

NM1 - 6

**ALTERNATIVE
C-138**

**APPROVED
Jan. 3, 2012**

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

John Bemis
Cabinet Secretary

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

Jami Bailey
Division Director
Oil Conservation Division



January 3, 2012

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

**RE: Alternative Form C-138 Proposal
R360 Permian Basin, LLC - Permit NM-01-006/Order # R-9166
S/2 N/2 and the N/2 S/2 Section 27, Township 20 South, Range 32 East, NMPM
Lea County, New Mexico**

Dear Mr. Davis:

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

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

Sincerely,

A handwritten signature in black ink, appearing to read "Brad A. Jones", is written over a horizontal line.

Brad A. Jones
Environmental Engineer

BAJ/baj

Attachment: R360 Waste Manifest

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

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

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

Operators No. – Provide the Operator's OGRID Number

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Address – Business address for the transport company

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

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

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

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

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

Waste Categories

Exempt E&P Waste

Oil Based Mud

- Oil Based Drilling fluids

Oil Based Cuttings

- Oil Based Drill cuttings

Water Based Mud

- Water Based Drilling fluids

Water Based Cuttings

- Water Based Drill cuttings

Produced Formation Sand and Solids

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

Tank Bottoms

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

Contaminated Soil

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

Wash Out Water

- Rigwash
- Cooling tower blowdown

Completion Fluids/Flowback

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

Produced Water

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

Gathering line Water/Waste

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

Gas Plant Waste

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

Non-Exempt Oil Field Waste

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

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

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



RECEIVED OCD
2012 DEC 17 P 3:02

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

December 11, 2012

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

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

Mr. Jones,

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

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

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

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

A. Exempt Wastes

1. Each load of **exempt waste** must be accompanied with a completed R360 Waste Manifest, certified as RCRA exempt waste by the generator, in order to be accepted at an R360 facility and the following if applicable:

- i. All customers bringing in **produced water** for disposal are required to provide:
 - a. A valid Authorization To Move Produced Water, C-133 form as well as
 - b. A signed R360 Waste Manifest.
 - c. After reviewing the C-133, R360 will verify that the customer is an authorized hauler by checking it against the Division C-133 Transporters list at: <http://www.emnrd.state.nm.us/OCD/statistics.html>

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

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



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

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

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

B. Non-Exempt Wastes

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

C. Emergency Wastes

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

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

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

Thank you,

A handwritten signature in black ink, appearing to read "Zach Davis", with a long horizontal flourish extending to the right.

Zach Davis
Environmental Scientist
Greenspoint Plaza 4,
16945 Northchase Drive, Suite 2200,
Houston, TX 77060

Attachments: R360 Waste Manifest

cc: Wayne Crawley; Clayton McDonald; Jeff Burrier;

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

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

Operators No. – Provide the Operator's OGRID Number

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Address – Business address for the transport company

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

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

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

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

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

Waste Categories

Exempt E&P Waste

Oil Based Mud

- Oil Based Drilling fluids

Oil Based Cuttings

- Oil Based Drill cuttings

Water Based Mud

- Water Based Drilling fluids

Water Based Cuttings

- Water Based Drill cuttings

Produced Formation Sand and Solids

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

Tank Bottoms

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

Contaminated Soil

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

Wash Out Water

- Rigwash
- Cooling tower blowdown

Completion Fluids/Flowback

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

Produced Water

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

Gathering line Water/Waste

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

Gas Plant Waste

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

Non-Exempt Oil Field Waste

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

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

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