



CERTIFIED MAIL – RETURN RECEIPT REQUESTED

February 9, 2024

Joseph Olson
Devon Energy Production Company, L.P.
333 West Sheridan Ave.
Oklahoma City, OK 73102

RE: Response to Produced Water Pilot Project Notice of Intent; Discharge Permit Not Required for Devon Energy Production Company, L.P.

Dear Joseph Olson:

The New Mexico Environment Department (NMED) received a produced water pilot project Notice of Intent (PW-NOI) from you on January 18, 2024, regarding the proposed pilot project for produced water research at the Cotton Draw Recycling Facility. The proposed pilot project is located on Bureau of Land Management (BLM) land at the Cotton Draw Recycling Facility, located approximately 22 miles southeast of Loving, New Mexico in Section 22, Township 25 south, Range 31 east, Eddy 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 as using pretreated produced water before implementing Crystal Clear Water Resources Spontaneous Evaporation and Condensation technology (SPEC) for desalination. SPEC will test two types of water on two different pretreatment methods. The pilot will test 150 barrels of produced water a day for a 30-day period. SPEC will conduct the pilot project at an oil and gas facility at Devon's Cotton Draw field and the produced water, treated produced water, permeate/brine concentrate will be disposed of in the existing, New Mexico Energy, Minerals, Natural Resource Department's Oil Conservation Division (OCD) approved, produced water pit used for oil and gas operations within the oil and gas industry.

Based on the information provided in your PW-NOI, NMED has determined that NMED does not require a Discharge Permit if the discharge occurs as described. A Discharge Permit is not required at this time because the information provided indicates the pilot project is located at an Oil Conservation Division (OCD) regulated facility, and the pilot project will be conducted in a manner that is already regulated by OCD and the end use is within the oil and gas field.

Although NMED does not require a Discharge Permit for this pilot project 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

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Ground Water Quality Bureau | 1190 Saint Francis Drive, PO Box 5469, Santa Fe, New Mexico 87502-5469

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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 with NMED 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 March 24, 2023, 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 either Kathleen Murphy at (505) 660-7567 or Jason Herman, Program Manager of the Ground Water Pollution Prevention Section, at (575) 649-3871 or submit an email to pps.general@env.nm.gov.

Sincerely,

Justin D. Ball, Chief
Ground Water Quality Bureau

JB:KM

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, Director, OCD EMNRD
Jim Griswold, Projects Coordinator, OCD EMNRD
Greg Bloom, Assistant Commissioner OGM/Royalty, NM State Land Office
Patricia Sullivan, Director, NMPWRC - NMSU
Mike Hightower, Manager, NMPWRC - NMSU