

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/addition of AST information ☐ 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: : Advance Energy Partners, LLC OGRID #: 372417  
Address: 11490 Westheimer Rd. STE 950, Houston, TX 77077  
Facility or well name (include API# if associated with a well): Dagger 2 Recycling Facility: AST #1, #2 and #3  
OCD Permit Number: 1RF-461 (For new facilities the permit number will be assigned by the district office)  
U/L or Qtr/Qtr \_\_\_\_\_ Section 30 Township 21S Range 33E County: Lea  
Surface Owner: ☐ Federal ☒ State ☐ Private ☐ Tribal Trust or Indian Allotment

2.

☒ **Recycling Facility:** Dagger Recycling facility  
Location of (if applicable): Latitude 32.448103° Longitude -103.607381° NAD83 (Approximate)  
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:** AST #1 (NE Tank) Associated with Dagger 2 Containment (RF Pending)  
☐ Annual Extension after initial 5 years (attach summary of monthly leak detection inspections for previous year)  
Center of Recycling Containment (if applicable) Latitude 32.4488580° Longitude -103.6066425° NAD83 (Approximate)  
☒ For multiple or additional recycling containments, attach design and location information of each containment: **all are adjacent to Dagger 1 and Dagger 2 in ground containments**  
☒ Lined ☐ Liner type: Thickness Secondary 60 mil HDPE Primary dual 40 mil ☒ LLDPE ☐ HDPE ☐ PVC ☐ Other \_\_\_\_\_  
☐ String-Reinforced  
Liner Seams: ☒ Welded ☐ Factory ☐ Other \_ Volume: 40,000 bbl Dimensions: (Inside dimensions) Diameter 153 ft; Height 12 ft 4 in  
☐ Recycling Containment Closure Completion Date: \_\_\_\_\_

3.

☒ **Recycling Containment: AST #2 (NW Tank)** Associated with Dagger 2 Containment (RF Pending)

☐ Annual Extension after initial 5 years (attach summary of monthly leak detection inspections for previous year)

Center of Recycling Containment (if applicable) Latitude 32.4488108° Longitude -103.6072052° NAD83 (Approximate)

☒ For multiple or additional recycling containments, attach design and location information of each containment: **all are adjacent to Dagger 1 and Dagger 2 in ground containments**

☒ Lined ☐ Liner type: Thickness Secondary 60\_mil HDPE\_ Primary Dual 40 mil ☒ LLDPE ☐ HDPE ☐ PVC ☐ Other

☐ String-Reinforced

Liner Seams: ☒ Welded ☐ Factory ☐ Other \_ Volume: 40,000 bbl Dimensions: (Inside dimensions) Diameter 153 ft; Height 12 ft 4 in

☐ Recycling Containment Closure Completion Date: \_\_\_\_\_

3.

☒ **Recycling Containment: AST #3 (SE Tank)** Associated with Dagger 2 Containment (RF Pending)

☐ Annual Extension after initial 5 years (attach summary of monthly leak detection inspections for previous year)

Center of Recycling Containment (if applicable) Latitude 32.4483441° Longitude -103.6066551° NAD83 (Approximate)

☒ For multiple or additional recycling containments, attach design and location information of each containment: **all are adjacent to Dagger 1 and Dagger 2 in ground containments**

☒ Lined ☐ Liner type: Thickness Secondary 60\_mil HDPE\_ Primary Dual 40 mil ☒ LLDPE ☐ HDPE ☐ PVC ☐ Other

☐ String-Reinforced

Liner Seams: ☒ Welded ☐ Factory ☐ Other \_ Volume: 40,000 bbl Dimensions: (Inside dimensions) Diameter 153 ft; Height 12 ft 4 in

☐ 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 \_\_\_\_\_

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 See Dagger 2 Registration/Permit C-147 (RF Pending)**

**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 FIGURES 1-2

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

☐ Yes ☒ No  
☐ NA

☐ Yes ☒ No

- Written confirmation or verification from the municipality; written approval obtained from the municipality FIGURE 3

Within the area overlying a subsurface mine.

☐ Yes ☒ No

☐ Yes ☒ No

☐ Yes ☒ No

- Written confirmation or verification or map from the NM EMNRD-Mining and Minerals Division FIGURE 4

Within an unstable area.

☐ Yes ☒ No

☐ Yes ☒ No

☐ Yes ☒ No

- Engineering measures incorporated into the design; NM Bureau of Geology & Mineral Resources; USGS; NM Geological Society; topographic map FIGURE 5

Within a 100-year floodplain. FEMA map FIGURE 6

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 FIGURE 7

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 FIGURE 8

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. FIGURES 1 and 7

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

Within 500 feet of a wetland. FIGURE 9

- 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:**

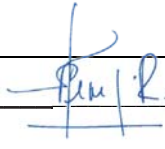
I hereby certify that the information and attachments submitted with this application are true, accurate and complete to the best of my knowledge and belief.

Name (Print): David Harwell Title: Vice President Engineering/Operations

Signature: David Harwell Date: 7/29/2020

e-mail address DHarwell@advanceenergypartners.com Telephone: 832-672-4604

11.

OCD Representative Signature: Victoria Venegas  Approval Date: 01/22/2021

Title: Environmental Specialist OCD Permit Number: 1RF-461

☒ OCD Conditions \_\_\_\_\_

☒ Additional OCD Conditions on Attachment