CERTIFIED MAIL – RETURN RECEIPT REQUESTED

October 4, 2024

Tony Haag
Strongbox Water Solutions LLC
8060 CR 725N
Brownsburg, Indiana 46112

RE: Response to Produced Water Pilot Project Notice of Intent; Discharge Permit Not Required for Strongbox Water Solutions LLC

Dear Tony Haag,

The New Mexico Environment Department (NMED) received a Produced Water Pilot Project Notice of Intent (PW-NOI) from you on July 11, 2024, and a revised PW-NOI submitted on September 27, 2024, regarding the proposed pilot project for treated produced water research at the Brackish Groundwater National Desalination Research Facility (BGNDRF) for Strongbox Water Solutions LLC. The proposed pilot project is located at 500 Lavelle Road in Alamogordo, in Section 36, Township 16S, Range 9E, Otero 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:
Strongbox Water Solutions LLC will conduct testing at the BGNDRF facility in Alamogordo, NM, to treat produced water from the oil and gas industry. The pilot project is expected to last up to 20 weeks and treat up to 500 barrels per day of produced water and other waters, using their Mobile Flash Vaporization System (MFVS). The MFVS technology vaporizes excess water from industrial wastewater, leachate, and produced water. All treated produced water will be sampled for laboratory analysis and returned to a SWD well for disposal. Strongbox Water Solutions LLC has confirmed that the pilot project will be conducted in a closed loop system, and there will be no discharge of treated or untreated produced water to ground or surface water.

This “No DP Required” letter is applicable to Strongbox Water Solutions LLC activities involving the treatment of produced water. The existing NMED discharge permit DP-1472 is applicable to all other Strongbox Water Solutions LLC treatment activities that do not use produced water.

Based on the information provided in your PW-NOI, NMED has determined that NMED is not requiring a Discharge Permit if the Produced Water Pilot Project occur as described. A Discharge

Permit is not required at this time because the information provided indicates the pilot project will be conducted in a manner that will not result in treated or untreated produced water directly or indirectly moving into ground or surface water.

Although NMED is not requiring a Discharge Permit for this Produced Water Pilot Project at this time, this does not relieve you of your liability should your operation result in actual pollution of ground or surface water. 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 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 February 19, 2024, 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@env.nm.gov.

Sincerely,

Justin Ball Digitally signed by Justin Ball
Date: 2024.10.04 14:23:45 -06'00'

Justin D. Ball
Ground Water Quality Bureau Chief

Cc: John Rhoderick, Director, WPD Division, 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 PSRS, NMED
Produced Water No DP Required File
Gerasimos Razatos, Acting Director, Oil Conservation Division, EMNRD
Jim Griswold, Special Projects Manager, OCD, EMNRD
Patricia Sullivan, Director, Office of Strategic Initiatives, NMPWRC, NMSU
Mike Hightower, Program Director, NMPWRC, NMSU