

Jones, Brad A., EMNRD

From: Jones, Brad A., EMNRD
Sent: Monday, January 27, 2020 2:40 PM
To: 'emartinez@diamondbenergy.com'
Subject: Approved C-133 attached
Attachments: RULE 19.15.34.17 NMAC effective 3-31-15-17.pdf; 2020 0127 C-133-798 Diamond B Operating LLC approval.pdf

Diamond B Operating LLC, C-133-798

The attached documents include an electronic copy of your C-133 approval. Please print a copy for your records and for each truck.

OCD hereby approves the Form C-133, Authorization to move Produced Water, with the following conditions:

It is the responsibility of each holder of an approved Form C-133 to familiarize its personnel with the content of 19.15.34.17 NMAC and to assure operations in compliance therewith. Failure to move and dispose of produced water in accordance with 19.15.34.17 NMAC are cause for cancellation of Form C-133 and the authority to move produced water.

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

Your Order Number is: **798**, this is an internal tracking number. The Applicant can use this number to locate their approved form C-133 application online, see directions below.

- A copy of your approved Form C-133 is located online here:

<http://ocdimage.emnrd.state.nm.us/imaging/AEOrderCriteria.aspx>

- Open the link and the following options will display.
- Select **ORDER TYPE**: "Authorization to Transport Oilfield Liquids – (C-133)", within the pull down menu.
- THEN, within the **ORDER NUMBER**: type in the **C-XXX** number located on the upper right hand corner of approved permit.
- Once entered, select "Search", the screen will change to data pertaining to your Form C-133. All Thumbnails noted are in PDF format.
- Your approved Form C-133 and the Authorization to Move Produce Water rules (19.15.34.17 NMAC) are attached to this e-mail.
- A **COPY** of your Approved Form C-133 shall be placed in **EACH** of your Transport Vehicles.

- If the TRANSPORTER changes their contact information or location/Contact-Mailing address, notify the OCD Santa Fe office of the changes @ 505-476-3487
- If the TRANSPORTER changes their Transporter Name then their previously approved C-133 is nullified and is no longer active. Contact the OCD Santa Fe office if there is a Transporter name change @ 505-476-3487.

Brad A. Jones

Environmental Engineer

EMNRD Oil Conservation Division

1220 S. Saint Francis Drive

Santa Fe, New Mexico 87505

E-mail: brad.a.jones@state.nm.us

Office: (505) 476-3487

Fax: (505) 476-3462

Submit a single copy to
Santa Fe Office

State of New Mexico
Energy Minerals and Natural Resources

C-798
Form C-133
Revised August 1, 2013

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

AUTHORIZATION TO MOVE PRODUCED WATER

Transporter Name: Diamond B Operating LLC

Business (Physical) Address in New Mexico: Contact Mailing Address (If different):

5760 40th St. Unit C P O Box 94868

Lubbock TX 79407 Lubbock TX 79493

Business Phone: 806-785-1300 Contact Phone: 806-785-1300

Business Fax: 806-7851301 Contact Fax: 806-785-1301

1. Attach a copy of the applicant's New Mexico Public Regulation Commission (PRC) Warrant for Transportation Services.

2. Identify the form of the applicant's business entity: (Example: corporation, limited liability company [LLC], limited partnership, limited liability partnership, partnership, sole proprietor): LLC

A. If the applicant is a corporation or LLC, provide the Secretary of State corporation number: 4448569

B. If the applicant is a limited partnership or limited liability partnership, provide the Secretary of State file number: _____

C. If the applicant is any other form of partnership, identify all partners: _____

D. If the applicant is a sole proprietor, provide the name of the sole proprietor: _____

(Note: If the form of your business entity changes, the name of your business changes, or the business address changes, you must re-apply for authorization.)

It is the responsibility of each holder of an approved Form C-133 to comply with 19.15.34 NMAC and familiarize its personnel with that rule's requirements. Failure to move or dispose of produced water in accordance with 19.15.34 NMAC may be cause for cancellation of the Form C-133.

"I hereby certify that the information above is true and complete to the best of my knowledge and belief." (Application must be signed by person who is authorized to obligate the company applying for the permit)

Signature: Ben Burkhold Date: 1/24/20

Printed Name: Ben Burkhold Title: Member/Manager

E-mail Address: emartinez@diamondbenenergy.com

(This space for State use)

Approved by: [Signature] Title: Environmental Engineer

Date: Jan 27, 2020

19.15.34.17 TRANSPORTATION OF PRODUCED WATER, DRILLING FLUIDS AND LIQUID OIL FIELD WASTE:

A. A person shall not transport produced water, drilling fluids or liquid oil field waste, including drilling fluids and residual liquids in liquid oil field equipment, except for small samples removed for analysis, by motor vehicle from a lease, central tank battery or other facility without an approved form C-133. The transporter shall maintain a copy of the approved form C-133 in the transporting vehicle.

B. A person may apply for authorization to move produced water, drilling fluids or liquid oil field waste by motor vehicle by filing a complete form C-133 with the division's Santa Fe office. Authorization is granted upon the division's approval of form C-133.

C. An owner or operator shall not permit produced water, drilling fluids or liquid oil field waste to be removed from its leases or field facilities, except for small samples removed for analysis, by motor vehicle except by a person possessing an approved form C-133. The division shall post a list of currently approved form C-133s, authorization to move liquid waste, on its website. The list of form C-133s posted on the division's website on the first business day of each month shall be deemed notice of valid form C-133s for the remainder of the month. [19.15.34.17 NMAC - Rp, 19.15.34.8 NMAC, 3/31/15]

19.15.34.18 DENIAL OF FORM C-133: The division may deny approval of a form C-133 if:

A. the applicant is a corporation or limited liability company, and is not registered with the secretary of state to do business in New Mexico;

B. the applicant is a limited partnership, and is not registered with the New Mexico secretary of state to do business in New Mexico;

C. the applicant does not possess a warrant for transportation under the state registration system the public regulation commission administers, if it is required to have such a permit under the applicable statutes or rules; or

D. the applicant or officer, director or partner in the applicant, or a person with an interest in the applicant exceeding twenty-five percent (25%), is or was within the past five years an officer, director or partner in the applicant, or a person with an interest in the applicant exceeding twenty-five percent (25%) in another entity that possesses or has possessed an approved form C-133 that has been cancelled or suspended, has a history of violating division or other state or federal environmental laws; is subject to a commission or division order, issued after notice and hearing, finding such entity to be in violation of an order requiring corrective action; or has a penalty assessment for violation of division or commission rules or orders that is unpaid more than 70 days after issuance of the order assessing the penalty.

[19.15.34.18 NMAC - Rp, 19.15.34.9 NMAC, 3/31/15]

19.15.34.19 CANCELLATION OR SUSPENSION OF AUTHORIZATION TO MOVE LIQUID

WASTES: A transporter's vehicular movement or disposition of produced water, drilling fluids or liquid oil field waste in a manner contrary to division rules is ground for denial of approval of form C-133 in addition to those specified in Subsection D of 19.15.34.18 NMAC. It is also cause, after notice and an opportunity for hearing, for the division to cancel or suspend a transporter's authorization to move liquid wastes.

[19.15.34.19 NMAC - Rp, 19.15.34.10 NMAC, 3/31/15]

19.15.34.20 DISPOSITION OF PRODUCED WATER AND OTHER OIL FIELD WASTE: Except as authorized by 19.15.17 NMAC, 19.15.26.8 NMAC, 19.15.30 NMAC, 19.15.34 NMAC or 19.15.36 NMAC, persons, including transporters, shall not dispose of produced water or other oil field waste:

A. on or below the surface of the ground, in a pit or in a pond, lake, depression or watercourse;

B. in another place or in a manner that may constitute a hazard to fresh water, public health, or the environment; or

C. in a permitted pit or registered or permitted surface waste management facility without permission of the owner or operator of the pit or facility.

[19.15.34.20 NMAC - Rp, 19.15.34.11 NMAC, 3/31/15]

15.15.34.21 ENFORCEMENT:

A. The operator of a recycling facility or recycling containment shall comply with all the requirements of 19.15.34 NMAC.

B. If the division determines that the registration of a recycling facility or recycling containment or that operations at a recycling facility or recycling containment violate the requirements of 19.15.34 NMAC, the division district office shall notify the operator in writing. If the violation threatens contamination of fresh water, public health, or the environment, the notice of violation shall be signed by the director, the operator shall immediately cease all operations at the recycling facility or containment and the director may require the operator to remove all fluids, if any, in the recycling facility or containment by a date determined by the director.

C. The operator shall have 60 days from the date it is notified of a violation to remove the recycling facility or recycling containment in accordance with 19.15.34 NMAC unless the violation is corrected or an agreed compliance order providing for corrective action is entered with the division. The operator may request an immediate stay of the division's order as part of an application for review of the notice of violation filed by the operator.

D. The provisions of 19.15.4 NMAC applicable to adjudicatory proceedings shall apply to these enforcement proceedings unless altered or amended by 19.15.5.10 NMAC or 19.15.34 NMAC.

E. The division may enter into an agreed compliance order prior to or after the filing of an application for an administrative compliance proceeding. An agreed compliance order shall have the same force and effect as a compliance order issued after an adjudicatory hearing.

F. After a notice of violation that threatens contamination of fresh water, public health, or the environment is issued, until the operator obtains an agreed compliance order, performs appropriate corrective action or is granted a stay, the division may not approve any permits for the operator.

[19.15.34.21 NMAC - N, 3/31/15]

HISTORY of 19.15.34 NMAC:

History of Repealed Material: 19.15.2 NMAC, General Operating Practices, Wastes Arising from Exploration and Production (filed 04/21/2004) repealed 12/1/2008.

19.15.34 NMAC, Produced Water (filed 11/17/2008) repealed 3/31/2015.

NMAC History:

Those applicable portions of 19.15.2 NMAC, General Operating Practices, Wastes Arising from Exploration and Production (Sections 51 and 52) (filed 01/24/2007) were replaced by 19.15.34 NMAC, Produced Water, effective 12/1/2008.

19.15.34 NMAC, Produced Water (filed 11/17/2008) was repealed and replaced by 19.15.34 NMAC, Produced Water, Drilling Fluids and Liquid Oil Field Waste, effective 3/31/2015.