

Venegas, Victoria, EMNRD

From: Venegas, Victoria, EMNRD
Sent: Friday, April 9, 2021 10:09 AM
To: 'Jennifer Elrod'; 'Joel Hall'
Cc: r@rthicksconsult.com; Enviro, OCD, EMNRD
Subject: 1RF-464 Buffalo 12 Recycling Facility and Containment. Conditions of Approval.

1RF-464 Buffalo 12 Recycling Facility and Containment. Conditions of Approval.

Ms. Elrod,

NMOCD has reviewed the recycling containment permit application and related documents, submitted by CHISHOLM ENERGY OPERATING, LLC [372137] on April 8, 2021, for the proposed Buffalo 12 Recycling Facility and Containment in Unit Letter O, Section 12, T-19S, R-33E, in Lea County, New Mexico. The application has been assigned the OCD Administrative Order number **1RF-464**.

CHISHOLM ENERGY OPERATING, LLC [372137] requested variances from 19.15.34 NMAC for the proposed **1RF-464 Buffalo 12 Recycling Facility and Containment**, related to 19.15.34. NMAC.

The following variances, for the above-ground storage tank (AST) containment, have been approved:

- The variance to 19.15.34.12.A (2) NMAC for the no side-slope requirement for the AST containment with vertical walls is approved.
- The variance to 19.15.34.12.A (3) NMAC for the liners to be anchored to the top of the AST steel walls with clips and no anchor trenches is approved.
- The variance to 19.15.34.12 A (4) NMAC for the installation on the AST containment of the following liner/leak detections system is approved:
30 mil LLDPE the top liner, a Select Energy leak detection system underlines the top liner, a second 30 mil LLDPE completes the PRIMARY LINER SYSTEM. A 200-mil geo grid system compliant with Rule 34 lies below the two 30-mil liners that compose the primary liner system, a 40-mil LLDPE secondary liner –lays on the ground (Figure 1, Page 8, Volume 1).
- The variance to 19.15.34.14 NMAC Table I for the use of alternate analytical method 8015/8015M for total petroleum hydrocarbons (TPH) is approved.
- The variance to 19.15.34.14 NMAC Table I for the use of alternate analytical method EPA 300.0 or SM4500 for the analysis of chloride is approved.

The form C-147 and related documents for the proposed 1RF-464 Buffalo 12 Recycling Facility and Containment, is approved with the following conditions of approval:

- CHISHOLM ENERGY OPERATING, LLC [372137] shall construct, operate, maintain, close, and reclaim the 1RF-464 Buffalo 12 Recycling Facility and Containment in compliance with 19.15.34 NMAC.
- The 1RF-464 Buffalo 12 Recycling Facility and Containment is approved for five (5) years of operation from the date of permit application. 1RF-464 Buffalo 12 Recycling Facility and Containment permit expires on April 8, 2026. If CHISHOLM ENERGY OPERATING, LLC [372137] wishes to extend operations past five (5) years, an annual permit extension request must be submitted using form C-147 through the [OCD Online](#) system by March 8, 2026.
- Water reuse and recycling from 1RF-464 Buffalo 12 Recycling Facility and Containment is limited to wells owned or operated by CHISHOLM ENERGY OPERATING, LLC [372137].
- CHISHOLM ENERGY OPERATING, LLC [372137] shall notify OCD when construction of 1RF-464 Buffalo 12 Recycling Facility and Containment.
- CHISHOLM ENERGY OPERATING, LLC [372137] shall notify OCD when recycling operations commence and cease at the 1RF-464 Buffalo 12 Recycling Facility and Containment.

- A minimum of 3-feet freeboard must be maintained in the recycling containment, at all times during operations.
- CHISHOLM ENERGY OPERATING, LLC [372137] shall provide OCD with the calculations for the operational total fluid capacity of each of the containments within 30 days of receiving produced water in the containment. The operational fluid capacity is the total volume of the containment, minus the volume not utilized due to the freeboard.
- If less than 20% of the total fluid capacity is utilized every six months, beginning from the first withdrawal, operation of the facility is considered ceased and notification of cessation of operations should be sent electronically to OCD.Enviro@state.nm.us. An extension to extend the cessation of operation, not to exceed six months, may be submitted using a C-147 form through the [OCD Online](#) system.
- CHISHOLM ENERGY OPERATING, LLC [372137] shall submit monthly reports of recycling and reuse of produced water, drilling fluids, and liquid oil field waste on via OCD form C-148 through the [OCD Online](#) system, even if there is zero activity.
- CHISHOLM ENERGY OPERATING, LLC [372137] shall comply with 19.15.29 NMAC Releases in the event of any release of produced water or other oil field wastes at 1RF-464 Buffalo 12 Recycling Facility and Containment.

Please reference number **1RF-464** in all future communications related to 1RF-464 Buffalo 12 Recycling Facility and Containment.

Please keep a copy of this electronic communication for your files, as no paper copy of the approval will be delivered. A copy of this electronic communication will be saved in **1RF-464** electronic file on OCD Imaging at:

<https://ocdimage.emnrd.state.nm.us/imaging/AEOrderFileView.aspx?appNo=pVV2109154637>

Please let me know if you have any further questions or concerns,

Regards,

Victoria Venegas • Environmental Specialist

Environmental Bureau

EMNRD - Oil Conservation Division

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