



CERTIFIED MAIL – RETURN RECEIPT REQUESTED

February 1, 2023

Robert S. Balch, Principal Investigator
New Mexico Institute of Mining and Technology
801 Leroy Place
Socorro, New Mexico 87801

RE: Response to Produced Water Pilot Project Notice of Intent; Discharge Permit Not Required for the New Mexico Institute of Mining and Technology Pilot Project

Dear Dr. Robert S. Balch:

The New Mexico Environment Department (NMED) received a Produced Water Pilot Project Notice of Intent (PW-NOI) from you on January 6, 2023, regarding the proposed pilot project for treated produced water research at two Hilcorp Energy Company site locations. Site 1 of the proposed pilot project is located approximately 21 miles southeast of Bloomfield, in Section 28, Township 26, Range 9, San Juan County. Site 2 of the proposed pilot project is located approximately 6.5 miles north of Bloomfield, in Section 22, Township 30, Range 11, San Juan County

The notice satisfies the requirements of Subsection A of 20.6.2.1201 NMAC, Ground and Surface Water Protection Regulations, (20.6.2 NMAC).

The PW-NOI identifies the pilot project details as follows:

New Mexico Institute of Mining and Technology and Process Equipment and Service Company Inc. (PESCO) will treat produced water from two existing Hilcorp Energy Company wells using a skid mounted unit that includes a membrane distillation process technology. The pilot project will determine the operational and economic viability of the treatment technology for future potential uses of treated produced water outside the oil and gas industry. The proposed site locations are on Oil Conservation Division (OCD) well pads and all treated produced water and membrane concentrate will be re-combined back together prior to being disposed of in OCD regulated saltwater disposal wells.

Based on the information provided in your PW-NOI, NMED has determined that NMED is not requiring a Discharge Permit if the discharge occurs at the location provided and as described. A Discharge Permit is not required at this time because the information provided indicates the pilot project is located at an OCD regulated facility and the pilot project will be conducted in a manner that will not result in treated produced water directly or indirectly moving into ground or surface water.

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Although NMED is not requiring a Discharge Permit for this facility at this time, this does not relieve you of your liability should your operation result in actual pollution of surface or groundwater. Further, this decision by NMED does not relieve you of your responsibility to comply with any other applicable federal, state, and/or local laws and regulations, zoning requirements, plumbing codes, and nuisance ordinances.

If at some time in the future you intend to change the pilot project location, processes, scope, or plan in any way you must file a revised PW-NOI with NMED. If NMED determines that you are conducting the pilot project in a manner other than as described in your PW-NOI, you must file a revised PW-NOI and you may be subjected to an enforcement action by NMED.

This determination is pursuant to WQCC Regulation 20.6.2.3106.B NMAC, and the NMED Delegation Order dated May 24, 2021, through which the Cabinet Secretary has delegated this authority to sign responses to a NOI to discharge to the Chief of the Ground Water Quality Bureau. If you have any questions, please contact Jason Herman, Program Manager of the Ground Water Pollution Prevention Section, at (575) 649-3871 or submit an email to pps.general@state.nm.us.

Sincerely,

Justin D. Ball, Chief
Ground Water Quality Bureau

JB:JH

cc: John Rhoderick, WPD Division Director, NMED
Kathryn Becker, Tribal Liaison, NMED
Andrew Knight, Assistant General Counsel, NMED
Jason Herman, Program Manager, GWQB PPS, NMED
Susan Lucas-Kamat, Program Manager, SWQB PSR
Produced Water No DP Required File
Dylan Fuge, Acting Division Director, OCD EMNRD
Jim Griswold, Bureau Chief, OCD EMNRD
Patricia Sullivan, Director, NMPWRC - NMSU
Mike Hightower, Manager, NMPWRC - NMSU