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April 27, 1999

Case 12249

Mr. Wayne Price
New Mexico Oil Conservation Division
2040 South Pacheco
Santa Fe, New Mexico 87505

RE: Modification to Discharge Plan Application and Application for Authorization to Inject into Navajo Refining Company's WDW-1 and Proposed WDW-2 and WDW-3

Dear Mr. Price:

Navajo Refining Company (Navajo) requests that the New Mexico Oil Conservation Division (OCD) issue a modification to Discharge Plan UIC-CLI-008-1 to include the revised location of proposed Waste Disposal Well No. 2 (WDW-2). Discharge Plan UIC-CLI-008-1 was issued by the OCD on July 14, 1999, and modified on August 4, 1999, to allow Navajo to construct and operate three effluent disposal wells, Waste Disposal Well No. 1 (WDW-1) and proposed WDW-2 and Waste Disposal Well No. 3 (WDW-3), located approximately 11 miles east-southeast of Artesia, Eddy County, New Mexico. The waste stream proposed for disposal is exempt and nonexempt nonhazardous oilfield waste that is generated exclusively by Navajo at its refinery in Artesia. The waste water will be transported to the injection wellsites by a proposed pipeline system.

Navajo proposes to convert a producing well, The Eastland Oil Company's Chukka Federal No. 2 well (formerly Fred Pool Drilling, Inc., originally Amoco Production Company Diamond Federal Gas Com. No. 1), to its effluent disposal well WDW-2. The well is on federal land. On April 14, 1999, Navajo submitted to the Bureau of Land Management (BLM) an Application for Permit to Drill (BLM Form 3160-3) for permission to reenter, recomplete, and test the well. Three (3) copies of this application were hand-delivered to the OCD District II office in Artesia on April 16, 1999. Also, as you requested on April 20, 1999, Navajo submitted to the OCD Form C-101 for permission to begin reentry, recompletion, and testing operations on proposed WDW-2. Permission from the OCD and the BLM for this work is pending.

Mr. Wayne Price
New Mexico Oil Conservation Division

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Transmitted with this letter is the information required by the OCD to modify Discharge Plan UIC-CLI-008-1 to include the new location of Navajo's proposed WDW-2. The information is in the form of replacement pages to be inserted into the document, "Discharge Plan Application and Application for Authorization to Inject," that Navajo submitted to the OCD on May 1, 1998. The changes to the document are summarized in Attachment A. Instructions for updating the document are detailed in Attachment B. The information supporting this permit modification request was prepared for Navajo by Subsurface Technology, Inc. (Subsurface), formerly Envirocorp Services & Technology, Inc.

Navajo constructed WDW-1 in July and August 1998. No waste waters have been injected into WDW-1, pending construction of the proposed pipeline that will carry the waste waters to the injection wells. Information obtained from WDW-1 is being supplied in this permit modification request to update the discharge plan application.

Navajo also proposes to drill one new well, proposed WDW-3. No changes to proposed WDW-3 are being requested at this time.

The names and addresses of the leasehold operators of the active nonfreshwater wells within one mile of proposed WDW-2 are provided in Attachment C. The names and addresses of the leasehold operators were obtained from the Form C-104 (Request for Allowable and Authorization) that is on file with the OCD for each active well. Also included are the names and addresses of mineral owners at the location of proposed WDW-2 and the locations of the BLM offices that should receive notification of the permit modification request.

Please do not hesitate to contact me at (505) 748-3311 or Nancy Niemann of Subsurface at (713) 880-4640 if you have any questions.

Sincerely,



Darrell Moore
Environmental Manager of Water and Waste

NLN/paf
Attachments