CERTIFIED MAIL – RETURN RECEIPT REQUESTED

June 20, 2025

Urmila Diwekar
Stochastic Research Technologies, LLC
2714 Crystal Way
Crystal Lake, IL 60012

RE: Response to Produced Water Pilot Project Notice of Intent to Discharge; Discharge Permit Not Required for Stochastic Research Technologies LLC

Dear Urmila Diwekar,

The New Mexico Environment Department (NMED) received a Produced Water Pilot Project Notice of Intent to Discharge (PW-NOI) from you on April 25, 2025, regarding the proposed pilot project for treated produced water research at the Brackish Groundwater National Desalination Research Facility (BGNDRF) for Stochastic Research Technologies 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:
Stochastic Research Technologies LLC will conduct a pilot test at the BGNDRF facility in Alamogordo, NM, to treat produced water from the oil and gas industry. The project is expected to last up to 10 weeks and treat up to 4 barrels (bbls) per day of produced water, using Stochastic research Technologies' newly developed clay-based adsorbents. Stochastic Research Technologies LLC has tested their adsorbents for naturally occurring radioactive materials (NORM) in the laboratory and found that the adsorbents are very effective in removing NORM. All treated produced water will be sampled for laboratory analysis and returned to a SWD well for disposal. Stochastic Research Technologies 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 Stochastic Research Technologies LLC activities involving the treatment of produced water. The existing NMED discharge permit DP-1472 is applicable to all other Stochastic Research Technologies 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 occurs 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 November 26, 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: 2025.06.20 10:52:19 -06'00'

Justin D. Ball
Ground Water Quality Bureau Chief

Cc: Jonas Armstrong, Director, WPD Division, NMED
Danielle Gilliam, Tribal Liaison (Acting), 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
Zachary Stoll, Assistant Director, NMPWRC, NMSU