State of New Mexico Energy, Minerals and Natural Resources Department

Michelle Lujan Grisham Governor

Sarah Cottrell Propst Cabinet Secretary

Todd E. Leahy, JD, PhD Deputy Secretary

Adrienne Sandoval, Director Oil Conservation Division



JUNE 9, 2020

Sent via e-mail only

Mr. Gary Pritchett C/O: Basic Energy Services, L.P. 801 Cherry, Suite #2100 Fort Worth, Texas 76102

Re: New Discharge Permit (BW-2) Basic Energy Services, L.P., UIC Class III Brine Well "Eunice Brine Well No. 1" (API No. 30-025-26884) UL: O Section 34 Township 21 South, Range 37 East, 630 FSL, 2427 FEL, Lat. 32.42983°, Long. -103.15015°, NMPM, Lea County, New Mexico

Mr. Pritchett.

The New Mexico Oil Conservation Division (OCD) has received Basic Energy Services, L.P.'s (Basic) discharge permit renewal application for the Eunice Brine Well No. I to inject fresh water into the Salado Formation to produce brine. The initial submittal officially received on May 19, 2020 provided the required information to deem the application "administratively complete" per New Mexico Water Quality Control Commission regulations (20.6.2.3108 NMAC).

Basic obligations to provide public notice under the Water Quality Control Commission (WQCC) regulations notice requirements of 20.6.2.3108 NMAC should commence and be demonstrated to the OCD in a timely manner. The OCD will also provide notice to various governmental groups and/or stakeholders. Depending upon the level of public interest, a hearing may be scheduled on this matter. OCD will continue to review of the application and may request additional information to satisfy various technical permitting requirements of the division.

If you have any questions, please do not hesitate to contact me by phone at (505) 660-7923, U.S. Mail at the address below, or e-mail at carlj.chavez@state.nm.us. On behalf of the OCD, I wish to thank you and your staff for your continued cooperation in this process.

Sincerely,

Carl J. Chavez

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Environmental Engineer

xc: OCD Hobbs District Office