery to begin the separation process. Fluid in the frac tanks will remain undisturbed for several hours to allow for separation of water, oil, and emulsion. Once the separation process has been completed, the separated hydrocarbons/oil will be transferred via vacuum truck to one of the ten (10) 500-barrel oil frac tanks located in the southern frac tank battery for storage and sale. Separated water will be transferred via vacuum truck to one of the four (4) 750-barrel fiberglass tanks located on the southeast portion of the property.

Separated hydrocarbons will be sold for processing and removed by the purchaser utilizing tanker/hauling trucks which will be loaded by Facility vacuum trucks. All separated water will be removed from the Facility utilizing vacuum trucks for disposal at an appropriate permitted facility.

4.2 Engineering Drawings

Reference: 19.15.36.8C(5) NMAC

Engineering Drawings, including the following, are attached as Appendix C. The Engineering Drawings are stamped by a Professional Engineer registered in the State of New Mexico.

- Title Sheet, Site Location Map, and List of Drawings (Sheet G-1)
- Existing Conditions Site Plan (Sheet C-1)
- Site Development Plan (Sheet C-2)
- Proposed Final Grading (Sheet C-3)
- Details for Frac Tank Secondary Containment Liner (Sheet DT-1)
- Details for Separated Water Tank Secondary Containment Liner & Site Berms (Sheet DT-2)

4.3 Oil Treating Facility Oilfield Waste Management Plan

Reference: 19.15.36.8C(6), 19.15.36.13D, 19.15.36.13G-K NMAC

An Oilfield Waste (OFW) Management Plan which includes requirements for all surface waste management facilities as per 19.15.36.13 NMAC is included as Appendix D. As the proposed facility is not a landfill or a landfarm, and does not contain any evaporation, storage, treatment, or skimmer ponds, no additional requirements outlined in Attachments A through C of the C-137 Application Form are included in the plan.

4.4 Operation, Maintenance, and Inspection Plan

Reference: 19.15.36.8C(7), 19.15.36.8C(14), 19.15.36.13L(1)–(3) NMAC

A facility Operation, Maintenance, and Inspection (OMI) Plan is included as Appendix E. Procedures and processes within the OMI include Best Management Practices (BMPs) which ensure protection of fresh water, public health, and the environment in accordance with 19.15.36.8C(14) NMAC.

4.5 H₂S Prevention and Contingency Plan

Reference: 19.15.36.8C(8), 19.15.11 NMAC

A facility hydrogen sulfide (H₂S) Prevention and Contingency Plan is included as Appendix F.

4.6 Closure Plan

Reference: 19.15.36.8C(9), 19.15.36.18A-F NMAC

A facility Closure/Post-Closure (C/PC) Plan is included as Appendix G.

4.7 Emergency Contingency Plan

Reference: 19.15.36.8C(10), 19.15.36.13N NMAC

A facility Contingency Plan is included as Appendix H.

4.8 Stormwater Management Plan

Reference: 19.15.36.8C(11), 19.15.36.13M NMAC

A facility Stormwater Management Plan is included as Appendix I.

4.9 Hydrogeology and Depth to Groundwater

Reference: 19.15.36.8C(15), 19.15.36.13A NMAC

Information regarding the hydrogeology and subsurface conditions in the area of the proposed facility, including a soil boring log, regional depth to groundwater, mapped lithology, and geotechnical analysis of shallow soils underlying the Facility, is included in the Hydrogeologic Report attached as Appendix J.

The depth to groundwater immediately underlying the proposed facility is in excess of 75 feet, as determined by advancement of a soil boring and installation of a temporary monitoring well on the property in November 2024. Drilling logs from a supply well located approximately 0.7 miles to the southeast indicated groundwater is present at a depth of 165 feet below ground surface.

5.0 FACILITY SITING AND OPERATIONAL REQUIREMENTS

Reference: 19.15.36.13B NMAC

In accordance with 19.15.36.13B NMAC, the following resources and criteria were evaluated as part of the proposed Facility's siting and establishment. The following resources were evaluated utilizing existing literature, databases, and maps, and verified in the field by an Environmental Professional on November 20, 2024. Documentation from the site visit is included as Appendix K.

5.1 Watercourses, Lakebeds, Sinkholes, or Playa Lakes

Reference: 19.15.36.13B(1) NMAC

Figure 1 includes a vicinity map of the facility on a USGS quadrangle which indicates waterways, lakebeds, and sinkhole topography, and Figure 4 includes a map with mapped surface water habitats in the area of the proposed facility. No ephemeral, intermittent, or perennial waterways, active or dry (playa) lakebeds, or sinkholes are identified within 200 feet of the proposed facility boundary.

5.2 Existing Wellhead Protection Area

Reference: 19.15.36.13B(2) NMAC

Existing wells and wellhead protection areas were identified utilizing the New Mexico Office of the State Engineer (NMOSE) online database. No existing groundwater supply wells or wellhead protection areas are located within 1,000 feet of the facility boundary, which is the more conservative setback required for public water supply wells. Existing wells registered within the NMOSE Database within one mile of the proposed facility boundary are indicated on Figure 4 and listed in Table 2. Figure 1 includes a vicinity map of the facility on a USGS quadrangle.

5.3 100-Year Floodplain

Reference: 19.15.36.13B(2) NMAC

The proposed facility is not located within ½ mile of any mapped 100-year floodplains. Figure 5 includes a vicinity map of mapped floodplains within the project area utilizing data obtained from the Federal Emergency Management Agency (FEMA) National Flood Hazard Layer database. The proposed facility is located within “unmapped Zone D” in Flood Insurance Rate Map (FIRM) Panel 35025C1925D.

5.4 Wetlands

Reference: 19.15.36.13B(3) NMAC

The presence of wetlands and riverine habitat was determined by review of the National Fish and Wildlife Service National Wetland Inventory GIS Database. Figure 4 includes a map of wetland, riverine, and critical species habitats in the area of the proposed facility; a 1,000 foot buffer is included around the property. No wetlands or critical habitats are identified within 1,000 feet of the property boundary.

5.5 Subsurface Mines

Reference: 19.15.36.13B(4) NMAC

The presence of any mapped or unmapped mines in the area of the proposed facility was evaluated through a review of State of New Mexico Mines and Mineral Division (MMD) online databases. SMA also corresponded with NM AML and MMD personnel on November 6, 2024 regarding any known active, inactive, or abandoned mines in the area; representatives from the two divisions indicated they had no knowledge of any sites or facilities within Sections 24 and 25 of Township 24S, Range 34 East. Figure 6 includes a map of registered mining facilities in the area of the proposed property, and historic mines/quarries are also indicated on the USGS topographic map included as Figure 1; no mapped facilities are located within one-half mile of the proposed property. A copy of the emailed correspondence is included in Appendix K.

5.6 Permanent Residences, Schools, and Institutions

Reference: 19.15.36.13B(5) NMAC

The presence of any permanent residences, schools, hospitals, churches, or other institutions near the proposed facility was evaluated through review of USGS Topographic Maps and aerial photographs, and verified by a field visit conducted in November, 2024. Figure 1 includes a vicinity map of the facility on a USGS quadrangle with a 500-foot buffer around the property boundary. Figure 2 includes a vicinity map on an aerial photograph with permanent facilities identified within one-half mile of the proposed facility boundary.

No permanent residences, schools, hospitals, churches, or other institutions are identified within 500 feet of the proposed facility boundary.

5.7 Unstable Areas

Reference: 19.15.36.13B(6) NMAC

The stability of the proposed facility area was evaluated through a review of published geologic literature, the United States Geological Survey Seismic Zone map, recent fault maps, and State of New Mexico Databases mapping karst formation potential. Figure 7 is a map indicating the USGS Seismic Zone surrounding the proposed facility and the location of mapped, recent Cenozoic faults as published in the USGS Quaternary Fault Database. Figure 8 is a map of karst formation potential obtained through the New Mexico State Land Office interactive mapper.

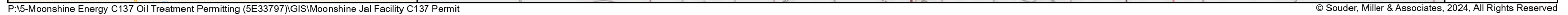
As illustrated on the figures, the facility is located in a moderate intensity seismic hazard zone (Scale V. on the Modified Mercalli Index) and is over 100 miles from any mapped Quaternary-aged (recent) fault. The facility is also located in a zone with “low risk” of karst formation potential.

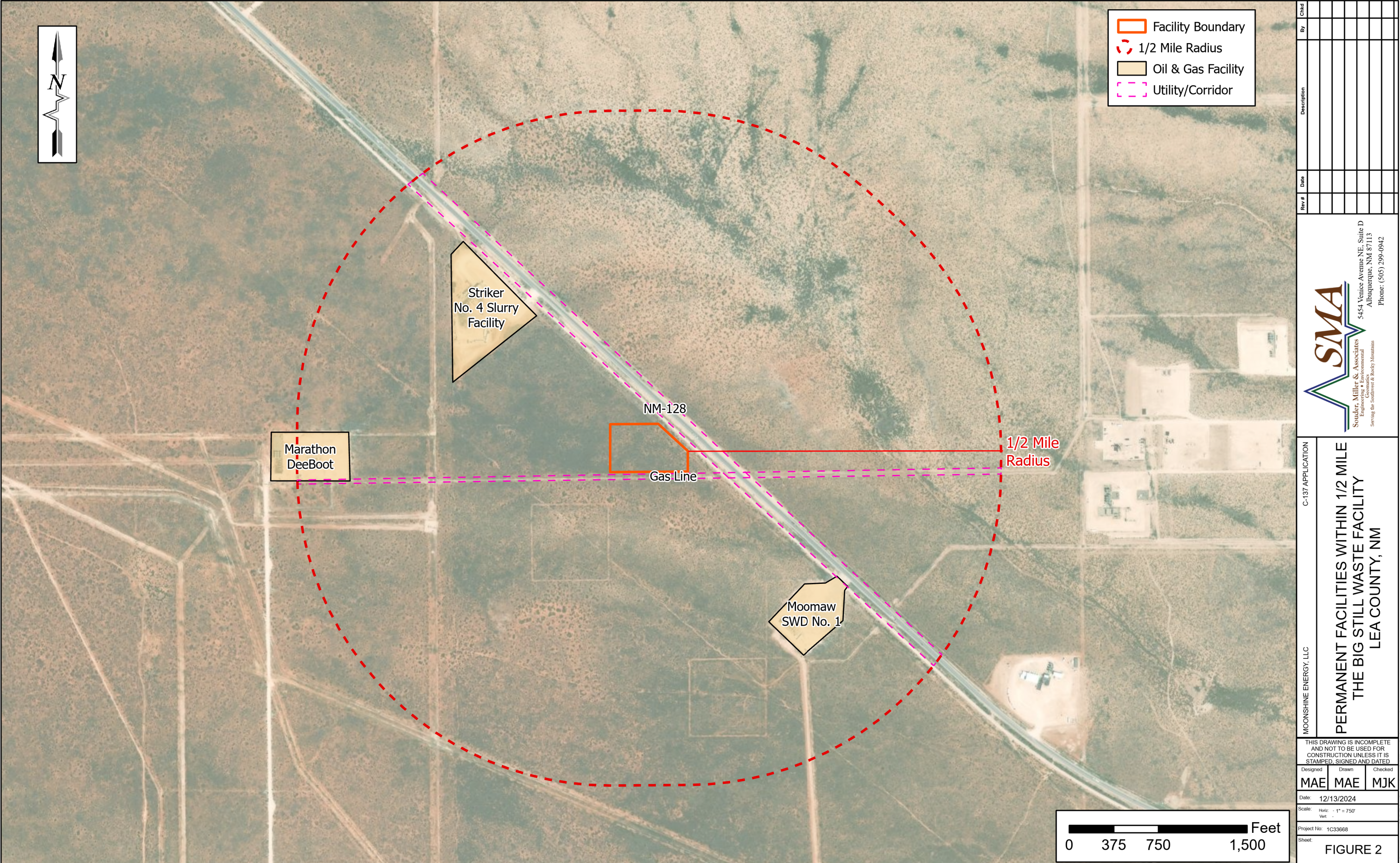
5.8 Facility Area

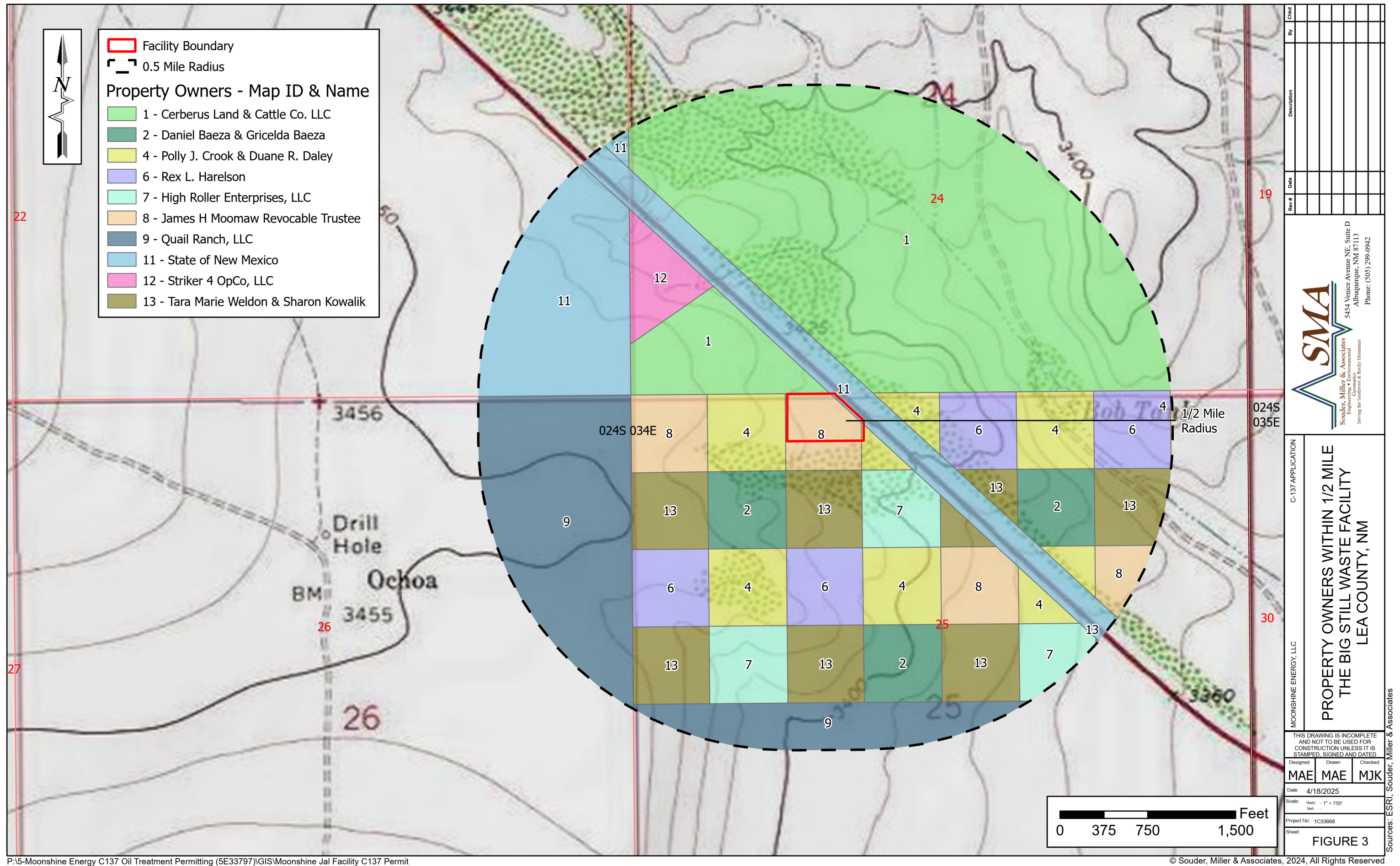
Reference: 19.15.36.13C NMAC

The proposed facility will have an area of approximately 5.4 acres, which is well below the maximum area of 500 acres established in 19.15.36.13C NMAC. A copy of the property survey plat illustrating the property area is included as Appendix B.

FIGURES







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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 419227

CONDITIONS

Operator: Moonshine Energy, LLC 5006 PORTICO WAY Midland, TX 79707	OGRID: 332360
	Action Number: 419227
	Action Type: [C-137] SWM Facility (C-137)

CONDITIONS

Created By	Condition	Condition Date
Ibarr	See Permit NM1-69	5/30/2025