EPWM - 4

PERMITS, RENEWALS, & MODS

Jones, Brad A., EMNRD

From:

Jones, Brad A., EMNRD

Sent:

Thursday, November 20, 2014 2:04 PM

To: Cc: 'Karen Evans'

Subject:

Matthew J. Bruff

Subject:

RE: NM OCD REQUEST FOR TEMP APPROVAL - PERMIT EPWM-004

Attachments:

2014 1120 EPWM-004 renewal approval.pdf

Karen,

Please see the attached approval letter. A hardcopy has been placed in the mail. If you have any questions regarding this matter, please do not hesitate to contact me.

Brad

Brad A. Jones

Environmental Engineer EMNRD Oil Conservation Division 1220 S. Saint Francis Drive Santa Fe, New Mexico 87505

E-mail: <u>brad.a.jones@state.nm.us</u>

Office: (505) 476-3487 Fax: (505) 476-3462

From: Karen Evans [mailto:karen.evans@altelainc.com]
Sent: Wednesday, November 19, 2014 10:35 AM

To: Jones, Brad A., EMNRD **Cc:** Matthew J. Bruff

Subject: NM OCD REQUEST FOR TEMP APPROVAL - PERMIT EPWM-004

Importance: High

Brad,

Attached please find an advance email copy of the annual renewal request for Temporary Approval of EPWM-004 which expires January 16, 2015. The original was mailed out today.

Should you have any questions, please do not hesitate to contact me.

Thanks again for your assistance throughout the year!

Sincerely,

Karen K. Evans

Environmental Regulatory Analyst

Altela, Inc.

DENVER TECHNOLOGY CENTER 7887 E. Belleview Ave., Suite 1100 Englewood, CO 80111 FAX:

PHONE: (303) 993-1952

WEB:

(303) 993-1955 www.altelainc.com

Follow us on Facebook and Twitter:







Follow us on Linkedin

 $\textit{Go to } \underline{\textit{www.CARESforWater.com}} \textit{ and } \underline{\textit{www.CAESwater.com}} \textit{ to view}$ Altela's two new centralized wastewater treatment facilities in Pennsylvania.

State of New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez Governor

David Martin Cabinet Secretary

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



November 20, 2014

Ms. Karen Evans Altela, Inc. 7887 E. Belleview Ave., Suite 1100 Englewood, Colorado 80111

Re: Renewal Request for Temporary Approval to Store and Use Produced Water for

R&D of the AltelaRainTM Technology Temporary Approval: EPWM - 004

Location: 7500 Meridian Pl. NW, Suite B, Albuquerque, New Mexico 87121

Dear Ms. Evans:

The Oil Conservation Division (OCD) has received and reviewed Altela, Inc.'s (Altela) email request, dated November 19, 2014, to renew Altela's temporary approval to store and use oilfield produced water for testing and development of the AltelaRainTM technology at Altela's design, research, and manufacturing facility, which expired January 16, 2015. The OCD has granted this temporary approval to serve certain purposes and achieve certain results. One purpose is to allow Altela the opportunity to use real produced water in a controlled environment to assist in the research and development of the AltelaRainTM technology. Another purpose is to obtain testing results of the treatment of the produced water in order to assess the capability of the AltelaRainTM technology. Such analytical results should represent the initial test/source water concentrations prior to treatment and the concentrations present after treatment for all of the constituents specified in Subsection A, B, and C of 20.6.2.3103 NMAC.

The OCD hereby grants this temporary approval with the following understandings and conditions:

- 1. The produced water approved for storage and the testing and development of the AltelaRainTM technology shall only occur at Altela's design, research, and manufacturing facility (Meridian), located at 7500 Meridian Pl. NW, Suite B, Albuquerque, New Mexico 87121;
- 2. Only haulers authorized (OCD approved C-133) to move produced water shall provide transport of produced water to and from the Meridian facility;

Altela, Inc. EPWM - 004 November 20, 2014 Page 2 of 2

- 3. No produced water shall be disposed at the Meridian facility. All produced water shall be removed from the Meridian facility by a hauler authorized (OCD approved C-133) to move produced water and properly disposed at an OCD approved facility;
- 4. Altela shall retain records documenting all produced water received and removed from the Meridian facility. The record shall indicate the facility/well name and permit number in which the produced water is obtained from and the facility/well name and permit number of the OCD approved facility in which the produced is disposed;
- 5. Altela shall report all unauthorized discharges of produced water pursuant to 19.15.29 NMAC to the OCD within 24 hours of determining a release; and
- 6. Altela shall provide the OCD copies of the water quality analytical test results received from third party water quality laboratories with respect to tests using the produced water at the Meridian facility.

This authorization is approved for a period of one (1) year. This temporary approval will expire January 16, 2016. Renewal requests for temporary approvals shall be submitted 45 days prior to the expiration date. Temporary approval may be revoked or suspended for violation of any applicable provisions and/or conditions.

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

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

State of New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez

Governor

David Martin
Cabinet Secretary

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



July 10, 2014

Ms. Karen Evans Altela, Inc. 5350 South Roslyn Street, Suite 210 Englewood, Colorado 80111

Re: Renewal Request for Temporary Approval to Store and Use Produced Water for

R&D of the AltelaRainTM Technology Temporary Approval: EPWM - 004

Location: 7500 Meridian Pl. NW, Suite B, Albuquerque, New Mexico 87121

Dear Ms. Evans:

The Oil Conservation Division (OCD) has received and reviewed Altela, Inc.'s (Altela) request, dated July 9, 2014, to renew Altela's temporary approval to store and use oilfield produced water for testing and development of the AltelaRainTM technology at Altela's design, research, and manufacturing facility, which expired January 16, 2014. The OCD has granted this temporary approval to serve certain purposes and achieve certain results. One purpose is to allow Altela the opportunity to use real produced water in a controlled environment to assist in the research and development of the AltelaRainTM technology. Another purpose is to obtain testing results of the treatment of the produced water in order to assess the capability of the AltelaRainTM technology. Such analytical results should represent the initial test/source water concentrations prior to treatment and the concentrations present after treatment for all of the constituents specified in Subsection A, B, and C of 20.6.2.3103 NMAC.

The OCD hereby grants this temporary approval with the following understandings and conditions:

- 1. The produced water approved for storage and the testing and development of the AltelaRainTM technology shall only occur at Altela's design, research, and manufacturing facility (Meridian), located at 7500 Meridian Pl. NW, Suite B, Albuquerque, New Mexico 87121;
- 2. Only haulers authorized (OCD approved C-133) to move produced water shall provide transport of produced water to and from the Meridian facility;

- 3. No produced water shall be disposed at the Meridian facility. All produced water shall be removed from the Meridian facility by a hauler authorized (OCD approved C-133) to move produced water and properly disposed at an OCD approved facility;
- 4. Altela shall retain records documenting all produced water received and removed from the Meridian facility. The record shall indicate the facility/well name and permit number in which the produced water is obtained from and the facility/well name and permit number of the OCD approved facility in which the produced is disposed;
- 5. Altela shall report all unauthorized discharges of produced water pursuant to 19.15.29 NMAC to the OCD within 24 hours of determining a release; and
- 6. Altela shall provide the OCD copies of the water quality analytical test results received from third party water quality laboratories with respect to tests using the produced water at the Meridian facility.

This authorization is approved for a period of one (1) year. This temporary approval will expire January 16, 2015. Renewal requests for temporary approvals shall be submitted 45 days prior to the expiration date. Temporary approval may be revoked or suspended for violation of any applicable provisions and/or conditions.

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

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

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 16, 2013

Mr. Matthew Bruff Altela, Inc. Denver Technology Center 5350 South Roslyn Street, Suite 210 Englewood, Colorado 80111

Re: Renewal Request for Temporary Approval to Store and Use Produced Water for

R&D of the AltelaRainTM Technology Temporary Approval: EPWM - 004

Location: 7500 Meridian Pl. NW, Suite B, Albuquerque, New Mexico 87121

Dear Mr. Bruff:

The Oil Conservation Division (OCD) has received and reviewed Altela, Inc.'s (Altela) request, dated January 14, 2013, to renew Altela's temporary approval to store and use oilfield produced water for testing and development of the AltelaRainTM technology at Altela's design, research, and manufacturing facility, which expires January 16, 2013. The OCD has granted this temporary approval to serve certain purposes and achieve certain results. One purpose is to allow Altela the opportunity to use real produced water in a controlled environment to assist in the research and development of the AltelaRainTM technology. Another purpose is to obtain testing results of the treatment of the produced water in order to assess the capability of the AltelaRainTM technology. Such analytical results should represent the initial test/source water concentrations prior to treatment and the concentrations present after treatment for all of the constituents specified in Subsection A, B, and C of 20.6.2.3103 NMAC.

The OCD hereby grants this temporary approval with the following understandings and conditions:

- 1. The produced water approved for storage and the testing and development of the AltelaRainTM technology shall only occur at Altela's design, research, and manufacturing facility (Meridian), located at 7500 Meridian Pl. NW, Suite B, Albuquerque, New Mexico 87121;
- 2. Only haulers authorized (OCD approved C-133) to move produced water shall provide transport of produced water to and from the Meridian facility;

- 3. No produced water shall be disposed at the Meridian facility. All produced water shall be removed from the Meridian facility by a hauler authorized (OCD approved C-133) to move produced water and properly disposed at an OCD approved facility;
- 4. Altela shall retain records documenting all produced water received and removed from the Meridian facility. The record shall indicate the facility/well name and permit number in which the produced water is obtained from and the facility/well name and permit number of the OCD approved facility in which the produced is disposed;
- 5. Altela shall report all unauthorized discharges of produced water pursuant to 19.15.29 NMAC to the OCD within 24 hours of determining a release; and
- 6. Altela shall provide the OCD copies of the water quality analytical test results received from third party water quality laboratories with respect to tests using the produced water at the Meridian facility.

This authorization is approved for a period of one (1) year. This temporary approval will expire January 16, 2014. Renewal requests for temporary approvals shall be submitted 45 days prior to the expiration date. Temporary approval may be revoked or suspended for violation of any applicable provisions and/or conditions.

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

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





ALBUQUERQUE OFFICE

7500 Meridian Pl NW, Suite B, Albuquerque, NM 87121 PHONE: 505.923.4140 FAX: 505.923.4130

DENVER OFFICE

5350 South Roslyn Street, Suite 210, Englewood, CO 80111 PHONE: 303.993.1950 FAX: 303.993.1955

January 14, 2013

Mr. Brad Jones Environmental Bureau NM Oil Conservation Division 1220 South St. Francis Drive Santa Fe, New Mexico 87505

RE: Altela, Inc. – Renewal of Temporary Approval to Store and Use Produced Water for R&D of the AltelaRain® Technology Temporary Approval EPWM – 004 expiration January 16, 2013

VIA UNITED STATES POSTAL SERVICE

Dear Brad,

This letter serves as written request to renew Altela, Inc.'s (Altela) temporary approval to store and use produced water for R&D of the AltelaRain® technology. Altela requests a one-year renewal to continue using real oilfield produced water for testing and development of the AltelaRain® technology at Altela's design, research, and manufacturing facilities. These facilities are located at 7500 Meridian Pl., N.W., Suite B, Albuquerque, New Mexico 87121 ("Meridian"). Altela continues to agree to the following conditions with respect to use the produced water at Alamo:

- 1. The produced water approved for storage and testing and development of the AltelaRain® technology will only occur at Altela's design, research and manufacturing facility (Meridian), located at 7500 Meridian Pl., N.W., Suite B, Albuquerque, New Mexico 87121;
- 2. Only haulers authorized (OCD approved C-133) to move produced water may provide transport of produced water to the Meridian facility;
- 3. No produced water shall be disposed at the Meridian facility. All produced water must be removed from the Meridian facility by a hauler authorized (OCD approved C-133) to move produced water and properly disposed at an OCD approved facility;

- 4. Altela must retain records documenting all produced water received and removed from the Meridian facility;
- 5. Altela must report all unauthorized discharges of produced water pursuant to OCD Rule 116 to the OCD within 24 hours of determining a release; and
- 6. Altela will provide the OCD copies of the water quality test results received from third party water quality laboratories with respect to tests using the produced water at the Meridian facility.

Enclosed, please find a copy of Altela's Produced Water Tracking Summary used to ensure that all produced water is accounted for as well as delivered by approved C-133 permitted water haulers and removed by approved C-133 permitted water haulers for disposal except as noted per the enclosed Temporary Exemption/Approval letter granted December 5, 2011. Finally, we have also enclosed a copy of our test-bench protocol spreadsheet which outlines the various parameters and data points tracked during testing.

We request renewal of EPWM -004 as we anticipate receiving produced water in the coming year to continue the development of the AltelaRain® technology.

Thank you in advance for your continued assistance and support of the AltelaRain® technology. Please do not hesitate to contact me if the need arises.

Sincerely,

Altela, Inc.

Matthew Bruff

CDO

cc: Altela Day File

Enclosures as noted

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- 17	Balance	+'1050 gallons	0 gellons	
	Delivered / Taken Away	1,050 Gallons Delivered	428 Gallons Taken Away	
	Owner of Well			
Summary	Name of Originating Well (If Taken Away - NA)	RNI Trucking	¥	
Meridian Produced Water Tracking Summary	C133 Permit No.	unavailable	C-133-399	
Produced V	Fax Number		(505) 326-5541 (505) 328-6002	
Meridian	Phone Number	(814) 226-8001	(505) 326-5641	A.
	Address	P.O. Box Box 271, Wilmington, OH 45177	PO Box 600, Farmington, NM 87499	
Æ.	Contact at			
	Transport Company Contact at Name Company	8/29/12 RL Camiers	10/19/12 M&R Trucking, Inc.	
	Date	8/29/12	10/19/12	
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182 gallon difference in volume being taken away attributable to clean, distilled water vapor being exhausted during process.

Susana Martinez

Governor

John H. Bemis Cabinet Secretary-Designate

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



December 5, 2011

Mr. Matthew J. Bruff Altela, Inc. Denver Technology Center 5350 South Roslyn Street, Suite 450 Englewood, Colorado 80111

Renewal Request for Temporary Approval to Store and Use Produced Water for

R&D of the AltelaRainTM Technology Temporary Approval: EPWM -004

Location: 7500 Meridian Pl. NW, Suite B, Albuquerque, New Mexico 87121

Dear Mr. Bruff:

Re:

The Oil Conservation Division (OCD) has received and reviewed Altela, Inc.'s (Altela) request, dated November 29, 2011, to renew Altela's temporary approval to store and use oilfield produced water for testing and development of the AltelaRainTM technology at Altela's design, research, and manufacturing facility, which expires January 16, 2012. The OCD has granted this temporary approval to serve certain purposes and achieve certain results. One purpose is to allow Altela the opportunity to use real produced water in a controlled environment to assist in the research and development of the AltelaRainTM technology. Another purpose is to obtain testing results of the treatment of the produced water in order to assess the capability of the AltelaRainTM technology. Such analytical results should represent the initial test/source water concentrations prior to treatment and the concentrations present after treatment for all of the constituents specified in Subsection A, B, and C of 20.6.2.3103 NMAC.

The OCD hereby grants this temporary approval with the following understandings and conditions:

- The produced water approved for storage and the testing and development of the AltelaRainTM technology shall only occur at Altela's design, research, and manufacturing facility (Meridian), located at 7500 Meridian Pl. NW, Suite B, Albuquerque, New Mexico 87121.
- 2. Only haulers authorized (OCD approved C-133) to move produced water shall provide transport of produced water to and from the Meridian facility.

Matt Bruff Altela, Inc. Permit EPWM - 004 December 5, 2011 Page 2 of 2

- No produced water shall be disposed at the Meridian facility. All produced water shall be removed from the Meridian facility by a hauler authorized (OCD approved C-133) to move produced water and properly disposed at an OCD approved facility.
- 4. Altela shall retain records documenting all produced water received and removed from the Meridian facility. The record shall indicate the facility/well name and permit number in which the produced water is obtained from and the facility/well name and permit number of the OCD approved facility in which the produced is disposed.
- 5. Altela shall report all unauthorized discharges of produced water pursuant to 19.15.29 NMAC to the OCD within 24 hours of determining a release.
- Altela shall provide the OCD copies of the water quality analytical test results received
 from third party water quality laboratories with respect to tests using the produced water
 at the Meridian facility.

This authorization is approved for a period of one (1) year. This temporary approval will expire January 16, 2013. Renewal requests for temporary approvals shall be submitted 45 days prior to the expiration date. Temporary approval may be revoked or suspended for violation of any applicable provisions and/or conditions.

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

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

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Hall Environmental Analysis Laboratory 4901 Hawkins NE Albuquerque, NM 87109 TEL: 505-345-3975 FAX: 505-345-4107

Website: www.hallenvironmental.com

September 27, 2012

Michael Wimberly
Altela Inc.
7500 Meridian Place NW Suite B
Albuquerque, NM 87121

TEL: (505) 227-8601

FAX

RE: RNI Produced Water/ Solidification OrderNo.: 1209213

Dear Michael Wimberly:

Hall Environmental Analysis Laboratory received 2 sample(s) on 9/6/2012 for the analyses presented in the following report.

These were analyzed according to EPA procedures or equivalent. To access our accredited tests please go to www.hallenvironmental.com or the state specific web sites. See the sample checklist and/or the Chain of Custody for information regarding the sample receipt temperature and preservation. Data qualifiers or a narrative will be provided if the sample analysis or analytical quality control parameters require a flag. All samples are reported as received unless otherwise indicated. Lab measurement of analytes considered field parameters that require analysis within 15 minutes of sampling such as pH and residual chlorine are qualified as being analyzed outside of the recommended holding time.

Please don't hesitate to contact HEAL for any additional information or clarifications.

Sincerely,

Andy Freeman

Laboratory Manager

andel

4901 Hawkins NE

Albuquerque, NM 87109

Analytical Report

Lab Order 1209213

Date Reported: 9/27/2012

Hall Environmental Analysis Laboratory, Inc.

CLIENT: Altela Inc.

Client Sample ID: RNI Pruduced Water-Stat

Project: RNI Produced Water/ Solidification

Collection Date: 9/4/2012 3:30:00 PM

Lab ID: 1209213-001

Matrix: AQUEOUS

Received Date: 9/6/2012 2:55:00 PM

Analyses	Result	RL Qua	1 Units	DF	Date Analyzed
SM2540C MOD: TOTAL DISSOL	VED SOLIDS	•			Analyst: KS
Total Dissolved Solids	188000	1000	mg/L	1	9/12/2012 6:37:00 PM

Qualifiers:

- Value exceeds Maximum Contaminant Level.
- E Value above quantitation range
- J Analyte detected below quantitation limits
- P Sample pH greater than 2
- RL Reporting Detection Limit

- B Analyte detected in the associated Method Blank
- H Holding times for preparation or analysis exceeded
- ND Not Detected at the Reporting Limit
- R RPD outside accepted recovery limits
- S Spike Recovery outside accepted recovery limits 1 of 7

Analytical Report

Lab Order 1209213

Date Reported: 9/27/2012

Hall Environmental Analysis Laboratory, Inc.

CLIENT: Altela Inc. Client Sample ID: RNI Pruduced Water-CW At En

RNI Produced Water/ Solidification Collection Date: 9/5/2012 5:30:00 PM Lab ID: 1209213-002 Matrix: AQUEOUS Received Date: 9/6/2012 2:55:00 PM

Analyses	Result	RL Qu	al Units	DF	Date Analyzed
EPA METHOD 300.0: ANIONS					Analyst: JRR
Chloride	250000	10000	mg/L	20000	9/13/2012 5:33:16 PM
Sulfate	ND	25	mg/L	50	9/10/2012 10:33:43 PM
EPA METHOD 7470: MERCURY					Analyst: JLF
Mercury	ND	0.00020	mg/L	1	9/13/2012 10:31:49 AM
EPA 6010B: TOTAL RECOVERABLE	METALS				Analyst: JLF
Arsenic	ND	0.20	mg/L	5	9/17/2012 3:38:31 PM
Barium	6600	200	mg/L	5000	9/19/2012 12:12:33 PM
Cadmium	ND	0.020	mg/L	5	9/17/2012 3:38:31 PM
Chromium	ND	0.060	mg/L	5	9/17/2012 3:38:31 PM
Lead	ND	0.50	mg/L	50	9/19/2012 12:28:58 PM
Selenium	ND	0.50	mg/L	5	9/17/2012 3:38:31 PM
Silver	ND	0.050	mg/L	5	9/17/2012 3:38:31 PM
SM2540C MOD: TOTAL DISSOLVED	SOLIDS				Analyst: KS
Total Dissolved Solids	373000	1000	mg/L	1	9/12/2012 6:37:00 PM



- Value exceeds Maximum Contaminant Level.
- E Value above quantitation range
- Analyte detected below quantitation limits
- Sample pH greater than 2
- Reporting Detection Limit

- В Analyte detected in the associated Method Blank
- Н Holding times for preparation or analysis exceeded
- Not Detected at the Reporting Limit
 - RPD outside accepted recovery limits
 - Spike Recovery outside accepted recovery limits Page 2 of 7

Hall Environmental Analysis Laboratory, Inc.

WO#: 1209213

27-Sep-12

Client:

Altela Inc.

Project:

RNI Produced Water/ Solidification

Sample ID MB

SampType: MBLK

TestCode: EPA Method 300.0: Anions

Client ID: PBW Batch ID: R5413

RunNo: 5413

Prep Date:

Analysis Date: 9/10/2012

SeqNo: 154452

Units: mg/L HighLimit

Qual

Analyte

PQL

RPDLimit

Sulfate

ND 0.50

SampType: LCS

TestCode: EPA Method 300.0: Anions

Sample ID LCS Client ID: LCSW

Batch ID: R5413

RunNo: 5413

Units: mg/L

Prep Date: Analyte

Analysis Date: 9/10/2012

SeqNo: 154453

Result **PQL**

Result

SPK value SPK Ref Val

%REC

LowLimit

HighLimit

RPDLimit Qual

Sulfate

9.5

10.00

0 94.7

SPK value SPK Ref Val %REC: LowLimit

110

SampType: MBLK

0.50

TestCode: EPA Method 300.0: Anions

90

%RPD

%RPD

Sample ID MB Client ID: PBW

Batch ID: R5528

RunNo: 5528

Prep Date:

Analysis Date: 9/13/2012

SeqNo: 158122

Units: mg/L

Analyte

Result 0.50

SampType: LCS

SPK value SPK Ref Val %REC LowLimit **PQL**

SPK value SPK Ref Val

5.000

HighLimit

%RPD **RPDLimit**

Qual

Chloride

Batch ID: R5528

TestCode: EPA Method 300.0: Anions

RunNo: 5528

HighLimit

Prep Date: Analyte

Result 47

Result

Result

16

16

Analysis Date: 9/13/2012

SeqNo: 158123

Units: mg/L

110

%RPD

%RPD

RPDLimit

Qual

Qual

Qual

Chloride

Sample ID LCS

Client ID: LCSW

0.50 SampType: MS

POI

TestCode: EPA Method 300.0: Anions

SeqNo: 158136

%REC

93.6

I owl imit 90

Client ID: Prep Date:

BatchQC

Batch ID: R5528

RunNo: 5528

LowLimit

Units: mg/L

HighLimit

111

RPDLimit

Analyte

Chloride

Sample ID 1209493-002AMS

Analysis Date: 9/13/2012

PQL

0.50

TestCode: EPA Method 300.0: Anions

%REC

104

Sample ID 1209493-002AMSD Client ID:

BatchQC

SampType: MSD Batch ID: R5528

RunNo: 5528

87.8

87.8

Prep Date: Analyte

Chloride

Analysis Date: 9/13/2012 POL

0.50

5.000

SPK value

5.000

SeqNo: 158137 SPK value SPK Re. Val %REC 11.12

SPK Ref Val

11 . 2

LowLimit

105

Units: mg/L HighLimit 111

%RPD 0.226

20

RPDI imit

Qualifiers:

- Value exceeds Maximum Contaminant Level.
- Е Value above quantitation range
- Analyte detected below quantitation limits
- Sample pH greater than 2

Analyte detected in the associated Method Blank В

RPD outside accepted recovery limits

- Holding times for preparation or analysis exceeded Not Detected at the Reporting Limit ND
- Page 3 of 7

Hall Environmental Analysis Laboratory, Inc.

WO#: 1209213

27-Sep-12

Client:

Altela Inc.

Project:

RNI Produced Water/ Solidification

Sample ID MB-3725 Client ID: **PBW**

SampType: MBLK

TestCode: EPA Method 7470: Mercury

Prep Date: 9/12/2012

Batch ID: 3725 Analysis Date: 9/13/2012 RunNo: 5495 SeqNo: 157092

Units: mg/L

HighLimit

RPDLimit

%RPD

%RPD

%RPD

2.74

Analyte Mercury

PQL ND 0.00020

Sample ID LCS-3725 Client ID: LCSW

SampType: LCS Batch ID: 3725 TestCode: EPA Method 7470: Mercury

SPK value SPK Ref Val %REC

RunNo: 5495

LowLimit

Prep Date: 9/12/2012

Analysis Date: 9/13/2012

SeqNo: 157093

Units: mg/L

RPDLimit

Analyte Mercury

Result **PQL** SPK value SPK Ref Val 0.0050 0.00020 0.005000

0.005000

%REC 99.8

HighLimit

Qual

Qual

Sample ID 1209172-001FMS

SampType: MS

TestCode: EPA Method 7470: Mercury RunNo: 5495

Client ID: Prep Date:

Batch ID: 3725 **BatchQC** 9/12/2012 Analysis Date: 9/13/2012

Units: mg/L

125

Qual

Analyte Mercury

Analyte

Mercury

Result PQL SPK value SPK Ref Val 0.0048 0.00020

SeqNo: 157099 %REC LowLimit

96.3

HighLimit

RPDLimit Qual

Sample ID 1209172-001FMSD

SampType: MSD

TestCode: EPA Method 7470: Mercury

SeqNo: 157100

Client ID: **BatchQC** Prep Date: 9/12/2012

Batch ID: 3725 Analysis Date: 9/13/2012 RunNo: 5495

Units: mg/L

RPDLimit

20

SPK value SPK Ref Val %REC %RPD **PQL** LowLimit HighLimit 0.0049 0.00020 0.005000 n 99.0 75 125

Qualifiers:

Value exceeds Maximum Contaminant Level.

Value above quantitation range E

Analyte detected below quantitation limits

Sample pH greater than 2

Analyte detected in the associated Method Blank

Н Holding times for preparation or analysis exceeded

Not Detected at the Reporting Limit ND

RPD outside accepted recovery limits

Page 4 of 7

Hall Environmental Analysis Laboratory, Inc.

WO#:

1209213

27-Sep-12

Client:

Altela Inc.

Project:

RNI Produced Water/ Solidification

Sample ID MB-3763				TestCode: EPA 6010B: Total Recoverable Metals						
Client ID: PBW	Batc	n ID: 37	63	1	RunNo: 8	574				
Prep Date: 9/14/2012	Analysis [Date: 9/	17/2012	5	SeqNo: 1	59602	Units: mg/L			
Analyte	Result	PQL	SPK value	SPK Ref Val	%REC	LowLimit	HighLimit	%RPD	RPDLimit	Qual
Arsenic	ND	0.020								
Barium	ND	0.020								
Cadmium	ND	0.0020								
Chromium	ND	0.0060								
Lead	ND	0.0050								
Selenium	ND	0.050								
Silver	ND	0.0050								

Sample ID LCS-3763 SampType: LCS				Tes	tCode: El	PA 6010B:	Total Recover	able Meta	als	
Client ID: LCSW	Bato	ch ID: 370	63	F	RunNo: 5	574				
Prep Date: 9/14/2012	Analysis I	Date: 9/	17/2012	8	SeqNo: 1	59603	Units: mg/L			
Analyte	Result	PQL	SPK value	SPK Ref Val	%REC	LowLimit	HighLimit	%RPD	RPDLimit	Qual
Arsenic	0.47	0.020	0.5000	0	95.0	80	120			
Barium	0.47	0.020	0.5000	0	94.0	80	120			
Cadmium	0.47	0.0020	0.5000	0.0005200	94.5	80	120			
Chromium	0.47	0.0060	0.5000	0.002920	93.5	80	120			
Lead	0.48	0.0050	0.5000	0.003730	94.5	80	120			
Selenium	0.46	0.050	0.5000	0	92.3	80	120			
Silver	0.096	0.0050	0.1000	0.0002600	95.3	80	120			

Sample ID 1209328-001AMS	Samp	Type: MS	3	Tes	TestCode: EPA 6010B: Total Recoverable Metals						
Client ID: BatchQC	Bato	Batch ID: 3763 RunNo: 5574									
Prep Date: 9/14/2012	Analysis Date: 9/17/2012 SeqNo: 159631 Units: mg/L										
Analyte	Result	PQL	SPK value	SPK Re Val	%REC	LowLimit	HighLimit	%RPD	RPDLimit	Qual	
Arsenic	0.46	0.020	0.5000	0	92.9	75	125				
Cadmium	0.47	0.0020	0.5000	0	93.3	75	125				
Chromium	0.44	0.0060	0.5000	0	88.8	75	125				
Selenium	0.44	0.050	0.5000	0	87.0	75	125				
Silver	0.095	0.0050	0.1000	0	94.7	75	125				

Sample ID 1209328-001AM	SD Samp	Type: MS	SD	Test	tCode: El	PA 6010B:	Total Recove	rable Meta	als	
Client ID: BatchQC	63	R	RunNo: 5574							
Prep Date: 9/14/2012	Analysis I	Date: 9/	17/2012	S	SeqNo: 1	59632	Units: mg/L			
Analyte	Result	PQL	SPK value	SPK Ref Val	%REC	LowLimit	HighLimit	%RPD	RPDLimit	Qual
Arsenic	0.48	0.020	0.5000	0	95.0	75	125	2.32	20	
Cadmium	0.47	0.0020	0.5000	0	93.3	75	125	0.0171	20	
Chromium	0.45	0.0060	0.5000	0	89.6	75	125	0.854	20	
Selenium	0.39	0.050	0.5000	0	78.8	75	125	9.91	20	
Silver	0.095	0.0050	0.1000	0	95.3	75	125	0.600	20	

Qualifiers:

- Value exceeds Maximum Contaminant Level.
- E Value above quantitation range
- J Analyte detected below quantitation limits
- P Sample pH greater than 2

- B Analyte detected in the associated Method Blank
- H Holding times for preparation or analysis exceeded
- ND Not Detected at the Reporting Limit
- R RPD outside accepted recovery limits

Page 5 of 7

Hall Environmental Analysis Laboratory, Inc.

WO#: 1209213

27-Sep-12

Client:

Altela Inc.

Project:

RNI Produced Water/ Solidification

Sample ID 1209328-001AMS SampType: MS TestCode: EPA 6010B: Total Recoverable Metals Batch ID: 3763 RunNo: 5627 Client ID: BatchQC SeqNo: 161200 Prep Date: 9/14/2012 Analysis Date: 9/19/2012 Units: mg/L PQL SPK value SPK Ref Val %REC LowLimit HighLimit %RPD **RPDLimit** Qual Analyte Result 125 0.50 0.020 0.5000 0.01961 95.2 75 Barium Lead 0.46 0.0050 0.5000 0.005690 90.4 75 125

Sample ID	1209328-001AMSE) Samp	Type: MS	D	Tes	tCode: El	PA 6010B:	Total Recove	rable Meta	als	
Client ID:	BatchQC	Bato	h ID: 37 0	63	F	RunNo: 5	627				
Prep Date:	9/14/2012	Analysis [Date: 9/	19/2012	S	SeqNo: 1	61201	Units: mg/L			
Analyte		Result	PQL	SPK value	SPK Ref Val	%REC	LowLimit	HighLimit	%RPD	RPDLimit	Qual
Barium	· · · · · · · · · · · · · · · · · · ·	0.50	0.020	0.5000	0.01961	96.2	75	125	1.05	20	
_ead		0.46	0.0050	0.5000	0.005690	90.6	75	125	0.164	20	

Qualifiers:

* Value exceeds Maximum Contaminant Level.

E Value above quantitation range

J Analyte detected below quantitation limits

P Sample pH greater than 2

B Analyte detected in the associated Method Blank

H Holding times for preparation or analysis exceeded

ND Not Detected at the Reporting Limit

R RPD outside accepted recovery limits

Page 6 of 7

Hall Environmental Analysis Laboratory, Inc.

WO#:

1209213

27-Sep-12

Client:

Altela Inc.

Project:

RNI Produced Water/ Solidification

Sample ID MB-3698

SampType: MBLK

TestCode: SM2540C MOD: Total Dissolved Solids

Client ID: PBW

Batch ID: 3698

RunNo: 5470

Prep Date: 9/11/2012

Analysis Date: 9/12/2012

Units: mg/L

Result

SeqNo: 156268

HighLimit

RPDLimit Qual

Total Dissolved Solids

Analyte

ND 20.0

Sample ID LCS-3698

SampType: LCS

TestCode: SM2540C MOD: Total Dissolved Solids

%RPD

Client ID: LCSW

Prep Date: 9/11/2012

Batch ID: 3698

RunNo: 5470

Analysis Date: 9/12/2012

SeqNo: 156269

Units: mg/L

%RPD

Analyte

PQL

%REC SPK value SPK Ref Val

SPK value SPK Ref Val %REC

LowLimit 102

HighLimit

RPDLimit

Qual

Total Dissolved Solids

1020

Result

20.0

0

120

Sample ID 1209265-001BMSD

SampType: MSD

TestCode: SM2540C MOD: Total Dissolved Solids

Client ID: **BatchQC**

Batch ID: 3698

RunNo: 5470 SeqNo: 156286

Units: mg/L

Analyte

Prep Date: 9/11/2012

Analysis Date: 9/12/2012

SPK value SPK Ref Val %REC

80

80

HighLimit

%RPD **RPDLimit** Qual

Total Dissolved Solids

Result 1470 **PQL** 20.0

1000

1000

446.0

102

120

0.137

20

Qualifiers:

Value exceeds Maximum Contaminant Level.

Value above quantitation range Е

Analyte detected below quantitation limits

Sample pH greater than 2

Analyte detected in the associated Method Blank

Holding times for preparation or analysis exceeded

Not Detected at the Reporting Limit

RPD outside accepted recovery limits

Page 7 of 7



Hall Environmental Analysis Laboratory 4901 Hawkins NE Albuquerque, NM 87105 TEL: 505-345-3975 FAX: 505-345-4107

Website: www.hallenvironmental.com

Sample Log-In Check List

Work Order Number: 1209213 Client Name: Received by/date: Logged By: **Ashley Gallegos** 9/6/2012 2:55:00 PM 9/6/2012 4:24:28 PM Completed By: Ashley Gallegos Reviewed By: Chain of Custod Not Present ✔ Νo 1. Were seals intact? V No Not Present 2. Is Chain of Custody complete? 3. How was the sample delivered? Client Log In NA 4. Coolers are present? (see 19. for cooler specific information) Yes ✔ No NA 5. Was an attempt made to cool the samples? NA 6. Were all samples received at a temperature of >0° C to 6.0°C ✓ No 7. Sample(s) in proper container(s)? ✓ No 8 Sufficient sample volume for indicated test(s)? 9. Are samples (except VOA and ONG) properly preserved? ✓ No No ✓ NA 10. Was preservative added to bottles? No No VOA Vials 11. VOA vials have zero headspace? 12. Were any sample containers received broken? No ✓ # of preserved ✓ No 13 Does paperwork match bottle labels? bottles checked (Note discrepancies on chain of custody) for pH: 14. Are matrices correctly identified on Chain of Custody? pr >12 unless noted) Adjusted? 15. Is it clear what analyses were requested? ✓ No 16. Were all holding times able to be met? (If no, notify customer for authorization.) Checked by Special Handling (If applicable) Yes No 17. Was client notified of all discrepancies with this order? NA 🗸 Person Notified: Date: By Whom: Via: eMail Fax In Person Phone : Regarding: Client Instructions:

18. Additional remarks:

19. 9	19. Cooler Information											
	Cooler No	Temp °C	Condition	Seal Intact	Seal No	Seal Date	Signed By					
	1	3.7		Not Present								

Susana Martinez

Governor

John H. Bemis Cabinet Secretary-Designate

Brett F. Woods, Ph.D. Deputy Cabinet Secretary

Jami Bailey
Division Director
Oil Conservation Division



December 5, 2011

Mr. Matthew J. Bruff Altela, Inc. Denver Technology Center 5350 South Roslyn Street, Suite 450 Englewood, Colorado 80111

Re: Renewal Request for Temporary Approval to Store and Use Produced Water for

R&D of the AltelaRainTM Technology Temporary Approval: EPWM -004

Location: 7500 Meridian Pl. NW, Suite B, Albuquerque, New Mexico 87121

Dear Mr. Bruff:

The Oil Conservation Division (OCD) has received and reviewed Altela, Inc.'s (Altela) request, dated November 29, 2011, to renew Altela's temporary approval to store and use oilfield produced water for testing and development of the AltelaRainTM technology at Altela's design, research, and manufacturing facility, which expires January 16, 2012. The OCD has granted this temporary approval to serve certain purposes and achieve certain results. One purpose is to allow Altela the opportunity to use real produced water in a controlled environment to assist in the research and development of the AltelaRainTM technology. Another purpose is to obtain testing results of the treatment of the produced water in order to assess the capability of the AltelaRainTM technology. Such analytical results should represent the initial test/source water concentrations prior to treatment and the concentrations present after treatment for all of the constituents specified in Subsection A, B, and C of 20.6.2.3103 NMAC.

The OCD hereby grants this temporary approval with the following understandings and conditions:

- 1. The produced water approved for storage and the testing and development of the AltelaRainTM technology shall only occur at Altela's design, research, and manufacturing facility (Meridian), located at 7500 Meridian Pl. NW, Suite B, Albuquerque, New Mexico 87121.
- 2. Only haulers authorized (OCD approved C-133) to move produced water shall provide transport of produced water to and from the Meridian facility.

Matt Bruff Altela, Inc. Permit EPWM - 004 December 5, 2011 Page 2 of 2

- 3. No produced water shall be disposed at the Meridian facility. All produced water shall be removed from the Meridian facility by a hauler authorized (OCD approved C-133) to move produced water and properly disposed at an OCD approved facility.
- 4. Altela shall retain records documenting all produced water received and removed from the Meridian facility. The record shall indicate the facility/well name and permit number in which the produced water is obtained from and the facility/well name and permit number of the OCD approved facility in which the produced is disposed.
- 5. Altela shall report all unauthorized discharges of produced water pursuant to 19.15.29 NMAC to the OCD within 24 hours of determining a release.
- 6. Altela shall provide the OCD copies of the water quality analytical test results received from third party water quality laboratories with respect to tests using the produced water at the Meridian facility.

This authorization is approved for a period of one (1) year. This temporary approval will expire January 16, 2013. Renewal requests for temporary approvals shall be submitted 45 days prior to the expiration date. Temporary approval may be revoked or suspended for violation of any applicable provisions and/or conditions.

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

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



Susana Martinez

Governor

Bill Brancard Acting Cabinet Secretary Daniel Sanchez
Acting Division Director
Oil Conservation Division



January 5, 2011

Mr. Matthew J. Bruff Altela, Inc. Denver Technology Center 5350 South Roslyn Street, Suite 450 Englewood, Colorado 80111

Re: Renewal Request for Temporary Approval to Store and Use Produced Water for R&D of the AltelaRain Technology

Temporary Approval: EPWM -004

7500 Meridian Pl. NW, Suite B, Albuquerque, New Mexico 87121

Dear Mr. Bruff:

The Oil Conservation Division (OCD) has received and reviewed Altela, Inc.'s (Altela) request, dated November 30, 2010, to renew Altela's temporary approval to store and use oilfield produced water for testing and development of the AltelaRain technology at Altela's design, research, and manufacturing facility, which expires January 16, 2011. The OCD has granted this temporary approval to serve certain purposes and achieve certain results. One purpose is to allow Altela the opportunity to use real produced water in a controlled environment to assist in the research and development of the AltelaRain technology. Another purpose is to obtain testing results of the treatment of the produced water in order to assess the capability of the AltelaRain technology. Such analytical results should represent the initial test/source water concentrations prior to treatment and the concentrations present after treatment for all of the constituents specified in Subsection A, B, and C of 20.6.2.3103 NMAC.

The OCD hereby grants this temporary approval with the following understandings and conditions:

- 1. The produced water approved for storage and the testing and development of the AltelaRainTM technology shall only occur at Altela's design, research, and manufacturing facility (Meridian), located at 7500 Meridian Pl. NW, Suite B, Albuquerque, New Mexico 87121.
- 2. Only haulers authorized (OCD approved C-133) to move produced water shall provide transport of produced water to the Meridian facility.



Matt Bruff Altela, Inc. Permit EPWM - 004 January 5, 2011 Page 2 of 2

- 3. No produced water shall be disposed at the Meridian facility. All produced water shall be removed from the Meridian facility by a hauler authorized (OCD approved C-133) to move produced water and properly disposed at an OCD approved facility.
- 4. Altela shall retain records documenting all produced water received and removed from the Meridian facility. The record shall indicate the facility/well name and permit number in which the produced water is obtained from and the facility/well name and permit number of the OCD approved facility in which the produced is disposed.
- 5. Altela shall report all unauthorized discharges of produced water pursuant to 19.15.29 NMAC to the OCD within 24 hours of determining a release.
- 6. Altela shall provide the OCD copies of the water quality analytical test results received from third party water quality laboratories with respect to tests using the produced water at the Meridian facility.

This authorization is approved for a period of one (1) year. This temporary approval will expire January 16, 2012. Renewal requests for temporary approvals shall be submitted 45 days prior to the expiration date. Temporary approval may be revoked or suspended for violation of any applicable provisions and/or conditions.

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

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

Jones, Brad A., EMNRD

From:

Matthew J. Bruff [matthew.bruff@altelainc.com]

Sent:

Friday, December 18, 2009 2:30 PM

To:

Jones, Brad A., EMNRD

Cc:

Karen Evans RE: Water Quality

Subject: Attachments:

Alamo Produced Water Tracking Summary Dec 09.pdf

Brad,

Thanks for your call this afternoon. As we discussed, please find attached the updated Produced Water Tracking Summary clarifying the fact that there is currently a zero balance at Alamo.

Please let me know if this is now clear and that any deficiencies with respect to this temporary permit have been duly addressed. Again, thanks for your help.

Happy Holidays.

Matt

Matthew Bruff, CDO Altela, Inc. 5350 South Roslyn Street, Suite 430 Englewood, CO 80111 Phone 303-993-1950 Fax 303-993-1955 www.altelainc.com

From: Matthew J. Bruff

Sent: Friday, December 18, 2009 1:02 PM

To: 'Jones, Brad A., EMNRD'

Cc: 'VonGonten, Glenn, EMNRD'; Karen Evans

Subject: Water Quality

Brad.

Please find attached copies of water quality analytical test results pursuant to Condition No. 6 of Altela's Temporary Approval to Store and Use Produced Water for R&D of the AltelaRain® technology. These water quality tests were performed by a certified, independent water quality lab, Energy Laboratories, Inc., with respect to treatment performed using the AltelaRain® technology at our Alamo facility. I don't recall if you have these on-file previously. If not, we would like to request that you treat these as Altela, Inc. Confidential and Proprietary Information, not subject to further distribution without the prior written consent of Altela. Three separate reports are attached. The first report is for the input water (produced water "PW"). The second report is for the clean water (distilled water "DW"). Finally, the third report is for the concentrated water after treatment ("CW"). During this past year, 2009, there were no additional water quality tests available since no produced water was delivered. We anticipate additional testing of real-world produced water in 2010 as we move to larger volume towers and will share any analytical results as applicable with the OCD. As always, we certainly appreciate your continued support and assistance with respect to Altela's produced water treatment efforts towards increased environmental sustainability and stewardship. I have attached an article you might find of interest with respect to a project we did in Colorado (Piceance Basin and discharge of the clean, treated water into the Colorado River). Finally, here is a link to a recent article with respect to a system we are successfully operating in the Marcellus Basin of PA I thought you might be interested in reading.

http://www.pittsburghlive.com/x/dailycourier/s 657502.html

In the meantime, please don't hesitate to contact me if the need arises.

Thanks,

Matt

Matthew Bruff, CDO Altela, Inc. 5350 South Roslyn Street, Suite 430 Englewood, CO 80111 Phone 303-993-1950 Fax 303-993-1955 www.altelainc.com

This inbound email has been scanned for malicious software and transmitted safely to you using Webroot Email Security.



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								9/22/08	6/16/08	11/19/07	11/19/07	2/22/07	Date	
								M&R Trucking, Inc.	Mountain States Hot Shot Oil Field Services	M&R Trucking, Inc.	M&R Trucking, Inc.	M&R Trucking, Inc.	Transport Company Name	
		·		-	300			Barry Bonds	Adam Stevens	John Davis	John Davis	John Davis	Contact at	
					•			Post Office Box 600, Farmington, NM 87499	P.O. Box 1210, Grand Junction, CO 81502	Post Office Box 600, Farmington, NM 87499	Post Office Box 600, Farmington, NM 87499	Post Office Box 600, Farmington, NM 87499	Address	
The state of the s								(505) 326-5541	(970) 434-4030	(505) 326-5541	(505) 326-5541	(505) 326-5541	Phone Number	Aidilior
							-	(505) 326-6002	(970) 314-9724	(505) 326-6002	(505) 326-6002	(505) 326-6002	Fax Number	A DANDOL
								C-133-66	(Attached)	C-133-66	C-133-66	C-133-66	C133 Permit No.	Alamo Produced Water Tracking Summary
								NA .	Occidental Piceance Basin	Blackshawl Com. #001 (San Juan Basin)	NA A	Blackshawl Com. #001 (San Juan Basin)	Name of Originating Well (If Taken Away - NA)	
				-			net de 17st Subbuster verson		Occidental Petroleum Corporation	Merrion Oil and Gas Corporation		Merrion Oil and Gas Corporation	Owner of Well	
							(*300 gallon difference in volume being taken away attributable to dean, distilled water vapor being exhausted during process)	500 Gallons Taken Away*	500 Gallons	300 Gallons Delivered	300 Gallons Taken Away	300 Gallons Delivered	Delivered / Taken Away	
								0 gallons	+ 800 gallons	+300 gallons	0 gallons	+300 gallons	Balance	

?

Bill Richardson

Governor

Joanna Prukop Cabinet Secretary Mark Fesmire
Division Director
Oil Conservation Division



December 14, 2009

Mr. Matthew J. Bruff Altela, Inc. Denver Technology Center 5350 South Roslyn Street, Suite 430 Englewood, Colorado 80111

Re: Renewal Request for Temporary Approval to Store and Use Produced Water for

R&D of the AltelaRainTM Technology Temporary Approval: EPWM -004

2450 Alamo SE' Albuquerque, New Mexico 87106

Dear Mr. Bruff:

The Oil Conservation Division (OCD) has received and reviewed Altela, Inc.'s (Altela) request, dated November 20, 2009, to renew Altela's temporary approval to store and use oilfield produced water for testing and development of the AltelaRainTM technology at Altela's design, research, and manufacturing facility, which expires January 16, 2010. The OCD has granted this temporary approval to serve certain purposes and achieve certain results. One purpose is to allow Altela the opportunity to use real produced water in a controlled environment to assist in the research and development of the AltelaRainTM technology. Another purpose is to obtain testing results of the treatment of the produced water in order to assess the capability of the AltelaRainTM technology. Such analytical results should represent the initial test/source water concentrations prior to treatment and the concentrations present after treatment for all of the constituents specified in Subsection A, B, and C of 20.6.2.3103 NMAC. The November 20, 2009 renewal request only provided a Produced Water Tracking Summary, it did not include any water quality analytical test results as required of Condition #6 of the March 2, 2009 approval.

OCD's consideration of the continuance of this temporary approval is based on Altela's commitment to comply with the conditions of approval and to address the deficiency identified above. The OCD hereby approval this temporary approval with the following understandings and conditions:

1. The produced water approved for storage and the testing and development of the AltelaRainTM technology shall only occur at Altela's design, research, and manufacturing facility (Alamo), located at 2450 Alamo SE' Albuquerque, New Mexico 87106.



Matt Bruff Altela, Inc. Permit EPWM - 004 December 14, 2009 Page 2 of 2

- 2. Only haulers authorized (OCD approved C-133) to move produced water shall provide transport of produced water to the Alamo facility.
- 3. No produced water shall be disposed at the Alamo facility. All produced water shall be removed from the Alamo facility by a hauler authorized (OCD approved C-133) to move produced water and properly disposed at an OCD approved facility.
- 4. Altela shall retain records documenting all produced water received and removed from the Alamo facility.
- 5. Altela shall report all unauthorized discharges of produced water pursuant to 19.15.29 NMAC to the OCD within 24 hours of determining a release.
- 6. Altela shall provide the OCD copies of the water quality analytical test results received from third party water quality laboratories with respect to tests using the produced water at the Alamo facility.

This authorization is approved for a period of one (1) year. **This temporary approval will expire January 16, 2011.** Renewal requests for temporary approvals shall be submitted 45 days prior to the expiration date. Temporary approval may be revoked or suspended for violation of any applicable provisions and/or conditions.

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

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



ALBUQUERQUE OFFICE

ONE TECHNOLOGY CENTER 2450 Alamo Ave. SE, Suite 200, Albuquerque, NM 87106

PHONE: 505.923.4140 FAX: 505.923.4130

DENVER OFFICE

November 20, 2009

DENVER TECHNOLOGY CENTER
5350 South Roslyn Street, Suite 430, Englewood, CO 80111

PHONE: 303.993.1950 FAX: 303.993.1955

Mr. Brad Jones Environmental Bureau NM Oil Conservation Division 1220 South St. Francis Drive Santa Fe, New Mexico 87505

RE: Altela, Inc. – Renewal of Temporary Approval to Store and Use Produced Water for R&D of the AltelaRain® Technology

VIA UNITED STATES POSTAL SERVICE

Dear Brad,

This letter serves as written request to renew Altela, Inc.'s (Altela) temporary approval to store and use produced water for R&D of the AltelaRain® technology. Altela requests a one-year renewal to continue using real oilfield produced water for testing and development of the AltelaRain® technology at Altela's design, research, and manufacturing facilities. These facilities are located at 2450 Alamo SE, Albuquerque, New Mexico 87106 ("Alamo"). Altela continues to agree to the following conditions with respect to use the produced water at Alamo:

- 1. The produced water approved for storage and testing and development of the AltelaRain® technology will only occur at Altela's design, research and manufacturing facility (Alamo), located at 2450 Alamo SE, Albuquerque, New Mexico 87106:
- 2. Only haulers authorized (OCD approved C-133) to move produced water may provide transport of produced water to the Alamo facility;
- 3. No produced water shall be disposed at the Alamo facility. All produced water must be removed from the Alamo facility by a hauler authorized (OCD approved C-133) to move produced water and properly disposed at an OCD approved facility;
- 4. Altela must retain records documenting all produced water received and removed from the Alamo facility;
- 5. Altela must report all unauthorized discharges of produced water pursuant to OCD Rule 116 to the OCD within 24 hours of determining a release; and

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graf grafie de graf forte de la companya de la forma de la companya de la forma de la forma de la forma de la Angle de la companya de la forma de la companya de la forma de Angle de la companya de la companya de la forma de 6. Altela will provide the OCD copies of the water quality test results received from third party water quality laboratories with respect to tests using the produced water at the Alamo facility.

Enclosed, please find a copy of Altela's Produced Water Tracking Summary used to ensure that all produced water is accounted for as well as delivered by approved C-133 permitted water haulers and removed by approved C-133 permitted water haulers for disposal. There has been no change since last year.

Thank you in advance for your continued assistance and support of the AltelaRain® technology. Please do not hesitate to contact me if the need arises.

Sincerely,

Altela, Inc.

Matthew Bruff

CDO

cc: Altela Day File

Enclosures as noted



						\lamo Prod	luced Water T	Alamo Produced Water Tracking Summary				
N N	Date	Transport Company Contact at Name Company	Contact at Company	Address	Phone Number	Fax Number	C133 Permit No.	Name of Originating Well (If Taken Away - NA)	Owner of Well	Delivered / Taken Away	Disposal Location (If Delivery - NA)	Balance
1	2/22/07	ic.		Post Office Box 600, Farmington, NM 87499	(505) 326-5541	(505) 326-6002	C-133-66	Basin,	Merrion Oil and Gas Corporation	300 Gallons Delivered	NA	+300 gallons
2	11/19/07	11/19/07 M&R Trucking, Inc.	John Davis	Post Office Box 600, Farmington, NM 87499	(505) 326-5541	(505) 326-6002	C-133-66	NA		300 Gallons Taken Away	Pretty Lady 3011 34 Well No.1 San Juan County, NM	0 gallons
3	11/19/07	11/19/07 M&R Trucking, Inc.	John Davis	Post Office Box 600, Farmington, NM 87499	(505) 326-5541	(505) 326-6002	C-133-66	Blackshawl Com. #001 (San Juan Basin, NM)	Merrion Oil and Gas Corporation	300 Gallons Delivered	NA .	+300 gallons
4	80/91/9	Mountain States Hot Shot Oil Field Services	Adam Stevens	Adam Stevens P.O. Box 1210, Grand Junction, CO 81502	(970) 434-4030 (970) 314-9724	(970) 314-9724	(Attached)	Occidental Facility (Piceance Basin, CO) Occidental Petroleum Corporation	Occidental Petroleum Corporation	500 Gallons Delivered	NA	+ 800 gallons
5	80/1/01	10/1/08 M&R Trucking, Inc.	Barry Bonds	Post Office Box 600, Farmington, NM 87499	(505) 326-5541 (505) 326-6002	(505) 326-6002	C-133-66	NA		Remaing Concentrated Produced Water at Alamo, No.1 San Juan County, NM 479 Gallons*	Pretty Lady 3011 34 Well No.1 San Juan County, NM	0 gallons

^{&#}x27;The AltelaRain su bechnology treats produced water by a distillation process. The Altela System is a waste reduction process, meaning the "bad" water is reduced by up to 80% through the creation of distilled water ("DW"). Approximately half of this DW is used to fund steam boilers. A portion of this DW is exhausted by the boiler as steam vapor resulting in less water being available for disposal compared to original produced water delivery volumes.

Jones, Brad A., EMNRD

From:

Matthew J. Bruff [matthew.bruff@altelainc.com]

Sent:

Wednesday, January 27, 2010 2:24 PM

To:

Jones, Brad A., EMNRD

Subject:

RE: Exemption Request

Thank you Brad for your quick turn-around with this request. It's much appreciated.

From: Jones, Brad A., EMNRD [mailto:brad.a.jones@state.nm.us]

Sent: Wednesday, January 27, 2010 1:24 PM

To: Matthew J. Bruff **Cc:** Karen Evans

Subject: RE: Exemption Request

Matt,

Please see the attached... it is a copy of your temporary exemption approval. A hard copy has been placed in the mail. Please be advised that approval of this request does not relieve Altela of liability should operations result in pollution of surface water, ground water or the environment. Nor does approval relieve Altela of its responsibility to comply with any other applicable governmental authority's rules and regulations. If you have any questions regarding this matter, please do not hesitate to contact me.

Also, thank you for clearing up the issues regarding the December 14, 2009 temporary approval renewal. Altela no longer has any deficiencies with respect to the temporary approval (EPWM-004).

Brad

Brad A. Jones

Environmental Engineer Environmental Bureau NM Oil Conservation Division 1220 S. St. Francis Drive Santa Fe, New Mexico 87505 E-mail: brad.a.jones@state.nm.us

Office: (505) 476-3487 Fax: (505) 476-3462

From: Matthew J. Bruff [mailto:matthew.bruff@altelainc.com]

Sent: Tuesday, January 26, 2010 10:43 AM

To: Jones, Brad A., EMNRD

Cc: Karen Evans

Subject: Exemption Request

Brad,

Following our discussion this morning, please find attached the exemption request. Also, here is the link to the U.S. Department of Energy's National Energy Technology Laboratory ("NETL") grant program for your convenience (so you don't have to type a long URL address in again...).

http://www.netl.doe.gov/technologies/oil-gas/Petroleum/projects/Environmental/Produced Water/00833 MarcellusWater.html

We certainly appreciate your help and continued assistance. We anticipate that we will get some good water quality data from this grant project that we will be able to share with OCD pursuant to the terms of our OCD approval. Please let me know if I can provide any additional information.

Thanks.

Matt

Matthew Bruff, CDO Altela, Inc. 5350 South Roslyn Street, Suite 430 Englewood, CO 80111 Phone 303-993-1950 Fax 303-993-1955 www.altelainc.com

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Bill Richardson

Governor

Jon Goldstein Cabinet Secretary

Jim Noel
Deputy Cabinet Secretary

Mark Fesmire
Division Director
Oil Conservation Division



January 27, 2010

Mr. Matthew J. Bruff Altela, Inc. Denver Technology Center 5350 South Roslyn Street, Suite 430 Englewood, Colorado 80111

Re: Request for a Temporary Exemption Regarding Condition #2 of an Annual

Temporary Approval to Store and Use Produced Water for R&D of the

AltelaRain Technology

Temporary Approval: EPWM -004

2450 Alamo SE Albuquerque, New Mexico 87106

Dear Mr. Bruff:

The Oil Conservation Division (OCD) has received and reviewed Altela, Inc.'s (Altela) request, dated January 26, 2010, for a temporary exemption regarding Condition #2 of Altela's annual temporary approval (EPWM-004) to store and use oilfield produced water for testing and development of the AltelaRain® technology at Altela's design, research, and manufacturing facility dated December 14, 2009. Condition #2 requires "only haulers authorized (OCD approved C-133) to move produced water shall provide transport of produced water to the Alamo facility."

Based upon the information provided in the request, Altela proposes to ship approximately 660 gallons, not to exceed 1000 gallons, of produced water by a commercial shipper from the Marcellus Basin of Pennsylvania to Altela's Albuquerque Alamo facility for testing. The test bench analyses will allow Altela to finalize the design requirements of the AltelaRain® system for the Marcellus grant project.

The OCD hereby approves this temporary exemption request with the following understandings and conditions:

1. Altela shall transport the produced water from the Marcellus Basin of Pennsylvania to Altela's Albuquerque Alamo facility via a commercial shipper. Altela shall ensure that the commercial shipper will be responsible for complying with all applicable shipping requirements and related Department of Transportation rules and regulations; and



Matt Bruff Altela, Inc. Permit EPWM - 004 January 27, 2010 Page 2 of 2

2. Altela shall continue to comply with the conditions specified within the OCD temporary approval (EPWM-004), dated December 14, 2009, upon the arrival and acceptance of the produced water from the Marcellus Basin of Pennsylvania at Altela's Albuquerque Alamo facility;

This authorization is a one-time approval. Altela shall request and obtain OCD approval for any future exemption requests of a similar nature. Approval may be revoked or suspended for violation of any applicable provisions and/or conditions.

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

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

Sincerely,

Brad A. Jones

Environmental Engineer

BAJ/baj

cc: OCD District IV Office, Santa Fe

Jones, Brad A., EMNRD

From: Matthew J. Bruff [matthew.bruff@altelainc.com]

Sent: Tuesday, January 26, 2010 10:43 AM

To: Jones, Brad A., EMNRD

Cc: Karen Evans
Subject: Exemption Request

Attachments: 1.26.10 OCD Request for Exemption.pdf

Brad.

Following our discussion this morning, please find attached the exemption request. Also, here is the link to the U.S. Department of Energy's National Energy Technology Laboratory ("NETL") grant program for your convenience (so you don't have to type a long URL address in again...).

http://www.netl.doe.gov/technologies/oil-

gas/Petroleum/projects/Environmental/Produced Water/00833 MarcellusWater.html

We certainly appreciate your help and continued assistance. We anticipate that we will get some good water quality data from this grant project that we will be able to share with OCD pursuant to the terms of our OCD approval. Please let me know if I can provide any additional information.

Thanks,

Matt

Matthew Bruff, CDO Altela, Inc. 5350 South Roslyn Street, Suite 430 Englewood, CO 80111 Phone 303-993-1950 Fax 303-993-1955 www.altelainc.com

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January 26, 2010

ALBUQUERQUE OFFICE

ONE TECHNOLOGY CENTER
2450 Alamo Ave. SE, Suite 200, Albuquerque, NM 87106
PHONE: 505.923.4140 FAX: 505.923.4130

DENVEH OFFICE

DENVER TECHNOLOGY CENTER S350 South Roslyn Street, Soite 430, Englewood, CO 80111 PHONE: 303,993,1950 FAX: 303,993,1955

Mr. Brad Jones Environmental Bureau NM Oil Conservation Division 1220 South St. Francis Drive Santa Fe, New Mexico 87505

RE: Altela, Inc. Requeset for Exemption for Temporary Approval to Store and Use Produced Water for R&D of the AltelaRain® Technology

VIA ELECTRONIC MAIL

Dear Brad.

As discussed this morning, this letter serves as written request for an exemption to employ a C-133 NM permitted water hauler. Altela has recently been awarded a U.S. Department of Energy technology grant from the National Energy Technology Laboratory ("NETL") for a Marcellus Basin technology demonstration. Details of this grant award can be found at:

http://www.netl.doe.gov/technologies/oil-gas/Petroleum/projects/Environmental/Produced_Water/00833_MarcellusWater.html

Part of this project deals with influent water quality review and testing. Specifically, Altela is tasked with taking representative samples of frac and produced water from the Marcellus Basin and shipping these samples for testing and related analysis using Altela's test bench apparatus. The test bench analysis will verify water treatment efficacy as well as to finalize the design requirements of the AltelaRain® system to be used for the Marcellus grant project.

The cost to have a C-133 water hauler send a truck out to PA is prohibitively expensive for such a small amount of water. As we discussed, Altela would like approval to utilize a commercial shipper to send four 55 gallon barrels of each Marcellus water sample (frac, frac-flow back and produced water) to Altela's Albuquerque facility for testing. The commercial shipper will be responsible for complying with all shipping requirements and related Department of Transportation rules and regulations. Once the samples arrive at Altela's Albuquerque facility, Altela continues to agree to the following conditions with respect to use the produced water at Alamo:

- 1. Only haulers authorized (OCD approved C-133) to move produced water may provide transport of the above noted produced water samples from the Alamo facility for disposal;
- 2. No produced water shall be disposed at the Alamo facility. All produced water must be removed from the Alamo facility by a hauler authorized (OCD approved C-133) to move produced water and properly disposed at an OCD approved facility;
- 3. Altela must retain records documenting all produced water received and removed from the Alamo facility;
- 4. Altela must report all unauthorized discharges of produced water pursuant to OCD Rule 116 to the OCD within 24 hours of determining a release; and
- 5. Altela will provide the OCD copies of the water quality test results received from third party water quality laboratories with respect to tests using the produced water at the Alamo facility.

We certainly understand OCD's incredibly busy schedule this time of year while the Legislature is in session. As we reviewed on the phone, we would like to have this water sent to Altela next week and would appreciate receiving the approval this week so we may coordinate shipping schedules. Thank you in advance for your continued assistance and support of the AltelaRain® technology. Please do not hesitate to contact me if the need arises.

Sincerely,

Altela, Inc.

Matthew Bruff

CDO

cc: Altela Day File

New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson

Governor

Joanna Prukop Cabinet Secretary Reese Fullerton Deputy Cabinet Secretary Mark Fesmire
Division Director
Oil Conservation Division



March 2, 2009

Mr. Matthew J. Bruff Altela, Inc. Denver Technology Center 5350 South Roslyn Street, Suite 430 Englewood, CO 80111

Re: Application for temporary approval to store and use produced water for R&D of the AltelaRainTM technology
Temporary Approval EPWM - 004
2450 Alamo SE' Albuquerque, New Mexico 87106

Dear Mr. Bruff:

The New Mexico Oil Conservation Division (OCD) has received and reviewed Altela, Inc.'s (Altela) request to renew Altela's temporary approval to store and use oilfield produced water for testing and development of the AltelaRainTM technology at Altela, Inc.'s design, research, and manufacturing facility, which expired January 16, 2009. The initial temporary approval was granted by OCD to serve certain purposes and achieve certain results. One purpose was to allow Altela the opportunity to use real produced water in a controlled environment to assist in the research and development of the AltelaRainTM technology. OCD's anticipated result of the temporary approval was to obtain testing results of the treatment of the produced water in order to demonstrate the capability of the AltelaRainTM technology. Such analytical results would represent the initial test/source water concentrations prior to treatment and the concentrations present after treatment for all of the constituents specified in Subsections A, B, and C of 20.6.2.3103 NMAC.

The OCD hereby approves this temporary approval with the following understandings and conditions:

- 1. The produced water approved for storage and the testing and development of the AltelaRainTM technology shall only occur at Altela, Inc.'s design, research, and manufacturing facility (Alamo), located at 2450 Alamo SE' Albuquerque, New Mexico 87106.
- 2. Only haulers authorized (OCD approved C-133) to move produced water shall provide transport of produced water to the Alamo facility.



Altela, Inc. EPWM - 004 March 2, 2009 Page 2 of 2

- 3. No produced water shall be disposed at the Alamo facility. All produced water shall be removed from the Alamo facility by a hauler authorized (OCD approved C-133) to move produced water and properly disposed at an OCD approved facility.
- 4. Altela, Inc. shall retain records documenting all produced water received and removed from the Alamo facility.
- 5. Altela, Inc. shall report all unauthorized discharges of produced water pursuant to OCD Rule 116 to the OCD within 24 hours of determining a release.
- 6. Altela, Inc. shall provide the OCD copies of the water quality analytical test results received from third party water quality laboratories with respect to tests using the produced water at the Alamo facility.

This authorization is approved for a period of one (1) year from the original issue date. **This temporary approval will expire January 16, 2010.** Renewal requests for temporary approvals shall be submitted 45 days prior to the expiration date. Temporary approval may be revoked or suspended for violation of any applicable provisions and/or conditions.

Please be advised that authorization of this approval does not relieve the owner/operator (Altela, Inc.) of responsibility should operations result in pollution of surface water, ground water or the environment. Nor does approval of the permit relieve the owner/operator (Altela, Inc.) of its responsibility to comply with any other applicable governmental authority's rules and regulations.

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

Sincerely,

Wayne Price

Environmental Bureau Chief

WP/bi

Cc: OCD District IV Office, Santa Fe



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

December 7, 2007

Mr. Matthew J. Bruff Altela, Inc. Denver Technology Center Belleview Tower 7887 E. Belleview Ave, Suite 1100 Englewood, CO 80111

Re: Application for temporary approval to store and use produced water for R&D of the

AltelaRainTM technology

2450 Alamo SE' Albuquerque, New Mexico 87106

Dear Mr. Bruff:

The New Mexico Oil Conservation Division (OCD) has received and reviewed Altela, Inc.'s (Altela) request to renew Altela's temporary approval to store and use oilfield produced water for testing and development of the AltelaRainTM technology at Altela, Inc.'s design, research, and manufacturing facility, which expires January 16, 2008. The initial temporary approval was granted by OCD to serve certain purposes and achieve certain results. One purpose was to allow Altela the opportunity to use real produced water in a controlled environment to assist in the research and development of the AltelaRainTM technology. OCD's anticipated result of the temporary approval was to obtain testing results of the treatment of the produced water in order to demonstrate the capability of the AltelaRainTM technology. Such analytical results would represent the initial test/source water concentrations prior to treatment and the concentrations present after treatment. The November 28, 2007 renewal request only provided results of one testing event, which would suggest that only one treatment cycle using the produced water has been performed. OCD's review of the analytical results indicates some concern regarding the concentration of certain constituents.

The November 28, 2007 renewal request also provided a Produced Water Tracking Summary sheet. The sheet provides such information as the transporter, the source of the produced water, the volume delivered and the volume taken away. OCD would like to remind Altela of condition #3 of the January 16, 2007 temporary approval. Condition #3 states:

"No produced water shall be disposed at the Alamo facility. All produced water must be removed from the Alamo facility by a hauler authorized (OCD approved C-133) to move produced water and properly disposed at an OCD approved facility."

The Produced Water Tracking Summary does not indicate where the initial 300 gallons of produced water was taken for disposal or if it was taken to an OCD approved facility, as required by the condition.

Mr. Bruff December 7, 2007 Page 2 of 2

OCD's consideration of the continuance of this temporary approval is based on Altela's commitment to resolve the issues and concerns stated above. This request is hereby approved with the following understandings and conditions:

- 1. The produced water approved for storage and the testing and development of the AltelaRainTM technology shall only occur at Altela, Inc.'s design, research, and manufacturing facility (Alamo), located at 2450 Alamo SE' Albuquerque, New Mexico 87106.
- 2. Only haulers authorized (OCD approved C-133) to move produced water shall provide transport of produced water to the Alamo facility.
- 3. No produced water shall be disposed at the Alamo facility. All produced water shall be removed from the Alamo facility by a hauler authorized (OCD approved C-133) to move produced water and properly disposed at an OCD approved facility.
- 4. Altela, Inc. shall retain records documenting all produced water received and removed from the Alamo facility.
- 5. Altela, Inc. shall report all unauthorized discharges of produced water pursuant to OCD Rule 116 to the OCD within 24 hours of determining a release.
- 6. Altela, Inc. shall provide the OCD copies of the water quality analytical test results received from third party water quality laboratories with respect to tests using the produced water at the Alamo facility.

This authorization is approved for a period of one (1) year. This temporary approval will expire January 16, 2009. Renewal requests for temporary approvals shall be submitted 45 days prior to the expiration date. Temporary approval may be revoked or suspended for violation of any applicable provisions and/or conditions.

Please be advised that authorization of this approval does not relieve the owner/operator (Altela, Inc.) of responsibility should operations result in pollution of surface water, ground water or the environment. Nor does approval of the permit relieve the owner/operator (Altela, Inc.) of its responsibility to comply with any other applicable governmental authority's rules and regulations.

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

Sincerely,

Wayne Price

Environmental Bureau Chief

_WP/bi

Cc: OCD District IV Office, Santa Fe



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON
Governor
Joanna Prukop
Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

January 16, 2007

Mr. Matthew J. Bruff Altela, Inc. Denver Technology Center Belleview Tower 7887 E. Belleview Ave, Suite 1100 Englewood, CO 80111

Re: Application for temporary approval to store and use produced water for R&D of the AltelaRainTM technology 2450 Alamo SE' Albuquerque, New Mexico 87106

Dear Mr. Bruff:

The New Mexico Oil Conservation Division (OCD) has received and reviewed Altela, Inc.'s request to store and use oilfield produced water for testing and development of the AltelaRainTM technology at Altela, Inc.'s design, research, and manufacturing facility. Altela, Inc.'s design, research, and manufacturing facility (Alamo) is located at 2450 Alamo SE' Albuquerque, New Mexico 87106. This request is hereby approved with the following understandings and conditions:

- 1. The produced water approved for storage and the testing and development of the AltelaRainTM technology will only occur at Altela, Inc.'s design, research, and manufacturing facility (Alamo), located at 2450 Alamo SE' Albuquerque, New Mexico 87106.
- 2. Only haulers authorized (OCD approved C-133) to move produced water may provide transport of produced water to the Alamo facility.
- 3. No produced water shall be disposed at the Alamo facility. All produced water must be removed from the Alamo facility by a hauler authorized (OCD approved C-133) to move produced water and properly disposed at an OCD approved facility.
- 4. Altela, Inc. must retain records documenting all produced water received and removed from the Alamo facility.

- 5. Altela, Inc. must report all unauthorized discharges of produced water pursuant to OCD Rule 116 to the OCD within 24 hours of determining a release.
- 6. Altela, Inc. will provide the OCD copies of the water quality test results received from third party water quality laboratories with respect to tests using the produced water at the Alamo facility.

This authorization is approved for a period of one (1) year. **This temporary approval will expire January 16, 2008.** Renewal requests for temporary approvals shall be submitted 45 days prior to the expiration date. Temporary approval may be revoked or suspended for violation of any applicable provisions and/or conditions.

Please be advised that authorization of this approval does not relieve the owner/operator (Altela, Inc.) of responsibility should operations result in pollution of surface water, ground water or the environment. Nor does approval of the permit relieve the owner/operator (Altela, Inc.) of its responsibility to comply with any other applicable governmental authority's rules and regulations.

If you have any questions, regarding this matter, please do not hesitate to contact Brad Jones at (505) 476-3487 or <u>brad.a.jones@state.nm.us</u>.

Sincerely,

Wayne Price

Environmental Bureau Chief

WP/bj

cc: OCD District IV Office, Santa Fe