



August 8, 2025

Victoria Venegas
Environmental Specialist
New Mexico Oil Conservation Division
506 W. Texas Ave.
Artesia, NM 88210

Re: Permit Modification Request for the DeSoto Springs #3 Recycling Containment and Recycling Facility (1RF-498).

Ms. Venegas,

Matador Production Company, LLC. (OGRD # 228937) would like to submit a request for a permit modification for the DeSoto Springs #3 Recycling Containment and Recycling Facility (1RF-498). Matador respectfully requests a permit modification for the liner system as specified below.

Matador is requesting a modification due to a discrepancy between the liner system currently installed on the M60K Above Ground Storage Tank (AST) and the liner specifications outlined in the current New Mexico Oil Conservation Division (NMOCD) rules. During an internal review of the M60 AST in late 2024, Matador determined that the structural integrity of the primary liner was at risk and elected to replace the primary and secondary liner. The liner replacement occurred in January 2025, and during Matador's second internal review post liner replacement, it was determined that the liner replacement was not in compliance with the approved C-147 permit and NMOCD specifications.

As such, we are requesting a variance to allow the continued use of 30 mil LLDPE for both the primary and secondary liners at this facility. This liner system was installed during construction, and the variance will bring the facility into compliance while maintaining the protective integrity of the containment system.

Matador intends to comply with all variances granted and all previously approved permit conditions. The only deviations from the original permit will be the liner system that was installed at this facility.

Enclosed in the package are all necessary documents that were affected by the liner system deviation in the recycle containment along with new C-147 forms for all containments with the Modification box marked.

- C-147 Forms with Modification Box Checked
- Variance Request

Thank you for your consideration.
Best regards,

ENVIROTECH ENGINEERING & CONSULTING, INC.

A handwritten signature in black ink, appearing to read "Mitchell Ratke".

Mitchell Ratke, P.E.
Senior Project Engineer, Energy Infrastructure

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

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

Form C-147
Revised April 3, 2017

Recycling Facility and/or Recycling Containment

Type of Facility: ☒ Recycling Facility ☒ Recycling Containment*

Type of action: ☐ Permit ☐ Registration
☒ Modification ☐ Extension
☐ Closure ☐ Other (explain) _____

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

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

1. Operator: Matador Production Company (For multiple operators attach page with information) OGRID #: 228937
Address: 5400 LBJ Freeway Ste 1500, Dallas, TX 75240
Facility or well name (include API# if associated with a well): De Soto Springs #3, De Soto M60K AST
OCD Permit Number: 1RF-498 (For new facilities the permit number will be assigned by the district office)
U/L or Qtr/Qtr _____ Section 5 Township 26 South Range 36 East County: Lea
Surface Owner: ☐ Federal ☐ State ☒ Private ☐ Tribal Trust or Indian Allotment

2. ☒ **Recycling Facility:**
Location of recycling facility (if applicable): Latitude 32.07599° Longitude -103.28225° NAD83
Proposed Use: ☒ Drilling* ☒ Completion* ☒ Production* ☒ Plugging*
**The re-use of produced water may NOT be used until fresh water zones are cased and cemented*
☐ Other, requires permit for other uses. Describe use, process, testing, volume of produced water and ensure there will be no adverse impact on groundwater or surface water.
☒ Fluid Storage
☒ Above ground tanks ☐ Recycling containment ☐ Activity permitted under 19.15.17 NMAC explain type _____
☐ Activity permitted under 19.15.36 NMAC explain type: _____ ☐ Other explain _____
☐ For multiple or additional recycling containments, attach design and location information of each containment
☐ Closure Report (required within 60 days of closure completion): ☐ Recycling Facility Closure Completion Date: _____

3. ☒ **Recycling Containment:**
☐ Annual Extension after initial 5 years (attach summary of monthly leak detection inspections for previous year)
Center of Recycling Containment (if applicable): Latitude 32.0758329° Longitude -103.2839162° NAD83
☐ For multiple or additional recycling containments, attach design and location information of each containment
☒ Lined ☐ Liner type: Thickness 30/30 mil ☒ LLDPE ☐ HDPE ☐ PVC ☐ Other _____
☐ String-Reinforced
Liner Seams: ☒ Welded ☒ Factory ☐ Other _____ Volume: 60K bbl Dimensions: L _____ x W 191' x D 12' 3.5"
☐ Recycling Containment Closure Completion Date: _____

4.

Bonding:

- ☒ Covered under bonding pursuant to 19.15.8 NMAC per 19.15.34.15(A)(2) NMAC (These containments are limited to only the wells owned or operated by the owners of the containment.)
- ☐ Bonding in accordance with 19.15.34.15(A)(1). Amount of bond \$ _____ (work on these facilities cannot commence until bonding amounts are approved)
- ☐ Attach closure cost estimate and documentation on how the closure cost was calculated.

5.

Fencing:

- ☐ Four foot height, four strands of barbed wire evenly spaced between one and four feet
- ☒ Alternate. Please specify Game Fencing with Single Strand Barbed Wire on Top

6.

Signs:

- ☒ 12"x 24", 2" lettering, providing Operator's name, site location, and emergency telephone numbers
- ☐ Signed in compliance with 19.15.16.8 NMAC

7.

Variances:

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

Check the below box only if a variance is requested:

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

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

8.

Siting Criteria for Recycling Containment

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

General siting**Ground water is less than 50 feet below the bottom of the Recycling Containment.**

NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells

☐ Yes ☒ No
☐ NA

Within incorporated municipal boundaries or within a defined municipal fresh water well field covered under a municipal ordinance adopted pursuant to NMSA 1978, Section 3-27-3, as amended.

- Written confirmation or verification from the municipality; written approval obtained from the municipality

☐ Yes ☒ No
☐ NA

Within the area overlying a subsurface mine.

- Written confirmation or verification or map from the NM EMNRD-Mining and Minerals Division

☐ Yes ☒ No

Within an unstable area.

- Engineering measures incorporated into the design; NM Bureau of Geology & Mineral Resources; USGS; NM Geological Society; topographic map

☐ Yes ☒ No

Within a 100-year floodplain. FEMA map

☐ Yes ☒ No

Within 300 feet of a continuously flowing watercourse, or 200 feet of any other significant watercourse, or lakebed, sinkhole, or playa lake (measured from the ordinary high-water mark).

- Topographic map; visual inspection (certification) of the proposed site

☐ Yes ☒ No

Within 1000 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application.

- Visual inspection (certification) of the proposed site; aerial photo; satellite image

☐ Yes ☒ No

Within 500 horizontal feet of a spring or a fresh water well used for domestic or stock watering purposes, in existence at the time of initial application.

- NM Office of the State Engineer - iWATERS database search; visual inspection (certification) of the proposed site

☐ Yes ☒ No

Within 500 feet of a wetland.

- US Fish and Wildlife Wetland Identification map; topographic map; visual inspection (certification) of the proposed site

☐ Yes ☒ No

9.

Recycling Facility and/or Containment Checklist:

Instructions: Each of the following items must be attached to the application. Indicate, by a check mark in the box, that the documents are attached.

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

10.

Operator Application Certification:

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

Name (Print): James Styers Title: Operations Engineer
Signature: *James Styers* Date: 08/22/25
e-mail address: james.styers@matadorresources.com Telephone: 972-677-2284

11.

OCD Representative Signature: Victoria Venegas Approval Date: 10/10/2025

Title: Environmental Specialist OCD Permit Number: 1RF-498

- ☒ OCD Conditions
- ☒ Additional OCD Conditions on Attachment



August 8, 2025

Ms. Victoria Venegas
New Mexico EMNRD
Oil Conservation Division

RE: Rule 34 Variance Request –Produced Water Recycling Containment Primary Liner

Ms. Venegas:

Matador Production Company (Matador) is requesting a variance to Rule 34 Part 12(A)(4) requiring primary liners to be 45-mil string reinforced LLDPE. Matador is requesting approval to use 30-mil LLDPE non-reinforced in place of the specified material in the constructed and lined AST. Based on our experience, we feel that the requested material allows us to provide equal environmental protection in our impoundments.

Due to the material properties of the 30-mil string reinforced LLDPE material, the string reinforcement will not allow the liner to stretch in the multiaxial direction. Due to the shape of the AST's, the liner needs to stretch to eliminate bridging of gaps.

The proposed 30-mil LLDPE non-reinforced is appropriate material for the existing use in the impoundment and is compatible with the material that will be stored. This material will provide equal or better environmental protection as the specified 45-mil reinforced LLDPE.

The proposed new liner system cross-section for the AST is as follows: 30-mil LLDPE non-reinforced, 200-mil geonet, 30-mil LLDPE non-reinforced. This will replace the cross-section required by the current rule and submitted with the original permit application. It should also be noted that this variance has been granted on past sites.

Should you have any questions or require additional information, please contact me by phone at 580-234-8780 or by email at mratke@envirotechconsulting.com at your convenience.

Thank you for your consideration.

Best regards,

ENVIROTECH ENGINEERING & CONSULTING, INC.

Mitchell Ratke, P.E.
Senior Project Engineer, Energy Infrastructure





August 8, 2025

Ms. Victoria Venegas
New Mexico EMNRD
Oil Conservation Division

RE: Rule 34 Variance Request –Produced Water Recycling Containment Secondary Liner

Ms. Venegas:

Matador Production Company (Matador) is requesting a variance to Rule 34 Part 12(A)(4) requiring secondary liners to be 30-mil string reinforced LLDPE. Matador is requesting approval to use 30-mil LLDPE non-reinforced in place of the specified material in the constructed and lined AST. Based on our experience, we feel that the requested material allows us to provide equal environmental protection in our impoundments.

Due to the material properties of the 30-mil string reinforced LLDPE material, the string reinforcement will not allow the liner to stretch in the multiaxial direction. Due to the shape of the AST's, the liner needs to stretch to eliminate bridging of gaps.

The proposed 30-mil LLDPE non-reinforced is appropriate material for the existing use in the impoundment and is compatible with the material that will be stored. This material will provide equal or better environmental protection as the specified 30-mil reinforced LLDPE.

The proposed new liner system cross-section for the AST is as follows: 30-mil LLDPE non-reinforced, 200-mil geonet, 30-mil LLDPE non-reinforced. This will replace the cross-section required by the current rule and submitted with the original permit application. It should also be noted that this variance has been granted on past sites.

Should you have any questions or require additional information, please contact me by phone at 580-234-8780 or by email at mratke@envirotechconsulting.com at your convenience.

Thank you for your consideration.
Best regards,

ENVIROTECH ENGINEERING & CONSULTING, INC.

Mitchell Ratke, P.E.
Senior Project Engineer, Energy Infrastructure



8-8-2023

Venegas, Victoria, EMNRD

From: Venegas, Victoria, EMNRD
Sent: Friday, October 10, 2025 2:10 PM
To: james.styers@matadorresources.com; Ben Snapka; Mitchell Ratke
Subject: 1RF-498 - DESOTO SPRINGS #3 FACILITY [fVV2234954815]
Attachments: C-147 1RF-498 - DESOTO SPRINGS #3 FACILITY ID [fVV2234954815] 10.10.2025.pdf

1RF-498 - DESOTO SPRINGS #3 FACILITY [fVV2234954815]

Good afternoon Mr. Snapka.

The NMOCD has reviewed the recycling containment permit modification submitted by [228937] [228937] MATADOR PRODUCTION COMPANY PRODUCTION COMPANY on 09/10/2025, Action ID **504719**, for 1RF-498 - DESOTO SPRINGS #3 FACILITY [fVV2234954815]. [228937] MATADOR PRODUCTION COMPANY has requested variances to NMAC 19.15.34.12.A.(4).

[228937] MATADOR PRODUCTION COMPANY is requesting a modification due to a discrepancy between the liner system currently installed on the M60K Above Ground Storage Tank (AST) and the liner specifications outlined in the current New Mexico Oil Conservation Division (NMOCD) rules. During an internal review of the M60 AST in late 2024, [228937] MATADOR PRODUCTION COMPANY determined that the structural integrity of the primary liner was at risk and elected to replace the primary and secondary liner.

The liner replacement occurred in January 2025, and during [228937] MATADOR PRODUCTION COMPANY's second internal review post liner replacement, it was determined that the liner replacement was not in compliance with the approved C-147 permit and NMOCD specifications.

[228937] MATADOR PRODUCTION COMPANY is requesting a variance to allow the continued use of 30 mil LLDPE for both the primary and secondary liners at this facility.

- The requested modification is approved.
- The requested variances to NMAC 19.15.34.12.A.(4) to use a 30 mil LLDPE for both the primary and secondary liners are approved.
- [228937] MATADOR PRODUCTION COMPANY will comply with all conditions previously approved for permit 1RF-498 - DESOTO SPRINGS #3 FACILITY ID [fVV2234954815]. No changes to the operations procedures, maintenance, and monitoring procedures, or closing procedures will be made aside from the liner modification.

NOTE: Please note that according to NMAC 19.15.34.F, Variances must receive Division approval prior to implementation. The NMOCD expects operators to comply with all requirements of NMAC 19.15.34.

Please let me know if you have any additional questions.
Thank you.

Victoria Venegas • Senior Environmental Scientist
EMNRD - Oil Conservation Division
506 W. Texas Ave. Artesia, NM 88210
575.909.0269 | Victoria.Venegas@emnrd.nm.gov

Sante Fe Main Office
Phone: (505) 476-3441

General Information
Phone: (505) 629-6116

Online Phone Directory
<https://www.emnrd.nm.gov/ocd/contact-us>

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

CONDITIONS

Action 504719

CONDITIONS

Operator: MATADOR PRODUCTION COMPANY One Lincoln Centre Dallas, TX 75240	OGRID: 228937
	Action Number: 504719
	Action Type: [C-147] Water Recycle Long (C-147L)

CONDITIONS

Created By	Condition	Condition Date
venegas	[228937] MATADOR PRODUCTION COMPANY is requesting a variance to allow the continued use of 30 mil LLDPE for both the primary and secondary liners at this facility. • The requested modification is approved. • The requested variances to NMAC 19.15.34.12.A.(4) to use a 30 mil LLDPE for both the primary and secondary liners are approved. • [228937] MATADOR PRODUCTION COMPANY will comply with all conditions previously approved for permit 1RF-498 - DESOTO SPRINGS #3 FACILITY ID [rVV2234954815]. No changes to the operations procedures, maintenance, and monitoring procedures, or closing procedures will be made aside from the liner modification. Please note that according to NMAC 19.15.34.F, Variances must receive Division approval prior to implementation. The NMOCD expects operators to comply with all requirements of NMAC 19.15.34.	10/10/2025