

UIC - I - ____ 8-0 ____

**H2S
CONTINGENCY
PLAN**

DATE: _____

Chavez, Carl J, EMNRD

From: Chavez, Carl J, EMNRD
Sent: Thursday, January 14, 2010 11:12 AM
To: 'Lackey, Johnny'
Cc: Christy_Franklyn@schirmereng.com; John_Alderman@schirmereng.com; Meeks, Jimmy; Whatley, Michael; Moore, Darrell
Subject: RE: UIC Class I Disposal Well Annual Report Schedule for Submittal & Content REMINDER-2010
Attachments: 19.15.11 NMAC.doc

Johnny:

Good morning. Ok, you seem to have addressed the issue of H2S Contingency Plans for Navajo Refining Company, L.L.C. (NRC) and I will place this in the file as confirmation.

Please find attached a copy of the H2S Regulations that are stand alone and regardless of whether the contingency plan makes it into the OCD discharge permit for your facilities, if these regulations apply, then operators must meet the requirements of the regulations.

At NRC's refineries, OCD will likely file your H2S Contingency Plans under your discharge permits.

The dates below look good right now. Why don't you propose 1:15 p.m. on either 1/27 or 2/4 and we'll meet. I will be reviewing the regulations that specify what is needed in your contingency plan, so if you look at the regs and they self-explanatory to you, then feel free to cancel and just submit. The Pasquill-Gifford model is model that you should be able to get in order evaluate your radius of exposure, etc.

January 27, 2010
January 28, 2010
February 4, 2010
February 5, 2010

Thank you.

Carl J. Chavez, CHMM
New Mexico Energy, Minerals & Natural Resources Dept.
Oil Conservation Division, Environmental Bureau
1220 South St. Francis Dr., Santa Fe, New Mexico 87505
Office: (505) 476-3490
Fax: (505) 476-3462
E-mail: CarlJ.Chavez@state.nm.us
Website: <http://www.emnrd.state.nm.us/ocd/index.htm>
(Pollution Prevention Guidance is under "Publications")

From: Lackey, Johnny [mailto:Johnny.Lackey@hollycorp.com]
Sent: Thursday, January 14, 2010 10:30 AM
To: Chavez, Carl J, EMNRD
Cc: Christy_Franklyn@schirmereng.com; John_Alderman@schirmereng.com; Meeks, Jimmy; Whatley, Michael; Moore, Darrell
Subject: RE: UIC Class I Disposal Well Annual Report Schedule for Submittal & Content REMINDER- 2010

Hello Carl.

Navajo has hired RRS/Schirmer to help develop an H2S Contingency Plan for Navajo's Artesia and Lovington Refineries and would like to schedule a meeting in Santa Fe to discuss specific plan requirements for our facilities. Glen VonGonten indicated in our last meeting in Santa Fe that this requirement was inadvertently left out of our Discharge Permits when they were recently renewed but an amendment to the permits would include the requirement to develop H2S Contingency

Plans for our operations. Our current permits, GW-028 for Artesia and GW-014 for Lovington do not require H2S Contingency Plans; however, Navajo would like to move forward with plan development and would appreciate a meeting to discuss the plan content, format, submittal requirements and possible exemptions.

Since the deadline for submittal is March 31, 2010 I would like to propose one of the following meeting dates for consideration:

January 27, 2010
January 28, 2010
February 4, 2010
February 5, 2010

Your email below references H2S Contingency Plans for "All UIC Class 1 Disposal Well Facilities" but my understanding from our meeting was that the Rule would also apply to refining operations. Our wells are used for disposal of refinery waste water and do not exceed the 100 ppm H2S threshold, therefore no plan is required for the 3 injection wells that we have permitted.

Please let me know if any of the above dates will work for you. Darrell Moore and I and Christy Franklyn with RRS/Schirmer plan to attend the meeting for Navajo.

Johnny Lackey
Environmental Manager
Navajo Refining Company, L.L.C.
Office - 575-746-5490
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Johnny.Lackey@hollycorp.com

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From: Chavez, Carl J, EMNRD [mailto:CarlJ.Chavez@state.nm.us]
Sent: Thursday, November 19, 2009 7:45 AM
To: Bob Patterson; Dan Gibson; Schmaltz, Randy; Moore, Darrell; Lackey, Johnny
Cc: Sanchez, Daniel J., EMNRD; VonGonten, Glenn, EMNRD; Griswold, Jim, EMNRD
Subject: UIC Class I Disposal Well Annual Report Schedule for Submittal & Content REMINDER- 2010

Gentlemen:

Good morning. You may recall an e-mail message from me this past Summer alerting you to the reporting provision of your current discharge permit (permit) and how the New Mexico Oil Conservation Division (OCD) is stepping up its efforts to track reporting under issued permits.

Please find attached a spreadsheet listing the dates that OCD expects to receive your Annual Reports and/or any reporting requirements from your permit. If you are an operator with limited reporting requirements based on your permit, you are welcome to follow the format and content required from more recent permit renewals issued by the OCD, which are more comprehensive and constitute a report. Any renewed permits will likely require similar content anyway.

You will notice that a Hydrogen Sulfide Contingency Plan (CP) (see attached 19.15.11 NMAC Regulations) has been written into a couple of new Navajo Refining Company permits. This regulation became effective on December 1, 2008 and applies to any facility or well where the hydrogen sulfide concentration is at or greater than 100 ppm. Consequently, if your facilities meet or exceed this concentration, you are required to have an H2S CP for your facility regardless of whether the OCD has required it in your permit. The OCD believes that all UIC Class I Disposal Well Facilities require an H2S CP; therefore, the OCD is requesting your H2S CP(s) by Wednesday, March 31, 2010, unless a different date for

submittal is specified in your permit. Also, if you are an operator with multiple wells, you may develop one CP, but you must address each well location with site specific details in that one CP.

Please plan on meeting the Annual Report submittal dates in January of 2010 as failure to submit the report will constitute a violation under the Federal Underground Injection Control (UIC) Program and reporting to the United States Environmental Protection Agency, which could result in the shut-in and/or plug and abandonment of your Class I disposal well. Failure to meet the H2S CP requirement may also result in the shut-in of your well operations; consequently, the OCD is hopeful you will satisfy the regulations pertaining to this deadly gas.

Please contact me if you have questions. Thank you in advance for your cooperation in this matter.

Carl J. Chavez, CHMM
New Mexico Energy, Minerals & Natural Resources Dept.
Oil Conservation Division, Environmental Bureau
1220 South St. Francis Dr., Santa Fe, New Mexico 87505
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Website: <http://www.emnrd.state.nm.us/oed/index.htm>
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CC: UIC Class I Well File "Annual Reporting" and "H2S Contingency Plan"

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Cc: Sanchez, Daniel J., EMNRD; VonGonten, Glenn, EMNRD; Griswold, Jim, EMNRD
Subject: UIC Class I Disposal Well Annual Report Schedule for Submittal & Content REMINDER- 2010
Attachments: Class I Disposal Well Annual Report Tracking 2010.xls; 19.15.11 NMAC.doc

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