NM1 - ____6___

ALTERNATIVE C-138

APPROVED Jan. 3, 2012

State of New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez

Governor

John Bemis Cabinet Secretary

Brett F. Woods, Ph.D. Deputy Cabinet Secretary Jami Bailey
Division Director
Oil Conservation Division



January 3, 2012

Mr. Zach Davis R360 Permian Basin, LLC Greenpoint Plaza 4, 16945 Northchase Drive, Suite 2200 Houston, Texas 77060

RE: Alternative Form C-138 Proposal

R360 Permian Basin, LLC - Permit NM-01-006/Order # R-9166 S/2 N/2 and the N/2 S/2 Section 27, Township 20 South, Range 32 East, NMPM Lea County, New Mexico

Dear Mr. Davis:

The Oil Conservation Division (OCD) has received and reviewed R360 Permian Basin, LLC's (R360) request, dated December 11, 2012, to modify and utilize the current waste manifest ticket and propose a new company specific waste manifest ticket that demonstrates compliance with Subsection F of 19.15.36.13 NMAC. The proposed "R360 Waste Manifest" will be used in lieu of the State issued Form C-138. OCD understands that R360 will utilize the existing waste manifest tickets and the R360 Waste Manifest until February 1, 2013. After February 1, 2013, R360 will only utilize the R360 Waste Manifest for waste acceptance and documentation. The proposed alternative manifest ticket for the receipt of exempt and non-exempt waste for acceptance and disposal at R360's permitted surface waste management facility satisfies the regulatory and informational requirements for the C-138 form as specified in 19.15.36 NMAC.

If there are any questions regarding this matter, please do not hesitate to contact me at (505) 476-3487 or brad.a.jones@state.nm.us.

Sincerely,

Brad A. Jones

Environmental Engineer

BAJ/baj

Attachment: R360 Waste Manifest

cc: OCD District I Office, Hobbs OCD District II Office, Artesia



NEW MEXICO NON-HAZARDOUS OILFEILD WASTE MANIFEST (PLEASE PRINT)

Co	mpany	Man Contact	Information
Name			
Phone	No		

			fi revor i in	N1)		•
		to the same of	GENERAT	OR	NO.	
Operator No.			_	Location of Origin		
Operators Name				Lease/Well Name & No.		
Address				County		
Add (C3)			_	API No.		
City, State, Zip			_	Rig Name & No.		
Phone No.			_	AFE/PO No.		
	TO THE PROPERTY OF A PROPERTY OF A PARTY OF	in the state of th	— - do a ui Stoude Yujere Sto		مرية كالمتالية المتالية	oic yards)
Oil Based Muds	(数数学では 3数以 EXEIAIL/ISEOTL [*] AA	NON-INJECTABLE WATERS **				one values to the second of th
Oil Based Cutting	s	Washout Water (Non-Injectab			Washout Water (Injectable	
Water Based Mut Water Based Cutt		Completion Fluid/Flow back (N Produced Water (Non-Injectab			Completion Fluid/Flow back Produced Water (Injectable	
Produced Format	· ——	Gathering Line Water/Waste (•		Gathering Line Water/Wast	
Tank Bottoms E&P Contaminate Gas Plant Waste	d Soil	INTERNAL USE ONLY Truck Washout (exempt waste		THEORYGENOLT BOTH	OTHER EXEMPT-WASTES (194	pe and generation process of the waste) 영화 교육 설
	TION PROCESS:	DRILLING	COMPLETION		PRODUCTION	GATHERING LINES
THE THE	A land of the land	NON-EXEMPT.E	&P.Waste/Service Ide	ntification and Amo	unt	
Non-Exempt Othe		waste inner be available and be o	elow the threshold th		m Non-Exempt Waste List o	
•	CODES B - BARRELS	L - LIQUID		Y - YARDS	E - EACH	-
	at according to the Resource Conse appropriate classification)	vation and Recovery Act (RCRA)	and the US Environme	ental Protection Age	ency's July 1988 regulatory de	etermination, the above described waste
RCRA EXE	Oil field wastes g	enerated from oil and gas explor	ation and production	operations and are	not mixed with non-exempt v	waste (R360 Accepts certifications on a per
RCRA NON	-EXEMPT: Oil field waste wi				· · · · · · · · · · · · · · · · · · ·	tics established in RCRA regulations, 40 CFR
		r listed hazardous waste as defini ched. (Check the appropriate iter		l, subpart D, as ame	nded. The following documen	ntation demonstrating the waste as non-
	MSDS Informatio		ous Waste Analysis		Other (Provide Description 8	ratous)
		Ш			, , , , , , , , , , , , , , , , , , ,	
EMERGENC'	Y NON-OR FERD:	azradous, non-oilfeild waste that d a desciption of the waste must			Public Safety (the order, docu	umentation of non-hazardous waste
(PRINT) A	AUTHORIZED AGENTS SIGNATURE			ATE		SIGNATURE
		1. 5	RANSPOR	TER	·-·	
Transporte <i>r</i> 's		- 4 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1				
Name _				Driver's Name		
Address _				Print Name		
_			···-·	Phone No.		
hone No.				Truck No.		
hereby certify tha	t the above named material(s) was,	were picked up at the Generator	's site listed above an	d delivered without	incident to the disposal facili	ty listed below.
SHIPMEN	Y DAY	DRIVER'S SIGNATURE	_	DELIVER		DRIVER'S SIGNATURE
			DOCAL FA	وعمسوسنند		
	TRUCK TIME STAMP	. 1012	POSALFA	JIEI:I,T.		EIVING AREA
N:	OUT:			L	Name/No.	
iite Name/				Phone No.		
Permit No. — Address	•			-		
_	DAA BEADINGS TANSNII (SII- O)			IENEE		
	RM READINGS TAKEN? (Circle One) HE PAINT FILTER TEST? (Circle One)	YES NO YES		ir YES, was reading IO	g > 50 micro roentgens? (circle	e one) YES NO
PA33 (1	ne Palivi Pititek 1831) (Circle Oile)					
			ANK BOTTO	<u> </u>		
Г	Feet	· (nches	r	QCP.V	et/DDLC Despised	DC 8 W /0/1
st Gauge Ind Gauge		•	-	Daki	V/BBLS Received Free Water	BS&W (%)
Received	<u> </u>		<u> </u>		Total Received	
-			'			
I hereby certify !	that the above load material has be	en (circle one): ACCEPTED	DENIED	If denied, why?		
	ALABAC (DDIMT)	DATE		n F		SIGNATURE

Generator – to be completed by the generator of the waste in transit

Company man contact information - Provide the manager's name and number

Operators No. - Provide the Operator's OGRID Number

Operator's Name - Provide the name of the company from which the waste originates

Address, City, State, Zip - Business address for the generator company

Phone No. – Provide a phone number where the generator company can be reached

Location of Origin – Provide the permit number or latitude & longitude or intersection or Highway & mile marker or other means of specifying the location of where the waste was generated.

Lease/Well Name & No. - Provide the name of the lease/well name and number.

County - Provide the county at which the waste was generated in.

API No. - Provide the American Petroleum Institute number; may contain up to 14 digits (if appropriate)

Rig Name & No. - provide the name of the drilling contractor and the well number and well name (if appropriate)

AFE/PO No. - Provide either the Authorization for Expenditure (AFE) number or the Purchase Order (PO) number

Exempt E&P Waste/Service Identification and Amount – Provide the volume next to the appropriate waste type that accurately describes the waste being delivered. If an accurate waste description is not listed on the form, please contact R360 for an appropriate write in description. Write this description along with the volume of the waste in the box marked "Other Exempt Waste."

Non-Exempt Wastes – Provide a written description and volume of the waste being delivered. Please contact R360 for an appropriate write in description.

Certification – Provide a certification by marking the appropriate box for the waste you are requesting acceptance for disposal and a signature from an authorized agent.

<u>Transporter</u> - To be completed by the waste hauler/transporter in the presence of the generator

Transporters name – Provide the company name that is transporting the waste

Address - Business address for the transport company

Driver's Name - Provide the first and last name of the driver hauling the waste

Phone No. – List the phone number at which the transport company can be reached

DOT No. - List the DOT number associated with the truck that is hauling the material

Vehicle's Number - List the truck and trailer license number

Truck No. - List the truck number or Waste Haulers Permit (WHP) number associated with the truck that is hauling the material

Exempt E&P Waste

Oil Based Mud

Oil Based Drilling fluids

Oil Based Cuttings

Oil Based Drill cuttings

Water Based Mud

Water Based Drilling fluids

Water Based Cuttings

Water Based Drill cuttings

Produced Formation Sand and Solids

- Hydrogen sulfide abatement wastes from geothermal energy production
- Workover wastes
- Produced sand
- Constituents removed from produced water before it is injected

Tank Bottoms

- Basic sediment, water, and other tank bottoms from storage facilities that hold product and exempt waste
- Pit sludges and contaminated bottoms from storage or disposal of exempt wastes
- Accumulated materials such as hydrocarbons, solids, sands, and emulsion from production separators, fluid treating vessels, and production impoundments
- Constituents removed from produced water before it is injected or otherwise disposed of
- Liquid hydrocarbons removed from the production stream but not from oil refining
- Waste crude oil from primary field operations

Contaminated Soil

- On-Lease oil spill
- Spill from gathering/flow lines

Wash Out Water

- Rigwash
- Cooling tower blowdown

Completion Fluids/Flowback

- Well completion, treatment, and stimulation fluids, and frac proppant
- Packing fluids

Produced Water

- Produced water
- Geothermal Production Fluids
- Materials ejected from a producing well during blowdown

Gathering line Water/Waste

- Pipe scale, hydrocarbon solids, hydrates, and other deposits removed from piping and equipment prior to transportation
 - Pigging wastes from gathering lines

Gas Plant Waste

- Gas plant dehydration wastes, including glycolbased compounds, glycol filters, and filter media, backwash, and molecular sieves
- Gas plant sweetening wastes for sulfur removal, including amines, amine filters, amine filter media, backwash, precipitated amine sludge, iron sponge, and hydrogen sulfide scrubber liquid and sludge
- Spent filters, filter media, and backwash (assuming the filter itself is not hazardous and the residue in it is from an exempt waste stream)
- Wastes from subsurface gas storage and retrieval, except for the non-exempt wastes

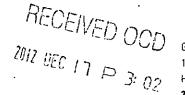
Non-Exempt Oil Field Waste

All non-exempt oil field waste must be analyzed for and be below the threshold limits for Toxicity (TCLP), Ignitability, Corrosivity and Reactivity.

www.epa.gov/osw/hazard/wastetypes/characteristic.htm

- Unused fracturing fluids or acids
- Gas plant cooling tower cleaning wastes
- Oil and gas service company wastes such as drum rinsate, sandblast media, painting wastes, spent solvents, spilled chemicals, and waste acids
- Vacuum truck and drum rinsate from trucks and drums transporting or containing non-exempt waste
- Non-Exempt E&P liquid and solid wastes generated by crude oil and tank bottom reclaimers
- Waste compressor filters and blowdown
- Non-Exempt E&P waste in transportation pipeline related pits
- Caustic or acid cleaners
- Boiler cleaning wastes
- Boiler scrubber fluids, sludges, and ash
- Non-Exempt Contaminated Soil
 - Transportation spill of post-production oil and gas





Greenspoint Plaza 4
16945 Northchase Drive, Suite 2200
Houston, Texas 77060
281.872.R360 (7360) Office
www.r360environmentalsolutions.com

December 11, 2012

Brad Jones
Oil Conservation Division
New Mexico Energy, Minerals and Natural Resources Department
1220 S. St Francis Drive
Santa Fe, NM 87505

Re: Request for use of alternative Oil Conservation Division Form C-138

Mr. Jones,

R360 Permian Basin, L.L.C. (R360) is requesting the use of a company specific C-138 titled "R360 Waste Manifest" (attached) as a replacement for the State of New Mexico's Form C-138. R360 is attempting to increase the accuracy of documentation and tracking of wastes from the generator to our facilities.

The proposed "R360 Waste Manifest" (attached) will be used as a replacement for the State of New Mexico Form C-138. This form will be required for each load of exempt and non-exempt non-hazardous waste being received at any of R360 facilities in the state of New Mexico.

After approval from the OCD for use of the new R360 Waste Manifest, copies of the form will be distributed to R360's customers (the waste generators). The plan is to allow the use of both the current Disposal Ticket and the R360 Waste Manifest until February 1, 2013. After February 1, 2013 only loads of waste accompanied by the R360 Waste Manifest form will be accepted at R360's disposal facilities.

The following will be R360's documentation requirements for the acceptance of waste at R360 facilities in New Mexico. R360 believes these requirements are in alignment with requirements in NMAC 19.15.36.13

A. Exempt Wastes

- 1. Each load of **exempt waste** must be accompanied with a completed R360 Waste Manifest, certified as RCRA exempt waste by the generator, in order to be accepted at an R360 facility and the following if applicable:
 - i. All customers bringing in *produced water* for disposal are required to provide:
 - a. A valid Authorization To Move Produced Water, C-133 form as well as
 - b. A signed R360 Waste Manifest.
 - c. After reviewing the C-133, R360 will verify that the customer is an authorized hauler by checking it against the Division C-133 Transporters list at: http://www.emnrd.state.nm.us/OCD/statistics.html

Should the hauler not be an authorized hauler the waste load will be rejected, the R360 Waste Manifest will be marked rejected, noted why it was rejected and retained at the Hobbs R360 office.

- ii. All customers that bring in tank sludges or tank bottoms are required to provide:
 - a. A valid Tank Cleaning, Sediment Oil Removal, Transportation of Miscellaneous Hydrocarbon and Disposal Permit, C-117A form (filed at the R360 Permian office) in addition to;



Greenspoint Plaza 4
16945 Northchase Drive, Suite 2200
Houston, Texas 77060
281.872.R360 (7360) Office
www.r360environmentalsolutions.com

- A C-133 Authorization To Move Produced Water (filed at the R360 Permian office) and reviewing the C-133, R360 will verify that the customer is an authorized hauler by checking it against the Division C-133 Transporters list at: http://www.emnrd.state.nm.us/OCD/statistics.html;
- c. An R360 Waste Manifest (provided per load upon delivery of waste).

Should the hauler not be an authorized hauler or have the appropriate documentation the waste load will be rejected, the R360 Waste Manifest will be marked rejected, noted why it was rejected and retained at the Hobbs R360 office.

B. Non-Exempt Wastes

- 1. Prior to hauling a **non-exempt** waste stream to an R360 facility for acceptance the following must be presented to R360 for approval:
 - i. A completed State of New Mexico Form C-138
 - ii. A C-133 Authorization To Move Produced Water (filed at the R360 Permian office) and reviewing the C-133, R360 will verify that the customer is an authorized hauler by checking it against the Division C-133 Transporters list at: http://www.emnrd.state.nm.us/OCD/statistics.html;
 - iii. Acceptable Documentation determining the waste stream is non-hazardous
- 2. Each load of non-exempt waste must be accompanied by;
 - i. A completed R360 Waste Manifest, certified as non-exempt by the generator,
 - ii. Have acceptable documentation determining the waste is non-hazardous on file with the R360 office

C. Emergency Wastes

1. Each load of emergency non-oil field waste that is ordered by the Department of Public Safety must be accompanied by a completed and certified R360 Waste Manifest and a copy of the order from the Department of Public Safety. The original order must be on file with R360 prior to acceptance at the facility.

R360 will notify customers of all necessary conditions/limitations that apply to managing each waste stream, and the customer will be required to comply with all conditions/limitations.

If you have any question you may contact me at 281-873-3243 or zdavis@r360es.com.

Thank you,

Zach Davis

Environmental Scientist Greenspoint Plaza 4,

16945 Northchase Drive, Suite 2200,

Houston, TX 77060

Attachments: R360 Waste Manifest

cc: Wayne Crawley; Clayton McDonald; Jeff Burrier;



NEW MEXICO NON-HAZARDOUS OILFEILD WASTE MANIFEST (PLEASE PRINT)

Compar	y Man Contact Information
Name	· .
Phone No.	

	• • •				ENERATO)R		NO.
Operator No.						Location of Or Lease/Well	igin	
Operators Name						Name & No.		
Address						County		
						API No.		
City, State, Zip						Rig Name & N	0.	
Phone No.						AFE/PO No.		-
	E)	EMPT E&P Wa	ste/Service Ide	ntification and	Amount (place vo	olume next to	o wa	aste type in barrels or cubic yards)
Oil Based Muds			NON-INJECTABL	E WATERS				INJECTABLE WATERS
Oil Based Cuttings				(Non-Injectable)			-	Washout Water (Injectable)
Water Based Muc Water Based Cutt				d/Flow back (Non- r (Non-Injectable)			-	Completion Fluid/Flow back (Injectable) Produced Water (Injectable)
Produced Formati				Vater/Waste (Nor			-	Gathering Line Water/Waste (Injectable)
Tank Bottoms			INTERNAL USE C	DNLY		· · · · · · · · · · · · · · · · · · ·		OTHER EXEMPT WASTES (type and generation process of the waste)
£&P Contaminate	d Soil		Truck Washout (exempt waste)			-	•
Gas Plant Waste WASTE GENERA	TION PROCESS.		DOULING		COMPLETION		7	PRODUCTION GATHERING LINES
WASTE GENERA	TION PROCESS.		DRILLING		COMPLETION	L	<u> </u>	PRODUCTION GATHERING LINES
	Alin	on-exempt E&P v			Waste/Service Iden w the threshold lim			ount LP), Ignitability, Corrosivity and Reactivity.
Non-Exempt Other						*please selec	t fro	om Non-Exempt Waste List on back
	CODES	3 - BARRELS		L - LIQUID		Y - YARDS		E - EACH
	appropriate classif	cation)						ency's July 1988 regulatory determination, the above described wast
RCRA EXE	MPI:	Oil field wastes go oad basis only)	enerated from oil	and gas exploration	on and production o	perations and	are r	not mixed with non-exempt waste (R360 Accepts certifications on a
☐ RCRA NON	RCRA NON-EXEMPT: Oil field waste which is non-hazardous that does not exceed the minimum standards for waste hazardous by characteristics established in RCRA regulations, 40 CFI 261.21-261.24, or listed hazardous waste as defined by 40 CFR, part 261, subpart D, as amended. The following documentation demonstrating the waste as non-hazardous is attached. (Check the appropriate items as provided)							
		MSDS Information	n [RCRA Hazardous	s Waste Analysis			Other (Provide Description Below)
EMERGENC	Y NUN-OILFEILD:				as been ordered by company this form		nt of	f Public Safety (the order, documentation of non-hazardous waste
(PRINT) A	AUTHORIZED AGENTS SIG	IATURE				ATE	_	SIGNATURE
				TF	RANSPOR	TER		
Transporter's						Driver's Name		•
Name _ Address					_	Print Name	•	
Audress .			····		_		•	
-					_	Phone No.		
Phone No. I hereby certify that	at the above name	l material(s) was,	/were picked up a	t the Generator's	_	Truck No. id delivered wit	thout	ut incident to the disposal facility listed below.
SHIPMEN	VT DATE		DRIVER'S SIGNATURE				FLIVER	RY DATE DRIVER'S SIGNATURE
	TRUCK TIM	IE CTANAD		Dice	OSAL FA		7	RECEIVING AREA
IN:		OUT:		וטוט	OSAL FA	SILII 1	\dashv	Name/No.
Site Name/ Permit No.					_	Phone No.		
Address		(END (E) E 1				If ME		
	RM READINGS TAI THE PAINT FILTER T	, ,	YES	NO YES	ı	II YES, was re	adın	ng > 50 micro roentgens? (circle one) YES NO
				TA	NK BOTT	OMS		
	Fee	ŧt	In	ches			_	•
1st Gauge					7		BS&	&W/BBLS Received BS&W (%)
2nd Gauge]			Free Water
Received					J			Total Received
I hereby certify	that the above loa	d material has be	en (circle one):	ACCEPTED	DENIED	If denied, w	vhy?	
	NAME (PRINT)		C)ATE	Т	ITLE		SIGNATURE

Generator – to be completed by the generator of the waste in transit

Company man contact information - Provide the manager's name and number

Operators No. - Provide the Operator's OGRID Number

Operator's Name - Provide the name of the company from which the waste originates

Address, City, State, Zip - Business address for the generator company

Phone No. - Provide a phone number where the generator company can be reached

Location of Origin - Provide the permit number or latitude & longitude or intersection or Highway & mile marker or other means of specifying the location of where the waste was generated.

Lease/Well Name & No. - Provide the name of the lease/well name and number.

County - Provide the county at which the waste was generated in.

API No. - Provide the American Petroleum Institute number; may contain up to 14 digits (if appropriate)

Rig Name & No. – provide the name of the drilling contractor and the well number and well name (if appropriate)

AFE/PO No. - Provide either the Authorization for Expenditure (AFE) number or the Purchase Order (PO) number

Exempt E&P Waste/Service Identification and Amount - Provide the volume next to the appropriate waste type that accurately describes the waste being delivered. If an accurate waste description is not listed on the form, please contact R360 for an appropriate write in description. Write this description along with the volume of the waste in the box marked "Other Exempt Waste."

Non-Exempt Wastes - Provide a written description and volume of the waste being delivered. Please contact R360 for an appropriate write in description.

Certification - Provide a certification by marking the appropriate box for the waste you are requesting acceptance for disposal and a signature from an authorized agent.

Transporter – To be completed by the waste hauler/transporter in the presence of the generator

Transporters name - Provide the company name that is transporting the waste

Address - Business address for the transport company

Driver's Name - Provide the first and last name of the driver hauling the waste

Phone No. - List the phone number at which the transport company can be reached

DOT No. - List the DOT number associated with the truck that is hauling the material

Vehicle's Number - List the truck and trailer license number

Truck No. - List the truck number or Waste Haulers Permit (WHP) number associated with the truck that is hauling the material

Waste Categories

Exempt E&P Waste

Oil Based Mud

Oil Based Drilling fluids

Oil Based Cuttings

Oil Based Drill cuttings

Water Based Mud

 Water Based Drilling fluids Water Based Cuttings

Water Based Orill cuttings

Produced Formation Sand and Solids

- Hydrogen sulfide abatement wastes from geothermal energy production
- Workover wastes
- Produced sand
- Constituents removed from produced water before it is injected

Tank Bottoms

- Basic sediment, water, and other tank bottoms from storage facilities that hold product and exempt waste
- Pit sludges and contaminated bottoms from storage or disposal of exempt wastes
- Accumulated materials such as hydrocarbons, solids, sands, and emulsion from production separators, fluid treating vessels, and production impoundments
- Constituents removed from produced water before it is injected or otherwise disposed of
- Liquid hydrocarbons removed from the production stream but not from oil refining
- Waste crude oil from primary field operations

Contaminated Soil

- On-Lease oil spi
- Spill from gathering/flow lines

Wash Out Water

- ا ، Rigwash
- Cooling tower blowdown

Completion Fluids/Flowback

- Well completion, treatment, and stimulation fluids, and frac proppant
- Packing fluids

Produced Water

- Produced water
- Geothermal Production Fluids
- ! Materials ejected from a producing well during blowdown

Gathering line Water/Waste

- Pipe scale, hydrocarbon solids, hydrates, and other deposits removed from piping and equipment prior to transportation
- Pigging wastes from gathering lines

Gas Plant Waste

- · Gas plant dehydration wastes, including glycolbased compounds, glycol filters, and filter media, backwash, and molecular sieves
- Gas plant sweetening wastes for sulfur removal. including amines, amine filters, amine filter media, backwash, precipitated amine sludge, iron sponge, and hydrogen sulfide scrubber liquid and studge
- Spent filters, filter media, and backwash (assuming the filter itself is not hazardous and the residue in it is from an exempt waste stream)
- Wastes from subsurface gas storage and retrieval, except for the non-exempt wastes

Non-Exempt Oil Field Waste

All non-exempt oil field waste must be analyzed for and be below the threshold limits for Toxicity (TCLP), Ignitability, Corrosivity and Reactivity.

www.epa.gov/osw/hazard/wastetypes/characteristic.htm

- Unused fracturing fluids or acids
- Gas plant cooling tower cleaning wastes
- Oil and gas service company wastes such as drum rinsate, sandblast media, painting wastes, spent solvents, spilled chemicals, and waste acids
- Vacuum truck and drum rinsate from trucks and drums transporting or containing non-exempt waste
- Non-Exempt E&P liquid and solid wastes generated by crude oil and tank bottom reclaimers
- Waste compressor filters and blowdown
- Non-Exempt E&P waste in transportation pipeline related pits
- Caustic or acid cleaners
- Boiler cleaning wastes
- Boiler scrubber fluids, sludges, and ash
- Non-Exempt Contaminated Soil
 - o Transportation spill of post-production oil and gas