



XTO Permian Operating, LLC
An ExxonMobil Subsidiary

Kristen Houston
Regulatory Analyst
XTO Permian Operating, LLC
6401 Holiday Hill Road, Bldg 5
Midland, TX 79707

Victoria Venegas
ENMRD–Oil Conservation Division
Environmental Bureau
506 W. Texas Ave.
Artesia, NM 88210

September 9, 2025

Re: Administrative Order 2RF-155
Shanghai Recycling Facility Extension of Cessation of Operations
Facility ID (fvv2103456039)

Victoria,

XTO Permian Operating, LLC (OGRID: 373075)—hereafter "XTO"—respectfully requests an extension of the cessation of operations to between 2025-07-01 through 2025-12-31 to perform upgrades to the Shanghai Recycling Containment (Administrative Order: 2RF-155; Facility ID: fVV2103456039)—hereafter "Shanghai."

In XTO's previous request to upgrade the Shanghai (Action Number 473916: "Re: Shanghai Recycling Facility Containment Upgrade"), XTO respectfully requested permission to cease operations at the Shanghai from 2025-06-01 through 2025-09-30 to perform the as-detailed upgrades to the Recycling Containment. Due to unforeseen planning issues, the Shanghai Recycling Containment was required to remain in operation through June 2025, as shown in XTO's C-148 submission pvv2103455626. The east pit was drained at the beginning of June, and the west pit was drained at the end of June.

Due to this delay, XTO respectfully requests an extension of the cessation of operations, with the new window for construction between 2025-07-01 through 2025-12-31 to complete the previously detailed upgrades to Shanghai.

If you have any questions or need any additional information, please feel free to contact me at (432) 894-1588.

Sincerely,

A handwritten signature in black ink that reads "Kristen Houston".

Kristen Houston
Regulatory Analyst

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: XTO Permian Operating, LLC (For multiple operators attach page with information) OGRID #: 373075
Address: 6401 Holiday Hill Road, Bldg 5, Midland, TX 79707
Facility or well name (include API# if associated with a well): Shanghai
OCD Permit Number: R00000 (For new facilities the permit number will be assigned by the district office)
U/L or Qtr/Qtr ☐ Section 22 Township 25 South Range 29 East County: Eddy County
Surface Owner: ☒ Federal ☐ State ☐ Private ☐ Tribal Trust or Indian Allotment

2.

☒ **Recycling Facility:**

Location of recycling facility (if applicable): Latitude 32.118675° Longitude -103.974825° 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 32.117775° Longitude -103.974687 NAD83

☐ For multiple or additional recycling containments, attach design and location information of each containment

☒ Lined ☒ Liner type: Thickness 60 mil ☐ LLDPE ☒ HDPE ☐ PVC ☒ Other 40 mil HDPE (secondary liner)

☐ String-Reinforced

Liner Seams: ☒ Welded ☐ Factory ☒ Other Field Volume: 1,000,000 bbl each Dimensions: L 1500 ft x W 1200 ft x D 16 ft

☐ 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 Eight (8) feet high game fence with three (3) strands of 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.

☐ Yes ☒ No
☐ NA

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

Within the area overlying a subsurface mine.

☐ Yes ☒ No

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

Within an unstable area.

☐ Yes ☒ No

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

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).

☐ Yes ☒ No

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

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

☐ Yes ☒ No

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

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.

☐ Yes ☒ No

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

Within 500 feet of a wetland.

☐ Yes ☒ No

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

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): Mr. Kristin Houston Title: Regional Director
 Signature: Kristin Houston Date: 9/24/2025
 e-mail address: khouston@nmoed.com Telephone: 908-289-9000

11.

OCD Representative Signature: _____ Approval Date: _____

Title: _____ OCD Permit Number: _____

- ☐ OCD Conditions _____
☐ Additional OCD Conditions on Attachment _____

NMOCD has reviewed the extension of the cessation of operations request for 2RF-155 SHANGHAI FACILITY [fVV2103456039], received from [373075] XTO PERMIAN OPERATING LLC on 09/24/2025, Application ID 508591. At this point, permit 2RF-155 doesn't require an extension of the cessation of operations. The last recycling of produced water at this facility was in June 2025. The operator has until December 31, 2025, to recycle produced water.

Venegas, Victoria, EMNRD

From: Venegas, Victoria, EMNRD
Sent: Wednesday, October 15, 2025 1:50 PM
To: Houston, Kristen /C
Subject: 2RF-155 SHANGHAI FACILITY [fVV2103456039]

2RF-155 SHANGHAI FACILITY [fVV2103456039]

Good afternoon Ms. Houston.

NMOCD has reviewed the extension of the cessation of operations request for 2RF-155 SHANGHAI FACILITY [fVV2103456039], received from [373075] XTO PERMIAN OPERATING LLC on 09/24/2025, Application ID **508591**. At this point, permit 2RF-155 doesn't require an extension of the cessation of operations. The last recycling of produced water at this facility was in June 2025. The operator has until December 31, 2025, to recycle produced water.

Please note that the approved improvements do not include the replacement of the liner system. To resume operations at 2RF-155 SHANGHAI FACILITY [fVV2103456039], the operator must proceed as follows:

- [373075] XTO PERMIAN OPERATING LLC will provide written notice to OCD at least 72 hours, but no more than one week, prior to the recommencement of operations. Recommencement of recycling operations means that the operator plans to resume moving fluids through the containment and discharging fluids from the containment.
 - At the resumption of recycling operations, [373075] XTO PERMIAN OPERATING LLC is required to perform an incremental fluid level test for containment liquid levels above the minimum liquid level.
 - [373075] XTO PERMIAN OPERATING LLC will fill the containment. [373075] XTO PERMIAN OPERATING LLC will pause filling operations at every 10% of total fluid capacity above the minimum level.
 - [373075] XTO PERMIAN OPERATING LLC will maintain the liquid level for each 10% volume increase for 24 hours and inspect and operate the leak detection system at the end of the 24-hour period.
 - If there are no liquids present in the leak detection system, [373075] XTO PERMIAN OPERATING LLC may proceed to fill the next 10% volume and repeat the process until the full design capacity minus the 3-feet of freeboard is reached. If liquids are present, [373075] XTO PERMIAN OPERATING LLC should immediately cease the incremental fill test and perform a liner inspection. [373075] XTO PERMIAN OPERATING LLC should provide written notice of the fluid detection and liner inspection findings through OCD Online using a C-147 (long form) with the "Other" box checked and "Notice of fluid detection" written as the explanation of "Other."
 - If the detected fluid is confirmed to be condensation, [373075] XTO PERMIAN OPERATING LLC will proceed with the incremental fluid level test.
 - If the detected fluid is confirmed to be produced water, [373075] XTO PERMIAN OPERATING LLC must comply with 19.15.34.13 NMAC. [373075] XTO PERMIAN OPERATING LLC must provide written notification through OCD Online on the actions taken to comply with 19.15.34.13 NMAC.
 - [373075] XTO PERMIAN OPERATING LLC must submit copies of the detailed containment inspection records for the prior three (3) months, and a report detailing the incremental fluid level test process and results to through OCD Online using a C-147 (long form) with the "Other" box checked. "Recommencement of Operations - Incremental Fluid Level Test" should be written as

the explanation of "Other." Form C-147 must be completed and include information in sections 1 General Information, 2 Recycling Facility, 3 Recycling Containment, 4 Bonding, and 10 Operator Application Certification. Section 9 Recycling Facility and/or Containment Checklist may also need to be partially completed. [373075] XTO PERMIAN OPERATING LLC should verify that the resumption of operations notification does not result in any changes to the recycling containment operating and maintenance plan or the closure plan. If the recommencement of operations affects the operating and maintenance plan or closure plan, operators should check those boxes in section 9 and provide updated plans or plan addendums as attachments to the C-147.

- [373075] XTO PERMIAN OPERATING LLC will continue to operate, maintain, and close the 2RF-155 SHANGHAI FACILITY [fVV2103456039] in compliance with 19.15.34 NMAC, to include but not limited detailed inspection records, removal of trash/oil from containment, and monthly C-148 reporting (even if there is zero activity).
- A minimum of 3 feet freeboard must always be maintained in the recycling containment during operations.

Please let me know if you have any additional questions.

Regards,

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 508591

CONDITIONS

Operator: XTO PERMIAN OPERATING LLC. 6401 HOLIDAY HILL ROAD MIDLAND, TX 79707	OGRID: 373075
	Action Number: 508591
	Action Type: [C-147] Water Recycle Long (C-147L)

CONDITIONS

Created By	Condition	Condition Date
venegas	NMOCD has reviewed the extension of the cessation of operations request for 2RF-155 SHANGHAI FACILITY [fVV2103456039], received from [373075] XTO PERMIAN OPERATING LLC on 09/24/2025, Application ID 508591. At this point, permit 2RF-155 doesn't require an extension of the cessation of operations. The last recycling of produced water at this facility was in June 2025. The operator has until December 31, 2025, to recycle produced water. Please note that the approved improvements do not include the replacement of the liner system. To resume operations at 2RF-155 SHANGHAI FACILITY [fVV2103456039], the operator must proceed as indicated by email.	10/15/2025