# UICI - ___008____

# WDW-1 PERMITS, RENEWALS, & MODS

# March 2013

**ACKNOWLEDGEMENT OF RECEIPT**
**OF CHECK/CASH**

I hereby acknowledge receipt of Check No. 1000254763 dated 2/21/14

or cash received on 2/26/14 in the amount of $ 9000.00

from NAVAJO REFINING

for WDW-1 & WDW-2

Submitted by: CARL "CHAVEZ Date: 2/27/14

Submitted to ASD by: Lupe Sherman Date: 2/27/14

Received in ASD by: _____ Date: _____

Filing Fee _____ New Facility: _____ Renewal: _____

Modification _____ Other ✓ FINAL PERMIT FEE

Organization Code 521.07 Applicable FY _____

To be deposited in the Water Quality Management Fund.

Full Payment _____ or Annual Increment _____

HOLLYFRONTIER.



February 24, 2014

Mr. Carl J. Chavez
New Mexico Energy, Minerals and Natural Resources Department
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Certified Mail/Return Receipt
7006 0100 0003 6609 9856

RE: Discharge Permit UICI-008-1 (WDW-1) & UICI-008-2 (WDW-2)
Final Permit Fee
Navajo Refining Co. LLC

Dear Mr. Chavez:

Navajo Refining Co. is submitting the attached check for $9,000.00 in accordance with condition 1.E of Permit UICI-008-1 (WDW-1) & UICI-008-2 (WDW-2) of October 2, 2012, recently revised. This is the final fee for our Class 1 Non-Hazardous Waste Injection Wells.

If you have questions regarding this submittal, please contact Mike Holder at (575) 746-5487, or by email at mike.holder@hollyfrontier.com.

Sincerely,

Mike Holder
Environmental Manager

Env. File: WDW-1 & 2 UIC Permit Renewal (REF.ART.14-4.A.02.D)
Injection Wells.Permits.WDW-1.PermitRenewal

**Navajo Refining Company, L.L.C.**
501 East Main • Artesia, NM 88210
(575) 748-3311 • http://www.hollyfrontier.com

NAVAJO REFINING COMPANY, L.L.C.
2828 N. Harwood St., Suite 1300
Dallas TX 75201-1507

WATER QUALITY MANAGEMENT FUND
OIL CONSERVATION DIV
1220 N SAINT FRANCIS DR
SANTA FE NM 87505-4225

| | | |
|---|---|---|
| **Check Date** | | 02/21/2014 |
| **Check Amount** | $ | 9,000.00 |
| **Vendor No** | | 5111809 |
| **Payment Document** | | 2000025852 |
| **Company Code** | | 1020 |

| Invoice Date | Invoice Number | Description | Invoice Amount | Discount Amount | Net Amount |
|---|---|---|---|---|---|
| 02/20/2014 | 022014 | WDW1 & WDW2 PERMIT RENEWAL | 9,000.00 | 0.00 | 9,000.00 |

| Payment document | Check number | Date | Currency | Payment amount |
|---|---|---|---|---|
| 2000025852 | 1000254763 | 02/21/2014 | USD | *********9,000.00* |

⬇ PLEASE FOLD ON PERFORATION AND DETACH HERE ⬇

VERIFY THE AUTHENTICITY OF THIS MULTI-TONE SECURITY DOCUMENT. CHECK BACKGROUND AREA CHANGES COLOR GRADUALLY FROM TOP TO BOTTOM.

NAVAJO REFINING COMPANY, L.L.C.
2828 N. Harwood St., Suite 1300
Dallas TX 75201-1507

64-1278/611 1000254763
02/21/2014

PAY EXACTLY
*********9,000.00*USD
VOID AFTER 180 DAYS

PAY *** NINE THOUSAND and 00 /100 USD***

TO THE
ORDER OF WATER QUALITY MANAGEMENT FUND
OIL CONSERVATION DIV
1220 N SAINT FRANCIS DR
SANTA FE NM 87505-4225

Stephen D Wise
AUTHORIZED SIGNATURE

Bank of America N.A.

[redacted]

# DISCHARGE PERMIT UICI-008-1 (WDW-1)

## 1. GENERAL PROVISIONS:

**1.A. PERMITTEE AND PERMITTED FACILITY**: The Director of the Oil Conservation Division (OCD) of the Energy, Minerals and Natural Resources Department issues Discharge Permit UICI-008-1 (Discharge Permit) to Navajo Refining Company (Permittee) to operate its Underground Injection Control (UIC) Class I non-hazardous waste injection well (Waste Disposal Well No. 1 - API No. 30-015-27592, WDW-1) located 660 FSL and 2310 FEL, Unit Letter O, Section 31, Township 17 South, Range 28 East, NMPM, Eddy County, New Mexico at its Disposal Well Facility (Facility). The Facility is located approximately 11 miles east-southeast of Artesia, New Mexico on Hwy-82 from Hwy-285 and about 1 mile south of Hilltop Road.

The Permittee is permitted to dispose of only non-hazardous (RCRA exempt and RCRA non-hazardous, non-exempt) oil field waste fluids into its Class I non-hazardous waste injection well (WDW-1). The Permittee may dispose of a maximum of 500 gallons per minute (gpm) of oil field waste fluids. Ground water that may be affected by a spill, leak, or accidental discharge occurs at a depth of approximately 50 – 100 feet below ground surface and has a total dissolved solids (TDS) concentration of approximately 1,000 – 2,200 mg/l.

**1.B. SCOPE OF PERMIT:** OCD has been granted the authority by statute and by delegation from the Water Quality Control Commission (WQCC) to administer the Water Quality Act (Chapter 74, Article 6 NMSA 1978) as it applies to Class I non-hazardous waste injection wells (see Section 74-6-4, 74-6-5 NMSA 1978).

The Water Quality Act and the rules promulgated pursuant to the Act protect ground water and surface water of the State of New Mexico by providing that, unless otherwise allowed by 20.6.2 NMAC, no person shall cause or allow effluent or leachate to discharge so that it may move directly or indirectly into ground water unless such discharge is pursuant to an approved discharge plan (see 20.6.2.3104 NMAC, 20.6.2.3106 NMAC, and 20.6.2.5000 through 20.6.2.5299 NMAC).

This Discharge Permit for a Class I non-hazardous waste injection well (WDW-1) is issued pursuant to the Water Quality Act and WQCC rules, 20.6.2 NMAC. This Discharge Permit does not authorize any treatment of, or on-site disposal of, any materials, product, by-product, or oil field waste, other than non-hazardous oil field waste fluids into its Class I non-hazardous waste injection well (WDW-1), including, but not limited to, the on-site disposal of lube oil, glycol, antifreeze, and washdown water. The Permittee may not dispose of any industrial waste fluid that is not oil field waste that is generated at its refinery. The Ground Water Quality Bureau of the New Mexico Environment Department permits the management of all industrial fluids that are not generated in the oil field.

Pursuant to 20.6.2.5004A NMAC, the following underground injection activities are prohibited:

**1.** The injection of fluids into a motor vehicle waste disposal well is prohibited.

**2.** The injection of fluids into a large capacity cesspool is prohibited.

**3.** The injection of any hazardous or radioactive waste into a well is prohibited except as provided by 20.6.2.5004A(3) NMAC.

**4.** Class IV wells are prohibited, except for wells re-injecting treated ground water into the same formation from which it was drawn as part of a removal or remedial action.

**5.** Barrier wells, drainage wells, recharge wells, return flow wells, and motor vehicle waste disposal wells are prohibited.

This Discharge Permit does not convey any property rights of any sort nor any exclusive privilege, and does not authorize any injury to persons or property, any invasion of other private rights, or any infringement of state, federal, or local laws, rules or regulations.

The Permittee shall operate in accordance with the terms and conditions specified in this Discharge Permit to comply with the Water Quality Act and the rules issued pursuant to that Act, so that neither a hazard to public health nor undue risk to property will result (see 20.6.2.3109C NMAC); so that no discharge will cause or may cause any stream standard to be violated (see 20.6.2.3109H(2) NMAC); so that no discharge of any water contaminant will result in a hazard to public health (see 20.6.2.3109H(3) NMAC); so that the numerical standards specified in 20.6.2.3103 NMAC are not exceeded; and, so that the technical criteria and performance standards (see 20.6.2.5000 through 20.6.2.5299 NMAC) for Class I non-hazardous waste injection wells are met. Pursuant to 20.6.2.5003B NMAC, the Permittee shall comply with 20.6.2.1 through 20.6.2.5299 NMAC.

The Permittee shall not allow or cause water pollution, discharge, or release of any water contaminant that exceeds the Water Quality Control Commission (WQCC) standards specified in 20.6.2.3101 NMAC and 20.6.2.3103 NMAC or 20.6.4 NMAC (Water Quality Standards for Interstate and Intrastate Streams). Pursuant to 20.6.2.5101A NMAC, the Permittee shall not inject non-hazardous waste fluids into ground water having 10,000 mg/l or less total dissolved solids (TDS).

The issuance of this permit does not relieve the Permittee from the responsibility of complying with the provisions of the Water Quality Act, any applicable regulations or water quality standards of the WQCC, or any applicable federal laws, regulations or standards (see Section 74-6-5 NMSA 1978).

**1.C. DISCHARGE PERMIT RENEWAL:** This Discharge Permit is a permit renewal that replaces the permit being renewed. Replacement of a prior permit does not relieve the Permittee of its responsibility to comply with the terms of that prior permit while that permit was in effect.

**1.D. DEFINITIONS:** Terms not specifically defined in this Discharge Permit shall have the same meanings as those in the Water Quality Act or the rules adopted pursuant to the Act, as the context requires.

**1.E. FILING FEES AND PERMIT FEES:** Pursuant to 20.6.2.3114 NMAC, every facility that submits a Discharge Permit application for initial approval or renewal shall pay the permit fees specified in Table 1 and the filing fee specified in Table 2 of 20.6.2.3114 NMAC. OCD has already received the required $100.00 filing fee. The Permittee shall submit the final $4,500.00 permit fee for a Class I non-hazardous waste injection well to OCD with a check made payable to "Water Quality Management Fund" thirty days after the date that this permit is issued.

**1.F. EFFECTIVE DATE, EXPIRATION, RENEWAL CONDITIONS, AND PENALTIES FOR OPERATING WITHOUT A DISCHARGE PERMIT:** This Discharge Permit becomes effective 30 days from the date that the Permittee receives this discharge permit or until the permit is terminated or expires. This Discharge Permit will expire on **June 1, 2017.** The Permittee shall submit an application for renewal no later than 120 days before that expiration date, pursuant to 20.6.2.5101F NMAC. If a Permittee submits a renewal application at least 120 days before the Discharge Permit expires and is in compliance with the approved Discharge Permit, then the existing Discharge Permit will not expire until OCD has approved or disapproved the renewal application. A discharge permit continued under this provision remains fully effective and enforceable. Operating with an expired Discharge Permit may subject the Permittee to civil and/or criminal penalties (see Section 74-6-10.1 NMSA 1978 and Section 74-6-10.2 NMSA 1978).

**1.G. MODIFICATIONS AND TERMINATIONS:** The Permittee shall notify the OCD Director and the OCD's Environmental Bureau of any Facility expansion, any injection increase above the approved pressure limit or volume limit specified in Permit Condition 3.B.2, or process modification that would result in any significant modification in the discharge of water contaminants (see 20.6.2.3107C NMAC). The OCD Director may require the Permittee to submit a Discharge Permit modification application pursuant to 20.6.2.3109E NMAC and may modify or terminate a Discharge Permit pursuant to Sections 74-6-5(M) through (N) NMSA 1978.

**1.** If data submitted pursuant to any monitoring requirements specified in this Discharge Permit or other information available to the OCD Director indicate that 20.6.2 NMAC is being or may be violated, then the OCD Director may require modification or, if it is determined by the OCD Director that the modification may not be adequate, may terminate this Discharge Permit for a Class I non-hazardous waste injection well (WDW-1) that was approved pursuant to the requirements of this 20.6.2.5000 through 20.6.2.5299 NMAC for the following causes:

**a.** Noncompliance by Permittee with any condition of this Discharge Permit; or,

**b.** The Permittee's failure in the discharge permit application or during the discharge permit review process to disclose fully all relevant facts, or Permittee's misrepresentation of any relevant facts at any time; or,

**c.** A determination that the permitted activity may cause a hazard to public health or undue risk to property and can only be regulated to acceptable levels by discharge

permit modification or termination (see Section 75-6-6 NMSA 1978; 20.6.2.5101I NMAC; and, 20.6.2.3109E NMAC).

**2.** This Discharge Permit may also be modified or terminated for any of the following causes:

**a.** Violation of any provisions of the Water Quality Act or any applicable regulations, standard of performance or water quality standards;

**b.** Violation of any applicable state or federal effluent regulations or limitations; or

**c.** Change in any condition that requires either a temporary or permanent reduction or elimination of the permitted discharge (see Section 75-6-5M NMSA 1978).

**1.H. TRANSFER OF CLASS I NON-HAZARDOUS WASTE INJECTION WELL (WDW-1) DISCHARGE PERMIT:**

**1.** The transfer provisions of 20.6.2.3111 NMAC do not apply to a discharge permit for a Class I non-hazardous waste injection well.

**2.** Pursuant to 20.6.2.5101H NMAC, the Permittee may request to transfer its Class I non-hazardous waste injection well (WDW-1) discharge permit if:

**a.** The OCD Director receives written notice 30 days prior to the transfer date; and,

**b.** The OCD Director does not object prior to the proposed transfer date. OCD may require modifications to the discharge permit as a condition of transfer, and may require demonstration of adequate financial responsibility.

**3.** The written notice required in accordance with Permit Condition 1.H.2.a shall:

**a.** Have been signed by the Permittee and the succeeding Permittee, and shall include an acknowledgment that the succeeding Permittee shall be responsible for compliance with the Class I non-hazardous waste injection well discharge permit upon taking possession of the facility;

**b.** Set a specific date for transfer of the discharge permit responsibility, coverage and liability; and

**c.** Include information relating to the succeeding Permittee's financial responsibility required by 20.6.2.5210B(17) NMAC.

**1.I. COMPLIANCE AND ENFORCEMENT:** If the Permittee violates or is violating a condition of this Discharge Permit, OCD may issue a compliance order that requires compliance immediately or within a specified time period, or assess a civil penalty, or both (see Section 74-

6-10 NMSA 1978). The compliance order may also include a suspension or termination of this Discharge Permit. OCD may also commence a civil action in district court for appropriate relief, including injunctive relief (see Section 74-6-10A.2 NMSA 1978). The Permittee may be subject to criminal penalties for discharging a water contaminant without a discharge permit or in violation of a condition of a discharge permit; making any false material statement, representation, certification or omission of material fact in a renewal application, record, report, plan or other document filed, submitted or required to be maintained under the Water Quality Act; falsifying, tampering with or rendering inaccurate any monitoring device, method or record required to be maintained under the Water Quality Act; or failing to monitor, sample or report as required by a Discharge Permit issued pursuant to a state or federal law or regulation (see Section 74-6-10.2 NMSA 1978).

## 2. GENERAL FACILITY OPERATIONS:

**2.A. QUARTERLY MONITORING REQUIREMENTS FOR CLASS I NON-HAZARDOUS WASTE INJECTION WELL (WDW-1):** Pursuant to 20.6.2.5207B, the Permittee shall provide analysis of the injected fluids at least quarterly to yield data representative of their characteristics and to demonstrate pursuant to 20.6.2.5204A(3) NMAC that the injected fluids are not characteristically hazardous as determined by EPA SW-846 Method 1311 and the analytical methods specified in the Quarterly Monitoring List..

The Permittee shall analyze the injected fluids quarterly for the following characteristics:

- pH (Method 9040);
- Eh;
- Specific conductance;
- Specific gravity;
- Temperature;
- General ground water quality parameters (general chemistry/cations and anions, including: fluoride, calcium, potassium, magnesium, sodium bicarbonate, carbonate, chloride, sulfate, total dissolved solids, cation/anion balance, pH, and bromide using the methods specified in 40 CFR 136.3); and,
- EPA RCRA Characteristics for Ignitability (Methods 1010/1020 and ASTM standards), Corrosivity (Method 1110), and Reactivity (process knowledge);

The Permittee shall analyze the injected fluids quarterly for the constituents identified in the Quarterly Monitoring List (below) to demonstrate that the injected fluids do not exhibit the characteristic of toxicity using the Toxicity Characteristic Leaching Procedure, EPA SW-846 Test Method 1311 (see Table 1, 40 CFR 261.24(c)).:

| QUARTERLY MONITORING LIST | | | |
|---|---|---|---|
| **EPA HW No.** | **Contaminant** | **SW-846 Methods** | **Regulatory Level (mg/L)** |
| D004 | Arsenic | 6010C | 5.0 |
| D005 | Barium | 6010C | 100.0 |
| D018 | Benzene | 8021B | 0.5 |
| D006 | Cadmium | 6020A | 1.0 |
| D019 | Carbon tetrachloride | 8021B<br>8260B | 0.5 |
| D021 | Chlorobenzene | 8021B<br>8260B | 100.0 |
| D022 | Chloroform | 8021B<br>8260B | 6.0 |
| D007 | Chromium | 6020A | 5.0 |
| D023 | o-Cresol | 8270D | 200.0 |
| D024 | m-Cresol | 8270D | 200.0 |
| D025 | p-Cresol | 8270D | 200.0 |
| D026 | Cresol | 8270D | 200.0 |
| D027 | 1,4-Dichlorobenzene | 8021B<br>8121<br>8260B<br>8270D | 7.5 |
| D028 | 1,2-Dichloroethane | 8021B<br>8260B | 0.5 |
| D029 | 1,1-Dichloroethylene | 8021B<br>8260B | 0.7 |
| D030 | 2,4-Dinitrotoluene | 8091<br>8270D | 0.13 |
| D032 | Hexachlorobenzene | 8121 | 0.13 |
| D033 | Hexachlorobutadiene | 8021B<br>8121<br>8260B | 0.5 |
| D034 | Hexachloroethane | 8121 | 3.0 |
| D008 | Lead | 6020A<br>7421 | 5.0 |
| D009 | Mercury | 7470A<br>7471B | 0.2 |
| D035 | Methyl ethyl ketone | 8015B<br>8260B | 200.0 |
| D036 | Nitrobenzene | 8091<br>8270D | 2.0 |
| D037 | Pentrachlorophenol | 8041 | 100.0 |
| D038 | Pyridine | 8260B<br>8270D | 5.0 |
| D010 | Selenium | 7741A | 1.0 |

| | | | |
|---|---|---|---|
| D011 | Silver | 6010C | 5.0 |
| D039 | Tetrachloroethylene | 8260B | 0.7 |
| D040 | Trichloroethylene | 8021B<br>8260B | 0.5 |
| D041 | 2,4,5-Trichlorophenol | 8270D | 400.0 |
| D042 | 2,4,6-Trichlorophenol | 8041A<br>8270D | 2.0 |
| D043 | Vinyl chloride | 8021B<br>8260B | 0.2 |

If o-, m-, and p-cresol concentrations cannot be differentiated, then the total cresol (D026) concentration is used. The regulatory level of total cresol is 200 mg/L.
If the quantitation limit is greater than the regulatory level, then the quantitation limit becomes the regulatory level.

**2.B. CONTINGENCY PLANS:** The Permittee shall implement its proposed contingency plan(s) included in its Permit Renewal Application to cope with failure of a system(s) in the Discharge Permit.

**2.C. CLOSURE:** Prior to closure of the facility, the Permittee shall submit for OCD's approval, a closure plan including a completed form C-103 for plugging and abandonment of the Class I non-hazardous waste injection well (WDW-1). The Permittee shall plug and abandon its Class I non-hazardous waste injection well (WDW-1) pursuant to 20.6.2.5209 NMAC and as specified in Permit Condition 2.D.

**1. Pre-Closure Notification:** Pursuant to 20.6.2.5005A NMAC, the Permittee shall submit a pre-closure notification to OCD's Environmental Bureau at least 30 days prior to the date that it proposes to close or to discontinue operation of its Class I non-hazardous waste injection well (WDW-1). Pursuant to 20.6.2.5005B NMAC, OCD's Environmental Bureau must approve all proposed well closure activities before the Permittee may implement its proposed closure plan.

**2. Required Information:** The Permittee shall provide OCD's Environmental Bureau with the following information:

- Name of facility;
- Address of facility;
- Name of Permittee (and owner or operator, if appropriate);
- Address of Permittee (and owner or operator, if appropriate);
- Contact person;
- Phone number;
- Number and type of well(s);
- Year of well construction;
- Well construction details;
- Type of discharge;
- Average flow (gallons per day);

- Proposed well closure activities (*e.g.*, sample fluids/sediment, appropriate disposal of remaining fluids/sediments, remove well and any contaminated soil, clean out well, install permanent plug, conversion to other type of well, ground water and vadose zone investigation, *etc.*);
- Proposed date of well closure;
- Name of Preparer; and,
- Date.

**2.D. PLUGGING AND ABANDONMENT PLAN:** Pursuant to 20.6.2.5209A NMAC, when the Permittee proposes to plug and abandon its Class I non-hazardous waste injection well (WDW-1), it shall submit to OCD a plugging and abandonment plan that meets the requirements of 20.6.2.3109C NMAC, 20.6.2.5101C NMAC, and 20.6.2.5005 NMAC for protection of ground water. If requested by OCD, Permittee shall submit for approval prior to closure, a revised or updated plugging and abandonment plan. The obligation to implement the plugging and abandonment plan as well as the requirements of the plan survives the termination or expiration of this Discharge Permit. The Permittee shall comply with 20.6.2.5209 NMAC.

**2.E. RECORD KEEPING:** The Permittee shall maintain records of all inspections required by this Discharge Permit at its Facility office for a minimum of five years and shall make those records available for inspection by OCD.

**2.F. RELEASE REPORTING:** The Permittee shall comply with the following permit conditions, pursuant to 20.6.2.1203 NMAC, if it determines that a release of oil or other water contaminant, in such quantity as may with reasonable probability injure or be detrimental to human health, animal or plant life, or property, or unreasonably interfere with the public welfare or the use of property, has occurred. The Permittee shall report unauthorized releases of water contaminants in accordance with any additional commitments made in its approved Contingency Plan. If the Permittee determines that any constituent exceeds the standards specified in 20.6.2.3103 NMAC, then it shall report a release to OCD's Environmental Bureau.

**1. Oral Notification:** As soon as possible after learning of such a discharge, but in no event more than twenty-four (24) hours thereafter, the Permittee shall notify OCD's Environmental Bureau. The Permittee shall provide the following:

- The name, address, and telephone number of the person or persons in charge of the facility, as well as of the owner and/or operator of the facility;
- The name and location of the facility;
- The date, time, location, and duration of the discharge;
- The source and cause of discharge;
- A description of the discharge, including its chemical composition;
- The estimated volume of the discharge; and,
- Any corrective or abatement actions taken to mitigate immediate damage from the discharge.

**2. Written Notification:** Within one week after the Permittee has discovered a discharge, the Permittee shall send written notification (may use form C-141 with attachments) to OCD's Environmental Bureau verifying the prior oral notification as to each of the foregoing items and providing any appropriate additions or corrections to the information contained in the prior oral notification.

The Permittee shall provide subsequent written reports as required by OCD's Environmental Bureau.

**2.G. OTHER REQUIREMENTS:**

**1. Inspection and Entry:** Pursuant to Section 74-6-9 NMSA 1978 and 20.6.2.3107A NMAC, the Permittee shall allow any authorized representative of the OCD Director, to:

- Upon the presentation of proper credentials, enter the premises at reasonable times;
- Inspect and copy records required by this Discharge Permit;
- Inspect any treatment works, monitoring, and analytical equipment;
- Sample any effluent before or after discharge; and,
- Use the Permittee's monitoring systems and wells in order to collect samples.

**2. Advance Notice:** The Permittee shall provide OCD's Environmental Bureau and Artesia District Office with at least five (5) working days advance notice of any environmental sampling to be performed pursuant to this Discharge Permit, or any well plugging, abandonment or decommissioning of any equipment associated with its Class I non-hazardous waste injection well (WDW-3).

**3. Environmental Monitoring:** The Permittee shall ensure that any environmental sampling and analytical laboratory data collected meets the standards specified in 20.6.2.3107B NMAC. The Permittee shall ensure that all environmental samples are analyzed by an accredited "National Environmental Laboratory Accreditation Conference" (NELAC) Laboratory. The Permittee shall submit data summary tables, all raw analytical data, and laboratory Quality Assurance/Quality Control (QA/QC).

**2.H. BONDING OR FINANCIAL ASSURANCE:** Pursuant to 20.6.2.5210B(17) NMAC, the Permittee shall maintain at a minimum, a single well plugging bond in the amount that it shall determine, in accordance with Permit Condition 5.B, to cover potential costs associated with plugging and abandonment of the Class I non-hazardous waste injection well (WDW-1), surface restoration, and post-operational monitoring, as may be needed. OCD may require additional financial assurance to ensure adequate funding is available to plug and abandon the well and/or for any required corrective actions.

Methods by which the Permittee shall demonstrate the ability to undertake these measures shall include submission of a surety bond or other adequate assurances, such as financial statements or other materials acceptable to the OCD Director, such as: (1) a surety bond; (2) a trust fund with a New Mexico bank in the name of the State of New Mexico, with the State as Beneficiary; (3) a

non-renewable letter of credit made out to the State of New Mexico; (4) liability insurance specifically covering the contingencies listed in this paragraph; or (5) a performance bond, generally in conjunction with another type of financial assurance. If an adequate bond is posted by the Permittee to a federal or another state agency, and this bond covers all of the measures specified above, the OCD Director shall consider this bond as satisfying the bonding requirements of Sections 20.6.2.5000 through 20.6.2.5299 NMAC wholly or in part, depending upon the extent to which such bond is adequate to ensure that the Permittee will fully perform the measures required herein above.

## 2.I. REPORTING:

**1. Quarterly Reports:** The Permittee shall submit quarterly reports pursuant to 20.6.2.5208A NMAC to OCD's Environmental Bureau no later than 45 days following the end of each calendar quarter. The quarterly reports shall include the following:

**a.** The physical, chemical and other relevant characteristics of injection fluids;

**b.** Monthly average, maximum and minimum values for injection pressure, flow rate and volume, and annular pressure; and

**c.** The results of monitoring prescribed under Section 20.6.2.5207B NMAC.

d. Weekly expansion tank volume fluid readings and the fluid volume additions or removals from the expansion tank.

**2. Annual Report:** The Permittee shall submit its annual report pursuant to 20.6.2.3107 NMAC to OCD's Environmental Bureau by **June 1st** of the following year. The annual report shall include the following:

- Cover sheet marked as "Annual Class I Non-Hazardous Waste Injection Well (WDW-1), Name of Permittee, Discharge Permit Number, API number of well, date of report, and person submitting report;
- Summary of Class I non-hazardous waste injection well (WDW-1) operations for the year including a description and reason for any remedial or major work on the well with a copy of form C-103(s);
- Monthly injection/disposal volume, including the cumulative total should be carried over to each year;
- Maximum and average injection pressures;
- A copy of the quarterly chemical analyses shall be included with data summary and all QA/QC information;
- Copy of any mechanical integrity test chart(s), including the type of test, *i.e.,* duration, gauge pressure, *etc.;*
- Copy of fall-of test charts;
- Summary tables listing environmental analytical laboratory data for quarterly waste fluid samples. Any 20.6.2.3103 NMAC constituent(s) found to exceed a water

quality standard shall be highlighted and noted in the annual report. The Permittee shall include copies of the most recent year's environmental analytical laboratory data sheets with QA/QC summary sheet information in conformance with the National Environmental Laboratory Accreditation Conference (NELAC) and EPA Standards;

- Brief explanation describing deviations from the normal injection operations;
- Results of any leaks and spill reports (include any C-141 reports);
- An Area of Review (AOR) annual update summary;
- A summary with interpretation of MITs, Fall-Off Tests, *etc.*, with conclusion(s) and recommendation(s);
- Records of the expansion tank monitoring pressure, fluid removals and/or additions indicating the well MIT condition;
- A summary of all major Facility activities or events, which occurred during the year with any conclusions and recommendations;
- A summary of any new discoveries of ground water contamination with all leaks, spills and releases and corrective actions taken; and,
- The Permittee shall file its Annual Report in an electronic format with a hard copy submittal to OCD's Environmental Bureau.

## 3. CLASS I NON-HAZARDOUS WASTE INJECTION WELL (WDW-1) OPERATIONS:

**3.A. OPERATING REQUIREMENTS:** The Permittee shall comply with the operating requirements specified in 20.6.2.5206A NMAC and 20.6.2.5206B NMAC to ensure that:

**1.** The maximum injection pressure at the wellhead shall not initiate new fractures or propagate existing fractures in the confining zone, or cause the movement of injection or formation fluids into ground water having 10,000 mg/l or less TDS except for fluid movement approved pursuant to 20.6.2.5103 NMAC and during well stimulation.

**2.** Injection between the outermost casing and the well bore is prohibited in a zone other than the authorized injection zone. If the Permittee determines that its Class I non-hazardous waste injection well (WDW-1) is discharging or suspects that it is discharging fluids into a zone or zones other than the permitted injection zone specified in Permit Condition 3.B.1., then the Permittee shall cease operations until proper repairs are made, notify the OCD's Environmental Bureau and Artesia District office within 24 hours, and shall not resume injection until the permittee has received approval from the OCD.

**3.** The annulus between the tubing, packer, and the second intermediate casing shall be filled with a fluid approved by the OCD Director and a pressure, also approved by the OCD Director shall be maintained on the annulus.

**3.B. INJECTION OPERATIONS:**

**1. Injection Formation, Interval, and Waste Fluids:** The Permittee shall inject only non-hazardous (RCRA exempt and RCRA non-hazardous, non-exempt) oil field waste fluid into the Lower Wolfcamp, Cisco, and Canyon Formations from 7,924 feet to 8188 feet and 8220

feet to 8,476 feet in its Class I non-hazardous waste injection well (WDW-1). The surface casing is set at 390 feet; the intermediate casing is set at 2555 feet; the second intermediate casing or production casing is set at 9,094 feet; the injection tubing is set at approximately 7,879 feet; and the packer is set at 7,879 feet. A cement plug is set from 9,004 – 9,016 feet and a bottom cement plug is set from 9,624 – 9,734 feet. The top cement plug is set in the second intermediate casing, which isolates the Class I non-hazardous injection well (WDW-1) from the injection intervals. The bottom cement plug is set from 9,624 – 9,734 feet within the open borehole and serves as a second barrier to flow with well TD at 10,200 feet. The Permittee shall ensure that the injected waste fluid enters perforations only within the above specified injection interval and is not permitted to escape to other formations or onto the surface.

**2. Well Injection Pressure Limits and Injection Flow Rate:** The Permittee shall ensure that the maximum wellhead or surface injection pressure on its Class I non-hazardous waste injection well (WDW-1) shall not exceed 1,580 psig and that the injection flow rate shall not exceed 500 gpm.

**3. Pressure Limiting Device:** The Permittee shall equip and operate its Class I non-hazardous waste injection well (WDW-1) or system with a pressure limiting device, or equivalent (*i.e.*, Murphy switch), in working condition which shall at all times limit surface injection pressure to the maximum allowable pressure for its Class I non-hazardous waste injection well (WDW-1).

The Permittee shall inspect and monitor the pressure-limiting device daily and shall report any pressure exceedances within 24 hours of detection to OCD's Environmental Bureau and Artesia District Office. The Permittee shall take all steps necessary to ensure that the injected waste fluids enter only the proposed injection interval and are not permitted to escape to other formations or onto the ground surface. The Permittee shall report to OCD's Environmental Bureau within 24 hours of discovery any indication that new fractures or existing fractures have been propagated, or that damage to the well, the injection zone, or formation has occurred.

OCD may authorize an increase in surface injection pressure if the Permittee performs a valid Step-Rate Test (SRT), which demonstrates that the proposed maximum surface injection pressure is less than the injection zone fracture pressure with an acceptable safety factor. If approvable, the Permittee must apply for a modification to this Discharge Permit pursuant to 20.6.2.3109 NMAC.

**3.C. CONTINUOUS MONITORING DEVICES:** The Permittee shall use continuous monitoring devices to provide a record of injection pressure, flow rate, flow volume, and pressure on the annulus between the tubing and the protection casing.

**3.D. MECHANICAL INTEGRITY FOR CLASS I NON-HAZARDOUS WASTE INJECTION WELLS:**

**1.** Pursuant to 20.6.2.5204 NMAC, the Permittee shall conduct a mechanical integrity test (MIT) for its Class I non-hazardous waste injection well (WDW-1) at least once every five years or more frequently as the OCD Director may require for good cause during the

life of the well. The Permittee shall also demonstrate mechanical integrity for its Class I non-hazardous waste injection well (WDW-1) by running a MIT every time it performs a well workover, including when it pulls the tubing or reseats the packer. The Permittee shall request MIT approval using form C-103 (Sundry Notices and Reports on Wells) with copies sent to OCD's Environmental Bureau and Artesia District Office. The Permittee shall notify OCD's Environmental Bureau 5 days prior to conducting any MIT to allow OCD the opportunity to witness the MIT.

The Permittee shall conduct a casing-tubing annulus MIT from the surface to the approved injection depth to assess casing and tubing integrity. The MIT shall consist of a 30-minute test at a minimum pressure of 300 psig measured at the surface. The Permittee shall follow OCD's 2004 New Mexico Oil Conservation Division Underground Injection Control Program Manual Guidance when conducting a MIT. The Permittee shall submit the results of its MIT to OCD's Environmental Bureau and Artesia District Office within 30 days of completion. If any remedial work or any other workover operations are necessary, the Permittee shall comply with Permit Condition 3.F.

**2.** A Class I non-hazardous waste injection well has mechanical integrity if there is no detectable leak in the second intermediate casing, tubing and/or packer which OCD considers to be significant at maximum operating temperature and pressure, and no detectable conduit for fluid movement out of the injection zone through the well bore, or vertical channels adjacent to the well bore which the OCD considers to be significant. The following criteria will determine if the Class I non-hazardous waste injection well (WDW-1) has passed the MIT:

**a.** The MIT passes if there is zero bleed-off during the test;

**b.** The MIT passes if there is a less than a ± 10% change in the final test pressure compared to the starting pressure, if approved by OCD;

**c.** The MIT fails if there is more than 10% reduction in the final test pressure compared to the starting pressure or that the pressure does not stabilize within 10% of the starting pressure before the end of the MIT. The Permittee shall shut-in the well and investigate for leaks in accordance with Permit Condition 3.F. The Permittee shall not resume injection operations until approved by OCD.

**d.** When the MIT is not witnessed by OCD and fails, the Permittee shall shut-in the well and notify OCD within 24 hours of the failure of the MIT.

**3.** Pursuant to 20.6.2.5204C NMAC, the OCD Director may consider the use of equivalent alternative test methods to determine mechanical integrity. The Permittee shall submit information on the proposed test and all technical data supporting its use. The OCD Director may approve the Permittee's request if it will reliably demonstrate the mechanical integrity of the well for which its use is proposed.

**4.** Pursuant to 20.6.2.5204D NMAC, when conducting and evaluating the MIT(s), the Permittee shall apply methods and standards generally accepted in the oil and gas industry.

When the Permittee reports the results of all MIT(s) to the OCD Director, it shall include a description of the test(s), the method(s) used, and the test results.

**5.** The Permittee shall conduct a Bradenhead test at least annually and each time that it conducts a MIT.

**3.E. FALL-OFF TEST:** The Permittee shall conduct a Fall-Off Test (FOT) to monitor the injection zone formation characteristics and pressure buildup over time in the injection zone at least every three years. The Permittee shall request FOT approval using form C-103 (Sundry Notices and Reports on Wells) sent to OCD's Environmental Bureau and Artesia District Office.

The Permittee shall follow OCD's 2007 *New Mexico Oil Conservation Division UIC Class I Well Fall-Off Test Guidance* or other OCD-approved FOT when conducting a FOT and shall shut down the well for a time sufficient to conduct a valid observation of the pressure fall-off curve. The Permittee shall submit the results of its FOT to OCD's Environmental Bureau and Artesia District Office within 30 days of completion, including color copies of the original charts.

**3.F. WELL WORKOVER OPERATIONS:** Pursuant to 20.6.2.5205A(5) NMAC, the Permittee shall provide notice to and shall obtain approval from OCD's Environmental Bureau prior to commencement of any remedial work or any other workover operations to allow OCD the opportunity to witness the operation. The Permittee shall request approval using form C-103 (Sundry Notices and Reports on Wells) with copies sent to OCD's Environmental Bureau and Artesia District Office. After completing remedial work, pressure tests, or any other workover operations, the Permittee shall run a MIT in accordance with Permit Condition 3.D to verify that the remedial work has successfully repaired any problems.

**3. G. EXTERNAL EXPANSION TANK:** The Permittee shall equip its Class I non-hazardous waste injection well (WDW-1) with an external expansion tank system under constant 100 psig pressure connected to the casing-annulus. The Permittee shall fill the external expansion tank half-full with an OCD-approved liquid to establish an equilibrium volume and liquid level. The Permittee shall monitor the liquid levels in the external expansion tank at least weekly and shall record all additions or removals of liquids into or out of the external expansion tank. The Permittee shall record any loss or gain of fluids in the external expansion tank, and shall verbally notify OCD's Environmental Bureau within 5 days of any loss or gain of fluid greater than 5 barrels per month and shall comply with Permit Condition 3.F.

The Permittee shall provide the weekly expansion tank volume fluid volumes readings and the fluid volume additions or removals from the expansion tank on a quarterly basis and in the annual report.

**3.H. INJECTION RECORD VOLUMES AND PRESSURES:** The Permittee shall submit quarterly reports of its injection operations and well workovers. The Permittee shall record the minimum, maximum, and average flow waste injection volumes (including total volumes) and annular pressures of the injected waste fluids on a monthly basis, and shall submit the data to

OCD on a quarterly basis and in the annual report. The Permittee shall fill the casing-tubing annulus with an OCD-approved liquid and install a Murphy pressure switch or equivalent, as described in the Permittee's permit renewal application, in order to detect leakage in the casing, tubing, or packer.

**3.I. AREA OF REVIEW (AOR):** The Permittee shall orally report to OCD's Environmental Bureau within 72 hours of discovery of any new wells, conduits, or any other device that penetrates or may penetrate the injection zone within a 1-mile radius from its Class I non-hazardous waste injection well (WDW-1).

**4. CLASS V WELLS:** Pursuant to 20.6.2.5002B NMAC, leach fields and other waste fluids disposal systems that inject non-hazardous fluid into or above an underground source of drinking water are UIC Class V injection wells. This Discharge Permit does not authorize the use of a Class V injection well for the disposal of industrial waste. Pursuant to 20.6.2.5005 NMAC, the Permittee shall close any Class V industrial waste injection well that injects non-hazardous industrial wastes or a mixture of industrial wastes and domestic wastes (*e.g.*, septic systems, leach fields, dry wells, *etc*.) within 90 calendar days of the issuance of this Discharge Permit. The Permittee shall document the closure of any Class V wells used for the disposal of non-hazardous industrial wastes or a mixture of industrial wastes and domestic wastes other than contaminated ground water in its Annual Report. Other Class V wells, including wells used only for the injection of domestic wastes, shall be permitted by the New Mexico Environment Department.

**5. SCHEDULE OF COMPLIANCE:**

**5.A. QUARTERLY AND ANNUAL REPORTS:** The Permittee shall submit its quarterly and annual reports to OCD as specified in Permit Condition 2.I.

**5.B. BONDING OR FINANCIAL ASSURANCE:** The Permittee shall submit an estimate of the minimum cost to properly close, plug and abandon its Class I non-hazardous waste injection well (WDW-1), conduct ground water restoration if applicable, and any post-operational monitoring as may be needed (see 20.6.2.5210B(17) NMAC) within 90 days of permit issuance (see 20.6.2.5210B(17) NMAC). The Permittee's cost estimate shall be based on third person estimates. After review, OCD will require the Permittee to submit a single well plugging bond based on the third person cost estimate.

State of New Mexico
Energy, Minerals and Natural Resources Department

**Susana Martinez**
Governor

**David Martin**
Cabinet Secretary

**Brett F. Woods, Ph.D.**
Deputy Cabinet Secretary

**Jami Bailey, Division Director**
Oil Conservation Division

**FEBRUARY 19, 2014**

**CERTIFIED MAIL**
**RETURN RECEIPT NO: 0919 5938**

Mr. Mike Holder
Environmental Manager
Navajo Refining Company, L.L.C.
501 E Main Street
Artesia, NM 88210

**RE: OCD RESPONSE TO COMMENTS ON DRAFT DISCHARGE PERMITS AND APPROVAL OF FINAL DISCHARGE PERMITS FOR THE THREE NAVAJO ARTESIA REFINERY UIC CLASS 1 INJECTION WELLS UICI-008-1 (WDW-1), UNIT LETTER O, SECTION 31, TOWNSHIP 17 SOUTH, RANGE 28 EAST, NMPM, EDDY COUNTY, NEW MEXICO UICI-008-2 (WDW-2), UNIT LETTER E, SECTION 12, TOWNSHIP 18 SOUTH, RANGE 27 EAST, NMPM, EDDY COUNTY, NEW MEXICO AND UICI-008-3 (WDW-3), UNIT LETTER N, SECTION 1, TOWNSHIP 18 SOUTH, RANGE 27 EAST, NMPM, EDDY COUNTY, NEW MEXICO**

Dear Mr. Holder:

The Oil Conservation Division (OCD) has reviewed Navajo's comments of January 2, 2014 on its draft revised discharge permits of December 26, 2013. OCD evaluated Navajo's comments and accepted most of them.

The Discharge Permit renewals for the three Navajo Refining Company, LLC UIC Non-Hazardous Injection Wells specified above are **hereby approved** under the terms and conditions specified in the enclosed Discharge Permits.

Navajo's original discharge permits were issued in 1998 through 2008 and have been subsequently renewed. Navajo's discharge permit renewal applications were submitted pursuant to 20.6.2.3106 NMAC. OCD approves these discharge permit renewals pursuant to 20.6.2.3109A NMAC. Please note 20.6.2.3109G NMAC, which provides for possible future amendment of the permit. Please be advised that approval of this discharge permit does not relieve Navajo of liability of operations result in pollution of surface water, ground water, or the environment.

Please note that 20.6.2.3104 NMAC specifies "*When a permit has been issued, discharges must be consistent with the terms and conditions of the permit.*" Pursuant to 20.6.2.3107C NMAC, Navajo is required to notify the Director of any facility expansion, production increase, or process modification that would result in any change in the water quality or volume of the discharge.

All three discharge permits will expire on **June 1, 2017**, and Navajo should submit discharge permit renewal applications in ample time before this date. Note that under 20.6.2.3106F NMAC, if a discharger submits a discharge permit renewal application at least 120 days before the discharge permit expires and is in compliance with the approved discharge permit, then the existing discharge permit will not expire until the application for renewal has been approved or disapproved.

The discharge permit renewal applications for the Navajo Artesia Refinery are subject to 20.6.2.3114 NMAC. Every billable facility submitting a discharge permit renewal application is assessed a non-refundable filing fee of $100.00. OCD has already received filing fees for the two renewals. OCD revised WDW-3, which was renewed in 2012, by adding additional quarterly monitoring constituents so that Navajo could demonstrate that it does not inject characteristic hazardous waste. The permit fee for UIC Class I non-hazardous waste injection wells is $4,500.00 per well. The Permittee shall submit $9,000.00 amount within 30 days of its receipt of the discharge permits. Checks must be payable to the **"New Mexico Water Quality Management Fund"**, and **not** the Oil Conservation Division.

**Please make all checks payable to:**

**WATER QUALITY MANAGEMENT FUND**
**C/O: OIL CONSERVATION DIVISION**
**1220 NORTH ST. FRANCIS DRIVE**
**SANTA FE, NEW MEXICO 87505**

If you have any questions regarding this matter, please contact Glenn von Gonten at 505-476-3488. On behalf of the staff of OCD, I wish to thank you and your staff for your cooperation during this discharge permit renewal process.

Thank you for your cooperation.

**Jami Bailey**
Director

JB/gvg

# DISCHARGE PERMIT UICI-008-1 (WDW-1)

## 1. GENERAL PROVISIONS:

**1.A. PERMITTEE AND PERMITTED FACILITY**: The Director of the Oil Conservation Division (OCD) of the Energy, Minerals and Natural Resources Department issues Discharge Permit UICI-008-1 (Discharge Permit) to Navajo Refining Company (Permittee) to operate its Underground Injection Control (UIC) Class I non-hazardous waste injection well (Waste Disposal Well No. 1 - API No. 30-015-27592, WDW-1) located 660 FSL and 2310 FEL, Unit Letter O, Section 31, Township 17 South, Range 28 East, NMPM, Eddy County, New Mexico at its Disposal Well Facility (Facility). The Facility is located approximately 11 miles east-southeast of Artesia, New Mexico on Hwy-82 from Hwy-285 and about 1 mile south of Hilltop Road.

The Permittee is permitted to dispose of only non-hazardous (RCRA exempt and RCRA non-hazardous, non-exempt) oil field waste fluids into its Class I non-hazardous waste injection well (WDW-1). The Permittee may dispose of a maximum of 500 gallons per minute (gpm) of oil field waste fluids. Ground water that may be affected by a spill, leak, or accidental discharge occurs at a depth of approximately 50 – 100 feet below ground surface and has a total dissolved solids (TDS) concentration of approximately 1,000 – 2,200 mg/l.

**1.B. SCOPE OF PERMIT:** OCD has been granted the authority by statute and by delegation from the Water Quality Control Commission (WQCC) to administer the Water Quality Act (Chapter 74, Article 6 NMSA 1978) as it applies to Class I non-hazardous waste injection wells (see Section 74-6-4, 74-6-5 NMSA 1978).

The Water Quality Act and the rules promulgated pursuant to the Act protect ground water and surface water of the State of New Mexico by providing that, unless otherwise allowed by 20.6.2 NMAC, no person shall cause or allow effluent or leachate to discharge so that it may move directly or indirectly into ground water unless such discharge is pursuant to an approved discharge plan (see 20.6.2.3104 NMAC, 20.6.2.3106 NMAC, and 20.6.2.5000 through 20.6.2.5299 NMAC).

This Discharge Permit for a Class I non-hazardous waste injection well (WDW-1) is issued pursuant to the Water Quality Act and WQCC rules, 20.6.2 NMAC. This Discharge Permit does not authorize any treatment of, or on-site disposal of, any materials, product, by-product, or oil field waste, other than non-hazardous oil field waste fluids into its Class I non-hazardous waste injection well (WDW-1), including, but not limited to, the on-site disposal of lube oil, glycol, antifreeze, and washdown water. The Permittee may not dispose of any industrial waste fluid that is not oil field waste that is generated at its refinery. The Ground Water Quality Bureau of the New Mexico Environment Department permits the management of all industrial fluids that are not generated in the oil field.

Pursuant to 20.6.2.5004A NMAC, the following underground injection activities are prohibited:

**1.** The injection of fluids into a motor vehicle waste disposal well is prohibited.

**2.** The injection of fluids into a large capacity cesspool is prohibited.

**3.** The injection of any hazardous or radioactive waste into a well is prohibited except as provided by 20.6.2.5004A(3) NMAC.

**4.** Class IV wells are prohibited, except for wells re-injecting treated ground water into the same formation from which it was drawn as part of a removal or remedial action.

**5.** Barrier wells, drainage wells, recharge wells, return flow wells, and motor vehicle waste disposal wells are prohibited.

This Discharge Permit does not convey any property rights of any sort nor any exclusive privilege, and does not authorize any injury to persons or property, any invasion of other private rights, or any infringement of state, federal, or local laws, rules or regulations.

The Permittee shall operate in accordance with the terms and conditions specified in this Discharge Permit to comply with the Water Quality Act and the rules issued pursuant to that Act, so that neither a hazard to public health nor undue risk to property will result (see 20.6.2.3109C NMAC); so that no discharge will cause or may cause any stream standard to be violated (see 20.6.2.3109H(2) NMAC); so that no discharge of any water contaminant will result in a hazard to public health (see 20.6.2.3109H(3) NMAC); so that the numerical standards specified in 20.6.2.3103 NMAC are not exceeded; and, so that the technical criteria and performance standards (see 20.6.2.5000 through 20.6.2.5299 NMAC) for Class I non-hazardous waste injection wells are met. Pursuant to 20.6.2.5003B NMAC, the Permittee shall comply with 20.6.2.1 through 20.6.2.5299 NMAC.

The Permittee shall not allow or cause water pollution, discharge, or release of any water contaminant that exceeds the Water Quality Control Commission (WQCC) standards specified in 20.6.2.3101 NMAC and 20.6.2.3103 NMAC or 20.6.4 NMAC (Water Quality Standards for Interstate and Intrastate Streams). Pursuant to 20.6.2.5101A NMAC, the Permittee shall not inject non-hazardous waste fluids into ground water having 10,000 mg/l or less total dissolved solids (TDS).

The issuance of this permit does not relieve the Permittee from the responsibility of complying with the provisions of the Water Quality Act, any applicable regulations or water quality standards of the WQCC, or any applicable federal laws, regulations or standards (see Section 74-6-5 NMSA 1978).

**1.C. DISCHARGE PERMIT RENEWAL:** This Discharge Permit is a permit renewal that replaces the permit being renewed. Replacement of a prior permit does not relieve the Permittee of its responsibility to comply with the terms of that prior permit while that permit was in effect.

**1.D. DEFINITIONS:** Terms not specifically defined in this Discharge Permit shall have the same meanings as those in the Water Quality Act or the rules adopted pursuant to the Act, as the context requires.

**1.E. FILING FEES AND PERMIT FEES:** Pursuant to 20.6.2.3114 NMAC, every facility that submits a Discharge Permit application for initial approval or renewal shall pay the permit fees specified in Table 1 and the filing fee specified in Table 2 of 20.6.2.3114 NMAC. OCD has already received the required $100.00 filing fee. The Permittee shall submit the final $4,500.00 permit fee for a Class I non-hazardous waste injection well to OCD with a check made payable to "Water Quality Management Fund" thirty days after the date that this permit is issued.

**1.F. EFFECTIVE DATE, EXPIRATION, RENEWAL CONDITIONS, AND PENALTIES FOR OPERATING WITHOUT A DISCHARGE PERMIT:** This Discharge Permit becomes effective 30 days from the date that the Permittee receives this discharge permit or until the permit is terminated or expires. This Discharge Permit will expire on **June 1, 2017.** The Permittee shall submit an application for renewal no later than 120 days before that expiration date, pursuant to 20.6.2.5101F NMAC. If a Permittee submits a renewal application at least 120 days before the Discharge Permit expires and is in compliance with the approved Discharge Permit, then the existing Discharge Permit will not expire until OCD has approved or disapproved the renewal application. A discharge permit continued under this provision remains fully effective and enforceable. Operating with an expired Discharge Permit may subject the Permittee to civil and/or criminal penalties (see Section 74-6-10.1 NMSA 1978 and Section 74-6-10.2 NMSA 1978).

**1.G. MODIFICATIONS AND TERMINATIONS:** The Permittee shall notify the OCD Director and the OCD's Environmental Bureau of any Facility expansion, any injection increase above the approved pressure limit or volume limit specified in Permit Condition 3.B.2, or process modification that would result in any significant modification in the discharge of water contaminants (see 20.6.2.3107C NMAC). The OCD Director may require the Permittee to submit a Discharge Permit modification application pursuant to 20.6.2.3109E NMAC and may modify or terminate a Discharge Permit pursuant to Sections 74-6-5(M) through (N) NMSA 1978.

**1.** If data submitted pursuant to any monitoring requirements specified in this Discharge Permit or other information available to the OCD Director indicate that 20.6.2 NMAC is being or may be violated, then the OCD Director may require modification or, if it is determined by the OCD Director that the modification may not be adequate, may terminate this Discharge Permit for a Class I non-hazardous waste injection well (WDW-1) that was approved pursuant to the requirements of this 20.6.2.5000 through 20.6.2.5299 NMAC for the following causes:

**a.** Noncompliance by Permittee with any condition of this Discharge Permit; or,

**b.** The Permittee's failure in the discharge permit application or during the discharge permit review process to disclose fully all relevant facts, or Permittee's misrepresentation of any relevant facts at any time; or,

**c.** A determination that the permitted activity may cause a hazard to public health or undue risk to property and can only be regulated to acceptable levels by discharge

permit modification or termination (see Section 75-6-6 NMSA 1978; 20.6.2.5101I NMAC; and, 20.6.2.3109E NMAC).

**2.** This Discharge Permit may also be modified or terminated for any of the following causes:

**a.** Violation of any provisions of the Water Quality Act or any applicable regulations, standard of performance or water quality standards;

**b.** Violation of any applicable state or federal effluent regulations or limitations; or

**c.** Change in any condition that requires either a temporary or permanent reduction or elimination of the permitted discharge (see Section 75-6-5M NMSA 1978).

**1.H. TRANSFER OF CLASS I NON-HAZARDOUS WASTE INJECTION WELL (WDW-1) DISCHARGE PERMIT:**

**1.** The transfer provisions of 20.6.2.3111 NMAC do not apply to a discharge permit for a Class I non-hazardous waste injection well.

**2.** Pursuant to 20.6.2.5101H NMAC, the Permittee may request to transfer its Class I non-hazardous waste injection well (WDW-1) discharge permit if:

**a.** The OCD Director receives written notice 30 days prior to the transfer date; and,

**b.** The OCD Director does not object prior to the proposed transfer date. OCD may require modifications to the discharge permit as a condition of transfer, and may require demonstration of adequate financial responsibility.

**3.** The written notice required in accordance with Permit Condition 1.H.2.a shall:

**a.** Have been signed by the Permittee and the succeeding Permittee, and shall include an acknowledgment that the succeeding Permittee shall be responsible for compliance with the Class I non-hazardous waste injection well discharge permit upon taking possession of the facility;

**b.** Set a specific date for transfer of the discharge permit responsibility, coverage and liability; and

**c.** Include information relating to the succeeding Permittee's financial responsibility required by 20.6.2.5210B(17) NMAC.

**1.I. COMPLIANCE AND ENFORCEMENT:** If the Permittee violates or is violating a condition of this Discharge Permit, OCD may issue a compliance order that requires compliance immediately or within a specified time period, or assess a civil penalty, or both (see Section 74-

6-10 NMSA 1978). The compliance order may also include a suspension or termination of this Discharge Permit. OCD may also commence a civil action in district court for appropriate relief, including injunctive relief (see Section 74-6-10A.2 NMSA 1978). The Permittee may be subject to criminal penalties for discharging a water contaminant without a discharge permit or in violation of a condition of a discharge permit; making any false material statement, representation, certification or omission of material fact in a renewal application, record, report, plan or other document filed, submitted or required to be maintained under the Water Quality Act; falsifying, tampering with or rendering inaccurate any monitoring device, method or record required to be maintained under the Water Quality Act; or failing to monitor, sample or report as required by a Discharge Permit issued pursuant to a state or federal law or regulation (see Section 74-6-10.2 NMSA 1978).

## 2. GENERAL FACILITY OPERATIONS:

**2.A. QUARTERLY MONITORING REQUIREMENTS FOR CLASS I NON-HAZARDOUS WASTE INJECTION WELL (WDW-1):** Pursuant to 20.6.2.5207B, the Permittee shall provide analysis of the injected fluids at least quarterly to yield data representative of their characteristics and to demonstrate pursuant to 20.6.2.5204A(3) NMAC that the injected fluids are not characteristically hazardous as determined by EPA SW-846 Method 1311 and the analytical methods specified in the Quarterly Monitoring List..

The Permittee shall analyze the injected fluids quarterly for the following characteristics:

- pH (Method 9040);
- Eh;
- Specific conductance;
- Specific gravity;
- Temperature;
- General ground water quality parameters (general chemistry/cations and anions, including: fluoride, calcium, potassium, magnesium, sodium bicarbonate, carbonate, chloride, sulfate, total dissolved solids, cation/anion balance, pH, and bromide using the methods specified in 40 CFR 136.3); and,
- EPA RCRA Characteristics for Ignitability (Methods 1010/1020 and ASTM standards), Corrosivity (Method 1110), and Reactivity (process knowledge);

The Permittee shall analyze the injected fluids quarterly for the constituents identified in the Quarterly Monitoring List (below) to demonstrate that the injected fluids do not exhibit the characteristic of toxicity using the Toxicity Characteristic Leaching Procedure, EPA SW-846 Test Method 1311 (see Table 1, 40 CFR 261.24(c)).:

| QUARTERLY MONITORING LIST | | | |
|---|---|---|---|
| **EPA HW No.** | **Contaminant** | **SW-846 Methods** | **Regulatory Level (mg/L)** |
| D004 | Arsenic | 6010C | 5.0 |
| D005 | Barium | 6010C | 100.0 |

| | | | |
|---|---|---|---|
| D018 | Benzene | 8021B | 0.5 |
| D006 | Cadmium | 6020A | 1.0 |
| D019 | Carbon tetrachloride | 8021B<br>8260B | 0.5 |
| D020 | Chlordane | 8081A | 0.03 |
| D021 | Chlorobenzene | 8021B<br>8260B | 100.0 |
| D022 | Chloroform | 8021B<br>8260B | 6.0 |
| D007 | Chromium | 6020A | 5.0 |
| D023 | o-Cresol | 8270D | 200.0 |
| D024 | m-Cresol | 8270D | 200.0 |
| D025 | p-Cresol | 8270D | 200.0 |
| D026 | Cresol | 8270D | 200.0 |
| D027 | 1,4-Dichlorobenzene | 8021B<br>8121<br>8260B<br>8270D | 7.5 |
| D028 | 1,2-Dichloroethane | 8021B<br>8260B | 0.5 |
| D029 | 1,1-Dichloroethylene | 8021B<br>8260B | 0.7 |
| D030 | 2,4-Dinitrotoluene | 8091<br>8270D | 0.13 |
| D032 | Hexachlorobenzene | 8121 | 0.13 |
| D033 | Hexachlorobutadiene | 8021B<br>8121<br>8260B | 0.5 |
| D034 | Hexachloroethane | 8121 | 3.0 |
| D008 | Lead | 6020A<br>7421 | 5.0 |
| D009 | Mercury | 7470A<br>7471B | 0.2 |
| D035 | Methyl ethyl ketone | 8015B<br>8260B | 200.0 |
| D036 | Nitrobenzene | 8091<br>8270D | 2.0 |
| D037 | Pentrachlorophenol | 8041 | 100.0 |
| D038 | Pyridine | 8260B<br>8270D | 5.0 |
| D010 | Selenium | 7741A | 1.0 |
| D011 | Silver | 6010C | 5.0 |
| D039 | Tetrachloroethylene | 8260B | 0.7 |
| D040 | Trichloroethylene | 8021B<br>8260B | 0.5 |
| D041 | 2,4,5-Trichlorophenol | 8270D | 400.0 |
| D042 | 2,4,6-Trichlorophenol | 8041A | 2.0 |

| | | | |
|---|---|---|---|
| | | 8270D | |
| D043 | Vinyl chloride | 8021B<br>8260B | 0.2 |

If o-, m-, and p-cresol concentrations cannot be differentiated, then the total cresol (D026) concentration is used. The regulatory level of total cresol is 200 mg/L.
If the quantitation limit is greater than the regulatory level, then the quantitation limit becomes the regulatory level.

**2.B. CONTINGENCY PLANS:** The Permittee shall implement its proposed contingency plan(s) included in its Permit Renewal Application to cope with failure of a system(s) in the Discharge Permit.

**2.C. CLOSURE:** Prior to closure of the facility, the Permittee shall submit for OCD's approval, a closure plan including a completed form C-103 for plugging and abandonment of the Class I non-hazardous waste injection well (WDW-1). The Permittee shall plug and abandon its Class I non-hazardous waste injection well (WDW-3) pursuant to 20.6.2.5209 NMAC and as specified in Permit Condition 2.D.

**1. Pre-Closure Notification:** Pursuant to 20.6.2.5005A NMAC, the Permittee shall submit a pre-closure notification to OCD's Environmental Bureau at least 30 days prior to the date that it proposes to close or to discontinue operation of its Class I non-hazardous waste injection well (WDW-3). Pursuant to 20.6.2.5005B NMAC, OCD's Environmental Bureau must approve all proposed well closure activities before the Permittee may implement its proposed closure plan.

**2. Required Information:** The Permittee shall provide OCD's Environmental Bureau with the following information:

- Name of facility;
- Address of facility;
- Name of Permittee (and owner or operator, if appropriate);
- Address of Permittee (and owner or operator, if appropriate);
- Contact person;
- Phone number;
- Number and type of well(s);
- Year of well construction;
- Well construction details;
- Type of discharge;
- Average flow (gallons per day);
- Proposed well closure activities (*e.g.*, sample fluids/sediment, appropriate disposal of remaining fluids/sediments, remove well and any contaminated soil, clean out well, install permanent plug, conversion to other type of well, ground water and vadose zone investigation, *etc.*);
- Proposed date of well closure;
- Name of Preparer; and,

- Date.

**2.D. PLUGGING AND ABANDONMENT PLAN:** Pursuant to 20.6.2.5209A NMAC, when the Permittee proposes to plug and abandon its Class I non-hazardous waste injection well (WDW-1), it shall submit to OCD a plugging and abandonment plan that meets the requirements of 20.6.2.3109C NMAC, 20.6.2.5101C NMAC, and 20.6.2.5005 NMAC for protection of ground water. If requested by OCD, Permittee shall submit for approval prior to closure, a revised or updated plugging and abandonment plan. The obligation to implement the plugging and abandonment plan as well as the requirements of the plan survives the termination or expiration of this Discharge Permit. The Permittee shall comply with 20.6.2.5209 NMAC.

**2.E. RECORD KEEPING:** The Permittee shall maintain records of all inspections required by this Discharge Permit at its Facility office for a minimum of five years and shall make those records available for inspection by OCD.

**2.F. RELEASE REPORTING:** The Permittee shall comply with the following permit conditions, pursuant to 20.6.2.1203 NMAC, if it determines that a release of oil or other water contaminant, in such quantity as may with reasonable probability injure or be detrimental to human health, animal or plant life, or property, or unreasonably interfere with the public welfare or the use of property, has occurred. The Permittee shall report unauthorized releases of water contaminants in accordance with any additional commitments made in its approved Contingency Plan. If the Permittee determines that any constituent exceeds the standards specified in 20.6.2.3103 NMAC, then it shall report a release to OCD's Environmental Bureau.

**1. Oral Notification:** As soon as possible after learning of such a discharge, but in no event more than twenty-four (24) hours thereafter, the Permittee shall notify OCD's Environmental Bureau. The Permittee shall provide the following:

- The name, address, and telephone number of the person or persons in charge of the facility, as well as of the owner and/or operator of the facility;
- The name and location of the facility;
- The date, time, location, and duration of the discharge;
- The source and cause of discharge;
- A description of the discharge, including its chemical composition;
- The estimated volume of the discharge; and,
- Any corrective or abatement actions taken to mitigate immediate damage from the discharge.

**2. Written Notification:** Within one week after the Permittee has discovered a discharge, the Permittee shall send written notification (may use form C-141 with attachments) to OCD's Environmental Bureau verifying the prior oral notification as to each of the foregoing items and providing any appropriate additions or corrections to the information contained in the prior oral notification.

The Permittee shall provide subsequent written reports as required by OCD's Environmental Bureau.

**2.G. OTHER REQUIREMENTS:**

**1. Inspection and Entry:** Pursuant to Section 74-6-9 NMSA 1978 and 20.6.2.3107A NMAC, the Permittee shall allow any authorized representative of the OCD Director, to:

- Upon the presentation of proper credentials, enter the premises at reasonable times;
- Inspect and copy records required by this Discharge Permit;
- Inspect any treatment works, monitoring, and analytical equipment;
- Sample any effluent before or after discharge; and,
- Use the Permittee's monitoring systems and wells in order to collect samples.

**2. Advance Notice:** The Permittee shall provide OCD's Environmental Bureau and Artesia District Office with at least five (5) working days advance notice of any environmental sampling to be performed pursuant to this Discharge Permit, or any well plugging, abandonment or decommissioning of any equipment associated with its Class I non-hazardous waste injection well (WDW-3).

**3. Environmental Monitoring:** The Permittee shall ensure that any environmental sampling and analytical laboratory data collected meets the standards specified in 20.6.2.3107B NMAC. The Permittee shall ensure that all environmental samples are analyzed by an accredited "National Environmental Laboratory Accreditation Conference" (NELAC) Laboratory. The Permittee shall submit data summary tables, all raw analytical data, and laboratory Quality Assurance/Quality Control (QA/QC).

**2.H. BONDING OR FINANCIAL ASSURANCE:** Pursuant to 20.6.2.5210B(17) NMAC, the Permittee shall maintain at a minimum, a single well plugging bond in the amount that it shall determine, in accordance with Permit Condition 5.B, to cover potential costs associated with plugging and abandonment of the Class I non-hazardous waste injection well (WDW-1), surface restoration, and post-operational monitoring, as may be needed. OCD may require additional financial assurance to ensure adequate funding is available to plug and abandon the well and/or for any required corrective actions.

Methods by which the Permittee shall demonstrate the ability to undertake these measures shall include submission of a surety bond or other adequate assurances, such as financial statements or other materials acceptable to the OCD Director, such as: (1) a surety bond; (2) a trust fund with a New Mexico bank in the name of the State of New Mexico, with the State as Beneficiary; (3) a non-renewable letter of credit made out to the State of New Mexico; (4) liability insurance specifically covering the contingencies listed in this paragraph; or (5) a performance bond, generally in conjunction with another type of financial assurance. If an adequate bond is posted by the Permittee to a federal or another state agency, and this bond covers all of the measures specified above, the OCD Director shall consider this bond as satisfying the bonding requirements of Sections 20.6.2.5000 through 20.6.2.5299 NMAC wholly or in part, depending upon the extent to which such bond is adequate to ensure that the Permittee will fully perform the measures required herein above.

## 2.I. REPORTING:

**1. Quarterly Reports:** The Permittee shall submit quarterly reports pursuant to 20.6.2.5208A NMAC to OCD's Environmental Bureau no later than 45 days following the end of each calendar quarter. The quarterly reports shall include the following:

**a.** The physical, chemical and other relevant characteristics of injection fluids;

**b.** Monthly average, maximum and minimum values for injection pressure, flow rate and volume, and annular pressure; and

**c.** The results of monitoring prescribed under Section 20.6.2.5207B NMAC.

d. Weekly expansion tank volume fluid readings and the fluid volume additions or removals from the expansion tank.

**2. Annual Report:** The Permittee shall submit its annual report pursuant to 20.6.2.3107 NMAC to OCD's Environmental Bureau by **March 15th** of the following year. The annual report shall include the following:

- Cover sheet marked as "Annual Class I Non-Hazardous Waste Injection Well (WDW-1), Name of Permittee, Discharge Permit Number, API number of well, date of report, and person submitting report;
- Summary of Class I non-hazardous waste injection well (WDW-1) operations for the year including a description and reason for any remedial or major work on the well with a copy of form C-103(s);
- Monthly injection/disposal volume, including the cumulative total should be carried over to each year;
- Maximum and average injection pressures;
- A copy of the quarterly chemical analyses shall be included with data summary and all QA/QC information;
- Copy of any mechanical integrity test chart(s), including the type of test, *i.e.,* duration, gauge pressure, *etc.;*
- Copy of fall-of test charts;
- Summary tables listing environmental analytical laboratory data for quarterly waste fluid samples. Any 20.6.2.3103 NMAC constituent(s) found to exceed a water quality standard shall be highlighted and noted in the annual report. The Permittee shall include copies of the most recent year's environmental analytical laboratory data sheets with QA/QC summary sheet information in conformance with the National Environmental Laboratory Accreditation Conference (NELAC) and EPA Standards;
- Brief explanation describing deviations from the normal injection operations;
- Results of any leaks and spill reports (include any C-141 reports);
- An Area of Review (AOR) annual update summary;

- A summary with interpretation of MITs, Fall-Off Tests, *etc.*, with conclusion(s) and recommendation(s);
- Records of the expansion tank monitoring pressure, fluid removals and/or additions indicating the well MIT condition;
- A summary of all major Facility activities or events, which occurred during the year with any conclusions and recommendations;
- A summary of any new discoveries of ground water contamination with all leaks, spills and releases and corrective actions taken; and,
- The Permittee shall file its Annual Report in an electronic format with a hard copy submittal to OCD's Environmental Bureau.

## 3. CLASS I NON-HAZARDOUS WASTE INJECTION WELL (WDW-1) OPERATIONS:

**3.A. OPERATING REQUIREMENTS:** The Permittee shall comply with the operating requirements specified in 20.6.2.5206A NMAC and 20.6.2.5206B NMAC to ensure that:

**1.** The maximum injection pressure at the wellhead shall not initiate new fractures or propagate existing fractures in the confining zone, or cause the movement of injection or formation fluids into ground water having 10,000 mg/l or less TDS except for fluid movement approved pursuant to 20.6.2.5103 NMAC and during well stimulation.

**2.** Injection between the outermost casing and the well bore is prohibited in a zone other than the authorized injection zone. If the Permittee determines that its Class I non-hazardous waste injection well (WDW-1) is discharging or suspects that it is discharging fluids into a zone or zones other than the permitted injection zone specified in Permit Condition 3.B.1., then the Permittee shall cease operations until proper repairs are made, notify the OCD's Environmental Bureau and Artesia District office within 24 hours, and shall not resume injection until the permittee has received approval from the OCD.

**3.** The annulus between the tubing, packer, and the second intermediate casing shall be filled with a fluid approved by the OCD Director and a pressure, also approved by the OCD Director shall be maintained on the annulus.

**3.B. INJECTION OPERATIONS:**

**1. Injection Formation, Interval, and Waste Fluids:** The Permittee shall inject only non-hazardous (RCRA exempt and RCRA non-hazardous, non-exempt) oil field waste fluid into the Lower Wolfcamp, Cisco, and Canyon Formations from 7,924 feet to 8188 feet and 8220 feet to 8,476 feet in its Class I non-hazardous waste injection well (WDW-1). The surface casing is set at 390 feet; the intermediate casing is set at 2555 feet; the second intermediate casing or production casing is set at 9,094 feet; the injection tubing is set at approximately 7,879 feet; and the packer is set at 7,879 feet. A cement plug is set from 9,004 – 9,016 feet and a bottom cement plug is set from 9,624 – 9,734 feet. The top cement plug is set in the second intermediate casing, which isolates the Class I non-hazardous injection well (WDW-1) from the injection intervals. The bottom cement plug is set from 9,624 – 9,734 feet within the open borehole and serves as a

second barrier to flow with well TD at 10,200 feet. The Permittee shall ensure that the injected waste fluid enters perforations only within the above specified injection interval and is not permitted to escape to other formations or onto the surface.

**2. Well Injection Pressure Limits and Injection Flow Rate:** The Permittee shall ensure that the maximum wellhead or surface injection pressure on its Class I non-hazardous waste injection well (WDW-1) shall not exceed 1,580 psig and that the injection flow rate shall not exceed 500 gpm.

**3. Pressure Limiting Device:** The Permittee shall equip and operate its Class I non-hazardous waste injection well (WDW-1) or system with a pressure limiting device, or equivalent (*i.e.*, Murphy switch), in working condition which shall at all times limit surface injection pressure to the maximum allowable pressure for its Class I non-hazardous waste injection well (WDW-1).

The Permittee shall inspect and monitor the pressure-limiting device daily and shall report any pressure exceedances within 24 hours of detection to OCD's Environmental Bureau and Artesia District Office. The Permittee shall take all steps necessary to ensure that the injected waste fluids enter only the proposed injection interval and are not permitted to escape to other formations or onto the ground surface. The Permittee shall report to OCD's Environmental Bureau within 24 hours of discovery any indication that new fractures or existing fractures have been propagated, or that damage to the well, the injection zone, or formation has occurred.

OCD may authorize an increase in surface injection pressure if the Permittee performs a valid Step-Rate Test (SRT), which demonstrates that the proposed maximum surface injection pressure is less than the injection zone fracture pressure with an acceptable safety factor. If approvable, the Permittee must apply for a modification to this Discharge Permit pursuant to 20.6.2.3109 NMAC.

**3.C. CONTINUOUS MONITORING DEVICES:** The Permittee shall use continuous monitoring devices to provide a record of injection pressure, flow rate, flow volume, and pressure on the annulus between the tubing and the second intermediate casing.

**3.D. MECHANICAL INTEGRITY FOR CLASS I NON-HAZARDOUS WASTE INJECTION WELLS:**

**1.** Pursuant to 20.6.2.5204 NMAC, the Permittee shall conduct a mechanical integrity test (MIT) for its Class I non-hazardous waste injection well (WDW-1) at least once every five years or more frequently as the OCD Director may require for good cause during the life of the well. The Permittee shall also demonstrate mechanical integrity for its Class I non-hazardous waste injection well (WDW-1) by running a MIT every time it performs a well workover, including when it pulls the tubing or reseats the packer. The Permittee shall request MIT approval using form C-103 (Sundry Notices and Reports on Wells) with copies sent to OCD's Environmental Bureau and Artesia District Office. The Permittee shall notify OCD's Environmental Bureau 5 days prior to conducting any MIT to allow OCD the opportunity to witness the MIT.

The Permittee shall conduct a casing-tubing annulus MIT from the surface to the approved injection depth to assess casing and tubing integrity. The MIT shall consist of a 30-minute test at a minimum pressure of 300 psig measured at the surface. The Permittee shall follow OCD's 2004 New Mexico Oil Conservation Division Underground Injection Control Program Manual Guidance when conducting a MIT. The Permittee shall submit the results of its MIT to OCD's Environmental Bureau and Artesia District Office within 30 days of completion. If any remedial work or any other workover operations are necessary, the Permittee shall comply with Permit Condition 3.F.

**2.** A Class I non-hazardous waste injection well has mechanical integrity if there is no detectable leak in the second intermediate casing, tubing and/or packer which OCD considers to be significant at maximum operating temperature and pressure, and no detectable conduit for fluid movement out of the injection zone through the well bore, or vertical channels adjacent to the well bore which the OCD considers to be significant. The following criteria will determine if the Class I non-hazardous waste injection well (WDW-1) has passed the MIT:

**a.** The MIT passes if there is zero bleed-off during the test;

**b.** The MIT passes if there is a less than a ± 10% change in the final test pressure compared to the starting pressure, if approved by OCD;

**c.** The MIT fails if there is more than 10% reduction in the final test pressure compared to the starting pressure or that the pressure does not stabilize within 10% of the starting pressure before the end of the MIT. The Permittee shall shut-in the well and investigate for leaks in accordance with Permit Condition 3.F. The Permittee shall not resume injection operations until approved by OCD.

**d.** When the MIT is not witnessed by OCD and fails, the Permittee shall shut-in the well and notify OCD within 24 hours of the failure of the MIT.

**3.** Pursuant to 20.6.2.5204C NMAC, the OCD Director may consider the use of equivalent alternative test methods to determine mechanical integrity. The Permittee shall submit information on the proposed test and all technical data supporting its use. The OCD Director may approve the Permittee's request if it will reliably demonstrate the mechanical integrity of the well for which its use is proposed.

**4.** Pursuant to 20.6.2.5204D NMAC, when conducting and evaluating the MIT(s), the Permittee shall apply methods and standards generally accepted in the oil and gas industry. When the Permittee reports the results of all MIT(s) to the OCD Director, it shall include a description of the test(s), the method(s) used, and the test results.

**5.** The Permittee shall conduct a Bradenhead test at least annually and each time that it conducts a MIT.

**3.E. FALL-OFF TEST:** The Permittee shall conduct a Fall-Off Test (FOT) to monitor the injection zone formation characteristics and pressure buildup over time in the injection zone at

least every three years. The Permittee shall request FOT approval using form C-103 (Sundry Notices and Reports on Wells) sent to OCD's Environmental Bureau and Artesia District Office.

The Permittee shall follow OCD's 2007 *New Mexico Oil Conservation Division UIC Class I Well Fall-Off Test Guidance* or other OCD-approved FOT when conducting a FOT and shall shut down the well for a time sufficient to conduct a valid observation of the pressure fall-off curve. The Permittee shall submit the results of its FOT to OCD's Environmental Bureau and Artesia District Office within 30 days of completion, including color copies of the original charts.

**3.F. WELL WORKOVER OPERATIONS:** Pursuant to 20.6.2.5205A(5) NMAC, the Permittee shall provide notice to and shall obtain approval from OCD's Environmental Bureau prior to commencement of any remedial work or any other workover operations to allow OCD the opportunity to witness the operation. The Permittee shall request approval using form C-103 (Sundry Notices and Reports on Wells) with copies sent to OCD's Environmental Bureau and Artesia District Office. After completing remedial work, pressure tests, or any other workover operations, the Permittee shall run a MIT in accordance with Permit Condition 3.D to verify that the remedial work has successfully repaired any problems.

**3. G. EXTERNAL EXPANSION TANK:** The Permittee shall equip its Class I non-hazardous waste injection well (WDW-1) with an external expansion tank system under constant 100 psig pressure connected to the casing-annulus. The Permittee shall fill the external expansion tank half-full with an OCD-approved liquid to establish an equilibrium volume and liquid level. The Permittee shall monitor the liquid levels in the external expansion tank at least weekly and shall record all additions or removals of liquids into or out of the external expansion tank. The Permittee shall record any loss or gain of fluids in the external expansion tank, and shall verbally notify OCD's Environmental Bureau within 5 days of any loss or gain of fluid greater than 5 barrels per month and shall comply with Permit Condition 3.F.

The Permittee shall provide the weekly expansion tank volume fluid volumes readings and the fluid volume additions or removals from the expansion tank on a quarterly basis and in the annual report.

**3.H. INJECTION RECORD VOLUMES AND PRESSURES:** The Permittee shall submit quarterly reports of its injection operations and well workovers. The Permittee shall record the minimum, maximum, and average flow waste injection volumes (including total volumes) and annular pressures of the injected waste fluids on a monthly basis, and shall submit the data to OCD on a quarterly basis and in the annual report. The Permittee shall fill the casing-tubing annulus with an OCD-approved liquid and install a Murphy pressure switch or equivalent, as described in the Permittee's permit renewal application, in order to detect leakage in the casing, tubing, or packer.

**3.I. AREA OF REVIEW (AOR):** The Permittee shall orally report to OCD's Environmental Bureau within 72 hours of discovery of any new wells, conduits, or any other device that penetrates or may penetrate the injection zone within a 1-mile radius from its Class I non-hazardous waste injection well (WDW-1).

**4. CLASS V WELLS:** Pursuant to 20.6.2.5002B NMAC, leach fields and other waste fluids disposal systems that inject non-hazardous fluid into or above an underground source of drinking water are UIC Class V injection wells. This Discharge Permit does not authorize the use of a Class V injection well for the disposal of industrial waste. Pursuant to 20.6.2.5005 NMAC, the Permittee shall close any Class V industrial waste injection well that injects non-hazardous industrial wastes or a mixture of industrial wastes and domestic wastes (*e.g.*, septic systems, leach fields, dry wells, *etc*.) within 90 calendar days of the issuance of this Discharge Permit. The Permittee shall document the closure of any Class V wells used for the disposal of non-hazardous industrial wastes or a mixture of industrial wastes and domestic wastes other than contaminated ground water in its Annual Report. Other Class V wells, including wells used only for the injection of domestic wastes, shall be permitted by the New Mexico Environment Department.

**5. SCHEDULE OF COMPLIANCE:**

**5.A. QUARTERLY AND ANNUAL REPORTS:** The Permittee shall submit its quarterly and annual reports to OCD as specified in Permit Condition 2.I.

**5.B. BONDING OR FINANCIAL ASSURANCE:** The Permittee shall submit an estimate of the minimum cost to properly close, plug and abandon its Class I non-hazardous waste injection well (WDW-1), conduct ground water restoration if applicable, and any post-operational monitoring as may be needed (see 20.6.2.5210B(17) NMAC) within 90 days of permit issuance (see 20.6.2.5210B(17) NMAC). The Permittee's cost estimate shall be based on third person estimates. After review, OCD will require the Permittee to submit a single well plugging bond based on the third person cost estimate.

ALBUQUERQUE JOURNAL THE SUNDAY JOURNAL

# AFFIDAVIT OF PUBLICATION

**STATE OF NEW MEXICO**
**County of Bernalillo** SS

Linda MacEachen, being duly sworn, declares and says that she is Classified Advertising Manager of **The Albuquerque Journal**, and that this newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Session Laws of 1937, and that payment therefore has been made of assessed as court cost; that the notice, copy of which is hereto attached, was published in said paper in the regular daily edition, for 1 times, the first publication being on the 5 day of October, 2013, and the subsequent consecutive publications on _____, 20____.

Linda C MacEachen

Sworn and subscribed before me, a Notary Public, in and for the County of Bernalillo and State of New Mexico this 9 day of October of 2013.

OFFICIAL SEAL
Dawn B. Noel
NOTARY PUBLIC
STATE OF NEW MEXICO
10-11-13

PRICE $97.74

Statement to come at end of month.

CLA-22-A (R-1/93) ACCOUNT NUMBER 1009556

**Affidavits**
0

New Mexico Energy, Minerals and Natural Resources Department

**NOTICE OF PUBLICATION**

**STATE OF NEW MEXICO**
**ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT**
**OIL CONSERVATION DIVISION**

Notice is hereby given that pursuant to Water Quality Control Commission Regulations (20.6.2.3106 NMAC) the following discharge permit application(s) has been submitted to the Director of the New Mexico Oil Conservation Division (OCD), 1220 S. Saint Francis Drive, Santa Fe, New Mexico 87505, and Telephone (505) 476-3440:

(UICI-008-1) Navajo Refining Company, L.L.C. Michael G. McKee, Vice President and Refinery Manager, 501 East Main Street, P.O. Box Drawer 159, Artesia New Mexico 88211-0159, has submitted a renewal application for operation of a previously approved Underground Injection Control (UIC) Class I (non-hazardous) Injection Well Discharge Permit (UICI-008-1) for the Waste Disposal Well #1- WDW-1 (API# 30-015-27592) located 660 FSL and 2310 FEL (SW/4, SE/4) in Section 31, Township 17 South, Range 28 East, NMPM, Eddy

ALBUQUERQUE JOURNAL THE SUNDAY JOURNAL

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# Ad Proof / Order Confirmation

**Account Number**
**1009556**

**Ad Order Number**
**0001100596**

N M DEPT OF ENERGY, MINERALS

New Mexico Energy, Minerals and Natural Resources Department

**NOTICE OF PUBLICATION**

**STATE OF NEW MEXICO
ENERGY, MINERALS AND
NATURAL RESOURCES
DEPARTMENT
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Any interested person may obtain further information from the OCD and may submit written comments to the Division Director at the address given above. The application and draft permit may be viewed at the above address between 8:00 a.m. and 4:00 p.m., Monday through Friday, or may also be viewed at the OCD's web site http://www.emnrd.state.nm.us/ocd/ Persons interested in obtaining a copy of the application and draft permit may contact OCD at the

address given above. Prior to ruling on any proposed discharge permit or major modification, the Director shall allow a period of at least thirty (30) days after the date of publication of this notice, during which interested persons may submit comments or request that OCD hold a public hearing. Requests for a public hearing shall set forth the reasons why a hearing should be held. A hearing will be held if the Director determines that there is significant public interest.

If no public hearing is held, the Director will approve or disapprove the proposed permit based on available information, including all comments received. If a public hearing is held, the director will approve or disapprove the proposed permit based on information in the application along with information submitted at the hearing.

Para obtener más información sobre esta solicitud en espan?ol, sirvase comunicarse por favor: New Mexico Energy, Minerals and Natural Resources Department (Deplo. Del Energia, Minerals y Recursos Naturales de Nuevo México), Oil Conservation Division (Deplo. Conservacio´n Del Petróleo), 1220 South St. Francis Drive, Santa Fe, New México (Contacto: Laura Juarez, 575-748-1283 Ext. 100).

DONE at Santa Fe, New Mexico, on this 2nd day of October 2013.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION
Jami Bailey, Director
Journal: October 5, 2013

## Chavez, Carl J, EMNRD

**From:** Chavez, Carl J, EMNRD
**Sent:** Wednesday, October 30, 2013 7:23 AM
**To:** Schultz, Michele (Michele.Schultz@hollyfrontier.com)
**Cc:** Holder, Mike (Michael.Holder@hollyfrontier.com); Dawson, Scott, EMNRD; Sanchez, Daniel J., EMNRD; VonGonten, Glenn, EMNRD
**Subject:** Affidavit of Publication WDWs 1 & 2

Micki:

Received.

The English and Spanish versions of WDWs 1 and 2 were posted on 10/23/2013. The OCD notices that both versions were posted and contact names were provided in both English and Spanish versions; therefore, the public notices are satisfactory and appear to address the intent of 20.6.2.3108 NMAC.

Pending any public comments and/or protests, OCD will likely issue the final permits soon after 11/23/2013.

Thank you.

Carl J. Chavez, CHMM
New Mexico Energy, Minerals & Natural Resources Department
Oil Conservation Division, Environmental Bureau
1220 South St. Francis Drive, Santa Fe, New Mexico 87505
Office: (505) 476-3490
E-mail: CarlJ.Chavez@State.NM.US
Website: http://www.emnrd.state.nm.us/ocd/
"Why Not Prevent Pollution; Minimize Waste; Reduce the Cost of Operations; & Move Forward With the Rest of the Nation?" To see how, please go to: "Pollution Prevention & Waste Minimization" at
http://www.emnrd.state.nm.us/ocd/environmental.htm#environmental

HOLLYFRONTIER®

October 24, 2013

Mr. Carl J. Chavez
New Mexico Energy, Minerals and Natural Resources Department
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

**Certified Mail/Return Receipt**
7011 3500 0001 4786

RE: Affidavit of Publication for WDW-1 and WDW-2 Permit renewal
Navajo Refining Co. L.L.C.

Dear Mr. Chavez:

In accordance with Section D of 20.6.2.3108 NMAC Public Notice and Participation, Navajo Refining Company is submitting the Affidavits of Publication for the public notice requirements indicated in Section C for our Class 1 Injection Well Discharge Permits for WDW-1 and WDW-2. The Notices were published on October 23, 2013.

The English Notice for WDW-1 will be re-published with the addition of the last paragraph in Spanish. This paragraph was inadvertently omitted by the publisher.

If you have questions regarding this submittal, please contact me by email at micki.schultz@hollyfrontier.com, or by phone at 575-746-5281.

Cordially,

Micki Schultz

Micki Schultz, P.E., CHMM
Environmental Specialist

Env. File: WDW-1 and WDW-2 UIC Permit Renewal (REF.ART.13-4.A.02.D)

# Affidavit of Publication

NO. 22747

STATE OF NEW MEXICO

County of Eddy:

**Danny Scott**

being duly sworn, says that he is the **Publisher**

of the Artesia Daily Press, a daily newspaper of general circulation, published in English at Artesia, said county and state, and that the hereto attached

**Display Ad**

was published in a regular and entire issue of the said Artesia Daily Press, a daily newspaper duly qualified for that purpose within the meaning of Chapter 167 of the 1937 Session Laws of the state of New Mexico for

1 Consecutive weeks/days on the same day as follows:

First Publication October 23, 2013

Second Publication

Third Publication

Fourth Publication

Fifth Publication

Subscribed and sworn to before me this

23rd day of October 2013

OFFICIAL SEAL
Latisha Romine
NOTARY PUBLIC-STATE OF NEW MEXICO
My commission expires: 5/12/2015

Latisha Romine

Latisha Romine
Notary Public, Eddy County, New Mexico

# Copy of Publication:

**PUBLIC NOTICE**

**STATE OF NEW MEXICO**
**ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT**
**OIL CONSERVATION DIVISION**

In accordance with 20.6.2.3108.F. NMAC, Navajo Refining Company, L.L.C. hereby gives public notice of its application to renew the New Mexico Oil Conservation Division (OCD) discharge permit to inject treated non-hazardous waste water effluent from the refinery's on-site wastewater treatment plant into a Class I (nonhazardous) injection well WDW-1 (API# 30-015-27592). The WDW-1 is located in the SW/4 SE/4 of Section 31, Township 17 South, Range 28 East, NMPM, Eddy County, New Mexico. The WDW-1 is location approximately 11 miles SE of the intersection of I-285 and Hwy 82 or approximately 1 mile SW of the intersection of Hwy 82 and CR-206. The Navajo Refinery is located at 501 E. Main Street, Artesia, New Mexico.

Waste water from the refinery is generated from the treatment of waters from the processing of crude oil, including the removal of water entrained in crude oil, the washing of crude oil to remove salts and sediment, water used for heating and cooling during refining, boiler blowdown, and stormwater collected from process portions of the refinery.

Underground injection at WDW-1 occurs within the Lower Wolfcamp, Cisco and Canyon Formations within the injection interval from 7,924 to 8,476 feet (log depth). The injection rate into WDW-1 will not exceed 500 gpm and the maximum allowable surface injection pressure is 1,580 psig. The injected refinery waste water quality is approximately 3,400 mg/L total dissolved solids (TDS). Formation fluid within the permitted injection interval exceeds 10,000 mg/L TDS. Groundwater is first encountered in the area of WDW-1 at a depth of approximately 50 to 150 feet below land surface. The groundwater quality ranges from about 1,500 to 2,200 mg/L TDS.

Persons interested in obtaining further information, submitting comments, or requesting to be on a facility-specific mailing list for future notices may contact the Environmental Bureau Chief of the New Mexico Oil Conservation Division.

Comments and inquiries on regulations should be directed to:

Director
New Mexico Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505
Telephone: (505) 476-3440

When corresponding, please reference the name of the applicant and the well name.

# Affidavit of Publication

NO. 22747

STATE OF NEW MEXICO

County of Eddy:

**Danny Scott**

being duly sworn, says that he is the **Publisher**

of the Artesia Daily Press, a daily newspaper of general circulation, published in English at Artesia, said county and state, and that the hereto attached

**Display Ad**

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First Publication October 23, 2013

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Subscribed and sworn to before me this

23rd day of October 2013

OFFICIAL SEAL
Latisha Romine
NOTARY PUBLIC-STATE OF NEW MEXICO

My commission expires: 5/12/2015

Latisha Romine

Latisha Romine
Notary Public, Eddy County, New Mexico

# Copy of Publication:

**AVISO PUBLICO**
**ESTADO DE NUEVO MEXICO**
**DEPARTMENTO DE ENERGIA, MINERALES Y RECURSOS NATURALES**
**DIVISION DE CONSERVACION DE PETROLEO**

Por medio de la presente, Navajo Company anuncia que de conformidad con los requisitos de las regulaciones de la Comisión de Control de Calidad del Agua de Nuevo México 20.6.2.3108.F NMAC, a la División de Conservación del Petróleo de Nuevo México (NMOCD) Departamento del Medio Ambiente, un permiso de descarga para la inyección aguas residuales de la planta Artesia de Navajo Refining Company, en el pozo de inyección de denominación WDW-1 (API#30-015-27592). El pozo WDW-1 esta localizado en SW/4, SE/4 de Sección 31, Municipio 17 sur, 28 este, Condado Eddy, Nuevo México. El WDW-1 está localizado aproximadamente a 11 millas SE de la intersección de I-285 y Hwy 82 (Refinería Artesia), o aproximadamente 1 milla SW de Hwy 82 y CR-206. La Refinería Artesia se encuentra ubicada en 501 E. Main Street, Artesia, Nuevo México.

La generación de aguas residuals de la Refinería Artesia es el resultado del agua que se encuentran en al abastecimiento de crudo, el agua que se usa para el enfriamiento y calentamiento, el agua que se usa para retirar las sales del abastecimiento de crudo, y para purgar la caldera.

Las aguas residuals de WDW-1 se injectarán hacia las formaciones de Lower Wolfcamp, Cisco Y Canyon, ubicadas entre 7,942 y 8,476 pies (produndidad de registro). La tasa de inyección de WDW-1 no excederá los 500 gpm a una presión de inyección que no excederá los 1580 psig. Estas aguas residuals tendrán un contendido de total de sólidos disueltos (TDS) de 3,400 partes por millón. En el área en donde se encuentra el pozo (WDW-1), el agua subterránea se encuentra a una profundidad de 50 a 150 pies con un TDS de 1,500 a 2,200 partes por millón.

Personas interesadas en obtener mayores informes, presentar sus comentarios o solicitar que se les incluya en las listas de direcciones de una planta en especial para futuros avisos pueden ponerse en contacto con el Jefe del Departamento del Medio Ambiente de la División de Conservación de Petróleo de Nuevo México. (Contacto: Laura Tulk (575) 748-1283.)

Por favor enviar comentarios y preguntas a:
Director
New Mexico Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505
Teléfono: (505) 476-3440

Por favor incluir como referencia el nombre del applicante y denominación del pozo.

# Affidavit of Publication

NO. 22751

STATE OF NEW MEXICO

County of Eddy:

**Danny Scott**

being duly sworn, says that he is the **Publisher**

of the Artesia Daily Press, a daily newspaper of general circulation, published in English at Artesia, said county and state, and that the hereto attached

**Legal Notice**

was published in a regular and entire issue of the said Artesia Daily Press, a daily newspaper duly qualified for that purpose within the meaning of Chapter 167 of the 1937 Session Laws of the state of New Mexico for

1 Consecutive weeks/days on the same day as follows:

First Publication October 6, 2013

Second Publication

Third Publication

Fourth Publication

Fifth Publication

Subscribed and sworn to before me this

7th day of October 2013

OFFICIAL SEAL
Latisha Romine
NOTARY PUBLIC-STATE OF NEW MEXICO
My commission expires: 5/12/2015

Latisha Romine
Notary Public, Eddy County, New Mexico

# Copy of Publication:

## LEGAL NOTICE

**NOTICE OF PUBLICATION**
**STATE OF NEW MEXICO**
**ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT**
**OIL CONSERVATION DIVISION**

Notice is hereby given that pursuant to Water Quality Control Commission Regulations (20.6.2.3106 NMAC) the following discharge permit application(s) has been submitted to the Director of the New Mexico Oil Conservation Division (OCD), 1220 S. Saint Francis Drive, Santa Fe, New Mexico 87505, and Telephone (505) 476-3440:

(UICI-008-1) Navajo Refining Company, L.L.C. Michael G. McKee, Vice President and Refinery Manager, 501 East Main Street, P.O. Box Drawer 159, Artesia New Mexico 88211-0159, has submitted a renewal application for operation of a previously approved Underground Injection Control (UIC) Class I (non-hazardous) Injection Well Discharge Permit (UICI-008-1) for the Waste Disposal Well #1-WDW-1 (API# 30-015-27592) located 660 FSL and 2310 FEL (SW/4, SE/4) in Section 31, Township 17 South, Range 28 East, NMPM, Eddy County, New Mexico. The injection well is located approximately 11 miles east-southeast of Artesia on Hwy-82 from Hwy-285 and about 1 mile south of Hilltop Road. Oil-field exempt and non-exempt, non-hazardous industrial wastewater will be transported about 12 miles underground from the Navajo-Artesia Refinery located at 501 E. Main Street, Artesia, NM via a 6 inch dia. pipeline to WDW-1 for disposal into the Wolfcamp, Cisco, and Canyon Formations in the injection interval from 7924 to 8476 feet (depth below ground level) at a daily rate not to exceed 500 gpm and at a maximum allowable surface injection pressure of 1580 psig. The injection fluid contains approximately 6250 ppm total dissolved solids (TDS). Ground water most likely to be affected by a spill, leak or accidental discharge is at a depth of about 100 feet below the ground surface with a TDS concentration range from 1000 – 1535 ppm. The injection zone TDS concentration ranges from 13,000 to 119,909 ppm. The discharge permit addresses well construction, operation, monitoring of the well, associated surface facilities, and provides a contingency plan in the event of accidental spills, leaks, and other accidental discharges in order to protect fresh water.

Any interested person may obtain further information from the OCD and may submit written comments to the Division Director at the address given above. The application and draft permit may be viewed at the above address between 8:00 a.m. and 4:00 p.m., Monday through Friday, or may also be viewed at the OCD's web site http://www.emnrd.state.nm.us/ocd/. Persons interested in obtaining a copy of the application and draft permit may contact OCD at the address given above. Prior to ruling on any proposed discharge permit or major modification, the Director shall allow a period of at least thirty (30) days after the date of publication of this notice, during which interested persons may submit comments or request that OCD hold a public hearing. Requests for a public hearing shall set forth the reasons why a hearing should be held. A hearing will be held if the Director determines that there is significant public interest.

If no public hearing is held, the Director will approve or disapprove the proposed permit based on available information, including all comments received. If a public hearing is held, the director will approve or disapprove the proposed permit based on information in the application along with information submitted at the hearing.

Para obtener más información sobre esta solicitud en espan ol, sirvase comunicarse por favor: New Mexico Energy, Minerals and Natural Resources Department (Depto. Del Energia, Minerals y Recursos Naturales de Nuevo México), Oil Conservation Division (Depto. Conservacio´n Del Petróleo), 1220 South St. Francis Drive, Santa Fe, New México (Contacto: Laura Juarez, 575-748-1283 Ext. 100).

DONE at Santa Fe, New Mexico, on this 2nd day of October 2013.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION
Jami Bailey, Director

Published in the Artesia Daily Press, Artesia, N.M., Oct. 6 2013. Legal No 22751.

ARTESIA DAILY PRESS

**Ad ID: 50239**
**Pre-Bill**

P.O. Box 190 • Artesia , NM 88211-0190 • 575-746-3524

RECEIVED OCD
2013 OCT 10 P 1:54

Bill to:

Fran Chavez
Oil Conservation Division - EMNRD
1220 South St. Francis Dr.
Santa Fe, NM 87505

Sold to: Account ID: 4212

Fran Chavez
Oil Conservation Division - EMNRD
1220 South St. Francis Dr.
Santa Fe, NM 87505

| Please pay from this Pre-Bill. Return stub with payment | Rep ID: **LR** | Terms: **Net 30** |
|---|---|---|

**Description**

Classification of Ad: 450 – Legal Notice Zone: C

PO: [redacted] ext: Legal # 22751

***Charges*** *from 10/6/2013 to 10/6/2013*

| Date | Pub | Type | Description | Price | Discount | Applied | Due |
|---|---|---|---|---|---|---|---|
| 10/6/13 | ADP | ad | Legal Notice: Legal # 22751 - Legal | $124.74 | | | $134.02 |
| | | | | $124.74 | | | $134.02 |

OK TO Pay
Rachel H
10/11/13

Please return this portion with your payment.

***Pre-Bill***

**Remit Payment to:**
**Artesia Daily Press**
**P.O. Box 190**
**Artesia, NM 88211-0190**
**Phone: 575-746-3524**
**Fax: 575-746-8795**

**Amount Due** **$134.02**

**Amount Enclosed** _____

Fran Chavez
Oil Conservation Division - EMNRD
1220 South St. Francis Dr.
Santa Fe, NM 87505

**Issue Date:** 10/6/2013
**Prebill Date:** 10/7/2013
**Ad #** 50239
**Account #** 4212

## Chavez, Carl J, EMNRD

**From:** Chavez, Carl J, EMNRD
**Sent:** Wednesday, October 02, 2013 4:20 PM
**To:** Lane, James, DGF; Wunder, Matthew, DGF; Allison, Arthur, DIA; 'ddapr@nmda.nmsu.edu'; 'jjuen@blm.gov'; 'psisneros@nmag.gov'; 'r@rthicksconsult.com'; 'sric.chris@earthlink.net'; 'nmparks@state.nm.us'; Verhines, Scott, OSE; 'peggy@nmbg.nmt.edu'; 'marieg@nmoga.org'; Fetner, William, NMENV; 'lazarus@glorietageo.com'; Winchester, Jim, NMENV; 'cnewman02@fs.fed.us'; Kieling, John, NMENV; 'bsg@garbhall.com'; Schoeppner, Jerry, NMENV; 'claudette.horn@pnm.com'; 'ekendrick@montand.com'; 'staff@ipanm.org'; Gonzales, Elidio L, EMNRD; Leking, Geoffrey R, EMNRD; Dade, Randy, EMNRD; Bratcher, Mike, EMNRD; Perrin, Charlie, EMNRD; Kelly, Jonathan, EMNRD; Powell, Brandon, EMNRD; Martin, Ed, EMNRD
**Cc:** Dawson, Scott, EMNRD; Sanchez, Daniel J., EMNRD
**Subject:** New Mexico Oil Conservation Division Underground Injection Control (UIC) Program Class I (non-hazardous) Injection Well Permit Renewal Public Notices Navajo Refining Company, LLC (Eddy County)
**Attachments:** UICI-8 WDW-1 PN 10-2-2013.pdf; UICI-8 WDW-2 PN 10-2-2013.pdf

Ladies and Gentlemen:

The New Mexico Oil Conservation Division (OCD) issued public notices for the above subject wells today. Please find attached the public notices that will be posted in the Albuquerque Journal and Artesia Daily Press soon.

Please click here to view the WDW-1 and WDW-2 discharge permit documents posted today on the OCD Website.

Thank you.

Carl J. Chavez, CHMM
New Mexico Energy, Minerals & Natural Resources Department
Oil Conservation Division, Environmental Bureau
1220 South St. Francis Drive, Santa Fe, New Mexico 87505
Office: (505) 476-3490
E-mail: CarlJ.Chavez@State.NM.US
Website: http://www.emnrd.state.nm.us/ocd/
"Why Not Prevent Pollution; Minimize Waste; Reduce the Cost of Operations; & Move Forward With the Rest of the Nation?" To see how, please go to: "Pollution Prevention & Waste Minimization" at
http://www.emnrd.state.nm.us/ocd/environmental.htm#environmental

State of New Mexico
Energy, Minerals and Natural Resources Department

**Susana Martinez**
Governor

**David Martin**
Cabinet Secretary Designate

**Brett F. Woods, Ph.D.**
Deputy Cabinet Secretary

**Jami Bailey**
Division Director
Oil Conservation Division

**OCTOBER 2, 2013**

**CERTIFIED MAIL**
**RETURN RECEIPT NO: 7923 1275**

Mr. Michael G. McKee
Vice President and Refinery Manager
Navajo Refining Company, L.L.C.
501 East Main
Artesia, New Mexico 88210

**Re: Discharge Permit (UICI-008-1) Renewal Application for Class I non-hazardous waste injection well (Waste Disposal Well No. 1 (WDW-1) - API No. 30-015-27592) located 660 FSL and 2310 FEL (SW SE) in Section 31, Township 17 South, Range 28 East, NMPM, Eddy County, New Mexico**

Dear Mr. McKee:

Pursuant to the Water Quality Control Commission (WQCC) Regulations 20.6.2.3104 – 20.6.2.3114 NMAC, the Oil Conservation Division (OCD) hereby proposes to approve the renewal of the Navajo Refining Company, L.L.C. (Permittee) discharge permit for the above referenced Facility contingent upon the conditions specified in the attached draft Discharge Permit. Please review and provide comments to OCD on the draft Discharge Permit within 30 days of receipt of this letter.

If you have any questions, please contact Carl J. Chávez of my staff at (505) 476-3490 or E-mail: CarlJ.Chavez@state.nm.us. On behalf of the OCD, I wish to thank you and your staff for your cooperation during this discharge permit review.

Sincerely,

Scott Dawson
Deputy Director

SD/cjc

cc: OCD Artesia Office

# DISCHARGE PERMIT UICI-008-1 (WDW-1)

## 1. GENERAL PROVISIONS:

**1.A. PERMITTEE AND PERMITTED FACILITY**: The Director of the Oil Conservation Division (OCD) of the Energy, Minerals and Natural Resources Department issues Discharge Permit UICI-008-1 (Discharge Permit) to Navajo Refining Company (Permittee) to operate its Underground Injection Control (UIC) Class I non-hazardous waste injection well (Waste Disposal Well No. 1 - API No. 30-015-27592, WDW-1) located 660 FSL and 2310 FEL, Unit Letter: O, Section 31, Township 17 South, Range 28 East, NMPM, Eddy County, New Mexico at its Disposal Well Facility (Facility). The Facility is located approximately 11 miles east-southeast of Artesia, New Mexico on Hwy-82 from Hwy-285 and about 1 mile south of Hilltop Road.

The Permittee is permitted to dispose of only non-hazardous (RCRA exempt and RCRA non-hazardous, non-exempt) oil field waste fluids into its Class I non-hazardous waste injection well (WDW-1). The Permittee may dispose of a maximum of 500 gallons per minute (gpm) of oil field waste fluids. Ground water that may be affected by a spill, leak, or accidental discharge occurs at a depth of approximately 50 – 10 feet below ground surface and has a total dissolved solids (TDS) concentration of approximately 1,000 – 2,200 mg/l.

**1.B. SCOPE OF PERMIT:** OCD has been granted the authority by statute and by delegation from the Water Quality Control Commission (WQCC) to administer the Water Quality Act (Chapter 74, Article 6 NMSA 1978) as it applies to Class I non-hazardous waste injection wells (see Section 74-6-4, 74-6-5 NMSA 1978).

The Water Quality Act and the rules promulgated pursuant to the Act protect ground water and surface water of the State of New Mexico by providing that, unless otherwise allowed by 20.6.2 NMAC, no person shall cause or allow effluent or leachate to discharge so that it may move directly or indirectly into ground water unless such discharge is pursuant to an approved discharge plan (see 20.6.2.3104 NMAC, 20.6.2.3106 NMAC, and 20.6.2.5000 through 20.6.2.5299 NMAC).

This Discharge Permit for a Class I non-hazardous waste injection well (WDW-1) is issued pursuant to the Water Quality Act and WQCC rules, 20.6.2 NMAC. This Discharge Permit does not authorize any treatment of, or on-site disposal of, any materials, product, by-product, or oil field waste, other than non-hazardous oil field waste fluids into its Class I non-hazardous waste injection well (WDW-1), including, but not limited to, the on-site disposal of lube oil, glycol, antifreeze, and washdown water. The Permittee may not dispose of any industrial waste fluid that is not oil field waste that is generated at its refinery. The Ground Water Quality Bureau of the New Mexico Environment Department permits the management of all industrial fluids that are not generated in the oil field.

Pursuant to 20.6.2.5004A NMAC, the following underground injection activities are prohibited:

**1.** The injection of fluids into a motor vehicle waste disposal well is prohibited.

**2.** The injection of fluids into a large capacity cesspool is prohibited.

**3.** The injection of any hazardous or radioactive waste into a well is prohibited except as provided by 20.6.2.5004A(3) NMAC.

**4.** Class IV wells are prohibited, except for wells re-injecting treated ground water into the same formation from which it was drawn as part of a removal or remedial action.

**5.** Barrier wells, drainage wells, recharge wells, return flow wells, and motor vehicle waste disposal wells are prohibited.

This Discharge Permit does not convey any property rights of any sort nor any exclusive privilege, and does not authorize any injury to persons or property, any invasion of other private rights, or any infringement of state, federal, or local laws, rules or regulations.

The Permittee shall operate in accordance with the terms and conditions specified in this Discharge Permit to comply with the Water Quality Act and the rules issued pursuant to that Act, so that neither a hazard to public health nor undue risk to property will result (see 20.6.2.3109C NMAC); so that no discharge will cause or may cause any stream standard to be violated (see 20.6.2.3109H(2) NMAC); so that no discharge of any water contaminant will result in a hazard to public health (see 20.6.2.3109H(3) NMAC); so that the numerical standards specified in 20.6.2.3103 NMAC are not exceeded; and, so that the technical criteria and performance standards (see 20.6.2.5000 through 20.6.2.5299 NMAC) for Class I non-hazardous waste injection wells are met. Pursuant to 20.6.2.5003B NMAC, the Permittee shall comply with 20.6.2.1 through 20.6.2.5299 NMAC.

The Permittee shall not allow or cause water pollution, discharge, or release of any water contaminant that exceeds the Water Quality Control Commission (WQCC) standards specified in 20.6.2.3101 NMAC and 20.6.2.3103 NMAC or 20.6.4 NMAC (Water Quality Standards for Interstate and Intrastate Streams). Pursuant to 20.6.2.5101A NMAC, the Permittee shall not inject non-hazardous waste fluids into ground water having 10,000 mg/l or less total dissolved solids (TDS).

The issuance of this permit does not relieve the Permittee from the responsibility of complying with the provisions of the Water Quality Act, any applicable regulations or water quality standards of the WQCC, or any applicable federal laws, regulations or standards (see Section 74-6-5 NMSA 1978).

**1.C. DISCHARGE PERMIT RENEWAL:** This Discharge Permit is a permit renewal that replaces the permit being renewed. Replacement of a prior permit does not relieve the Permittee of its responsibility to comply with the terms of that prior permit while that permit was in effect.

**1.D. DEFINITIONS:** Terms not specifically defined in this Discharge Permit shall have the same meanings as those in the Water Quality Act or the rules adopted pursuant to the Act, as the context requires.

**1.E. FILING FEES AND PERMIT FEES:** Pursuant to 20.6.2.3114 NMAC, every facility that submits a Discharge Permit application for initial approval or renewal shall pay the permit fees specified in Table 1 and the filing fee specified in Table 2 of 20.6.2.3114 NMAC. OCD has already received the required $100.00 filing fee. The Permittee shall submit the final $4,500.00 permit fee for a Class I non-hazardous waste injection well to OCD with a check made payable to "Water Quality Management Fund" thirty days after the date that this permit is issued.

**1.F. EFFECTIVE DATE, EXPIRATION, RENEWAL CONDITIONS, AND PENALTIES FOR OPERATING WITHOUT A DISCHARGE PERMIT:** This Discharge Permit becomes effective 30 days from the date that the Permittee receives this discharge permit or until the permit is terminated or expires. This Discharge Permit will expire on **June 1, 2017.** The Permittee shall submit an application for renewal no later than 120 days before that expiration date, pursuant to 20.6.2.5101F NMAC. If a Permittee submits a renewal application at least 120 days before the Discharge Permit expires and is in compliance with the approved Discharge Permit, then the existing Discharge Permit will not expire until OCD has approved or disapproved the renewal application. A discharge permit continued under this provision remains fully effective and enforceable. Operating with an expired Discharge Permit may subject the Permittee to civil and/or criminal penalties (see Section 74-6-10.1 NMSA 1978 and Section 74-6-10.2 NMSA 1978).

**1.G. MODIFICATIONS AND TERMINATIONS:** The Permittee shall notify the OCD Director and the OCD's Environmental Bureau of any Facility expansion, any injection increase above the approved pressure limit or volume limit specified in Permit Condition 3.B.2, or process modification that would result in any significant modification in the discharge of water contaminants (see 20.6.2.3107C NMAC). The OCD Director may require the Permittee to submit a Discharge Permit modification application pursuant to 20.6.2.3109E NMAC and may modify or terminate a Discharge Permit pursuant to Sections 74-6-5(M) through (N) NMSA 1978.

**1.** If data submitted pursuant to any monitoring requirements specified in this Discharge Permit or other information available to the OCD Director indicate that 20.6.2 NMAC is being or may be violated, then the OCD Director may require modification or, if it is determined by the OCD Director that the modification may not be adequate, may terminate this Discharge Permit for a Class I non-hazardous waste injection well (WDW-1) that was approved pursuant to the requirements of this 20.6.2.5000 through 20.6.2.5299 NMAC for the following causes:

**a.** Noncompliance by Permittee with any condition of this Discharge Permit; or,

**b.** The Permittee's failure in the discharge permit application or during the discharge permit review process to disclose fully all relevant facts, or Permittee's misrepresentation of any relevant facts at any time; or,

**c.** A determination that the permitted activity may cause a hazard to public health or undue risk to property and can only be regulated to acceptable levels by discharge permit modification or termination (see Section 75-6-6 NMSA 1978; 20.6.2.5101I NMAC; and, 20.6.2.3109E NMAC).

**2.** This Discharge Permit may also be modified or terminated for any of the following causes:

**a.** Violation of any provisions of the Water Quality Act or any applicable regulations, standard of performance or water quality standards;

**b.** Violation of any applicable state or federal effluent regulations or limitations; or

**c.** Change in any condition that requires either a temporary or permanent reduction or elimination of the permitted discharge (see Section 75-6-5M NMSA 1978).

**1.H. TRANSFER OF CLASS I NON-HAZARDOUS WASTE INJECTION WELL (WDW-1) DISCHARGE PERMIT:**

**1.** The transfer provisions of 20.6.2.3111 NMAC do not apply to a discharge permit for a Class I non-hazardous waste injection well.

**2.** Pursuant to 20.6.2.5101H NMAC, the Permittee may request to transfer its Class I non-hazardous waste injection well (WDW-1) discharge permit if:

**a.** The OCD Director receives written notice 30 days prior to the transfer date; and,

**b.** The OCD Director does not object prior to the proposed transfer date. OCD may require modifications to the discharge permit as a condition of transfer, and may require demonstration of adequate financial responsibility.

**3.** The written notice required in accordance with Permit Condition 1.H.2.a shall:

**a.** Have been signed by the Permittee and the succeeding Permittee, and shall include an acknowledgment that the succeeding Permittee shall be responsible for compliance with the Class I non-hazardous waste injection well discharge permit upon taking possession of the facility;

**b.** Set a specific date for transfer of the discharge permit responsibility, coverage and liability; and

**c.** Include information relating to the succeeding Permittee's financial responsibility required by 20.6.2.5210B(17) NMAC.

**1.I. COMPLIANCE AND ENFORCEMENT:** If the Permittee violates or is violating a condition of this Discharge Permit, OCD may issue a compliance order that requires compliance immediately or within a specified time period, or assess a civil penalty, or both (see Section 74-6-10 NMSA 1978). The compliance order may also include a suspension or termination of this Discharge Permit. OCD may also commence a civil action in district court for appropriate relief, including injunctive relief (see Section 74-6-10A.2 NMSA 1978). The Permittee may be subject to criminal penalties for discharging a water contaminant without a discharge permit or in violation of a condition of a discharge permit; making any false material statement, representation, certification or omission of material fact in a renewal application, record, report, plan or other document filed, submitted or required to be maintained under the Water Quality Act; falsifying, tampering with or rendering inaccurate any monitoring device, method or record required to be maintained under the Water Quality Act; or failing to monitor, sample or report as required by a Discharge Permit issued pursuant to a state or federal law or regulation (see Section 74-6-10.2 NMSA 1978).

## 2. GENERAL FACILITY OPERATIONS:

**2.A. QUARTERLY MONITORING REQUIREMENTS FOR CLASS I NON-HAZARDOUS WASTE INJECTION WELL (WDW-1):** Pursuant to 20.6.2.5207B, the Permittee shall provide analysis of the injected fluids at least quarterly to yield data representative of their characteristics.

The Permittee shall analyze the injected fluids quarterly for the following characteristics:

- pH;
- Eh;
- Specific conductance;
- Specific gravity;
- Temperature; and,
- General ground water quality parameters (general chemistry/cations and anions, including fluoride, calcium, potassium, magnesium, sodium bicarbonate, carbonate, chloride, sulfate, total dissolved solids, cation/anion balance, pH, and bromide using the methods specified in 40 CFR 136.3).

**2.B. CONTINGENCY PLANS:** The Permittee shall implement its proposed contingency plan(s) included in its Permit Renewal Application to cope with failure of a system(s) in the Discharge Permit.

**2.C. CLOSURE:** Prior to closure of the facility, the Permittee shall submit for OCD's approval, a closure plan including a completed form C-103 for plugging and abandonment of the Class I non-hazardous waste injection well (WDW-1). The Permittee shall plug and abandon WDW-1 pursuant to 20.6.2.5209 NMAC and as specified in Permit Condition 2.D.

**1. Pre-Closure Notification:** Pursuant to 20.6.2.5005A NMAC, the Permittee shall submit a pre-closure notification to OCD's Environmental Bureau at least 30 days prior to the date that it proposes to close or to discontinue operation of its Class I non-hazardous waste injection well (WDW-1). Pursuant to 20.6.2.5005B NMAC, OCD's Environmental Bureau must approve all proposed well closure activities before the Permittee may implement its proposed closure plan.

**2. Required Information:** The Permittee shall provide OCD's Environmental Bureau with the following information:

- Name of facility;
- Address of facility;
- Name of Permittee (and owner or operator, if appropriate);
- Address of Permittee (and owner or operator, if appropriate);
- Contact person;
- Phone number;
- Number and type of well(s);
- Year of well construction;
- Well construction details;
- Type of discharge;
- Average flow (gallons per day);
- Proposed well closure activities (*e.g.*, sample fluids/sediment, appropriate disposal of remaining fluids/sediments, remove well and any contaminated soil, clean out well, install permanent plug, conversion to other type of well, ground water and vadose zone investigation, *etc.*);
- Proposed date of well closure;
- Name of Preparer; and,
- Date.

**2.D. PLUGGING AND ABANDONMENT PLAN:** Pursuant to 20.6.2.5209A NMAC, when the Permittee proposes to plug and abandon its Class I non-hazardous waste injection well (WDW-1), it shall submit to OCD a plugging and abandonment plan that meets the requirements of 20.6.2.3109C NMAC, 20.6.2.5101C NMAC, and 20.6.2.5005 NMAC for protection of ground water. If requested by OCD, Permittee shall submit for approval prior to closure, a revised or updated plugging and abandonment plan. The obligation to implement the plugging and abandonment plan as well as the requirements of the plan survives the termination or expiration of this Discharge Permit. The Permittee shall comply with 20.6.2.5209 NMAC.

**2.E. RECORD KEEPING:** The Permittee shall maintain records of all inspections required by this Discharge Permit at its Facility office for a minimum of five years and shall make those records available for inspection by OCD.

**2.F. RELEASE REPORTING:** The Permittee shall comply with the following permit conditions, pursuant to 20.6.2.1203 NMAC, if it determines that a release of oil or other water contaminant, in such quantity as may with reasonable probability injure or be detrimental to

human health, animal or plant life, or property, or unreasonably interfere with the public welfare or the use of property, has occurred. The Permittee shall report unauthorized releases of water contaminants in accordance with any additional commitments made in its approved Contingency Plan. If the Permittee determines that any constituent exceeds the standards specified in 20.6.2.3103 NMAC, then it shall report a release to OCD's Environmental Bureau.

**1. Oral Notification:** As soon as possible after learning of such a discharge, but in no event more than twenty-four (24) hours thereafter, the Permittee shall notify OCD's Environmental Bureau. The Permittee shall provide the following:

- The name, address, and telephone number of the person or persons in charge of the facility, as well as of the owner and/or operator of the facility;
- The name and location of the facility;
- The date, time, location, and duration of the discharge;
- The source and cause of discharge;
- A description of the discharge, including its chemical composition;
- The estimated volume of the discharge; and,
- Any corrective or abatement actions taken to mitigate immediate damage from the discharge.

**2. Written Notification:** Within one week after the Permittee has discovered a discharge, the Permittee shall send written notification (may use form C-141 with attachments) to OCD's Environmental Bureau verifying the prior oral notification as to each of the foregoing items and providing any appropriate additions or corrections to the information contained in the prior oral notification.

The Permittee shall provide subsequent written reports as required by OCD's Environmental Bureau.

## 2.G. OTHER REQUIREMENTS:

**1. Inspection and Entry:** Pursuant to Section 74-6-9 NMSA 1978 and 20.6.2.3107A NMAC, the Permittee shall allow any authorized representative of the OCD Director, to:

- Upon the presentation of proper credentials, enter the premises at reasonable times;
- Inspect and copy records required by this Discharge Permit;
- Inspect any treatment works, monitoring, and analytical equipment;
- Sample any effluent before or after discharge; and,
- Use the Permittee's monitoring systems and wells in order to collect samples.

**2. Advance Notice:** The Permittee shall provide OCD's Environmental Bureau and Artesia District Office with at least five (5) working days advance notice of any environmental sampling to be performed pursuant to this Discharge Permit, or any well plugging, abandonment

or decommissioning of any equipment associated with its Class I non-hazardous waste injection well (WDW-1).

**3. Environmental Monitoring:** The Permittee shall ensure that any environmental sampling and analytical laboratory data collected meets the standards specified in 20.6.2.3107B NMAC. The Permittee shall ensure that all environmental samples are analyzed by an accredited "National Environmental Laboratory Accreditation Conference" (NELAC) Laboratory. The Permittee shall submit data summary tables, all raw analytical data, and laboratory Quality Assurance/Quality Control (QA/QC), and Data Quality Objectives (DQOs).

**2.H. BONDING OR FINANCIAL ASSURANCE:** Pursuant to 20.6.2.5210B(17) NMAC, the Permittee shall maintain at a minimum, a single well plugging bond in the amount that it shall determine, in accordance with Permit Condition 5.B, to cover potential costs associated with plugging and abandonment of the Class I non-hazardous waste injection well (WDW-1), surface restoration, and post-operational monitoring, as may be needed. OCD may require additional financial assurance to ensure adequate funding is available to plug and abandon the well and/or for any required corrective actions.

Methods by which the Permittee shall demonstrate the ability to undertake these measures shall include submission of a surety bond or other adequate assurances, such as financial statements or other materials acceptable to the OCD Director, such as: (1) a surety bond; (2) a trust fund with a New Mexico bank in the name of the State of New Mexico, with the State as Beneficiary; (3) a non-renewable letter of credit made out to the State of New Mexico; (4) liability insurance specifically covering the contingencies listed in this paragraph; or (5) a performance bond, generally in conjunction with another type of financial assurance. If an adequate bond is posted by the Permittee to a federal or another state agency, and this bond covers all of the measures specified above, the OCD Director shall consider this bond as satisfying the bonding requirements of Sections 20.6.2.5000 through 20.6.2.5299 NMAC wholly or in part, depending upon the extent to which such bond is adequate to ensure that the Permittee will fully perform the measures required herein above.

**2.I. REPORTING:**

**1. Quarterly Reports:** The Permittee shall submit quarterly reports pursuant to 20.6.2.5208A NMAC to OCD's Environmental Bureau by September 1st, December 1st, and March 1st, of each year. The quarterly reports shall include the following:

**a.** The physical, chemical and other relevant characteristics of injection fluids;

**b.** Monthly average, maximum and minimum values for injection pressure, flow rate and volume, and annular pressure; and

**c.** The results of monitoring prescribed under Section 20.6.2.5207B NMAC.

**2. Annual Report:** The Permittee shall submit its annual report pursuant to 20.6.2.3107 NMAC to OCD's Environmental Bureau by **June 1**st of the following year. The annual report shall include the following:

- Cover sheet marked as "Annual Class I Non-Hazardous Waste Injection Well (WDW-1), Name of Permittee, Discharge Permit Number, API number of well, date of report, and person submitting report;
- Summary of Class I non-hazardous waste injection well (WDW-1) operations for the year including a description and reason for any remedial or major work on the well with a copy of form C-103(s);
- Monthly injection/disposal volume, including the cumulative total should be carried over to each year;
- Maximum and average injection pressures;
- A copy of the quarterly chemical analyses shall be included with data summary and all QA/QC information;
- Copy of any mechanical integrity test chart(s), including the type of test, *i.e.*, duration, gauge pressure, *etc.;*
- Copy of fall-of test(s) performed with charts and report in accordance with the OCD's 2007 New Mexico Oil Conservation Division UIC Class I Well Fall-Off Test Guidance;
- Summary tables listing environmental analytical laboratory data for quarterly waste fluid samples. Any 20.6.2.3103 NMAC constituent(s) found to exceed a water quality standard shall be highlighted and noted in the annual report. The Permittee shall include copies of the most recent year's environmental analytical laboratory data sheets with QA/QC summary sheet information in conformance with the National Environmental Laboratory Accreditation Conference (NELAC) and EPA Standards;
- Brief explanation describing deviations from the normal injection operations;
- Results of any leaks and spill reports (include any C-141 reports);
- An Area of Review (AOR) annual update summary;
- A summary with interpretation of MITs, Fall-Off Tests, *etc.*, with conclusion(s) and recommendation(s);
- Records of the expansion tank monitoring pressure, fluid removals and/or additions indicating the well MIT condition;
- A summary of all major Facility activities or events, which occurred during the year with any conclusions and recommendations;
- A summary of any new discoveries of ground water contamination with all leaks, spills and releases and corrective actions taken; and,
- The Permittee shall file its Annual Report in an electronic format with a hard copy submittal to OCD's Environmental Bureau.

## 3. CLASS I NON-HAZARDOUS WASTE INJECTION WELL (WDW-1) OPERATIONS:

**3.A. OPERATING REQUIREMENTS:** The Permittee shall comply with the operating requirements specified in 20.6.2.5206A NMAC and 20.6.2.5206B NMAC to ensure that:

**1.** The maximum injection pressure at the wellhead shall not initiate new fractures or propagate existing fractures in the confining zone, or cause the movement of injection or formation fluids into ground water having 10,000 mg/l or less TDS except for fluid movement approved pursuant to 20.6.2.5103 NMAC and during well stimulation.

**2.** Injection between the outermost casing and the well bore is prohibited in a zone other than the authorized injection zone. If the Permittee determines that its Class I non-hazardous waste injection well (WDW-1) is discharging or suspects that it is discharging fluids into a zone or zones other than the permitted injection zone specified in Permit Condition 3.B.1., then the Permittee shall cease operations until proper repairs are made, notify the OCD's Environmental Bureau and Artesia District office within 24 hours, and shall not resume injection until the permittee has received approval from the OCD.

**3.** The annulus between the tubing, packer, and the second intermediate casing shall be filled with a fluid approved by the OCD Director and a pressure, also approved by the OCD Director shall be maintained on the annulus.

**3.B. INJECTION OPERATIONS:**

**1. Injection Formation, Interval, and Waste Fluids:** The Permittee shall inject only non-hazardous (RCRA exempt and RCRA non-hazardous, non-exempt) oil field waste fluids into the Wolfcamp, Cisco, and Canyon Formation (formation injection intervals) through perforations set from: 7,924 feet to 8188 feet and 8220 feet to 8,476 feet (Note: Depths herein are referenced from KB of elevation 12.5 feet above ground level) in its Class I non-hazardous waste injection well (WDW-1). The conductor and/or surface casing is set at 390 feet; the intermediate casing is set at 2555 feet; the second intermediate casing is set at 9,094 feet; the injection tubing is set at 7,879 feet; the packer is set at approximately 7,879 feet between the second intermediate casing and tubing to contain annulus fluid. The top cement plug is set from 9,004 – 9,016 feet and bottom cement plug is set from 9,624 – 9,734 feet. The top cement plug is set in the second intermediate casing and confines the Class I non-hazardous injection well (WDW-1) to the injection intervals. The bottom cement plug is set from 9,624 – 9,734 feet within the open borehole and serves as a second barrier to flow with well TD at 10,200 feet. The Permittee shall ensure that the injected waste fluid enters perforations only within the above specified injection interval and is not permitted to escape to other formations or onto the surface.

**2. Well Injection Pressure Limits and Injection Flow Rate:** The Permittee shall ensure that the maximum wellhead or surface injection pressure on its Class I non-hazardous waste injection well (WDW-1) shall not exceed 1,580 psig and that the injection flow rate shall not exceed 500 gpm.

**3. Pressure Limiting Device:** The Permittee shall equip and operate its Class I non-hazardous waste injection well (WDW-1) or system with a pressure limiting device, or equivalent (*i.e.*, Murphy switch), in working condition which shall at all times limit surface injection pressure to the maximum allowable pressure for its Class I non-hazardous waste injection well (WDW-1).

The Permittee shall inspect and monitor the pressure-limiting device daily and shall report any pressure exceedances within 24 hours of detection to OCD's Environmental Bureau and Artesia District Office. The Permittee shall take all steps necessary to ensure that the injected waste fluids enter only the proposed injection interval and are not permitted to escape to other formations or onto the ground surface. The Permittee shall report to OCD's Environmental Bureau within 24 hours of discovery any indication that new fractures or existing fractures have been propagated, or that damage to the well, the injection zone, or formation has occurred.

OCD may authorize an increase in surface injection pressure if the Permittee performs a valid Step-Rate Test (SRT), which demonstrates that the proposed maximum surface injection pressure is less than the injection zone fracture pressure with an acceptable safety factor. If approvable, the Permittee must apply for a modification to this Discharge Permit pursuant to 20.6.2.3109 NMAC.

**3.C. CONTINUOUS MONITORING DEVICES:** The Permittee shall use continuous monitoring devices to provide a record of injection pressure, flow rate, flow volume, and pressure on the annulus between the tubing and the second intermediate casing.

**3.D. MECHANICAL INTEGRITY FOR CLASS I NON-HAZARDOUS WASTE INJECTION WELLS:**

**1.** Pursuant to 20.6.2.5204 NMAC, the Permittee shall conduct a mechanical integrity test (MIT) for its Class I non-hazardous waste injection well (WDW-1) at least once every five years or more frequently as the OCD Director may require for good cause during the life of the well. The Permittee shall also demonstrate mechanical integrity for its Class I non-hazardous waste injection well (WDW-1) by running a MIT every time it performs a well workover, including when it pulls the tubing or reseats the packer. The Permittee shall request MIT approval using form C-103 (Sundry Notices and Reports on Wells) with copies sent to OCD's Environmental Bureau and Artesia District Office. The Permittee shall notify OCD's Environmental Bureau 5 days prior to conducting any MIT to allow OCD the opportunity to witness the MIT.

The Permittee shall conduct a casing-tubing annulus MIT from the surface to the approved injection depth to assess casing and tubing integrity. The MIT shall consist of a 30-minute test at a minimum pressure of 300 psig measured at the surface. The Permittee shall follow OCD's 2004 New Mexico Oil Conservation Division Underground Injection Control Program Manual Guidance when conducting an MIT. The Permittee shall submit the results of its MIT to OCD's Environmental Bureau and Artesia District Office within 30 days of completion. If any remedial work or any other workover operations are necessary, the Permittee shall comply with Permit Condition 3.F.

**2.** A Class I non-hazardous waste injection well has mechanical integrity if there is no detectable leak in the second intermediate casing, tubing and/or packer which OCD considers to be significant at maximum operating temperature and pressure, and no detectable conduit for fluid movement out of the injection zone through the well bore, or vertical channels adjacent to the well bore which the OCD considers to be significant. The following criteria will determine if the Class I non-hazardous waste injection well (WDW-1) has passed the MIT:

**a.** The MIT passes if there is zero bleed-off during the test;

**b.** The MIT passes if there is a less than a ± 10% change in the final test pressure compared to the starting pressure, if approved by OCD;

**c.** The MIT fails if there is more than 10% reduction in the final test pressure compared to the starting pressure or that the pressure does not stabilize within 10% of the starting pressure before the end of the MIT. The Permittee shall shut-in the well and investigate for leaks in accordance with Permit Condition 3.F. The Permittee shall not resume injection operations until approved by OCD.

**d.** When the MIT is not witnessed by OCD and fails, the Permittee shall shut-in the well and notify OCD within 24 hours of the failure of the MIT.

**3.** Pursuant to 20.6.2.5204C NMAC, the OCD Director may consider the use of equivalent alternative test methods to determine mechanical integrity. The Permittee shall submit information on the proposed test and all technical data supporting its use. The OCD Director may approve the Permittee's request if it will reliably demonstrate the mechanical integrity of the well for which its use is proposed.

**4.** Pursuant to 20.6.2.5204D NMAC, when conducting and evaluating the MIT(s), the Permittee shall apply methods and standards generally accepted in the oil and gas industry. When the Permittee reports the results of all MIT(s) to the OCD Director, it shall include a description of the test(s), the method(s) used, and the test results.

**5.** The Permittee shall conduct a Bradenhead test at least annually and each time that it conducts a MIT.

**3.E. FALL-OFF TEST:** The Permittee shall conduct a Fall-Off Test (FOT) to monitor the injection zone formation characteristics and pressure buildup over time in the injection zone at least every three years. The Permittee shall request FOT approval using form C-103 (Sundry Notices and Reports on Wells) sent to OCD's Environmental Bureau and Artesia District Office.

The Permittee shall follow OCD's 2007 *New Mexico Oil Conservation Division UIC Class I Well Fall-Off Test Guidance* "Test Plan" approved by the OCD when conducting a FOT and shall shut down the well for a time sufficient to conduct a valid observation of the pressure fall-off curve. The Permittee shall submit the results of its FOT to OCD's Environmental Bureau and Artesia District Office within 30 days of completion, including the original charts.

**3.F. WELL WORKOVER OPERATIONS:** Pursuant to 20.6.2.5205A(5) NMAC, the Permittee shall provide notice to and shall obtain approval from OCD's Environmental Bureau prior to commencement of any remedial work or any other workover operations to allow OCD the opportunity to witness the operation. The Permittee shall request approval using form C-103 (Sundry Notices and Reports on Wells) with copies sent to OCD's Environmental Bureau and Artesia District Office. After completing remedial work, pressure tests, or any other workover operations, the Permittee shall run a MIT in accordance with Permit Condition 3.D to verify that the remedial work has successfully repaired any problems.

**3. G. EXTERNAL EXPANSION TANK:** The Permittee shall equip its Class I non-hazardous waste injection well (WDW-1) with an external expansion tank system under constant 100 psig pressure connected to the tubing, packer and second intermediate casing-annulus. The Permittee shall fill the external expansion tank half-full with an OCD-approved liquid to establish an equilibrium volume and liquid level. The Permittee shall monitor the liquid levels in the external expansion tank at least weekly and shall record all additions or removals of liquids into or out of the external expansion tank. The Permittee shall record any loss or gain of fluids in the external expansion tank, and shall verbally notify OCD's Environmental Bureau within 5 days of any loss or gain of fluid greater than 5 barrels per month and shall comply with Permit Condition 3.F.

The Permittee shall provide the weekly expansion tank volume fluid volumes readings and the fluid volume additions or removals from the expansion tank on a quarterly basis and in the annual report.

**3.H. INJECTION RECORD VOLUMES AND PRESSURES:** The Permittee shall submit quarterly reports of its injection operations and well workovers. The Permittee shall record the minimum, maximum, and average flow waste injection volumes (including total volumes) and annular pressures of the injected waste fluids on a monthly basis, and shall submit the data to OCD on a quarterly basis and in the annual report. The Permittee shall fill the casing-tubing annulus with an OCD-approved liquid and install a Murphy pressure switch or equivalent, as described in the Permittee's permit renewal application, in order to detect leakage in the casing, tubing, or packer.

**3.I. AREA OF REVIEW (AOR):** The Permittee shall orally report to OCD's Environmental Bureau within 72 hours of discovery of any new wells, conduits, or any other device that penetrates or may penetrate the injection zone within a 1-mile radius from its Class I non-hazardous waste injection well (WDW-1).

**4. CLASS V WELLS:** Pursuant to 20.6.2.5002B NMAC, leach fields and other waste fluids disposal systems that inject non-hazardous fluid into or above an underground source of drinking water are UIC Class V injection wells. This Discharge Permit does not authorize the use of a Class V injection well for the disposal of industrial waste. Pursuant to 20.6.2.5005 NMAC, the Permittee shall close any Class V industrial waste injection well that injects non-hazardous industrial wastes or a mixture of industrial wastes and domestic wastes (*e.g.*, septic systems, leach fields, dry wells, *etc*.) within 90 calendar days of the issuance of this Discharge Permit. The Permittee shall document the closure of any Class V wells used for the disposal of

non-hazardous industrial wastes or a mixture of industrial wastes and domestic wastes other than contaminated ground water in its Annual Report. Other Class V wells, including wells used only for the injection of domestic wastes, shall be permitted by the New Mexico Environment Department.

## 5. SCHEDULE OF COMPLIANCE:

**5.A. QUARTERLY AND ANNUAL REPORTS:** The Permittee shall submit its quarterly and annual reports to OCD as specified in Permit Condition 2.I.

**5.B. BONDING OR FINANCIAL ASSURANCE:** The Permittee shall submit an estimate of the minimum cost to properly close, plug and abandon its Class I non-hazardous waste injection well (WDW-1), conduct ground water restoration if applicable, and any post-operational monitoring as may be needed (see 20.6.2.5210B(17) NMAC) within 90 days of permit issuance (see 20.6.2.5210B(17) NMAC). The Permittee's cost estimate shall be based on third person estimates. After review, OCD will require the Permittee to submit a single well plugging bond based on the third person cost estimate.

State of New Mexico
Energy, Minerals and Natural Resources Department

**Susana Martinez**
Governor

**David Martin**
Cabinet Secretary Designate

**Brett F. Woods, Ph.D.**
Deputy Cabinet Secretary

**Jami Bailey**
Division Director
Oil Conservation Division

**OCTOBER 2, 2013**

Mr. Michael G. McKee
Vice President and Refinery Manager
Navajo Refining Company, L.L.C.
501 East Main
Artesia, New Mexico 88210

**Re: Discharge Permit (UICI-008-1) Renewal Application for Class I non-hazardous waste injection well (Waste Disposal Well No. 1 (WDW-1) - API No. 30-015-27592) located 660 FSL and 2310 FEL, UL: O, Section 31, Township 17 South, Range 28 East, NMPM, Eddy County, New Mexico**

Dear Mr. McKee:

The Oil Conservation Division (OCD) is in receipt of Navajo Refining Company, L.L.C.'s (NRC) discharge permit renewal application for its UIC Class I non-hazardous waste injection well. After review, OCD has determined that your application is "*administratively complete*" pursuant to New Mexico Water Quality Control Commission regulations (20.6.2.3108 NMAC).

NRC must now provide public notice and demonstrate that it has done so to OCD in a timely manner. OCD will also provide notice to various governmental groups. Depending upon the level of public interest, a hearing may be scheduled on this matter. Regardless, OCD will continue our review of the application and may request additional information.

If you have any questions, please do not hesitate to contact me by phone at (505) 476-3490, mail at the address below, or email at CarlJ.Chavez@state.nm.us. On behalf of the OCD, I wish to thank you and your staff for your cooperation during this discharge permit review process.

Sincerely,

Carl J. Chávez
Environmental Engineer

CJC/cjc

cc: OCD Artesia Office

**NOTICE OF PUBLICATION**

**STATE OF NEW MEXICO**
**ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT**
**OIL CONSERVATION DIVISION**

Notice is hereby given that pursuant to Water Quality Control Commission Regulations (20.6.2.3106 NMAC) the following discharge permit application(s) has been submitted to the Director of the New Mexico Oil Conservation Division (OCD), 1220 S. Saint Francis Drive, Santa Fe, New Mexico 87505, and Telephone (505) 476-3440:

(UICI-008-1) Navajo Refining Company, L.L.C. Michael G. McKee, Vice President and Refinery Manager, 501 East Main Street, P.O. Box Drawer 159, Artesia New Mexico 88211-0159, has submitted a renewal application for operation of a previously approved Underground Injection Control (UIC) Class I (non-hazardous) Injection Well Discharge Permit (UICI-008-1) for the Waste Disposal Well #1- WDW-1 (API# 30-015-27592) located 660 FSL and 2310 FEL (SW/4, SE/4) in Section 31, Township 17 South, Range 28 East, NMPM, Eddy County, New Mexico. The injection well is located approximately 11 miles east-southeast of Artesia on Hwy-82 from Hwy-285 and about 1 mile south of Hilltop Road. Oil-field exempt and non-exempt, non-hazardous industrial wastewater will be transported about 12 miles underground from the Navajo-Artesia Refinery located at 501 E. Main Street, Artesia, NM via a 6 inch dia. pipeline to WDW-1 for disposal into the Wolfcamp, Cisco, and Canyon Formations in the injection interval from 7924 to 8476 feet (depth below ground level) at a daily rate not to exceed 500 gpm and at a maximum allowable surface injection pressure of 1580 psig. The injection fluid contains approximately 6250 ppm total dissolved solids (TDS). Ground water most likely to be affected by a spill, leak or accidental discharge is at a depth of about 100 feet below the ground surface with a TDS concentration range from 1000 – 1535 ppm. The injection zone TDS concentration ranges from 13,000 to 119,909 ppm. The discharge permit addresses well construction, operation, monitoring of the well, associated surface facilities, and provides a contingency plan in the event of accidental spills, leaks, and other accidental discharges in order to protect fresh water.

Any interested person may obtain further information from the OCD and may submit written comments to the Division Director at the address given above. The application and draft permit may be viewed at the above address between 8:00 a.m. and 4:00 p.m., Monday through Friday, or may also be viewed at the OCD's web site http://www.emnrd.state.nm.us/ocd/. Persons interested in obtaining a copy of the application and draft permit may contact OCD at the address given above. Prior to ruling on any proposed discharge permit or major modification, the Director shall allow a period of at least thirty (30) days after the date of publication of this notice, during which interested persons may submit comments or request that OCD hold a public hearing. Requests for a public hearing shall set forth the reasons why a hearing should be held. A hearing will be held if the Director determines that there is significant public interest.

If no public hearing is held, the Director will approve or disapprove the proposed permit based on available information, including all comments received. If a public hearing is held, the director will approve or disapprove the proposed permit based on information in the application along with information submitted at the hearing.

Para obtener más información sobre esta solicitud en espan□ol, sirvase comunicarse por favor: New Mexico Energy, Minerals and Natural Resources Department (Depto. Del Energia, Minerals y Recursos Naturales de Nuevo México), Oil Conservation Division (Depto. Conservacio´n Del Petróleo), 1220 South St. Francis Drive, Santa Fe, New México (Contacto: Laura Juarez, 575-748-1283 Ext. 100).

DONE at Santa Fe, New Mexico, on this 2nd day of October 2013.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION
Jami Bailey, Director

*New Mexico Environment Department Revenue Transmittal*

| | | Description | Fund | CES | DFA Org. | DFA Acct. | ED Org. | ED Acct. | Amount | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 1 | ____ CY Reimbursement Project _____ Tax __ | 064 | 01 | | | | | | 1 |
| | 2 | ____ Gross Receipt Tax | 064 | 01 | | 2329 | 900000 | 2329134 | | 2 |
| | 3 | ____ Air Quality Title V | 092 | 13 | | 1690 | 900000 | 4169134 | | 3 |
| | 4 | ____ PRP Prepayments | 248 | 14 | | 9690 | 900000 | 4969014 | | 4 |
| | 5 | ____ Climax Chemical Co. | 248 | 14 | | 9690 | 900000 | 4969015 | | 5 |
| | 6 | ____ Circle K Reimbursements | 248 | 14 | | 9690 | 900000 | 4969248 | | 6 |
| | 7 | ____ Hazardous Waste Permits | 339 | 27 | | 1690 | 900000 | 4169027 | | 7 |
| | 8 | ____ Hazardous Waste Annual Generator Fees | 339 | 27 | | 1690 | 900000 | 4169339 | | 8 |
| | 9 | ____ Water Quality - Drinking Water | 340 | 28 | | 1690 | 900000 | 4169028 | | 9 |
| | 10 | X Water Quality - Oil Conservation Division | 341 | 29 | | 2329 | 900000 | 2329029 | $100.00 | 10 |
| | 11 | ____ Water Quality - GW Discharge Permit | 341 | 29 | | 1690 | 900000 | 4169029 | | 11 |
| | 12 | ____ Air Quality Permits | 631 | 31 | | 1690 | 900000 | 4169031 | | 12 |
| | 13 | ____ Payments under Protest | 651 | 33 | | 2919 | 900000 | 2919033 | | 13 |
| * | 14 | ____ Xerox Copies | 652 | 34 | | 2349 | 900000 | 2349001 | | 14 |
| | 15 | ____ Ground Water Penalties | 652 | 34 | | 2349 | 900000 | 2349002 | | 15 |
| | 16 | ____ Witness Fees | 652 | 34 | | 2349 | 900000 | 2349003 | | 16 |
| | 17 | ____ Air Quality Penalities | 652 | 34 | | 2349 | 900000 | 2349004 | | 17 |
| | 18 | ____ OSHA Penalties | 652 | 34 | | 2349 | 900000 | 2349005 | | 18 |
| | 19 | ____ Prior Year Reimbursement | 652 | 34 | | 2349 | 900000 | 2349006 | | 19 |
| | 20 | ____ Surface Water Quality Certification | 652 | 34 | | 2349 | 900000 | 2349009 | | 20 |
| | 21 | ____ Jury Duty | 652 | 34 | | 2349 | 900000 | 2349012 | | 21 |
| | 22 | ____ CY Reimbursements (i.e.: telephone) | 652 | 34 | | 2349 | 900000 | 2349014 | | 22 |
| * | 23 | ____ UST Owners List | 783 | 24 | | 9690 | 900000 | 4969201 | | 23 |
| * | 24 | ____ Hazardous Waste Notifiers List | 783 | 24 | | 9690 | 900000 | 4969202 | | 24 |
| * | 25 | ____ UST Maps | 783 | 24 | | 9690 | 900000 | 4969203 | | 25 |
| * | 26 | ____ UST Owners Update | 783 | 24 | | 9690 | 900000 | 4969205 | | 26 |
| * | 28 | ____ Hazardous Waste Regulations | 783 | 24 | | 9690 | 900000 | 4969207 | | 28 |
| * | 29 | ____ Radiologic Tech. Regulations | 783 | 24 | | 9690 | 900000 | 4969208 | | 29 |
| * | 30 | ____ Superfund CERCLIS List | 783 | 24 | | 9690 | 900000 | 4969211 | | 30 |
| * | 31 | ____ Solid Waste Permits Fees | 783 | 24 | | 9690 | 900000 | 4969213 | | 31 |
| | 32 | ____ Smoking School | 783 | 24 | | 9690 | 900000 | 4969214 | | 32 |
| * | 33 | ____ SWQB - NPS Publications | 783 | 24 | | 9690 | 900000 | 4969222 | | 33 |
| * | 34 | ____ Radiation Licensing Regulations | 783 | 24 | | 9690 | 900000 | 4969228 | | 34 |
| * | 35 | ____ Sale of Equipment | 783 | 24 | | 9690 | 900000 | 4969301 | | 35 |
| * | 36 | ____ Sale of Automobile | 783 | 24 | | 9690 | 900000 | 4969302 | | 36 |
| ** | 37 | ____ Lust Recoveries | 783 | 24 | | 9690 | 900000 | 4969614 | | 37 |
| ** | 38 | ____ Lust Prepayments | 783 | 24 | | 9690 | 900000 | 4969615 | | 38 |
| | 39 | ____ Surface Water Publication | 783 | 24 | | 9690 | 900000 | 4969801 | | 39 |
| | 40 | ____ Exxon Reese Drive Ruidoso - CAF | 783 | 24 | | 9690 | 900000 | 4969242 | | 40 |
| | 41 | ____ Emerg. Hazardous Waste Penalties NOV | 957 | 32 | | 1640 | 900000 | 4164032 | | 41 |
| | 42 | ____ Radiologic Tech. Certification | 987 | 05 | | 1690 | 900000 | 4169005 | | 42 |
| | 44 | ____ UST Permit Fees | 989 | 20 | | 1690 | 900000 | 4169020 | | 44 |
| | 45 | ____ UST Tank Installers Fees | 989 | 20 | | 1690 | 900000 | 4169021 | | 45 |
| | 46 | ____ Food Permit Fees | 991 | 25 | | 1690 | 900000 | 4169025 | | 46 |
| | 43 | ____ Other | | | | | | | | 43 |

* Gross Receipt Tax Required  ** Site Name & Project Code Required  TOTAL: $100.00

Contact Person: Glenn VanGorten  Phone #: 476-3488  Date: 4/12013

Received in ASD By: _____  Date: _____  RT #: _____  ST# _____

FSB025

# NEW MEXICO ENVIRONMENT DEPARTMENT - ALBUQUERQUE FIELD OFFICE DAILY CHECK RECEIPT LOG

| DATE RECEIVED | WALK IN | MAIL | NAME ON CHECK | DATE OF CHECK | CHECK/MONEY ORDER# | PROGRAM ACCOUNT CODE | AMOUNT OF CHECK | DATE DEPOSITED | DEPOSITED BY: |
|---|---|---|---|---|---|---|---|---|---|
| 3/29/13 | | X | Navajo Refining CO, LLC | 3/11/13 | 1000214092 | | 100.00 | | |
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| | | | | | | | $100.00 | | |
| TOTAL | | | | | | | $0.00 | | |

## REVENUE TRANSMITTAL SHEET

| Description | Fund | Dept. | Share Acct | Sub Acct | Amount |
|---|---|---|---|---|---|
| Liquid Waste | 34000 | Z3200 | 496402 | | |
| Water Recreation Facilities | 40000 | Z8501 | 496402 | | |
| Food Permit Fees | 99100 | Z2600 | 496402 | | |
| OTHER | | | | | |

**ACKNOWLEDGEMENT OF RECEIPT**
**OF CHECK/CASH**

I hereby acknowledge receipt of Check No. 1000214092 dated 3/11/2013

or cash received on 3/29/2013 in the amount of $ 100.00

from Navajo Refining Company, LLC

for UIC1-8 WDW-1 API 30-015-27592

Submitted by: Lori Itwig Date: 4/1/2013

Submitted to ASD by: Lori Itwig Date: 4/1/2013

Received in ASD by: _____ Date: _____

Filing Fee ✓ New Facility: _____ Renewal: _____

Modification _____ Other _____

Organization Code 521.07 Applicable FY _____

To be deposited in the Water Quality Management Fund.

Full Payment _____ or Annual Increment _____

VERIFY THE AUTHENTICITY OF THIS MULTI-TONE SECURITY DOCUMENT. CHECK BACKGROUND AREA CHANGES COLOR GRADUALLY FROM TOP TO BOTTOM.

NAVAJO REFINING COMPANY, L.L.C.
2828 N. Harwood St., Suite 1300
Dallas TX 75201-1507

64-1278/611 **1000214092**
03/11/2013

PAY EXACTLY
**********100.00*USD
VOID AFTER 180 DAYS

PAY *** ONE HUNDRED and 00 /100 USD***

TO THE
ORDER OF WATER QUALITY MANAGEMENT FUND
OIL CONSERVATION DIV
1220 N SAINT FRANCIS DR
SANTA FE NM 87505-4225

Stephen D Wise
AUTHORIZED SIGNATURE

Bank of America N.A.

**ACKNOWLEDGEMENT OF RECEIPT**
**OF CHECK/CASH**

I hereby acknowledge receipt of Check No. 1000214092 dated 3/11/2013

or cash received on 3/29/2013 in the amount of $ 100.00

from Navajo Refining Company, LLC

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Submitted by: Lori Itwig Date: 4/1/2013

Submitted to ASD by: Lori Itwig Date: 4/1/2013

Received in ASD by: _____ Date: _____

Filing Fee ✓ New Facility: _____ Renewal: _____

Modification _____ Other _____

Organization Code 521.07 Applicable FY _____

To be deposited in the Water Quality Management Fund.

Full Payment _____ or Annual Increment _____