UIC - I - _008-1_

PERMITS, RENEWALS, & MODS (WDW-2)

2009

Chavez, Carl J, EMNRD

From: Chavez, Carl J, EMNRD
Sent: Thursday, June 27, 2013 10:43 AM
To: Holder, Mike (Mike.Holder@hollyfrontier.com); Jerry Taylor (jtaylor@subsurfacegroup.com)
Cc: Sanchez, Daniel J., EMNRD; VonGonten, Glenn, EMNRD; Dade, Randy, EMNRD
Subject: FW: Minor Modification Letter to NM OCD for Booster Pumps (UICI-8)
Attachments: Well 1 P&ID Model.pdf; Well 2 P&ID Model.pdf; Well 3 P&ID Model.pdf; OCD Modification Letter 6-26-2013 CJC.pdf

Mike, et al.:

Good morning. Please find attached an electronic copy of the OCD letter responding to your "modification letter" dated June 20, 2013. The hard copy has been placed in the US Mail today.

Please contact me if you have questions. 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

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From: Jerry Taylor [mailto:jtaylor@subsurfacegroup.com]
Sent: Thursday, June 27, 2013 9:43 AM
To: Chavez, Carl J, EMNRD
Cc: Holder, Mike (Mike.Holder@hollyfrontier.com); T Walter Cook; Timothy Jones; Larry McDonald; Wayne Landon
Subject: FW: Minor Modification Letter to NM OCD for Booster Pumps

Carl,

Please see updated Figures 1 through 3 attached. We have removed the PSV as previously stated. We were able to do that by specifying that the block valve in the bypass line be "car sealed closed. With the check valve in that line (see drawing), and with the block valve "car sealed closed", we have two layers of protection preventing the discharge pressure from being applied at the 600 # ANSI equipment (on the suction side of the new pumps).

Protection for the 600 #ANSI equipment (filters and valving up to the pumps) will be provided by PSH (pressure switch high) which will alarm and PSHH (pressure switch high high) which will cause shutdown and block in from the pipeline. Some of that instrumentation already exists and is protecting the existing equipment.

The new pumps will be installed with the PSH (Pressure switch high) on the pump discharge line and set to alarm some safe amount below the MASIP and the PSHH (also on the pump discharge

line) set to shut in the well just below the MASIP for each installation. **These measures will ensure that the permitted MASIP will never be exceeded at the wellhead of any of the three injection wells.**

Please let us know if you have any questions or require any additional information.

Regards,

Jerry W. Taylor, PG
Subsurface Technology, Inc.

From: Chavez, Carl J, EMNRD [mailto:CarlJ.Chavez@state.nm.us]
Sent: Wednesday, June 26, 2013 12:09 PM
To: Holder, Mike
Subject: RE: Minor Modification Letter to NM OCD for Booster Pumps

Mike:

Good afternoon. I have a couple of questions based on the review of the booster pump drawings an P&ID Codes.

I notice while the booster pump drawings display the PSV (Pressure Safety Valve) set at 1480 for each WDW, I notice that the P&ID Codes for the "PSV" description indicate that the PSV "is not valid for this application and has been removed from the attached updated P&IDs."

Is there an automated PSV located on the disposal well to shut-down disposal at or near the MSIP for each well? If there is no PSV at or near the well head, is the PSH upstream from the well head the switch that will automatically prevent the injection pressure from exceeding the WDW permitted MSIP?

Thank you.

Carl J. Chavez, CHMM
New Mexico Energy, Minerals & Natural Resources Department
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From: Holder, Mike [mailto:Mike.Holder@hollyfrontier.com]
Sent: Friday, June 21, 2013 4:08 PM
To: Chavez, Carl J, EMNRD
Cc: Holder, Mike
Subject: Minor Modification Letter to NM OCD for Booster Pumps

Carl – fyi – this went out and you should receive next week. As always, please don't hesitate to call w/questions. Thanks and have a great weekend! Mike

---

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

June 26, 2013

Mr. Mike Holder
Environmental Manager
Navajo Refining Company, LLC
P.O. Box 159
Artesia, New Mexico 88211-0159

Re: Navajo Refining Company, LLC Modification Request Letter (June 20, 2013) to Install a Booster Pump at WDW-1 (UICI-008), WDW-2 (UICI-008-1) & WDW-3 (UICI-008-0) Disposal Well Locations, Eddy County, New Mexico

Dear Mr. Holder:

The New Mexico Oil Conservation Division (OCD) is in receipt of Navajo Refining Company, LLC's (NRC) Letter dated June 20, 2013 (letter).

In the letter, NRC is requesting a "modification" to the discharge permit (permit) conditions at each of its WDW 1, 2 & 3 disposal wells to install a REDA HPS™ 300-hp pump with secondary containment (waste minimization) near each of the wells to increase the efficiency and injection potential under its disposal well permits.

OCD hereby approves the "modification" request.

If you have any questions, please do not hesitate to contact me by phone at (505) 476-3490, mail or email at CarlJ.Chavez@state.nm.us. Thank you.

Sincerely,

Carl J. Chávez
Environmental Engineer

Note: Please be advised that OCD approval of this modification request does not relieve NRC of responsibility should their operations pose a threat to ground water, surface water, human health or the environment. In addition, OCD approval does not relieve NRC of responsibility for compliance with any other federal, state, or local laws and/or regulations

CJC/cjc

cc: OCD Artesia Office

Chavez, Carl J, EMNRD

From: Jerry Taylor <jtaylor@subsurfacegroup.com>
Sent: Thursday, June 27, 2013 9:43 AM
To: Chavez, Carl J, EMNRD
Cc: Holder, Mike (Mike.Holder@hollyfrontier.com); T Walter Cook; Timothy Jones; Larry McDonald; Wayne Landon
Subject: FW: Minor Modification Letter to NM OCD for Booster Pumps
Attachments: Well 1 P&ID Model.pdf; Well 2 P&ID Model.pdf; Well 3 P&ID Model.pdf

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Regards,

Jerry W. Taylor, PG
Subsurface Technology, Inc.

From: Chavez, Carl J, EMNRD [mailto:CarlJ.Chavez@state.nm.us]
Sent: Wednesday, June 26, 2013 12:09 PM
To: Holder, Mike
Subject: RE: Minor Modification Letter to NM OCD for Booster Pumps

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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
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Sent: Friday, June 21, 2013 4:08 PM
To: Chavez, Carl J, EMNRD
Cc: Holder, Mike
Subject: Minor Modification Letter to NM OCD for Booster Pumps

Carl – fyi – this went out and you should receive next week. As always, please don't hesitate to call w/questions. Thanks and have a great weekend! Mike

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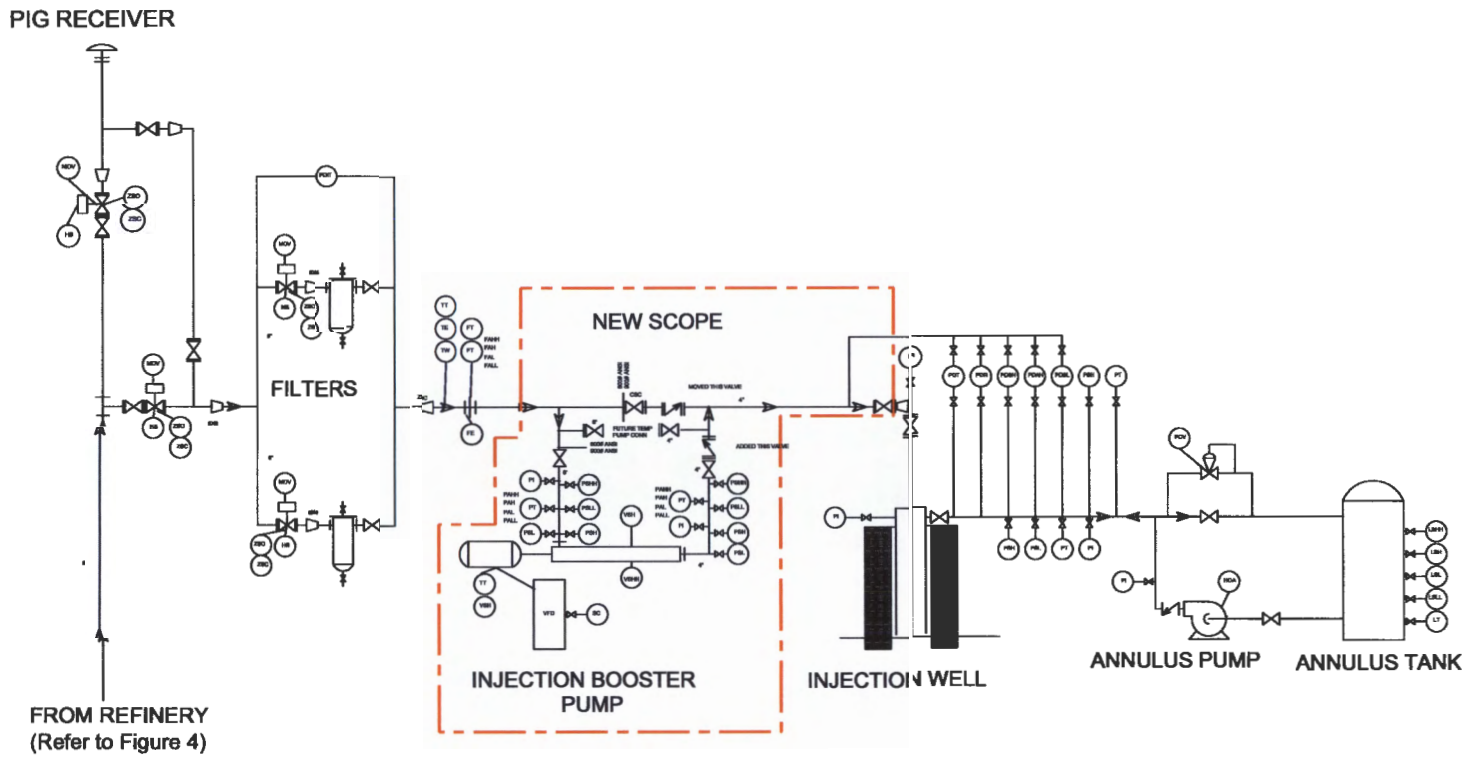


NOTE: All existing except as noted in red box. The 600 # ANSI flange on wellhead will be changed to 900 # ANSI. Booster pump installed on concrete pad with secondary containment to preclude release to environment.

NOT TO SCALE

SUBSURFACE

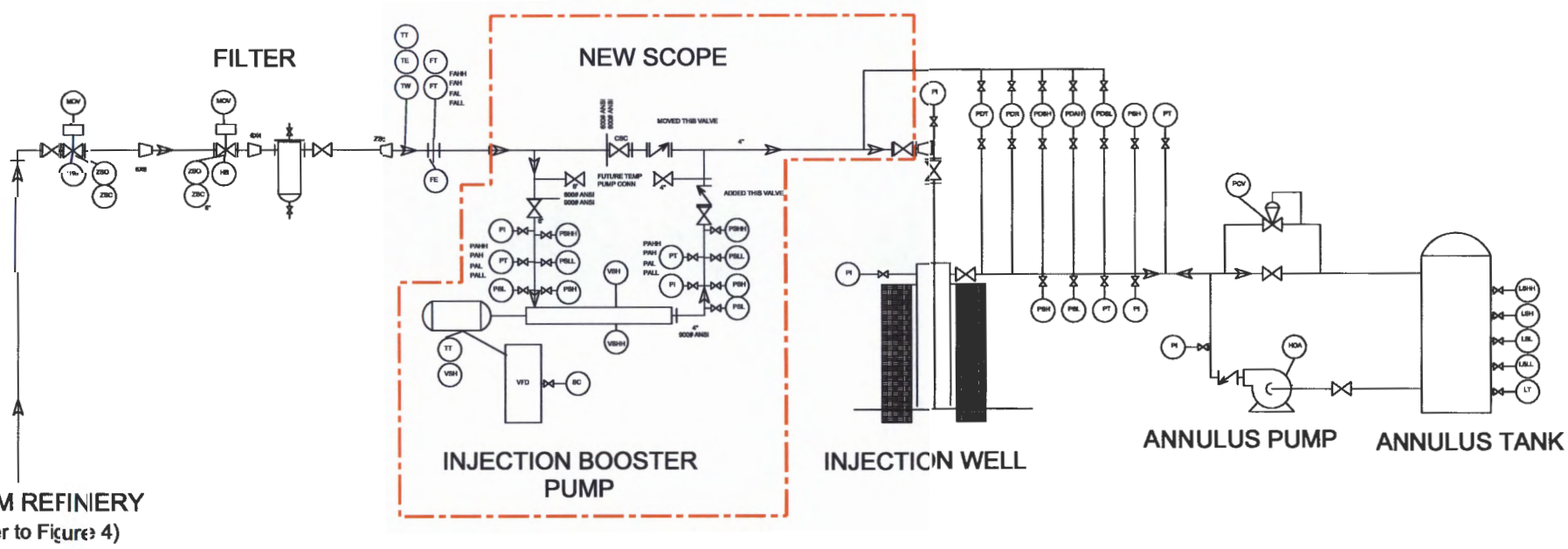
HOUSTON, TX
SOUTH BEND, IN
BATON ROUGE, LA

FIGURE 1

NAVAJO REFINING COMPANY, L.L.C.
ARTESIA, NEW MEXICO

WDW-1 PRE-INJECTION P&ID SHOWING NEW BOOSTER PUMP

DATE: 08/27/13	CHECKED BY:	JOB NO: 60D6946
DRAWN BY: TWC	APPROVED BY:	DWG. NO:



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NOT TO SCALE

SUBSURFACE

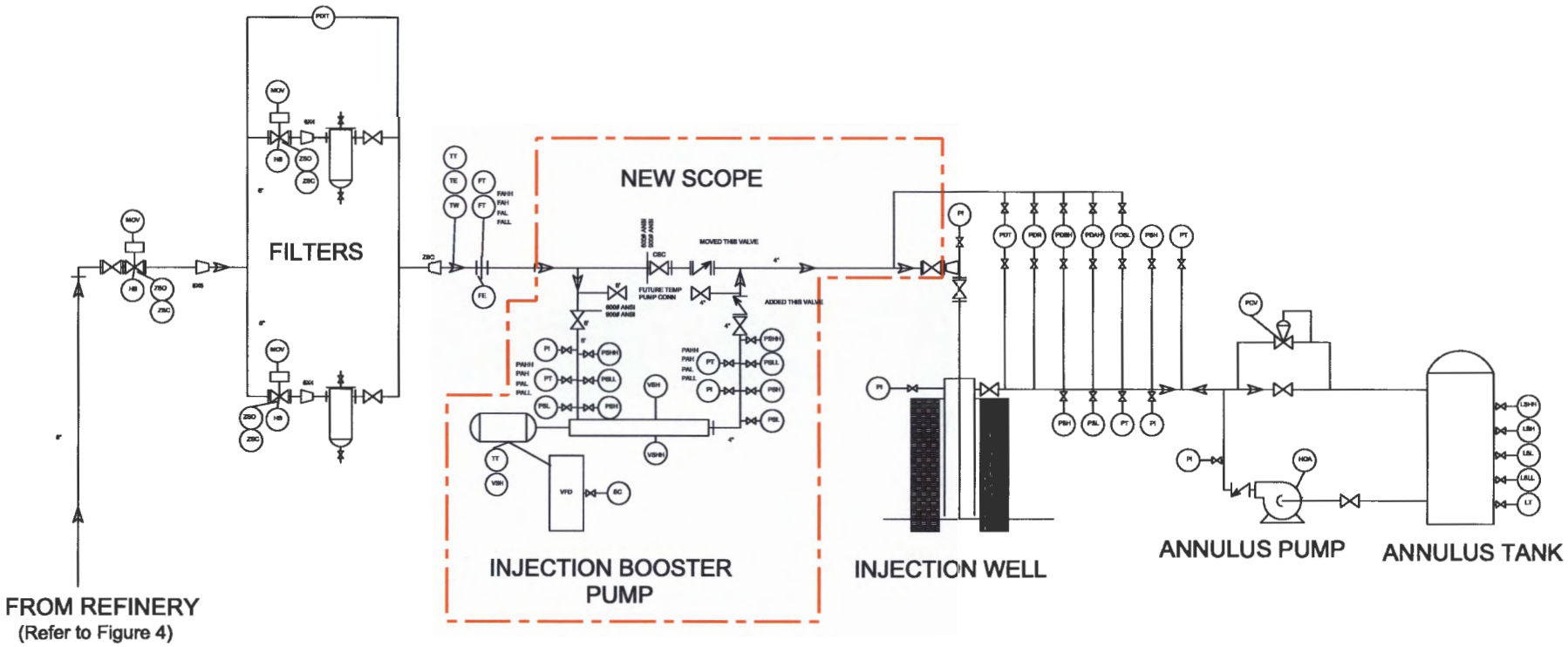
HOUSTON, TX
SOUTH BEND, IN
BATON ROUGE, LA

FIGURE 2

NAVAJO REFINING COMPANY, L.L.C.
ARTESIA, NEW MEXICO

WDW-2 PRE-INJECTION P&ID SHOWING NEW BOOSTER PUMP

DATE: 06/26/13	APPROVED BY:	JOB NO: 60D6946
DRAWN BY: TWC	CHECKED BY:	DWG.NO:



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NOT TO SCALE

SUBSURFACE

HOUSTON, TX
SOUTH BEND, IN
BATON ROUGE, LA

FIGURE 3

NAVAJO REFINING COMPANY, L.L.C.
ARTESIA, NEW MEXICO

WDW-3 PRE-INJECTION P&ID SHOWING NEW BOOSTER PUMP

DATE: 06/26/13	CHECKED BY:	JOB NO: 60D6946
DRAWN BY: TWC	APPROVED BY:	DWG. NO:

HOLLYFRONTIER
THE HOLLYFRONTIER COMPANIES

June 20, 2013

Mr. 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

RE: Minor Modification for Navajo Refining Company L.L.C.
Discharge Permit UICI-008
WDW-1 (API 30-015-27592)
WDW-2 (API 30-015-20894)
WDW-3 (API 30-015-26575)

Dear Mr. Chavez:

As discussed with you and other agency personnel during a meeting in your Santa Fe offices on Wednesday, May 1, 2013; Navajo Refining Company, L.L.C. would like to install booster pumps into the pre-injection system for each of the three referenced injection wells. These wells are used to permanently dispose of certain nonhazardous liquid wastes associated with our refinery operation in Artesia, New Mexico.

It is Navajo's understanding from the May 1st meeting that the addition of the booster pumps is considered a minor modification to the existing Discharge Permits and can be handled administratively.

Per our discussion at that meeting, Navajo is pleased to provide the agency with information about the booster pumps. P&ID drawings that have been prepared for each injection well that depict the existing pre-injection system for that particular well and the planned booster pump to be installed at each well site are provided in Attachment A. Information about the booster pumps is included in Attachment B.

The booster pump installed at each well site will allow surface injection pressures to be increased but not exceed the regulatory established maximum surface injection pressure as specified for each well in the existing Discharge Permit for that well. The existing pumps, located at the Refinery, have only been able to attain surface injection pressures of 700 psi to 900 psi at the wellhead, substantially less than the permitted maximum surface injection pressures.

Each booster pump will be installed on a concrete pad with secondary containment (curb) and collection sump to preclude any potential release to the environment should there ever be a leak during service or maintenance. A drawing of the concrete pad is provided in Attachment C.

Each pump will be equipped with high pressure alarms and shutdowns to prevent the pump's discharge pressures from reaching the permitted maximum surface injection pressures. The pumps will also have seal failure alarms to detect and alert personnel in the unlikely event of seal failure which could cause a discharge inside the containment.

It is our plan to provide a pump installation designed to the most modern and safe standards.

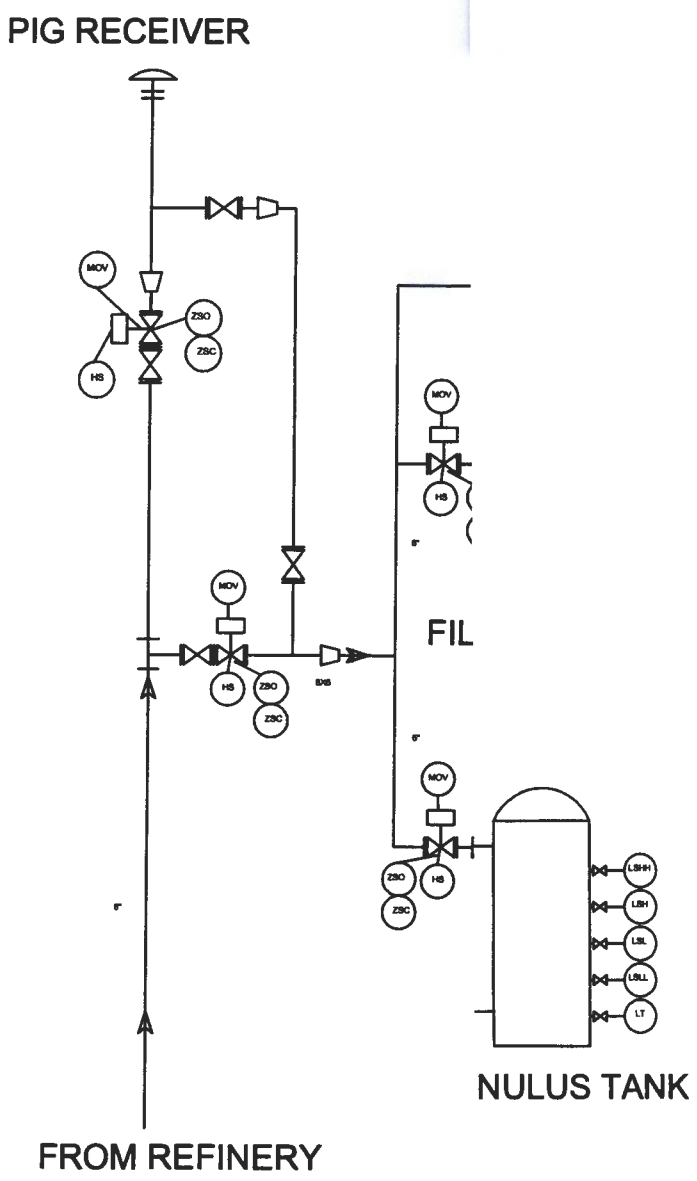
Navajo appreciates the continued cooperation of the NM OCD. Should you have any questions or require any additional information regarding the addition of the booster pumps, please contact me via e-mail at mike.holder@hollyfrontier.com or via telephone at (575) 746- 5487.

Regards,

Mike Holder
Navajo Refining Company, L.L.C.

Attachments

cc: Gary Davis, Navajo Refining Company, L.L.C.
Tim Jones, Subsurface Technology, Inc.
Walt Cook, Subsurface Technology, Inc.
Jerry W. Taylor, Subsurface Technology, Inc.



NOTE: All existing except as noted in red b
Booster pump installed on concrete

LE

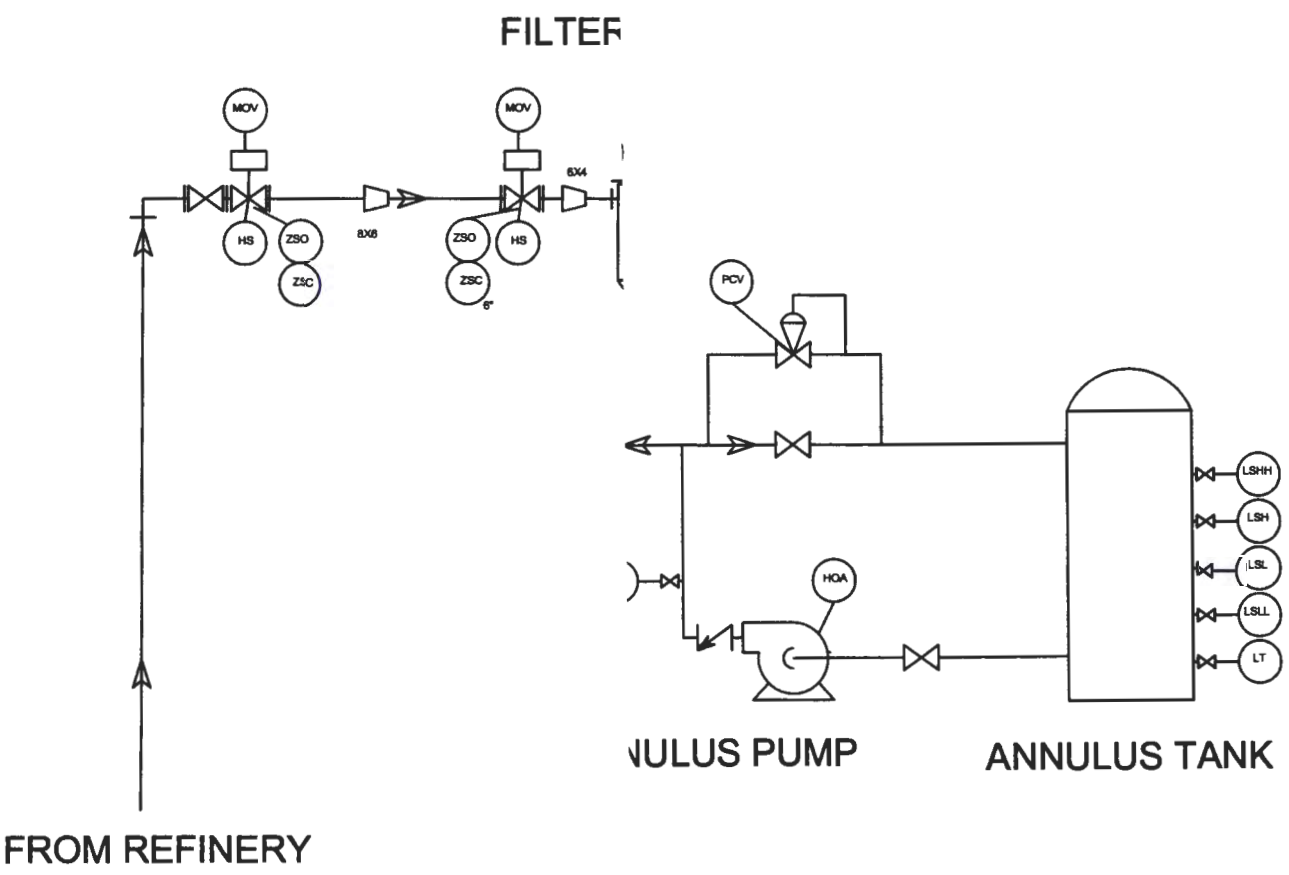
SUBSURFACE

HOUSTON, TX
SOUTH BEND, IN
BATON ROUGE, LA

NAVAJO REFINING COMPANY, L.L.C.
ARTESIA, NEW MEXICO

WDW-1 PRE-INJECTION P&ID SHOWING NEW BOOSTER PUMP

DATE: 6/13/13	CHECKED BY:	JOB NO: 60D6910
DRAWN BY: TWC	APPROVED BY:	DWG. NO:



NOTE: All existing except as noted in
Booster Pump installed on con

SCALE

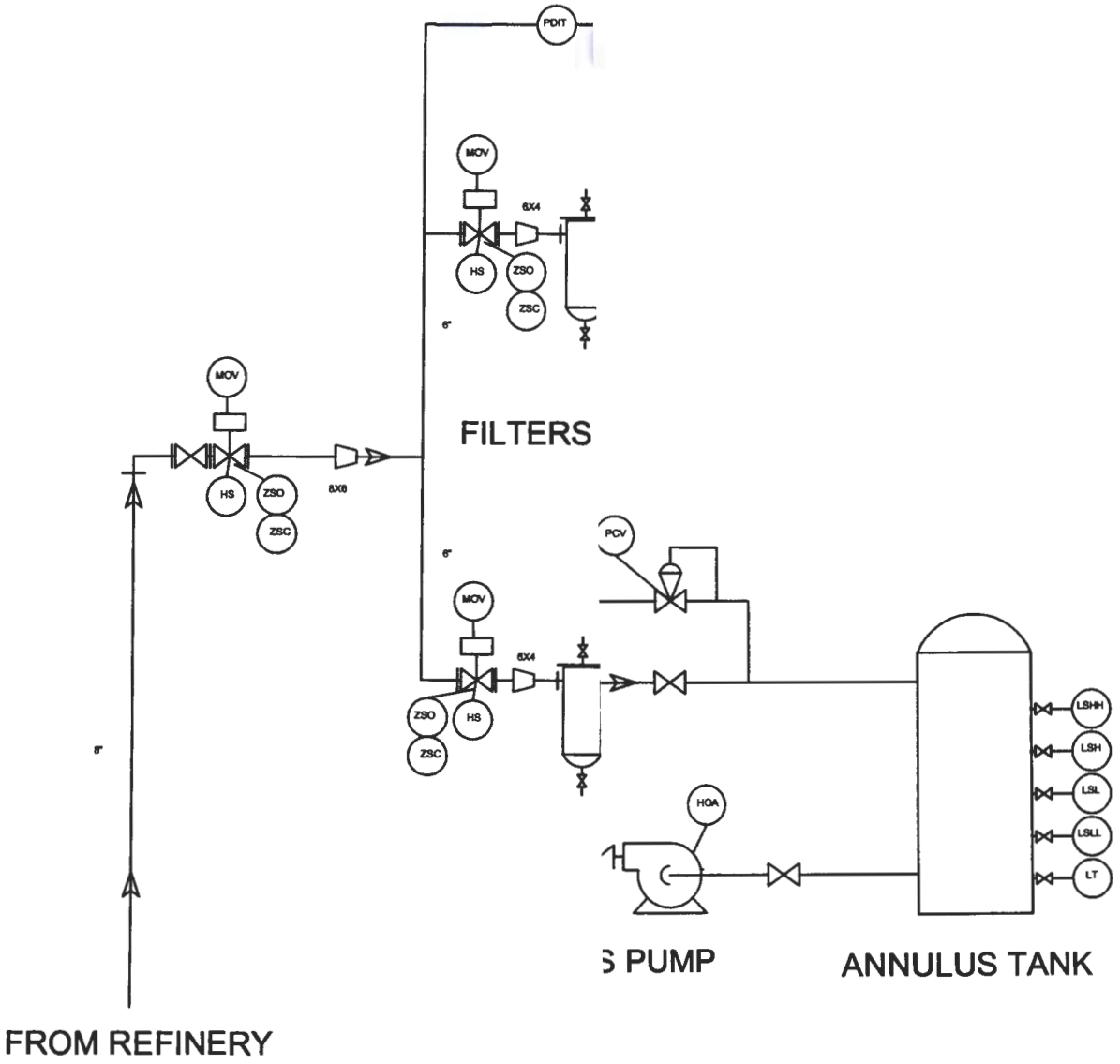
SUBSURFACE

HOUSTON, TX
SOUTH BEND, IN
BATON ROUGE, LA

NAVAJO REFINING COMPANY, L.L.C.
ARTESIA, NEW MEXICO

WDW-2 PRE-INJECTION P&ID SHOWING NEW BOOSTER PUMP

DATE: 06/13/13	APPROVED BY:	JOB NO. 650801.0
DRAWN BY: TWC	CHECKED BY:	DWG.NO:



NOTE: All existing except as noted in red b
Booster pump installed on concrete

SCALE

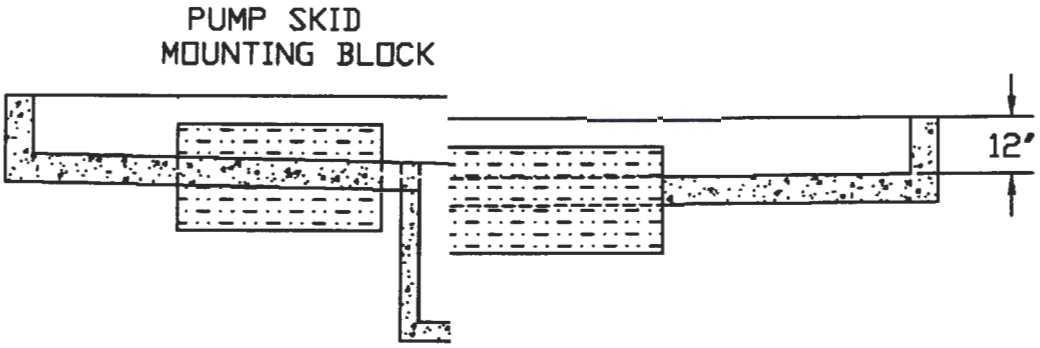
SUBSURFACE

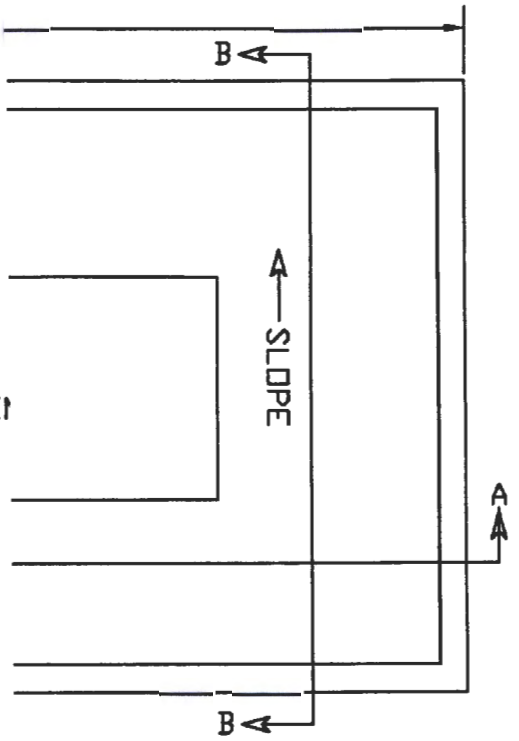
HOUSTON, TX
SOUTH BEND, IN
BATON ROUGE, LA

NAVAJO REFINING COMPANY, L.L.C.
ARTESIA, NEW MEXICO

WDW-3 PRE-INJECTION P&ID SHOWING NEW BOOSTER PUMP

DATE: 06/13/13	CHECKED BY:	JOB NO: 60D6910
DRAWN BY: TWC	APPROVED BY:	DWG. NO:





NOTE:

PUMP SKID MOUNTING BLOCK DIMENSIONS NOT YET DETERMI

SUBSURFACE

HOUSTON, TX
SOUTH BEND, IN
BATON ROUGE, LA

NAVAJO REFINING COMPANY, L.L.C.
ARTESIA, NEW MEXICO

BOOSTER PUMP PAD WITH SECONDARY CONTAINMENT

DATE: 06/20/13	CHECKED BY:	JOB NO: 600697U
DRAWN BY: WDD	APPROVED BY:	DWG. NO.

Company:	SubSurface Group	**Project:**	HPS Design
Engineer:	Jay Wallace	**Date:**	5/2/2013

REDA HPS

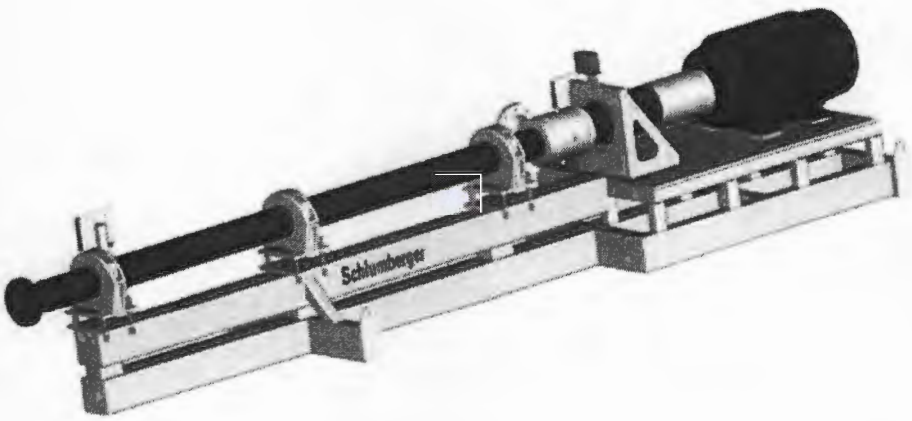
HORIZONTAL PUMPING SYSTEM

TECHNICAL DESIGN

Customer: SubSurface Group
Project: HPS Design

Flow: 250 GPM
Boost Pressure: 773.43 psi
Discharge Pressure: 1473.4 psig

Pump: J252N 23 stages
Motor: SIEMENS, 300 hp, 460 Volts, 60 Hz



Date: 5/2/2013

Company:	SubSurface Group	**Project:**	HPS Design
Engineer:	Jay Wallace	**Date:**	5/2/2013

Input Values

Process Input Data	
Liquid Type	*Water*
Specific Gravity	*1.01*
Design Flow Rate	*250 GPM*
Design Suction Pressure	*700 psig*
Design Discharge Pressure	*1500 psig*
Design Boost Pressure	*800 psi*
NOTES :	

System Input Data	
Input Voltage	
Area Classification	*Class I Div II*
Ambient Temperature	*80 °F*
Liquid Temperature	*99 °F*
Input Frequency	*60*
NOTES :	

Results Summary

Pump Summary

Operating Frequency	*60 Hz*	Pump Type	*J252N*
Speed	*3575 RPM*	Stages	*23*
Power Required (@ Duty)	*153.2 hp*	Shaft Type	*MONEL*
Run out Power	*158.4 hp*	Pressure Rating	*2833psig*
Pump Efficiency	*73.63 %*	Shut in Pressure	*1827.8 psig*
Boost Generated	*773.43 psi*	TDH	*1766.36 ft*

Component Details

Motor	
Classification	*Class I Div II*
Voltage	*460 Volts*
Shaft Power	*300 hp*
Altitude Adjusted HP	*300 hp*
Enclosure	*TEFC*
Frame	*449TS*
Bearing Type	*BALL*
NOTES :	

Thrust Chamber	
TC Rating	*5000 lbf*
Peak Downthrust	*2578.86 lbf*
Operating Downthrust	*2432.88 lbf*
NOTES :	

Seal	
Seal Type	*351*
Cartridge Seal	*NC*
Seal Flush Type	
NOTES :	

Skid Type	
Model	*LD*
Overall Unit Length	*22.69 ft*
NOTES :	

Intake Flange	
Size	*6 in*
Flange Class	*600*
Configuration	*RF*
Material	*316L SS*
Intake Orientation	*0 deg. (Standard)*

Discharge Flange	
Size	*4 in*
Flange Class	*1500*
Configuration	*RF*
Material	*316L SS*

Company:	SubSurface Group	Project:	HPS Design
Engineer:	Jay Wallace	Date:	5/2/2013

Limits Summary

Process Input Data

Frequency	60	Hz	Controller kW	233.91	
Voltage	460	Volts	Controller kVA	257.04	
Motor Amps	323	Amps	PF at Controller	0.91	
Motor Rating	300	hp			
Pump Power Draw	153.2	hp			
Motor Load Factor	51.05	%			

System Summary at Design Point

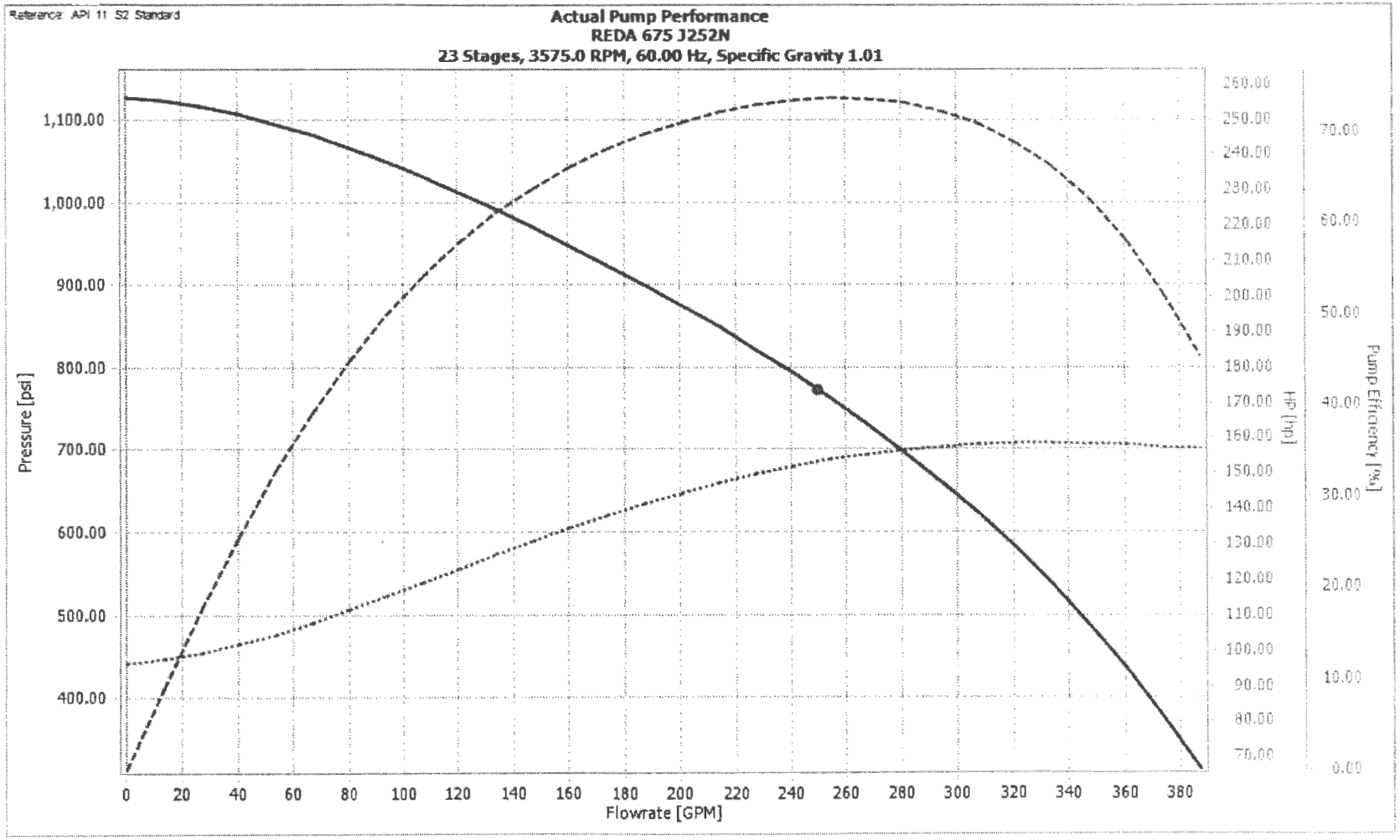
Pump		
MAWP Rating	2833	psig
Discharge Pressure	1473.4	psig
Pressure Load Factor	52.01	%
Shaft Rating	650.6	hp
Required Power	153.2	hp
Shaft Load Factor	23.54	%
NPSHr	19.63	ft
Thrust Chamber		
TC Rating	5000	lbf
TC Load Factor	48.66 %	
Flanges		
Intake Rating	1200	psig
Load Factor	58.33	%
Discharge Rating	3000	psig
Discharge Load Factor	49.11	%

System Summary at Maximum Condition

Pump		
MAWP Rating	2833	psig
Shutoff Pressure	1827.8	psig
Pressure Load Factor	64.52	%
Shaft Rating	650.6	hp
Peak Required Power	158.4	hp
Shaft Load Factor	24.34	%
NPSHr	19.63	ft
Thrust Chamber		
TC Rating	5000	lbf
TC Load Factor	51.58 %	
Flanges		
Intake Rating	1200	psig
Load Factor	58.33	%
Discharge Rating	3000	psig
Discharge Load Factor	60.93	%

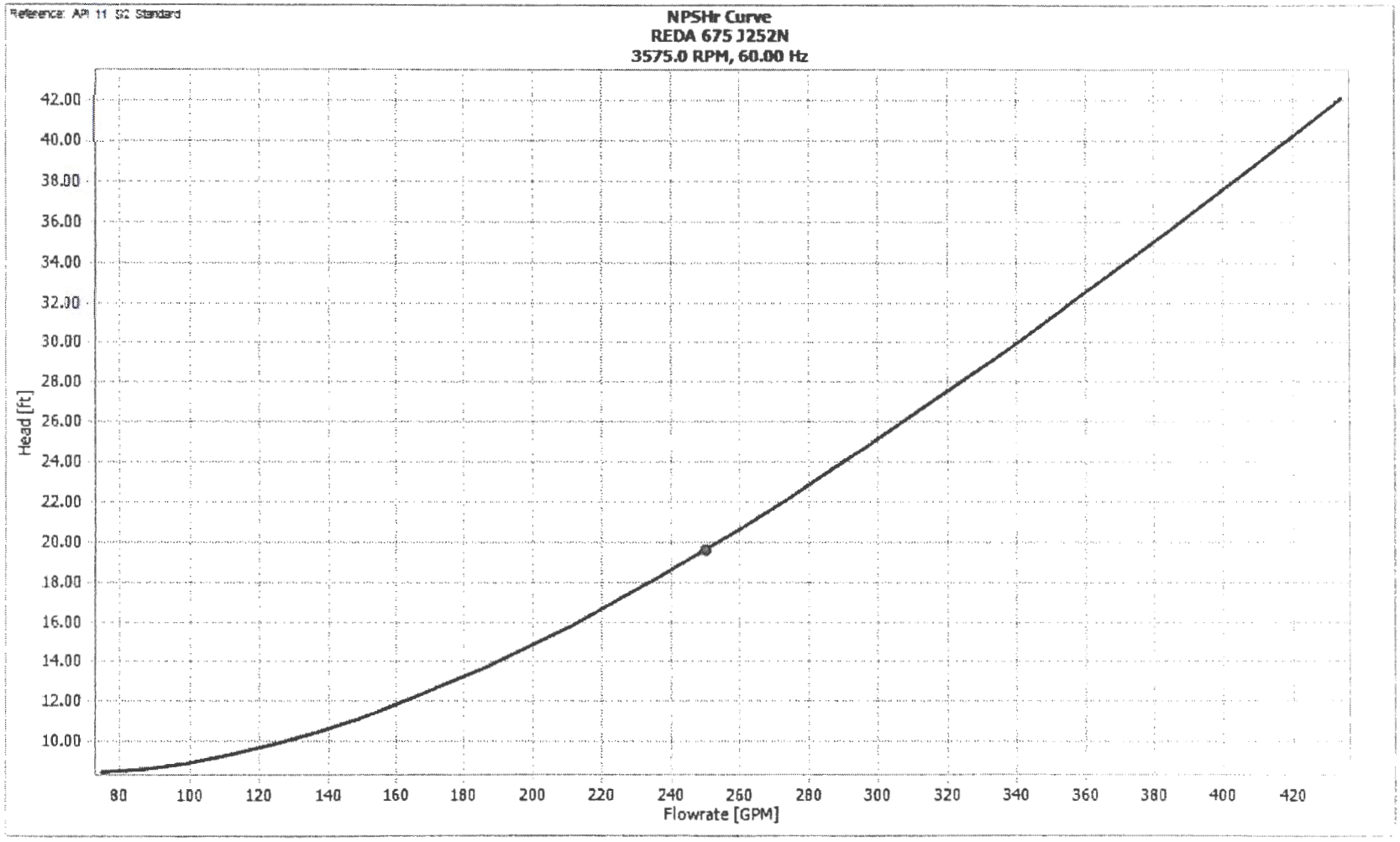
Company:	SubSurface Group	**Project:**	HPS Design
Engineer:	Jay Wallace	**Date:**	5/2/2013

Actual Pump Curve



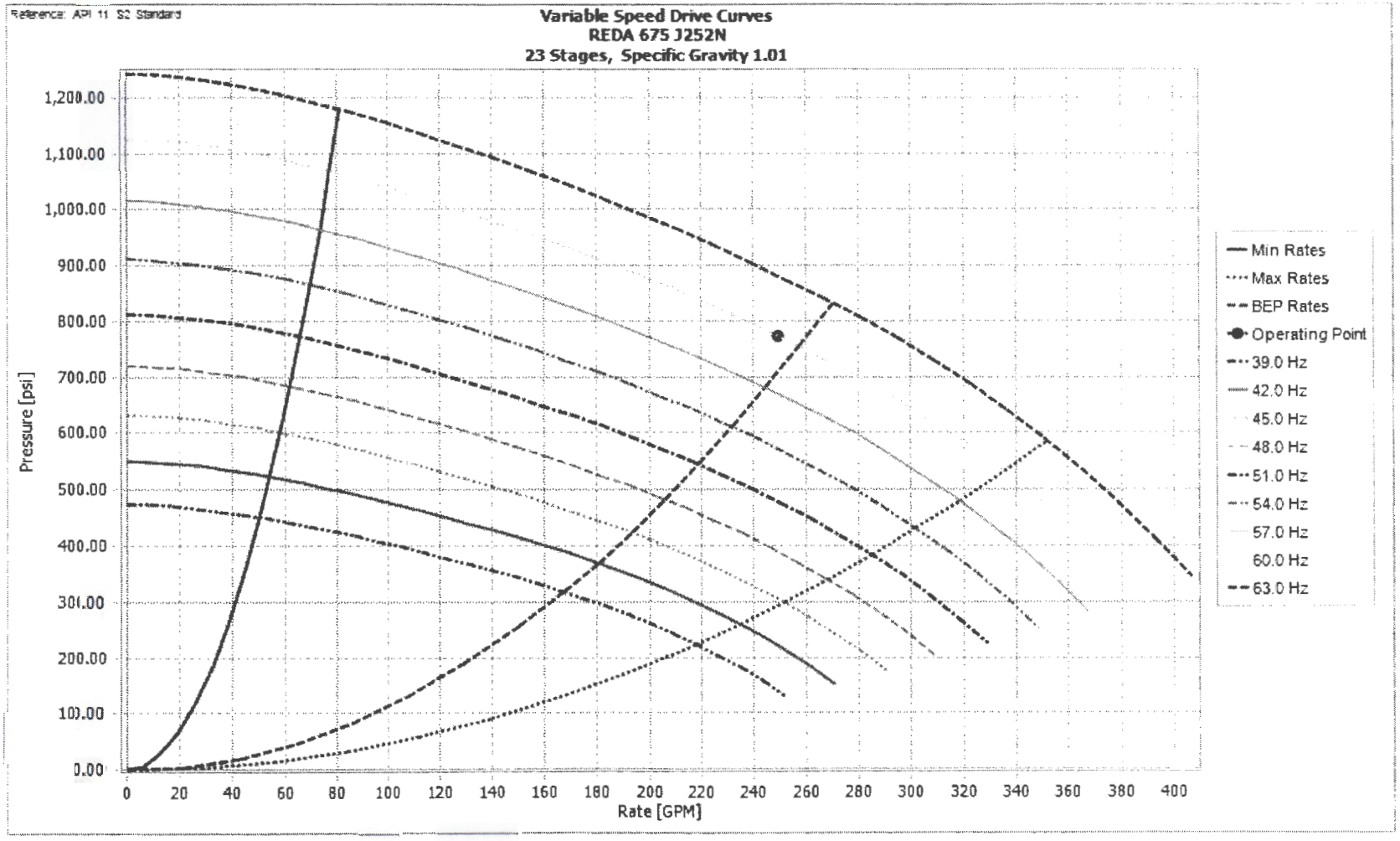
Company:	SubSurface Group	**Project:**	HPS Design
Engineer:	Jay Wallace	**Date:**	5/2/2013

NPSHr Actual Pump Curve



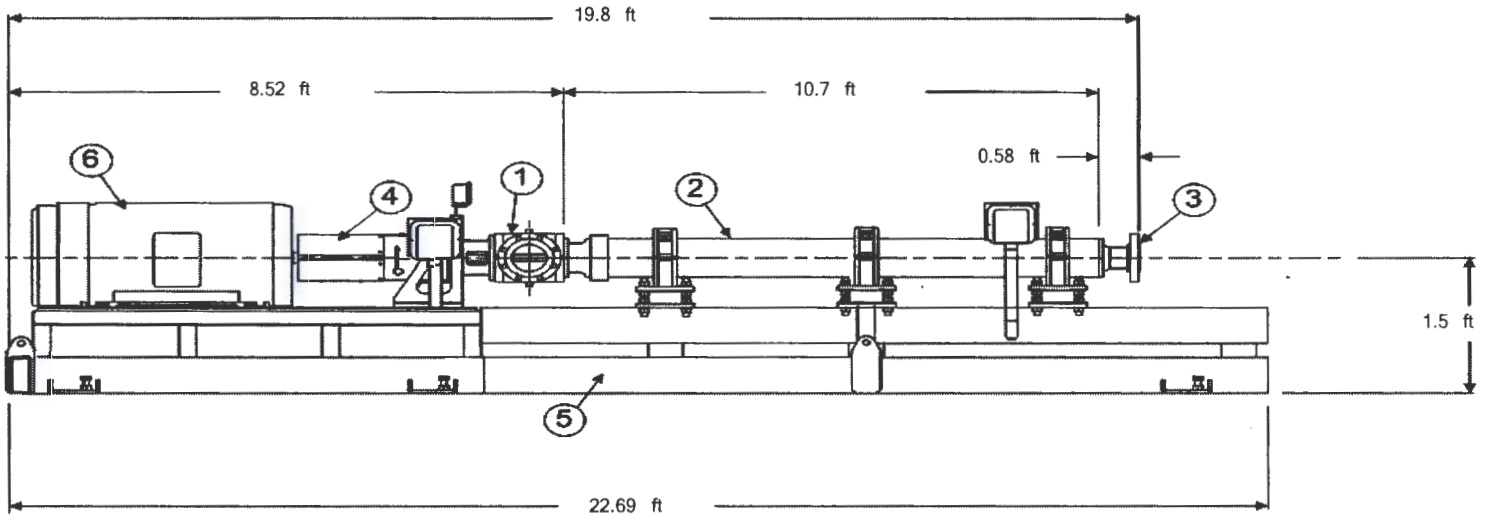
Company:	SubSurface Group	**Project:**	HPS Design
Engineer:	Jay Wallace	**Date:**	5/2/2013

VSD Curves Plot



Company:	SubSurface Group	**Project:**	HPS Design
Engineer:	Jay Wallace	**Date:**	5/2/2013

Skid Diagram



Parts List

Item	Description			
1	Intake Flange:	6 in	ANSI	600
2	Pump:	Stage 23	J252N	
3	Discharge Flange:	4 in	ANSI	1500
4	Thrust Camber:	Bearing 2	5000 lbf	
5	Skid Assembly:	LD	Clamps 3	
6	Motor:	300 hp	TEFC	460 Volts

For quotation purposes only, this drawing contains estimated dimensions and weights. Drawing not to scale. DO NOT CERTIFY

Confidential and trade secret. Do not disclose use or reproduce without prior written approval from Manufacturer

SubSurface Group
HPS Design

Design Data			
Designed By:	Jay Wallace	Length:	19.8 ft
Approved By:		Width:	3.25 ft
Date:	5/2/2013	Weight:	0 lbf

Reda-HPS

Chavez, Carl J, EMNRD

From: Holder, Mike <Mike.Holder@hollyfrontier.com>
Sent: Tuesday, June 25, 2013 10:57 AM
To: Chavez, Carl J, EMNRD
Cc: Holder, Mike; 'Jerry Taylor'
Subject: FW: Minor Modification Letter to NM OCD for Booster Pumps
Attachments: Navajo Figures_20130624150452.pdf; PID Codes for Navajo Booster Pump Figures.docx

Carl – please see below & attached and let us know if this meets your needs or if you need more info. Thanks, Mike

Could you send a diagram of the existing pumps back at the refinery interconnected with the booster pumps?

Figure 4 has been prepared to present the existing pumps at the refinery interconnected with the booster pumps to be installed at each of the three injection wells.

Also, the code definitions for the booster pump diagrams would be appreciated to understand the codes in the diagrams, i.e., FT, FE, ZSC, VFD, VSH, TT, PT, PSL, PSV, VSHH, etc.

Figures 1 through 3 have been updated to remove the PSV notation which is not applicable for this application. A listing of the codes presented on Figures 1 through 5 is provided.

Any concerns about the pump discharge pressure and fiberglass inlet lines or will the lines be carbon steel at the outlet of the booster pumps into the well?

The underground fiberglass piping connects the existing pumps at the refinery to each of the three well sites. The piping changes to steel when it rises above ground level at each well site. This steel piping will be attached to the new booster pump. The piping from the booster pump to the wellhead will also be steel piping.

-------- Original message --------
Subject:RE: Minor Modification Letter to NM OCD for Booster Pumps
From:"Chavez, Carl J, EMNRD" <CarlJ.Chavez@state.nm.us>
To:"Holder, Mike" <Mike.Holder@hollyfrontier.com>
Cc:

Mike:

Hi. Could you send a diagram of the existing pumps back at the refinery interconnected with the booster pumps. Also, the code definitions for the booster pump diagrams would be appreciated to understand the codes in the diagrams, i.e., FT, FE, ZSC, VFD, VSH, TT, PT, PSL, PSV, VSHH, etc.

Any concerns about the pump discharge pressure and fiberglass inlet lines or will the lines be carbon steel at the outlet of the booster pumps into the well?

Thanks and have a great weekend!

Carl J. Chavez, CHMM

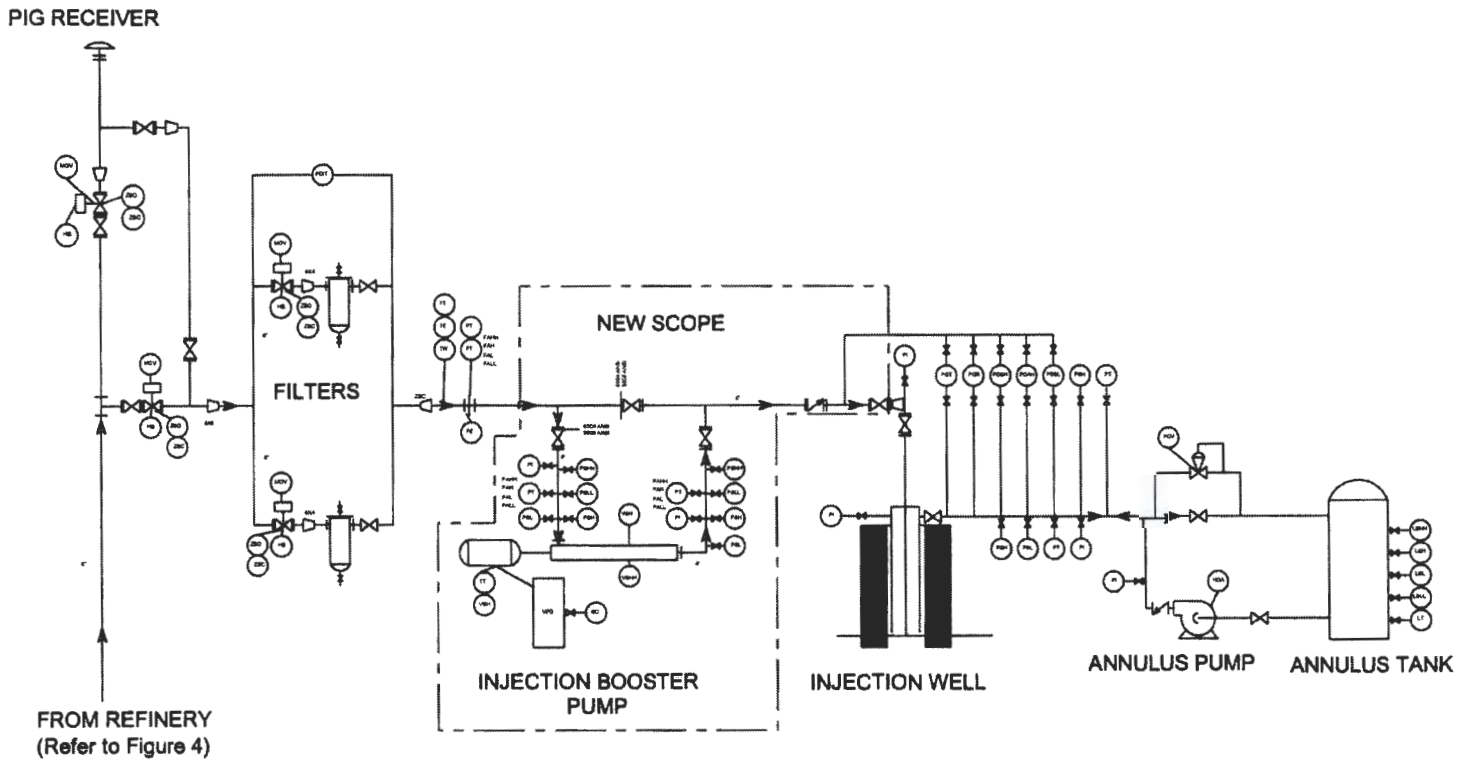
New Mexico Energy, Minerals & Natural Resources Department
Oil Conservation Division, Environmental Bureau
1220 South St. Francis Drive, Santa Fe, New Mexico 87505
Office: (505) 476-3490
E-mail: CarlJ.Chavez@State.NM.US
Website: http://www.emnrd.state.nm.us/ocd/
"Why Not Prevent Pollution; Minimize Waste; 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

---

From: Holder, Mike [mailto:Mike.Holder@hollyfrontier.com]
Sent: Friday, June 21, 2013 4:08 PM
To: Chavez, Carl J, EMNRD
Cc: Holder, Mike
Subject: Minor Modification Letter to NM OCD for Booster Pumps

Carl – fyi – this went out and you should receive next week. As always, please don't hesitate to call w/questions. Thanks and have a great weekend! Mike

---



NOTE: All existing except as noted in red box. The 600 # ANSI flange on wellhead will be changed to 900 # ANSI.
Booster pump installed on concrete pad with secondary containment to preclude release to environment.

NOT TO SCALE

SUBSURFACE

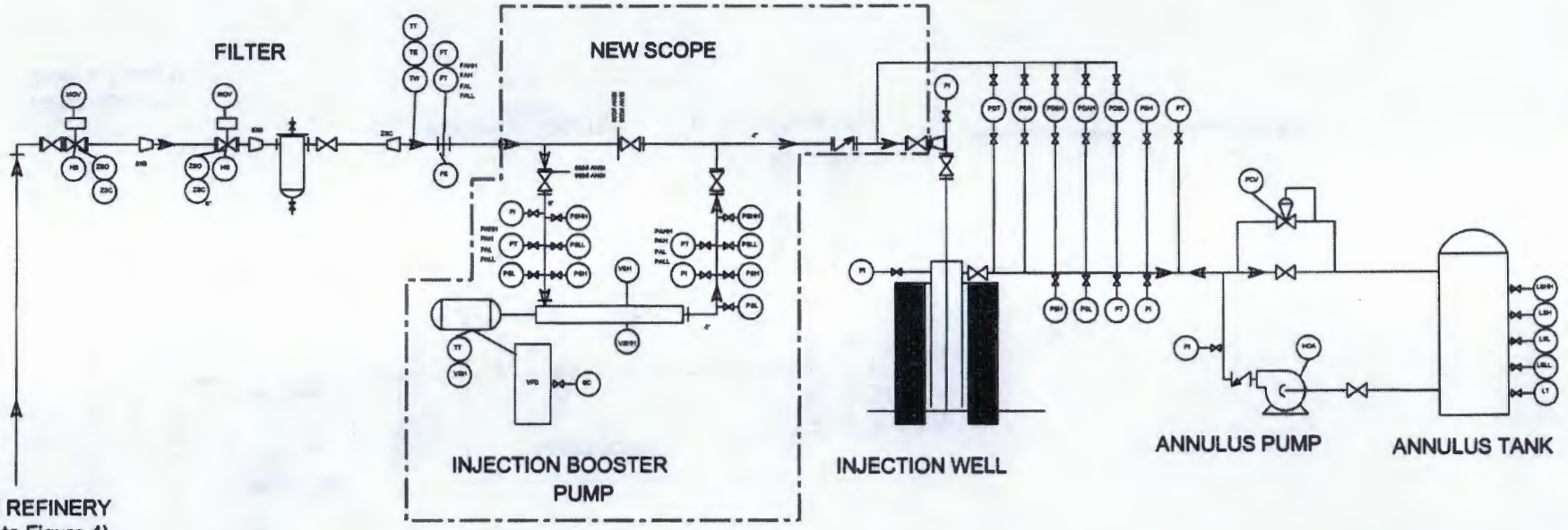
HOUSTON, TX
SOUTH BEND, IN
BATON ROUGE, LA

FIGURE 1

NAVAJO REFINING COMPANY, L.L.C.
ARTESIA, NEW MEXICO

WDW-1 PRE-INJECTION P&ID
SHOWING NEW BOOSTER PUMP

DATE: 06/24/13	CHECKED BY:	JOB NO: 50D6946
DRAWN BY: TWC	APPROVED BY:	DWG. NO:



NOTE: All existing except as noted in red box. The 600 # ANSI flange on the wellhead will be changed to 900 # ANSI.
Booster Pump installed on concrete pad with secondary containment to preclude release to environment.

NOT TO SCALE

SUBSURFACE

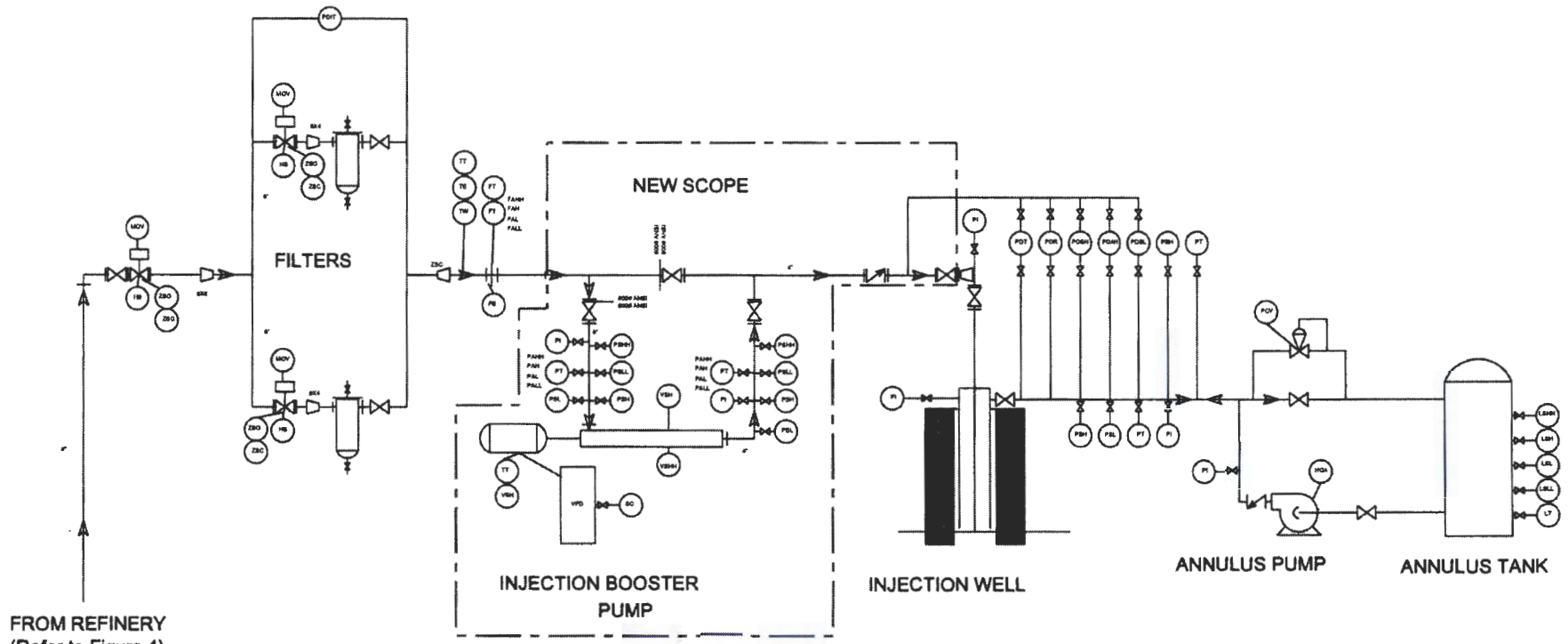
HOUSTON, TX
SOUTH BEND, IN
BATON ROUGE, LA

FIGURE 2

NAVAJO REFINING COMPANY, L.L.C.
ARTESIA, NEW MEXICO

WDW-2 PRE-INJECTION P&ID SHOWING NEW BOOSTER PUMP

DATE: 08/24/13	APPROVED BY:	JOB NO: 5006945
DRAWN BY: TWC	CHECKED BY:	DWG.NO:



NOTE: All existing except as noted in red box. The 600 # ANSI flange on wellhead will be changed to 900 # ANSI.
Booster pump installed on concrete pad with secondary containment to preclude release to environment.

NOT TO SCALE

SUBSURFACE

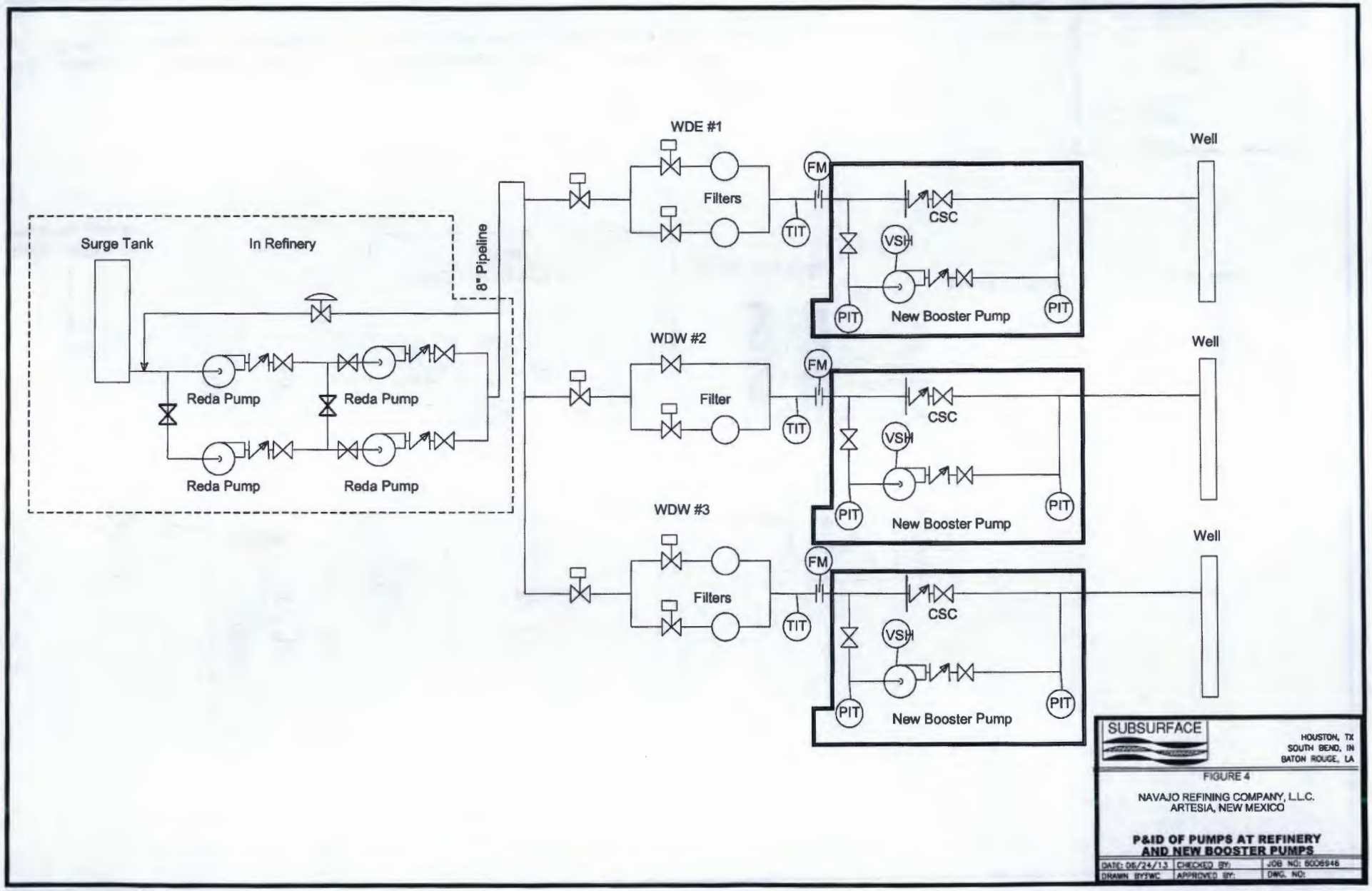
HOUSTON, TX
SOUTH BEND, IN
BATON ROUGE, LA

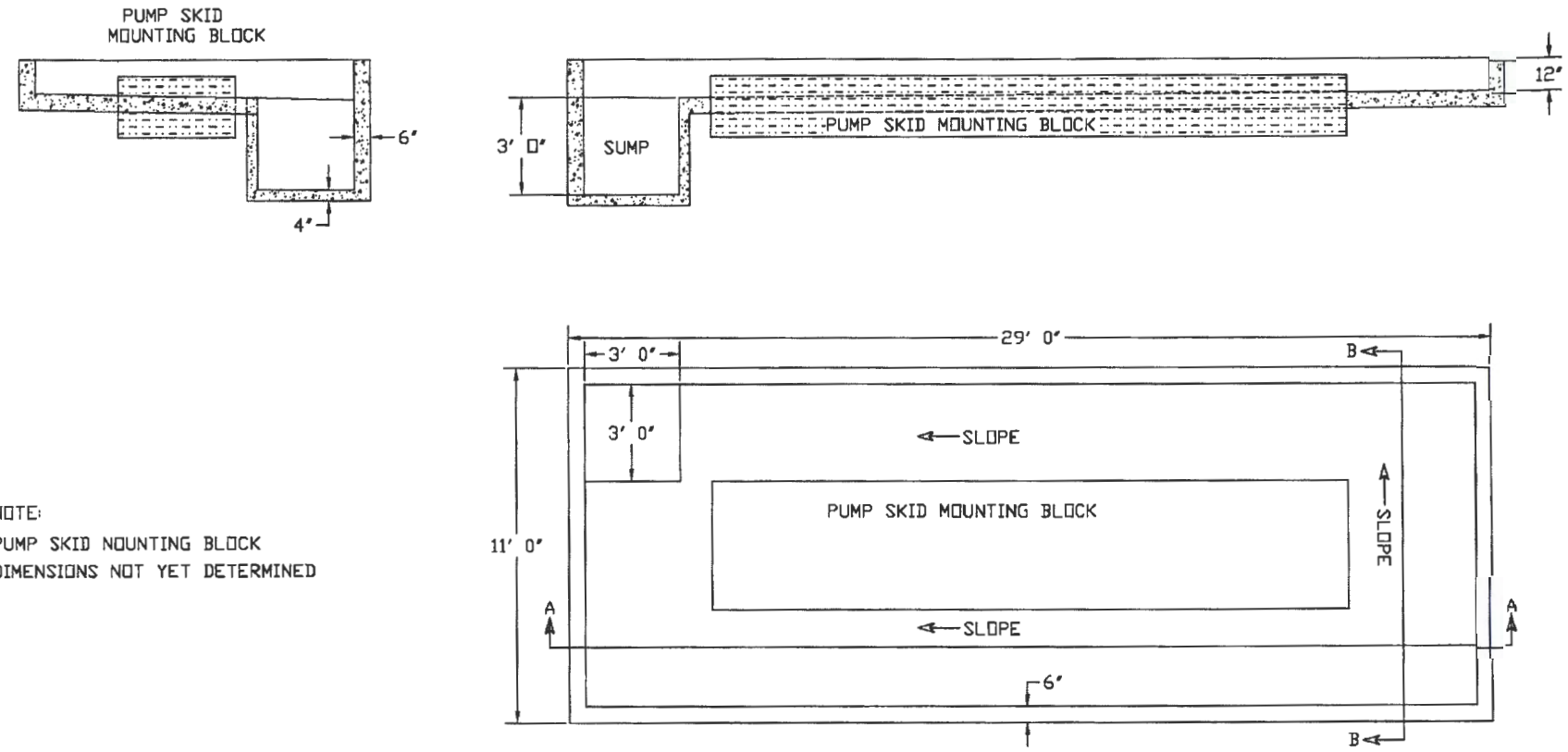
FIGURE 3

NAVAJO REFINING COMPANY, L.L.C.
ARTESIA, NEW MEXICO

WDW-3 PRE-INJECTION P&ID SHOWING NEW BOOSTER PUMP

DATE: 08/27/13	CHECKED BY:	JOB NO: 80068416
DRAWN BY: TWC	APPROVED BY:	DWG. NO:


WDE #1
Well
Surge Tank
In Refinery
8" Pipeline
Filters
FM
TIT
CSC
VSH
PIT
New Booster Pump
PIT
WDW #2
Well
Reda Pump
Reda Pump
Filter
FM
TIT
CSC
VSH
PIT
New Booster Pump
PIT
WDW #3
Well
Reda Pump
Reda Pump
Filters
FM
TIT
CSC
VSH
PIT
New Booster Pump
PIT
SUBSURFACE
HOUSTON, TX
SOUTH BEND, IN
BATON ROUGE, LA
FIGURE 4
NAVAJO REFINING COMPANY, L.L.C.
ARTESIA, NEW MEXICO
P&ID OF PUMPS AT REFINERY
AND NEW BOOSTER PUMPS
DATE: 06/24/13
CHECKED BY:
JOB NO: 6006946
DRAWN BY: TWC
APPROVED BY:
DWG. NO:



NOTE:
PUMP SKID NOUNTING BLOCK
DIMENSIONS NOT YET DETERMINED

SUBSURFACE

HOUSTON, TX
SOUTH BEND, IN
BATON ROUGE, LA

FIGURE 5

NAVAJO REFINING COMPANY, L.L.C.
ARTESIA, NEW MEXICO

BOOSTER PUMP PAD WITH SECONDARY CONTAINMENT

DATE: 06/24/13	CHECKED BY:	JOB NO: 5006946
DRAWN BY: WDD	APPROVED BY:	DWG. NO:

P&ID CODES

- PCV Pressure Control Valve
- PI Pressure Indicator (pressure gauge)
- PIT Pressure Indicating Transmitter
- PSH Pressure Switch High
- PSHH Pressure Switch High High (Shutdown)
- PSL Pressure Switch Low
- PSLL Pressure Switch Low Low (Shutdown)
- PDT Pressure Differential Transmitter
- PDR Pressure Differential Recorder
- PDSH Pressure Differential Switch High
- PDAH Pressure Differential Alarm High
- PDSL Pressure Differential Switch Low
- PSH Pressure Switch High
- PSHH Pressure Switch High High (Shutdown)
- PSLL Pressure Switch Low Low (Shutdown)
- PT Pressure Transmitter
- PSV Pressure Safety Valve is not valid for this application and has been removed from the attached updated P&IDs
- SC Speed Control
- TE Temperature Element
- TIT Temperature Indicating Transmitter

P&ID CODES

- FAH Flow Alarm High
- FAHH Flow Alarm High High (Shutdown)
- FAL Flow Alarm Low
- FALL Flow Alarm Low Low (Shutdown)
- FE Flow Element (in this case, an orifice plate)
- FM Flow Meter
- FT Flow Transmitter
- HOA Hand-Off-Automatic (Switch)
- HS Hand Switch
- LSHH Level Switch High High (Shutdown)
- LSH Level Switch High
- LSL Level Switch Low
- LSLL Level Switch Low Low (Shutdown)
- LT Level Transmitter
- MOV Motor Operated Valve
- PAH Pressure Alarm High
- PAHH Pressure Alarm High High (Shutdown)
- PAL Pressure Alarm Low
- PALL Pressure Alarm Low Low (Shutdown)

P&ID CODES

- TT Temperature Transmitter
- TW Thermowell
- VFD Variable Frequency Drive
- VFD Variable Frequency Drive
- VSD Variable Speed Drive
- VSH Vibration Switch High
- VSHH Vibration Switch High High (Shutdown)
- ZSC Limit Switch Closed Indication
- ZSO Limit Switch Open Indication

Note: HH and LL designation means shutdown instead of alarm devices which are designated as H and L

NAVAJO REFINING COMPANY, LLC

FAX
(575) 746-5283 DIV. ORDERS
(575) 746-5481 TRUCKING
(575) 746-5458 PERSONNEL

501 EAST MAIN STREET • P. O. BOX 159
ARTESIA, NEW MEXICO 88211-0159
TELEPHONE (575) 748-3311

FAX
(575) 746-5419 ACCOUNTING
(575) 746-5451 ENV/PURCH/MKTG
(575) 746-5421 ENGINEERING

October 6, 2009

Carl J. Chavez, CHMM
New Mexico Energy, Minerals & Natural Resources Dept.
Oil Conservation Division, Environmental Bureau
1220 South St. Francis Dr.,
Santa Fe, New Mexico 87505

RE: Discharge Permits UIC-CLI-008 and UIC-CLI-008-1

Carl,

Enclosed, please find a check in the amount of $9,000 to cover the permit fees for the above mentioned discharge permits. Also, enclosed are the signed copies of the permits for your files. If there are any questions concerning this submission, please call me at 575-746-5281.

Sincerely,
NAVAJO REFINING COMPANY, LLC

Darrell Moore
Environmental manager for Water and Waste

Encl:

File: Injection Well Discharge Permits 4A02

NAVAJO REFINING COMPANY LLC
100 Crescent Court, Suite 1600
Dallas TX 75201-6927

WATER QUALITY MANAGEMENT FUND
OIL CONSERVATION DIVISION
1220 S SAINT FRANCIS DR
SANTA FE NM 87505-4000

Check Date		09/29/2009
Check Amount	$	9,000.00
Vendor No		5111809
Payment Document		2000057040
Company Code		1020

Invoice Date	Invoice Number	Description	Invoice Amount	Discount Amount	Net Amount
09/25/2009	092509	INJECTION WELL DISCHARGE PERMIT UIC	4,500.00	0.00	4,500.00
09/25/2009	092509A	INJECTION WELL DISCHARGE PERMIT UIC	4,500.00	0.00	4,500.00

Payment document	Check number	Date	Currency	Payment amount
2000057040	1000069284	09/29/2009	USD	*********9,000.00*

↓ PLEASE FOLD ON PERFORATION AND DETACH HERE ↓

ACKNOWLEDGEMENT OF RECEIPT
OF CHECK/CASH

I hereby acknowledge receipt of check No. 1000069284 dated 9/29/09

or cash received on _____ in the amount of $ 9000 00

from Navajo Refining Co

for WDW-8-1

Submitted by: Lawrence Romero Date: 10/23/07

Submitted to ASD by: [signature] Date: _____

Received in ASD by: _____ Date: _____

Filing Fee _____ New Facility _____ Renewal _____

Modification _____ Other _____

Organization Code 521.07 Applicable FY 2004

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.

ANTI-FRAUD PROTECTION - PATENTS 5,197,785; 5,34

NAVAJO REFINING COMPANY LLC
100 Crescent Court, Suite 1600
Dallas TX 75201-6927

64-1278/611 1000069284
09/29/2009

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 DIVISION
1220 S SAINT FRANCIS DR
SANTA FE NM 87505-4000

Stephen D Wise
AUTHORIZED SIGNATURE

WDW-8
WDW-8-1

⑈1000069284⑈ ⑆061112788⑆329905321?⑈

NAVAJO REFINING COMPANY, LLC

FAX
(575) 746-5283 DIV. ORDERS
(575) 746-5481 TRUCKING
(575) 746-5458 PERSONNEL

501 EAST MAIN STREET • P. O. BOX 159
ARTESIA, NEW MEXICO 88211-0159
TELEPHONE (575) 748-3311

FAX
(575) 746-5419 ACCOUNTING
(575) 746-5451 ENV/PURCH/MKTG
(575) 746-5421 ENGINEERING

October 6, 2009

Carl J. Chavez, CHMM
New Mexico Energy, Minerals & Natural Resources Dept.
Oil Conservation Division, Environmental Bureau
1220 South St. Francis Dr.,
Santa Fe, New Mexico 87505

RE: Discharge Permits UIC-CLI-008 and UIC-CLI-008-1

Carl,

Enclosed, please find a check in the amount of $9,000 to cover the permit fees for the above mentioned discharge permits. Also, enclosed are the signed copies of the permits for your files. If there are any questions concerning this submission, please call me at 575-746-5281.

Sincerely,
NAVAJO REFINING COMPANY, LLC

Darrell Moore
Environmental manager for Water and Waste

Encl:

File: Injection Well Discharge Permits 4A02

NAVAJO REFINING COMPANY LLC
100 Crescent Court, Suite 1600
Dallas TX 75201-6927

WATER QUALITY MANAGEMENT FUND
OIL CONSERVATION DIVISION
1220 S SAINT FRANCIS DR
SANTA FE NM 87505-4000

Check Date		09/29/2009
Check Amount	$	9,000.00
Vendor No		5111809
Payment Document		2000057040
Company Code		1020

Invoice Date	Invoice Number	Description	Invoice Amount	Discount Amount	Net Amount
09/25/2009	092509	INJECTION WELL DISCHARGE PERMIT UIC	4,500.00	0.00	4,500.00
09/25/2009	092509A	INJECTION WELL DISCHARGE PERMIT UIC	4,500.00	0.00	4,500.00

Payment document	Check number	Date	Currency	Payment amount
2000057040	1000069284	09/29/2009	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.

ANTI-FRAUD PROTECTION - PATENTS 5,197,765; 5,310

NAVAJO REFINING COMPANY LLC
100 Crescent Court, Suite 1600
Dallas TX 75201-6927

64-1278/611 1000069284
09/29/2009

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 DIVISION
1220 S SAINT FRANCIS DR
SANTA FE NM 87505-4000

Stephen D Wise
AUTHORIZED SIGNATURE

⑈1000069284⑈ ⑆061112788⑆ 3299053217⑈

New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson
Governor

Joanna Prukop
Cabinet Secretary

Mark Fesmire
Division Director
Oil Conservation Division

September 21, 2009

Mr. Darrell Moore
Environmental Manager for Water and Waste
Navajo Refining Company, L.L.C.
501 East Main Street, P.O. Drawer 159
Artesia, New Mexico 88211-0159

Re: **Approval of Class I Injection Well Discharge Permit UIC-CLI-008-1 (I-008-1)**
Class I Non-Hazardous Oil Field Waste Disposal Well
WDW-2, API No. 30-015-20894
1980 FNL and 660 FWL UL: E Section 12, T 18 S, R 27 E
Eddy County, New Mexico

Dear Mr. Moore:

Pursuant to the Water Quality Control Commission (WQCC) Regulations 20.6.2 NMAC and more specifically 20.6.2.3104 - 20.6.2.3999 and 20.6.2.5000-.5299, the Oil Conservation Division (OCD) hereby authorizes Navajo Refining Company Class I WDW-2 Waste Disposal Well (API No. 30-015-20894) in Eddy County, New Mexico, under the conditions specified in the enclosed **Attachment To The Class I Injection Well Discharge Permit**.

Enclosed are two copies of the conditions of approval. **Please sign and return one copy to the New Mexico Oil Conservation Division (OCD) Santa Fe Office within 30 working days of receipt of this letter-including permit fees.**

Please be advised that approval of this permit does not relieve the Navajo Refining Company of responsibility should operations result in pollution of surface water, ground water or the environment. Nor does approval of the permit relieve the Navajo Refining Company of its responsibility to comply with any other applicable governmental authority's rules and regulations.

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

Sincerely,

Glenn von Gonten
Acting Environmental Bureau Chief

GvG/cc
Attachments-1
xc: OCD District Office

ATTACHMENT TO THE DISCHARGE PERMIT
Navajo Refining Company WDW-2 Class I Waste Disposal Well UIC-CLI-008-1 (I-008-1)
DISCHARGE PERMIT APPROVAL CONDITIONS

September 21, 2009

Please remit a check for $4,500.00 made payable to Water Quality Management Fund:

Water Quality Management Fund
C/o: Oil Conservation Division
1220 S. Saint Francis Drive
Santa Fe, New Mexico 87505

1. **Payment of Discharge Plan Fees:** All discharge permits are subject to WQCC Regulations. Every billable facility that submits a discharge permit application will be assessed a filing fee of $100.00, plus a renewal flat fee (*see* WQCC Regulation 20.6.2.3114 NMAC). The Oil Conservation Division ("OCD") has received the required $100.00 filing fee and the Navajo Refining Company still owes the required $4500.00 permit fee. The total fee amount due is $4500 for the Class I Well.

2. **Permit Expiration and Renewal Conditions and Penalties:** Pursuant to WQCC Regulation 20.6.2.3109.H.4 NMAC, this permit is valid for a period of five years. **The permit will expire on October 5, 2014** and an application for renewal should be submitted no later than 120 days before that expiration date. Pursuant to WQCC Regulation 20.6.2.3106.F 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 permit, then the existing discharge permit will not expire until the application for renewal has been approved or disapproved. ***Expired permits are a violation of the Water Quality Act (Chapter 74, Article 6, NMSA 1978) and civil penalties may be assessed accordingly.***

3. **Permit Terms and Conditions:** Pursuant to WQCC Regulation 20.6.2.3104 NMAC, when a permit has been issued, the Navajo Refining Company must ensure that all discharges shall be consistent with the terms and conditions of the permit. In addition, all facilities shall abide by the applicable rules and regulations administered by the OCD pursuant to the Oil and Gas Act, NMSA 1978, Sections 70-2-1 through 70-2-38. All injection operations related to oil and natural gas production in New Mexico are regulated under the provisions of the Oil and Gas Act, NMSA 1978, Sections 70-2-1 *et seq.* and the Water Quality Act, NMSA 1978, Sections 74-6-1 *et seq.* These Acts delegate authority for enforcement of their provisions relating to oil and natural gas drilling, production, processing, and transportation to the Oil Conservation Division (OCD) of the New Mexico Energy, Minerals and Natural Resources Department, and to the Oil Conservation Commission (OCC) and the Water Quality Control Commission (WQCC). To carry out its authority, the OCC has promulgated rules (19 NMAC) and numerous orders. Navajo Refining Company shall comply with WQCC Regulations 20.6.2 *et seq.* NMAC relating to Class I Waste Disposal Wells.

4. Navajo Refining Company Commitments: The Navajo Refining Company shall abide by all commitments submitted in its June 28, 2006 Application for Permit to Drill, Re-enter, Deepen, Plug back or Add a Zone API No. 30-015-26575" including subsequent attachments and amendments; letters and conditions herein for approval. Permit applications that reference previously approved plans on file with the division shall be incorporated in this permit and the Navajo Refining Company shall abide by all previous commitments of such plans and these conditions for approval.

5. Modifications: WQCC Regulation 20.6.2.3107.C, 20.6.2.3109 and 20.6.2.5101.I NMAC addresses possible future modifications of a permit. The Navajo Refining Company (discharger) shall notify the OCD of any facility expansion, production increase or process modification that would result in any significant modification in the discharge of water contaminants. The Division Director may require a permit modification if any water quality standard specified at 20.6.2.3103 NMAC is or will be exceeded, or if a toxic pollutants as defined in WQCC Regulation 20.6.2.7 NMAC is present in ground water at any place of withdrawal for present or reasonably foreseeable future use, or that the Water Quality Standards for Interstate and Intrastate streams as specified in 20.6.4 NMAC are being or may be violated in surface water in New Mexico.

6. Waste Disposal and Storage: Navajo Refining Company shall dispose of all other non-injected wastes at an OCD-approved facility. Only oil field RCRA-exempt wastes may be disposed of by injection in a Class I well. RCRA non-hazardous, exempt and non-exempt oil field wastes may be disposed of at an OCD-approved facility upon proper waste determination pursuant to 40 CFR Part 261. Any waste stream that is not listed in the discharge permit application must be approved by the OCD on a case-by-case basis.

A. OCD Rule 712 Waste: Pursuant to OCD Rule 712 (19.15.9.712 NMAC) disposal of certain non-domestic waste without notification to the OCD is allowed at NMED permitted solid waste facilities if the waste stream has been identified in the discharge permit and existing process knowledge of the waste stream does not change.

B. Waste Storage: The Navajo Refining Company shall store all waste in an impermeable bermed area, except waste generated during emergency response operations for up to 72 hours. All waste storage areas shall be identified in the discharge permit application. Any waste storage area not identified in the permit shall be approved on a case-by-case basis only. The Navajo Refining Company shall not store oil field waste on-site for more than 180 days unless approved by the OCD.

7. Drum Storage: The Navajo Refining Company must store all drums, including empty drums, containing materials other than fresh water on an impermeable pad with curbing. The Navajo Refining Company must store empty drums on their sides with the bungs in place and lined up on a horizontal plane. The Navajo Refining Company must store chemicals in other containers, such as tote tanks, sacks, or buckets on an impermeable pad with curbing.

8. Process, Maintenance and Yard Areas: The Navajo Refining Company shall either pave and curb or have some type of spill collection device incorporated into the design at all process, maintenance, and yard areas which show evidence that water contaminants from releases, leaks and spills have reached the ground surface.

9. Above Ground Tanks: The Navajo Refining Company shall ensure that all aboveground tanks have impermeable secondary containment (e.g., liners and berms), which will contain a volume of at least one-third greater than the total volume of the largest tank or all interconnected tanks. The Navajo Refining Company shall retrofit all existing tanks before discharge permit renewal. Tanks that contain fresh water or fluids that are gases at atmospheric temperature and pressure are exempt from this condition.

10. Labeling: The Navajo Refining Company shall clearly label all tanks, drums, and containers to identify their contents and other emergency notification information. The Navajo Refining Company may use a tank code numbering system, which is incorporated into their emergency response plans.

11. Below-Grade Tanks/Sumps and Pits/Ponds.

A. All below-grade tanks and sumps must be approved by the OCD prior to installation and must incorporate secondary containment with leak detection into the design. The Navajo Refining Company shall retrofit all existing systems without secondary containment and leak detection before discharge permit renewal. All existing below-grade tanks and sumps without secondary containment and leak detection must be tested annually or as specified herein. Systems that have secondary containment with leak detection shall have a monthly inspection of the leak detection system to determine if the primary containment is leaking. Small sumps or depressions in secondary containment systems used to facilitate fluid removal are exempt from these requirements if fluids are removed within 72 hours.

B. All pits and ponds, including modifications and retrofits, shall be designed by a certified registered professional engineer and approved by the OCD prior to installation. In general, all pits or ponds shall have approved hydrologic and geologic reports, location, foundation, liners, and secondary containment with leak detection, monitoring and closure plans. All pits or ponds shall be designed, constructed and operated so as to contain liquids and solids in a manner that will protect fresh water, public health, safety and the environment for the foreseeable future. The Navajo Refining Company shall retrofit all existing systems without secondary containment and leak detection before discharge permit renewal.

C. The Navajo Refining Company shall ensure that all exposed pits, including lined pits and open top tanks (8 feet in diameter or larger) shall be fenced, screened, netted, or otherwise rendered non-hazardous to wildlife, including migratory birds.

D. The Navajo Refining Company shall maintain the results of tests and inspections at the facility covered by this discharge permit and available for OCD inspection. The Navajo

Refining Company shall report the discovery of any system which is found to be leaking or has lost integrity to the OCD within 15 days. The Navajo Refining Company may propose various methods for testing such as pressure testing to 3 pounds per square inch greater than normal operating pressure and/or visual inspection of cleaned tanks and/or sumps, or other OCD-approved methods. The Navajo Refining Company shall notify the OCD at least 72 hours prior to all testing.

12. Underground Process/Wastewater Lines:

A. The Navajo Refining Company shall test all underground process/wastewater pipelines at least once every five (5) years to demonstrate their mechanical integrity, except lines containing fresh water or fluids that are gases at atmospheric temperature and pressure. Pressure rated pipe shall be tested by pressuring up to one and one-half times the normal operating pressure, if possible, or for atmospheric drain systems, to 3 pounds per square inch greater than normal operating pressure, and pressure held for a minimum of 30 minutes with no more than a 1% loss/gain in pressure. The Navajo Refining Company may use other methods for testing if approved by the OCD.

B. Navajo Refining Company shall maintain underground process and wastewater pipeline schematic diagrams or plans showing all drains, vents, risers, valves, underground piping, pipe type, rating, size, and approximate location. All new underground piping must be approved by the OCD prior to installation. The Navajo Refining Company shall report any leaks or loss of integrity to the OCD within 15 days of discovery.

Navajo Refining Company shall maintain the results of all tests at the facility covered by this discharge permit and they shall be available for OCD inspection. The Navajo Refining Company shall notify the OCD at least 72 hours prior to all testing.

13. Class V Wells: The Navajo Refining Company shall close all Class V wells (e.g., septic systems, leach fields, dry wells, etc.) that inject non-hazardous industrial wastes or a mixture of industrial wastes and domestic wastes unless it can be demonstrated that ground water will not be impacted in the reasonably foreseeable future. Leach fields and other wastewater disposal systems at OCD-regulated facilities that inject non-hazardous fluid into or above an underground source of drinking water are considered Class V Waste Disposal Wells under the EPA UIC program. Class V wells that inject domestic waste only must be permitted by the New Mexico Environment Department (NMED).

14. Housekeeping: The Navajo Refining Company shall inspect all systems designed for spill collection/prevention and leak detection at least monthly to ensure proper operation and to prevent over topping or system failure. All spill collection and/or secondary containment devices shall be emptied of fluids within 72 hours of discovery. The Navajo Refining Company shall maintain all records at the facility and available for OCD inspection.

15. Spill Reporting: The Navajo Refining Company shall report all unauthorized discharges, spills, leaks and releases and conduct corrective action pursuant to WQCC Regulation

20.5.12.1203 NMAC and OCD Rule 116 (19.15.3.116 NMAC). The Navajo Refining Company shall notify both the OCD District Office and the Santa Fe Office within 24 hours and file a written report within 15 days.

16. OCD Inspections: The OCD may place additional requirements on the facility and modify the permit conditions based on well emergencies, OCD inspections, and/or quarterly reporting information.

17. Storm Water: The Navajo Refining Company shall implement and maintain run-on and runoff plans and controls. The Navajo Refining Company shall not discharge any water contaminant that exceeds the WQCC standards specified in 20.6.2.3101 NMAC or 20.6.4 NMAC (Water Quality Standards for Interstate and Intrastate Streams) including any oil sheen in any storm water run-off. The Navajo Refining Company shall notify the OCD within 24 hours of discovery of any releases and shall take immediate corrective action(s) to stop the discharge.

18. Unauthorized Discharges: The Navajo Refining Company shall not allow or cause water pollution, discharge or release of any water contaminant that exceeds the WQCC standards listed in 20.6.2.3101 NMAC or 20.6.4 NMAC (Water Quality Standards for Interstate and Intrastate Streams) unless specifically listed in the permit application approved herein.

An unauthorized discharge is a violation of this permit.

19. Vadose Zone and Water Pollution: The Navajo Refining Company shall address any contamination through the discharge permit process or pursuant to WQCC 20.6.2.4000-.4116 NMAC (Prevention and Abatement of Water Pollution). The OCD may require the Navajo Refining Company to modify its permit for investigation, remediation, abatement, and monitoring requirements for any vadose zone or water pollution. Failure to perform any required investigation, remediation, abatement and submit subsequent reports will be a violation of the permit.

20. Additional Site Specific Conditions: The Navajo Refining Company shall notify the OCD within 24 hours after having knowledge of ground water pollution complaints or well problems within a 1-mile radius of WDW-2.

A. Notification: The Navajo Refining Company shall notify the OCD within 24 hours after having knowledge of ground water pollution complaints or well problems within a 1-mile radius of WDW-2.

B. Hydrogen Sulfide (H_2S) Contingency Plan: If concentrations of H_2S at the facility may exceed 100 ppm as specified in 19.15.11.12 et seq. NMAC, a H_2S Contingency Plan per 19.15.11.9 et seq. NMAC shall be submitted within 3 months of permit issuance.

21. Class I Injection Well(s) Identification, Operation, Monitoring, Bonding and Reporting.

A. Well Identification: API # 30-015-20894

B. Well Work Over Operations: OCD approval will be obtained prior to performing remedial work, pressure test or any other work. Approval will be requested on OCD Form C-103 "Sundry Notices and Reports on Wells" (OCD Rule 1103.A) with appropriate copies sent to the OCD Environmental Bureau and District Office.

C. Injection Formation, Interval & Waste: Injected refinery exempt/non-exempt non-hazardous wastes will be injected into the Wolfcamp, Cisco and Canyon Formations at the interval 7,570 ft to 8,399 ft. Tubing shall be surrounded by surface casing set to a depth protective of fresh ground water (< 10,000 ppm TDS). The owner/operator shall take all steps necessary to ensure that the injected waste enters only the above specified injection interval and is not permitted to escape to other formations or onto the surface. The operator shall provide written notice of the date of commencement of injection to the Santa Fe Office of the Division.

D. Well Injection Pressure Limits: The wellhead injection pressure on the well shall be limited to no more than 1,510 psig. In addition, the injection well or system shall be equipped with a pressure limiting device in workable condition, which shall, at all times, limit surface injection pressure to the maximum allowable pressure for this well. The maximum operating surface injection and/or test pressure measured at the wellhead shall not exceed 1,510 psig unless otherwise approved by the OCD. The pressure-limiting device shall monthly be demonstrated and reported quarterly to the OCD. Navajo Refining Company shall take all steps necessary to ensure that the injected water enters only the proposed injection interval and is not permitted to escape to other formations or onto the ground surface. Any pressure that causes new fractures or propagation in existing fractures or causes damage to the system shall be reported to OCD within 24 hours of discovery.

The Director of the OCD may authorize an increase in injection pressure upon demonstration by the operator of said well that such higher pressure will not result in migration of the injected fluid from the injection formation. Such demonstration shall consist of a valid step-rate test run in accordance with and acceptable to the OCD.

E. Mechanical Integrity Testing (MIT):

The owner/operator shall complete an annual casing-tubing annulus pressure test from the surface to the approved injection depth and below the depth of fresh ground water (< 10,000 ppm TDS) to assess casing and tubing integrity. The MIT shall consist of a 30-minute test at a minimum pressure from 300 to 500 psig measured at the surface. A Bradenhead test(s) shall also be performed annually along with the

casing-tubing annulus test. A Bradenhead test(s) shall be performed in all annular spaces including surface casing if not cemented.

The owner/operator shall complete an annual pressure fall-off test to monitor the pressure buildup in the injection zone. The well shall be shut down for a period sufficient to conduct the test and shall be submitted to the OCD in the annual report (see Section 21K (11)). All well testing shall be performed annually or shall also be performed whenever the tubing is pulled or the packer reseated or when the injection formation will be isolated from the casing/tubing annuals. The operator shall notify the supervisor of the Santa Fe Office of the Division of the date, time and time of the installation of disposal equipment and of any MIT so that it may be inspected and witnessed.

1. General Requirements:

   a. If the testing requires a packer then casing-tubing annulus must be loaded with inert fluid 24 hours prior to testing.

   b. Have manpower and equipment available for pressure test. Wellhead shall be prepared for test and all valves and gauges should be in good working order.

   c. Pumps, tanks, external lines etc. must be isolated from the wellhead during test.

   d. A continuous recording pressure device with a maximum 4-hour clock shall be installed on the casing-tubing annulus. The pressure range shall not be greater than 500 psig. The operator must provide proof that the pressure-recording device has been calibrated within the past 6 months.

   e. A minimum of one pressure gauge shall be installed on the casing/tubing annulus.

   f. OCD must witness the beginning of test (putting chart on) and ending of test (removing chart). At the end of test, the operator may be required to bleed-off well pressure to demonstrate recorder and gauge response.

   g. The Operator shall supply the following information on the pressure chart that the inspector will file in the well records:
      1. Company Name, Well Name, API #, Legal Location.
      2. Test Procedure with "Pass/Fail" designation.
      3. Testing Media: Water, Gas, Oil, Etc.
      4. Date, time started and ending.

5. Name (printed) and signature of company representative and OCD Inspector

2. Test Acceptance:

The OCD will use the following criteria in determining if a well has passed the Mechanical Integrity Test:

a. Passes if Zero Bleed-Off during the test.

b. Passes if Final Test Pressure is within ± 10% of Starting Pressure, if approved by the OCD inspector.

c. Fails if any Final Test Pressure is greater than ± 10% of Starting Pressure. Operators must investigate for leaks and demonstrate that mechanical integrity of the well(s) by ensuring there are no leaks in the tubing, casing, or packer, and injected/produced fluids are confined within the piping and/or injection zones. Wells shall not resume operations until approved by OCD.

Note: OCD recognizes that different operations, well designs, formation characteristics and field conditions may cause variations in the above procedures. If the operator wishes to make or discuss anticipate changes, please notify the OCD for approval. All operators are responsible to notify OCD of any procedure that may cause harm to the well system or formation. Please be advised that OCD approval does not relieve any operator of liability should operations result in pollution of surface water, groundwater, or the environment.

d. When the MIT is not witnessed by an OCD Representative and fails, the owner/operator shall notify the OCD within 24 hours after having knowledge of well MIT failure.

F. Loss of Mechanical Integrity: The operator shall report within 24 hours of discovery any failure of the casing, tubing or packer, or movement of fluids outside of the injection zone. The operator shall cease operations until proper repairs are made and receive OCD approval to re-start injection operations. In addition, any associated fresh ground water monitor wells, which exhibit anomalous static water levels, detection of elevated general chemistry constituents, public health issues, etc. shall be immediately reported to the OCD.

G. Injection Record Volumes and Pressures: The owner/operator shall submit quarterly reports of its disposal, operation and well workovers provided herein. The minimum, maximum, average flow waste injection volumes (including total volumes) and

annular pressures of waste (oil field exempt/non-exempt non-hazardous waste) injected will be recorded monthly and submitted to the OCD Santa Fe Office on a quarterly basis.

The casing-tubing annulus shall contain fluid and be equipped with a pressure gauge or an approved leak detection device in order to determine leakage in the casing, tubing, or packer. Due to pressure fluctuations observed at Navajo's other two nearby Class I Injection Wells, WDW-2 shall be equipped with an expansion tank under constant 100 psig pressure connected to the casing-annulus and maintained under constant pressure. The expansion tank shall initially be filled half-full (250 gallon expansion tank) with an approved fluid to establish an equilibrium volume and fluid level. Weekly monitoring of fluid levels in the expansion tank coupled with documented additions/ removals of fluids into or out of the expansion tank is required to maintain the equilibrium volume. Any loss or gain of fluids in the expansion tank shall be recorded, and if significant, reported to the OCD within 24 hours of discovery. The owner/operator shall provide the following information on a quarterly basis: weekly expansion tank volume readings shall be provided in a table in the cover letter of each quarterly report. Navajo shall monitor, record and note any fluid volume additions or removals from the expansion tank on a quarterly basis. In addition, any well activity (i.e., plugging, changing injection intervals, etc.) shall be conducted in accordance with all applicable New Mexico Oil Conservation Division regulations.

H. Analysis of Injected Waste: Provide an analytical data or test results summary of the injection waste water with each annual report. The analytical testing shall be conducted on a quarterly basis with any exceedence reported to the OCD within 24 hours after having knowledge of an exceedence(s). Records shall be maintained at Navajo for the life of the well. The required analytical test methods are:

a. Aromatic and halogenated volatile hydrocarbon scan by EPA Method 8260C GC/MS. Semi-volatile Organics GC/MS EPA Method 8270B including 1 and 2-methylnaphthalene.

b. General water chemistry (Method 40 CFR 136.3) to include calcium, potassium, magnesium, sodium, bicarbonate, carbonate, chloride, sulfate, total dissolved solids (TDS), pH, and conductivity.

c. Heavy metals using the ICP scan (EPA Method 6010) and Arsenic and Mercury using atomic absorption (EPA Methods 7060 and 7470).

d. EPA RCRA Characteristics for Ignitability, Corrosivity and Reactivity (40 CFR part 261 Subpart C Sections 261.21 – 261.23, July 1, 1992).

I. Area of Review (AOR): The operator shall report within 24 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 the Class I Well. Documentation of new wells shall be added to the existing AOR information in the well file within 30 days of the discovery.

J. Bonding or Financial Assurance: The operator shall maintain at a minimum, a one well plugging bond in the amount of $95,000 or the actual amount required to plug/abandon the well pursuant to OCD and WQCC rules and regulations. If warranted, OCD may require additional financial assurance to ensure adequate funding to plug and abandon the well or for any corrective actions.

K. Annual Report: All operators shall submit an annual report due on January 31 of each year. The report shall include the following information:

1. Cover sheet marked as "Annual Class I Well Report, name of operator, permit #, API# of well(s), date of report, and person submitting report.
2. Brief summary of Class I Well(s) operations including description and reason for any remedial or major work on the well with a copy of OCD Form C-103.
3. Production volumes as required above in 21.G. including a running total should be carried over to each year. The maximum and average injection pressure.
4. A copy of the chemical analysis as required above in 21.H.
5. A copy of any mechanical integrity test chart, including the type of test, i.e. duration, gauge pressure, etc.
6. Brief explanation describing deviations from normal production methods.
7. A copy of any expansion tank monitoring pressure, fluid removals/additions, well problems, drinking water impacts, leaks and spills reports.
8. If applicable, results of any groundwater monitoring.
9. An Area of Review (AOR) update summary.
10. Sign-off requirements pursuant to WQCC Subsection G 20.6.2.5101.
11. A summary with interpretation of MITs, Fall-Off Tests, etc., with conclusion(s) and recommendation(s).
12. Annual facility training.

22. Transfer of Discharge Permit: Pursuant to WQCC 20.6.2.5101.H the Navajo Refining Company and any new owner/operator shall provide written notice of any transfer of the permit in accordance with WQCC 20.6.2.3104 (Discharge Permit Required), 20.6.2.3111 (Transfer of Discharge Permit), 20.6.2.5101 (Discharge Permit and Other Requirements for Class I Non-Hazardous Waste Disposal Wells, and Class III Wells). Both parties shall sign the notice 30 days prior to any transfer of ownership, control or possession of a Class I Well with an approved discharge permit. In addition, the purchaser shall include a written commitment to comply with the terms and conditions of the previously approved discharge permit. OCD will not transfer Class

I Well operations until: correspondence between the transferor and transferee is submitted along with a signed certification of acceptance by the transferee, and proper bonding or financial assurance is in place and approved by the division. OCD reserves the right to require a major modification of the permit during the transfer process.

23. Training: All personnel associated with operations at the Navajo Class I disposal well shall have appropriate training in accepting, processing, and disposing of Class I non exempt non-hazardous refinery waste to insure proper disposal. Provide training documentation in annual report under Section 21K(12).

24. Closure: The Navajo Refining Company shall notify the OCD when operations of the facility are to be discontinued for a period in excess of six months. Prior to closure of the facility, the operator shall submit for OCD approval, a closure plan including a completed C-103 form for plugging and abandonment of the well(s). Closure and waste disposal shall be in accordance with the statutes, rules and regulations in effect at the time of closure.

25. CERTIFICATION: (OWNER/OPERATOR), by the officer whose signature appears below, acknowledges receipt of this Discharge Permit, and has reviewed its terms and conditions.

NAVAJO REFINING COMPANY, LLC
Company Name- print name above

MICHAEL WHATLEY
Company Representative- print name

Michael Whatley
Company Representative Signature

Title VP Refinery Manager

Date: 10-20-09

New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson
Governor

Joanna Prukop
Cabinet Secretary

Mark Fesmire
Division Director
Oil Conservation Division

September 21, 2009

Mr. Darrell Moore
Environmental Manager for Water and Waste
Navajo Refining Company, L.L.C.
501 East Main Street, P.O. Drawer 159
Artesia, New Mexico 88211-0159

Re: **Approval of Class I Injection Well Discharge Permit UIC-CLI-008-1 (I-008-1)**
Class I Non-Hazardous Oil Field Waste Disposal Well
WDW-2, API No. 30-015-20894
1980 FNL and 660 FWL UL: E Section 12, T 18 S, R 27 E
Eddy County, New Mexico

Dear Mr. Moore:

Pursuant to the Water Quality Control Commission (WQCC) Regulations 20.6.2 NMAC and more specifically 20.6.2.3104 - 20.6.2.3999 and 20.6.2.5000-.5299, the Oil Conservation Division (OCD) hereby authorizes Navajo Refining Company Class I WDW-2 Waste Disposal Well (API No. 30-015-20894) in Eddy County, New Mexico, under the conditions specified in the enclosed **Attachment To The Class I Injection Well Discharge Permit**.

Enclosed are two copies of the conditions of approval. **Please sign and return one copy to the New Mexico Oil Conservation Division (OCD) Santa Fe Office within 30 working days of receipt of this letter-including permit fees.**

Please be advised that approval of this permit does not relieve the Navajo Refining Company of responsibility should operations result in pollution of surface water, ground water or the environment. Nor does approval of the permit relieve the Navajo Refining Company of its responsibility to comply with any other applicable governmental authority's rules and regulations.

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

Sincerely,

Glenn von Gonten
Acting Environmental Bureau Chief

GvG/cc
Attachments-1
xc: OCD District Office

ATTACHMENT TO THE DISCHARGE PERMIT
Navajo Refining Company WDW-2 Class I Waste Disposal Well UIC-CLI-008-1 (I-008-1)
DISCHARGE PERMIT APPROVAL CONDITIONS

September 21, 2009

Please remit a check for $4,500.00 made payable to Water Quality Management Fund:

Water Quality Management Fund
C/o: Oil Conservation Division
1220 S. Saint Francis Drive
Santa Fe, New Mexico 87505

1. **Payment of Discharge Plan Fees:** All discharge permits are subject to WQCC Regulations. Every billable facility that submits a discharge permit application will be assessed a filing fee of $100.00, plus a renewal flat fee (*see* WQCC Regulation 20.6.2.3114 NMAC). The Oil Conservation Division ("OCD") has received the required $100.00 filing fee and the Navajo Refining Company still owes the required $4500.00 permit fee. The total fee amount due is $4500 for the Class I Well.

2. **Permit Expiration and Renewal Conditions and Penalties:** Pursuant to WQCC Regulation 20.6.2.3109.H.4 NMAC, this permit is valid for a period of five years. **The permit will expire on October 5, 2014** and an application for renewal should be submitted no later than 120 days before that expiration date. Pursuant to WQCC Regulation 20.6.2.3106.F 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 permit, then the existing discharge permit will not expire until the application for renewal has been approved or disapproved. ***Expired permits are a violation of the Water Quality Act (Chapter 74, Article 6, NMSA 1978) and civil penalties may be assessed accordingly.***

3. **Permit Terms and Conditions:** Pursuant to WQCC Regulation 20.6.2.3104 NMAC, when a permit has been issued, the Navajo Refining Company must ensure that all discharges shall be consistent with the terms and conditions of the permit. In addition, all facilities shall abide by the applicable rules and regulations administered by the OCD pursuant to the Oil and Gas Act, NMSA 1978, Sections 70-2-1 through 70-2-38. All injection operations related to oil and natural gas production in New Mexico are regulated under the provisions of the Oil and Gas Act, NMSA 1978, Sections 70-2-1 *et seq.* and the Water Quality Act, NMSA 1978, Sections 74-6-1 *et seq.* These Acts delegate authority for enforcement of their provisions relating to oil and natural gas drilling, production, processing, and transportation to the Oil Conservation Division (OCD) of the New Mexico Energy, Minerals and Natural Resources Department, and to the Oil Conservation Commission (OCC) and the Water Quality Control Commission (WQCC). To carry out its authority, the OCC has promulgated rules (19 NMAC) and numerous orders. Navajo Refining Company shall comply with WQCC Regulations 20.6.2 *et seq.* NMAC relating to Class I Waste Disposal Wells.

4. Navajo Refining Company Commitments: The Navajo Refining Company shall abide by all commitments submitted in its June 28, 2006 Application for Permit to Drill, Re-enter, Deepen, Plug back or Add a Zone API No. 30-015-26575" including subsequent attachments and amendments; letters and conditions herein for approval. Permit applications that reference previously approved plans on file with the division shall be incorporated in this permit and the Navajo Refining Company shall abide by all previous commitments of such plans and these conditions for approval.

5. Modifications: WQCC Regulation 20.6.2.3107.C, 20.6.2.3109 and 20.6.2.5101.I NMAC addresses possible future modifications of a permit. The Navajo Refining Company (discharger) shall notify the OCD of any facility expansion, production increase or process modification that would result in any significant modification in the discharge of water contaminants. The Division Director may require a permit modification if any water quality standard specified at 20.6.2.3103 NMAC is or will be exceeded, or if a toxic pollutants as defined in WQCC Regulation 20.6.2.7 NMAC is present in ground water at any place of withdrawal for present or reasonably foreseeable future use, or that the Water Quality Standards for Interstate and Intrastate streams as specified in 20.6.4 NMAC are being or may be violated in surface water in New Mexico.

6. Waste Disposal and Storage: Navajo Refining Company shall dispose of all other non-injected wastes at an OCD-approved facility. Only oil field RCRA-exempt wastes may be disposed of by injection in a Class I well. RCRA non-hazardous, exempt and non-exempt oil field wastes may be disposed of at an OCD-approved facility upon proper waste determination pursuant to 40 CFR Part 261. Any waste stream that is not listed in the discharge permit application must be approved by the OCD on a case-by-case basis.

A. OCD Rule 712 Waste: Pursuant to OCD Rule 712 (19.15.9.712 NMAC) disposal of certain non-domestic waste without notification to the OCD is allowed at NMED permitted solid waste facilities if the waste stream has been identified in the discharge permit and existing process knowledge of the waste stream does not change.

B. Waste Storage: The Navajo Refining Company shall store all waste in an impermeable bermed area, except waste generated during emergency response operations for up to 72 hours. All waste storage areas shall be identified in the discharge permit application. Any waste storage area not identified in the permit shall be approved on a case-by-case basis only. The Navajo Refining Company shall not store oil field waste on-site for more than 180 days unless approved by the OCD.

7. Drum Storage: The Navajo Refining Company must store all drums, including empty drums, containing materials other than fresh water on an impermeable pad with curbing. The Navajo Refining Company must store empty drums on their sides with the bungs in place and lined up on a horizontal plane. The Navajo Refining Company must store chemicals in other containers, such as tote tanks, sacks, or buckets on an impermeable pad with curbing.

8. Process, Maintenance and Yard Areas: The Navajo Refining Company shall either pave and curb or have some type of spill collection device incorporated into the design at all process, maintenance, and yard areas which show evidence that water contaminants from releases, leaks and spills have reached the ground surface.

9. Above Ground Tanks: The Navajo Refining Company shall ensure that all aboveground tanks have impermeable secondary containment (e.g., liners and berms), which will contain a volume of at least one-third greater than the total volume of the largest tank or all interconnected tanks. The Navajo Refining Company shall retrofit all existing tanks before discharge permit renewal. Tanks that contain fresh water or fluids that are gases at atmospheric temperature and pressure are exempt from this condition.

10. Labeling: The Navajo Refining Company shall clearly label all tanks, drums, and containers to identify their contents and other emergency notification information. The Navajo Refining Company may use a tank code numbering system, which is incorporated into their emergency response plans.

11. Below-Grade Tanks/Sumps and Pits/Ponds.

A. All below-grade tanks and sumps must be approved by the OCD prior to installation and must incorporate secondary containment with leak detection into the design. The Navajo Refining Company shall retrofit all existing systems without secondary containment and leak detection before discharge permit renewal. All existing below-grade tanks and sumps without secondary containment and leak detection must be tested annually or as specified herein. Systems that have secondary containment with leak detection shall have a monthly inspection of the leak detection system to determine if the primary containment is leaking. Small sumps or depressions in secondary containment systems used to facilitate fluid removal are exempt from these requirements if fluids are removed within 72 hours.

B. All pits and ponds, including modifications and retrofits, shall be designed by a certified registered professional engineer and approved by the OCD prior to installation. In general, all pits or ponds shall have approved hydrologic and geologic reports, location, foundation, liners, and secondary containment with leak detection, monitoring and closure plans. All pits or ponds shall be designed, constructed and operated so as to contain liquids and solids in a manner that will protect fresh water, public health, safety and the environment for the foreseeable future. The Navajo Refining Company shall retrofit all existing systems without secondary containment and leak detection before discharge permit renewal.

C. The Navajo Refining Company shall ensure that all exposed pits, including lined pits and open top tanks (8 feet in diameter or larger) shall be fenced, screened, netted, or otherwise rendered non-hazardous to wildlife, including migratory birds.

D. The Navajo Refining Company shall maintain the results of tests and inspections at the facility covered by this discharge permit and available for OCD inspection. The Navajo

Refining Company shall report the discovery of any system which is found to be leaking or has lost integrity to the OCD within 15 days. The Navajo Refining Company may propose various methods for testing such as pressure testing to 3 pounds per square inch greater than normal operating pressure and/or visual inspection of cleaned tanks and/or sumps, or other OCD-approved methods. The Navajo Refining Company shall notify the OCD at least 72 hours prior to all testing.

12. Underground Process/Wastewater Lines:

A. The Navajo Refining Company shall test all underground process/wastewater pipelines at least once every five (5) years to demonstrate their mechanical integrity, except lines containing fresh water or fluids that are gases at atmospheric temperature and pressure. Pressure rated pipe shall be tested by pressuring up to one and one-half times the normal operating pressure, if possible, or for atmospheric drain systems, to 3 pounds per square inch greater than normal operating pressure, and pressure held for a minimum of 30 minutes with no more than a 1% loss/gain in pressure. The Navajo Refining Company may use other methods for testing if approved by the OCD.

B. Navajo Refining Company shall maintain underground process and wastewater pipeline schematic diagrams or plans showing all drains, vents, risers, valves, underground piping, pipe type, rating, size, and approximate location. All new underground piping must be approved by the OCD prior to installation. The Navajo Refining Company shall report any leaks or loss of integrity to the OCD within 15 days of discovery.

Navajo Refining Company shall maintain the results of all tests at the facility covered by this discharge permit and they shall be available for OCD inspection. The Navajo Refining Company shall notify the OCD at least 72 hours prior to all testing.

13. Class V Wells: The Navajo Refining Company shall close all Class V wells (e.g., septic systems, leach fields, dry wells, etc.) that inject non-hazardous industrial wastes or a mixture of industrial wastes and domestic wastes unless it can be demonstrated that ground water will not be impacted in the reasonably foreseeable future. Leach fields and other wastewater disposal systems at OCD-regulated facilities that inject non-hazardous fluid into or above an underground source of drinking water are considered Class V Waste Disposal Wells under the EPA UIC program. Class V wells that inject domestic waste only must be permitted by the New Mexico Environment Department (NMED).

14. Housekeeping: The Navajo Refining Company shall inspect all systems designed for spill collection/prevention and leak detection at least monthly to ensure proper operation and to prevent over topping or system failure. All spill collection and/or secondary containment devices shall be emptied of fluids within 72 hours of discovery. The Navajo Refining Company shall maintain all records at the facility and available for OCD inspection.

15. Spill Reporting: The Navajo Refining Company shall report all unauthorized discharges, spills, leaks and releases and conduct corrective action pursuant to WQCC Regulation

20.5.12.1203 NMAC and OCD Rule 116 (19.15.3.116 NMAC). The Navajo Refining Company shall notify both the OCD District Office and the Santa Fe Office within 24 hours and file a written report within 15 days.

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18. Unauthorized Discharges: The Navajo Refining Company shall not allow or cause water pollution, discharge or release of any water contaminant that exceeds the WQCC standards listed in 20.6.2.3101 NMAC or 20.6.4 NMAC (Water Quality Standards for Interstate and Intrastate Streams) unless specifically listed in the permit application approved herein.

An unauthorized discharge is a violation of this permit.

19. Vadose Zone and Water Pollution: The Navajo Refining Company shall address any contamination through the discharge permit process or pursuant to WQCC 20.6.2.4000-.4116 NMAC (Prevention and Abatement of Water Pollution). The OCD may require the Navajo Refining Company to modify its permit for investigation, remediation, abatement, and monitoring requirements for any vadose zone or water pollution. Failure to perform any required investigation, remediation, abatement and submit subsequent reports will be a violation of the permit.

20. Additional Site Specific Conditions: The Navajo Refining Company shall notify the OCD within 24 hours after having knowledge of ground water pollution complaints or well problems within a 1-mile radius of WDW-2.

A. Notification: The Navajo Refining Company shall notify the OCD within 24 hours after having knowledge of ground water pollution complaints or well problems within a 1-mile radius of WDW-2.

B. Hydrogen Sulfide (H_2S) Contingency Plan: If concentrations of H_2S at the facility may exceed 100 ppm as specified in 19.15.11.12 et seq. NMAC, a H_2S Contingency Plan per 19.15.11.9 et seq. NMAC shall be submitted within 3 months of permit issuance.

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A. Well Identification: API # 30-015-20894

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The Director of the OCD may authorize an increase in injection pressure upon demonstration by the operator of said well that such higher pressure will not result in migration of the injected fluid from the injection formation. Such demonstration shall consist of a valid step-rate test run in accordance with and acceptable to the OCD.

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The owner/operator shall complete an annual casing-tubing annulus pressure test from the surface to the approved injection depth and below the depth of fresh ground water (< 10,000 ppm TDS) to assess casing and tubing integrity. The MIT shall consist of a 30-minute test at a minimum pressure from 300 to 500 psig measured at the surface. A Bradenhead test(s) shall also be performed annually along with the

casing-tubing annulus test. A Bradenhead test(s) shall be performed in all annular spaces including surface casing if not cemented.

The owner/operator shall complete an annual pressure fall-off test to monitor the pressure buildup in the injection zone. The well shall be shut down for a period sufficient to conduct the test and shall be submitted to the OCD in the annual report (see Section 21K (11)). All well testing shall be performed annually or shall also be performed whenever the tubing is pulled or the packer reseated or when the injection formation will be isolated from the casing/tubing annuals. The operator shall notify the supervisor of the Santa Fe Office of the Division of the date, time and time of the installation of disposal equipment and of any MIT so that it may be inspected and witnessed.

1. General Requirements:

a. If the testing requires a packer then casing-tubing annulus must be loaded with inert fluid 24 hours prior to testing.

b. Have manpower and equipment available for pressure test. Wellhead shall be prepared for test and all valves and gauges should be in good working order.

c. Pumps, tanks, external lines etc. must be isolated from the wellhead during test.

d. A continuous recording pressure device with a maximum 4-hour clock shall be installed on the casing-tubing annulus. The pressure range shall not be greater than 500 psig. The operator must provide proof that the pressure-recording device has been calibrated within the past 6 months.

e. A minimum of one pressure gauge shall be installed on the casing/tubing annulus.

f. OCD must witness the beginning of test (putting chart on) and ending of test (removing chart). At the end of test, the operator may be required to bleed-off well pressure to demonstrate recorder and gauge response.

g. The Operator shall supply the following information on the pressure chart that the inspector will file in the well records:
1. Company Name, Well Name, API #, Legal Location.
2. Test Procedure with "Pass/Fail" designation.
3. Testing Media: Water, Gas, Oil, Etc.
4. Date, time started and ending.

5. Name (printed) and signature of company representative and OCD Inspector

2. Test Acceptance:

The OCD will use the following criteria in determining if a well has passed the Mechanical Integrity Test:

a. Passes if Zero Bleed-Off during the test.

b. Passes if Final Test Pressure is within ± 10% of Starting Pressure, if approved by the OCD inspector.

c. Fails if any Final Test Pressure is greater than ± 10% of Starting Pressure. Operators must investigate for leaks and demonstrate that mechanical integrity of the well(s) by ensuring there are no leaks in the tubing, casing, or packer, and injected/produced fluids are confined within the piping and/or injection zones. Wells shall not resume operations until approved by OCD.

Note: OCD recognizes that different operations, well designs, formation characteristics and field conditions may cause variations in the above procedures. If the operator wishes to make or discuss anticipate changes, please notify the OCD for approval. All operators are responsible to notify OCD of any procedure that may cause harm to the well system or formation. Please be advised that OCD approval does not relieve any operator of liability should operations result in pollution of surface water, groundwater, or the environment.

d. When the MIT is not witnessed by an OCD Representative and fails, the owner/operator shall notify the OCD within 24 hours after having knowledge of well MIT failure.

F. Loss of Mechanical Integrity: The operator shall report within 24 hours of discovery any failure of the casing, tubing or packer, or movement of fluids outside of the injection zone. The operator shall cease operations until proper repairs are made and receive OCD approval to re-start injection operations. In addition, any associated fresh ground water monitor wells, which exhibit anomalous static water levels, detection of elevated general chemistry constituents, public health issues, etc. shall be immediately reported to the OCD.

G. Injection Record Volumes and Pressures: The owner/operator shall submit quarterly reports of its disposal, operation and well workovers provided herein. The minimum, maximum, average flow waste injection volumes (including total volumes) and

annular pressures of waste (oil field exempt/non-exempt non-hazardous waste) injected will be recorded monthly and submitted to the OCD Santa Fe Office on a quarterly basis.

The casing-tubing annulus shall contain fluid and be equipped with a pressure gauge or an approved leak detection device in order to determine leakage in the casing, tubing, or packer. Due to pressure fluctuations observed at Navajo's other two nearby Class I Injection Wells, WDW-2 shall be equipped with an expansion tank under constant 100 psig pressure connected to the casing-annulus and maintained under constant pressure. The expansion tank shall initially be filled half-full (250 gallon expansion tank) with an approved fluid to establish an equilibrium volume and fluid level. Weekly monitoring of fluid levels in the expansion tank coupled with documented additions/ removals of fluids into or out of the expansion tank is required to maintain the equilibrium volume. Any loss or gain of fluids in the expansion tank shall be recorded, and if significant, reported to the OCD within 24 hours of discovery. The owner/operator shall provide the following information on a quarterly basis: weekly expansion tank volume readings shall be provided in a table in the cover letter of each quarterly report. Navajo shall monitor, record and note any fluid volume additions or removals from the expansion tank on a quarterly basis. In addition, any well activity (i.e., plugging, changing injection intervals, etc.) shall be conducted in accordance with all applicable New Mexico Oil Conservation Division regulations.

H. Analysis of Injected Waste: Provide an analytical data or test results summary of the injection waste water with each annual report. The analytical testing shall be conducted on a quarterly basis with any exceedence reported to the OCD within 24 hours after having knowledge of an exceedence(s). Records shall be maintained at Navajo for the life of the well. The required analytical test methods are:

a. Aromatic and halogenated volatile hydrocarbon scan by EPA Method 8260C GC/MS. Semi-volatile Organics GC/MS EPA Method 8270B including 1 and 2-methylnaphthalene.

b. General water chemistry (Method 40 CFR 136.3) to include calcium, potassium, magnesium, sodium, bicarbonate, carbonate, chloride, sulfate, total dissolved solids (TDS), pH, and conductivity.

c. Heavy metals using the ICP scan (EPA Method 6010) and Arsenic and Mercury using atomic absorption (EPA Methods 7060 and 7470).

d. EPA RCRA Characteristics for Ignitability, Corrosivity and Reactivity (40 CFR part 261 Subpart C Sections 261.21 – 261.23, July 1, 1992).

I. Area of Review (AOR): The operator shall report within 24 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 the Class I Well. Documentation of new wells shall be added to the existing AOR information in the well file within 30 days of the discovery.

J. Bonding or Financial Assurance: The operator shall maintain at a minimum, a one well plugging bond in the amount of $95,000 or the actual amount required to plug/abandon the well pursuant to OCD and WQCC rules and regulations. If warranted, OCD may require additional financial assurance to ensure adequate funding to plug and abandon the well or for any corrective actions.

K. Annual Report: All operators shall submit an annual report due on January 31 of each year. The report shall include the following information:

1. Cover sheet marked as "Annual Class I Well Report, name of operator, permit #, API# of well(s), date of report, and person submitting report.
2. Brief summary of Class I Well(s) operations including description and reason for any remedial or major work on the well with a copy of OCD Form C-103.
3. Production volumes as required above in 21.G. including a running total should be carried over to each year. The maximum and average injection pressure.
4. A copy of the chemical analysis as required above in 21.H.
5. A copy of any mechanical integrity test chart, including the type of test, i.e. duration, gauge pressure, etc.
6. Brief explanation describing deviations from normal production methods.
7. A copy of any expansion tank monitoring pressure, fluid removals/additions, well problems, drinking water impacts, leaks and spills reports.
8. If applicable, results of any groundwater monitoring.
9. An Area of Review (AOR) update summary.
10. Sign-off requirements pursuant to WQCC Subsection G 20.6.2.5101.
11. A summary with interpretation of MITs, Fall-Off Tests, etc., with conclusion(s) and recommendation(s).
12. Annual facility training.

22. Transfer of Discharge Permit: Pursuant to WQCC 20.6.2.5101.H the Navajo Refining Company and any new owner/operator shall provide written notice of any transfer of the permit in accordance with WQCC 20.6.2.3104 (Discharge Permit Required), 20.6.2.3111 (Transfer of Discharge Permit), 20.6.2.5101 (Discharge Permit and Other Requirements for Class I Non-Hazardous Waste Disposal Wells, and Class III Wells). Both parties shall sign the notice 30 days prior to any transfer of ownership, control or possession of a Class I Well with an approved discharge permit. In addition, the purchaser shall include a written commitment to comply with the terms and conditions of the previously approved discharge permit. OCD will not transfer Class

I Well operations until: correspondence between the transferor and transferee is submitted along with a signed certification of acceptance by the transferee, and proper bonding or financial assurance is in place and approved by the division. OCD reserves the right to require a major modification of the permit during the transfer process.

23. Training: All personnel associated with operations at the Navajo Class I disposal well shall have appropriate training in accepting, processing, and disposing of Class I non exempt non-hazardous refinery waste to insure proper disposal. Provide training documentation in annual report under Section 21K(12).

24. Closure: The Navajo Refining Company shall notify the OCD when operations of the facility are to be discontinued for a period in excess of six months. Prior to closure of the facility, the operator shall submit for OCD approval, a closure plan including a completed C-103 form for plugging and abandonment of the well(s). Closure and waste disposal shall be in accordance with the statutes, rules and regulations in effect at the time of closure.

25. CERTIFICATION: (OWNER/OPERATOR), by the officer whose signature appears below, acknowledges receipt of this Discharge Permit, and has reviewed its terms and conditions.

_____
Company Name- print name above

_____
Company Representative- print name

_____
Company Representative- Signature

Title_____

Date: _____

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Infrastructure, environment, buildings

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TX Engineering License # F-533

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1004 North Big Spring Street
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Texas 79701
Tel 432.687.5400
Fax 432.687.5401
www.arcadis-us.com

ENVIRONMENTAL

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

Sent Certified Mail Return Receipt Number 7002 2410 0001 5813 0035

Subject:
Proof of Public Notice
Discharge Plan Permit (UIC I-008-1 and I-008)
Navajo Refining Company
Artesia, Eddy County, New Mexico

Date:
August 13, 2009

Contact:
Sharon Hall

Phone:
432 687-5400

Email:
shall@arcadis-us,com

Dear Mr Chavez:

Respectfully submitted on behalf of Navajo Refining Company is this proof of publication for the above referenced Discharge Plan Permit. Notice of Publication for Discharge Plan Permits UIC I-008-1 and I-008 were published in English and Spanish in the Artesia Daily Press on Sunday, August 9, 2009. The notices of publication and affidavits of publication are attached.

If you have any questions or require additional information please contact me at (432) 687-5400 or shall@aracdis-us.com.

Sincerely,

ARCADIS

Sharon E. Hall

Sharon E. Hall
Associate Vice President

Copies:
Darrell Moore- Navajo Refining Company

Attachments:

Affidavit I-008-1 with attached English and Spanish published notices
Affidavit I-008- with attached English and Spanish published notices

Imagine the result

AFFIDAVIT OF PUBLICATION

Artesia Daily Press

503 W. Main Street, Artesia, New Mexico 88210-2067
(575) 746-3524

STATE OF NEW MEXICO
COUNTY OF Eddy

I Gary Scott **(NAME OF PERSON AUTHORIZED TO SIGN ON BEHALF OF THE NEWSPAPER)**, am authorized by the publisher as agent to make this affidavit of publication. Under oath, I state that the following is true and correct.

The Artesia Daily Press is a newspaper, which is published daily, Artesia, Eddy County, New Mexico, and is of general paid circulation and is in compliance with New Mexico Public Notice and Participation Statute 20.6.2.3108. The newspaper is a duly qualified newspaper under the laws of the State wherein legal notices may be published and that the printed notice attached hereto was published in the regular and entire edition of the newspaper and not in supplement thereof on the date of publication below.

The notice has been published once in the newspaper listed above.

DATE OF PUBLICATION:
August 7, 2009

THE NAME OF THE COMPANY: NAVAJO REFINING COMPANY

PROJECT SITE: (I-008-1) NAVAJO REFINING COMPANY – ARTESIA REFINERY

TYPE OF NOTICE: APPLICATION FOR DISCHARGE PERMIT

AUTHORIZED SIGNATURE:

Title: Publisher

SUBSCRIBED AND SWORN TO BEFORE ME ON THE

10th DAY OF August, 2009

NOTARY SIGNATURE: Kimberly J. Combs
MY COMMISSION EXPIRES ON: April 5, 2011
NOTARY PUBLIC IN AND FOR THE COUNTY OF EDDY, NEW MEXICO

Please attach a newsprint clip of the published notices (Spanish and English).

NOTICE OF PUBLICATION

Navajo Refining Company
Artesia, New Mexico

Notice is hereby given that pursuant to New Mexico Water Quality Control Commission Regulations (20.6.2.3108 NMAC), the following discharge permit application(s) has been submitted to the Director of the New Mexico Oil Conservation Division ("NMOCD"), 1220 S. Saint Francis Drive, Santa Fe, New Mexico 87505, Telephone (505) 476-3440:

(I-008-1) Navajo Refining Company, Darrell Moore, Environmental Manager for Water and Waste, 501 East Main Street, P.O. Box Drawer 159, Artesia, New Mexico, 88211-0159, has submitted an application for a Class I Injection Well Discharge Permit (UIC-CLI-008-1) for injection well WDW-2 (API#30-015-20894) located in the SW/4, NW/4 of Section 12, Township 18 South, Range 27 East, NMPM, Eddy County, New Mexico. The injection well is located approximately 10.5 miles East-Southeast of Artesia on Hwy-82 from Hwy-285 and about 3.3 miles south on Hilltop Road. Oil field exempt and non-exempt non-hazardous industrial waste will be transported about 10.5 miles underground from the Navajo-Artesia Refinery located at 501 E. Main Street, Artesia, NM via a 6 inch dia. pipeline to WDW-2 for disposal into the Wolfcamp, Cisco, and Canyon Formations in the injection interval from 7,570 to 8,399 feet (depth below ground level). The total dissolved solids concentration of the injection zone ranges from 13,000 mg/l to 119,909 mg/l. The injection rate will not exceed 500 gpm at a maximum injection pressure of 1,510 psig. Groundwater most likely to be affected by a spill, leak or accidental discharge is at a depth of approximately 100 feet below the ground surface, with a total dissolved solids concentration of 100 to 1,535 mg/l. The discharge plan addresses well operation, monitoring, 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.

The NMOCD has determined that the application is administratively complete and has prepared a draft permit. The NMOCD will accept comments and statements of interest regarding this application and will create a facility-specific mailing list for persons who wish to receive future notices. 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 Oil Conservation Division at the address given above. The administrative completeness determination and draft permit may be reviewed at the above address between 8:00 a.m. and 4:00 p.m., Monday through Friday, or also may be viewed at the NMOCD web site http//www.emnrd.state.nm.us/ocd. Persons interested in obtaining a copy of the application and draft permit may contact NMOCD 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 the NMOCD 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 permit based on information available, including all comments received. If a public hearing is held, the Director will approve or disapprove the proposed permit based on information in the permit application and information submitted at the hearing.

Published in the Artesia Daily Press, August 9, 2009. Legal 20793.

AFFIDAVIT OF PUBLICATION

Artesia Daily Press

503 W. Main Street, Artesia, New Mexico 88210-2067
(575) 746-3524

STATE OF NEW MEXICO
COUNTY OF Eddy

I Gary Scott **(NAME OF PERSON AUTHORIZED TO SIGN ON BEHALF OF THE NEWSPAPER)**, am authorized by the publisher as agent to make this affidavit of publication. Under oath, I state that the following is true and correct.

The Artesia Daily Press is a newspaper, which is published daily, Artesia, Eddy County, New Mexico, and is of general paid circulation and is in compliance with New Mexico Public Notice and Participation Statute 20.6.2.3108. The newspaper is a duly qualified newspaper under the laws of the State wherein legal notices may be published and that the printed notice attached hereto was published in the regular and entire edition of the newspaper and not in supplement thereof on the date of publication below.

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MY COMMISSION EXPIRES ON : April 5, 2011
NOTARY PUBLIC IN AND FOR THE COUNTY OF EDDY, NEW MEXICO

Please attach a newsprint clip of the published notices (Spanish and English).

AVISO DE PUBLICACIÓN

Navajo Refining Company
Artesia, Nuevo México

Se notifica que de conformidad con el Reglamento de Control de la Calidad del Agua de la Comisión de Nuevo México (20.6.2.3108 NMAC), la siguiente solicitud de permiso de descarga (s) se ha presentado al Director de la División de Conservación de Petróleo de Nueva México ("NMOCD"), 1220 S . Saint Francis Drive, Santa Fe, Nuevo México 87505, Teléfono (505) 476-3440:

(I-008-1) Navajo Refining Company, Darrell Moore, Gerente Ambiental de Agua y Residuos, 501 East Main Street, PO Box Drawer, 159 Artesia, Nuevo México, 88211-0159, ha presentado una solicitud de permiso de descarga de pozo de inyección Clase I (UIC-CLI-008-1) para el pozo de inyección WDW-2 (API # 30-015-20894) situado en el SW/4, NW/4 de la Sección 12, Municipio 18 Sur, Range 27 East, NMPM, Eddy, Nuevo México. El pozo de inyección se encuentra aproximadamente a 10.5 millas al este-sudeste de Artesia en autopista-82 de la autopista-285 y cerca de 3.3 millas al sur de carretera Hilltop. Los resuduos industriales no peligrosos de los campos petroleros exentos y no-exentos, se transportarán alrededor de 11 millas desde Refineria Navajo-Artesia ubicada en 501 E. Main Street, Artesia, NM a través de un gasoducto subterraneo de 6 pulgadas de diámetro a WDW-2 para su disposición en Wolfcamp, Cisco, y las formaciones del Cañón en intervalo de inyección de 7,570 a 8,399 pies (profundidad bajo el nivel del suelo). La concentración de sólidos disueltos totales de la zona de inyección varía de 13,000 mg/l de 119,909 mg/l. La tasa de inyección no excederá de 500 gpm a una presión de inyección máxima de 1,510 psig. La mayoría de las aguas subterráneas que puedan verse afectadas por un derrame, fuga o liberación accidental está a una profundidad de aproximadamente 100 pies por debajo de la superficie del suelo, con una concentración de sólidos disueltos totales de 100 a 1,535 mg/l. El plan de descarga aborda la operación, monitoreo, instalaciones de superficie asociadas, y ofrece un plan de contingencia en caso de derrames accidentales, fugas, vertidos accidentales y otros, a fin de proteger el agua dulce.

El NMOCD ha determinado que la solicitud es administrativamente completa y ha preparado un borrador del permiso. El NMOCD aceptará comentarios y declaraciones de interés respecto a esta solicitud y se creará una lista de correo de instalación-específica para las personas que deseen recibir futuras notificaciones. Las personas interesadas en obtener más información o avisos, solicitar la presentación de observaciones o a estar en una instalación- específica pueden ponerse en contacto con el Jefe de la Oficina Ambiental de la División de Conservación de Petróleo en la dirección arriba indicada para la futura lista de correo. La determinación de la integridad administrativa y el proyecto de permiso podrá revisarse en la dirección antes mencionada entre las 8:00 am y 4:00 pm, de lunes a viernes, o también puede ser visto en NMOCD en el sitio web http//www.emnrd.state.nm. nosotros/ocd. Las personas interesadas en obtener una copia de la solicitud y el borrador del permiso pueden ponerse en contacto con NMOCD a la dirección indicada anteriormente. Antes de pronunciarse sobre cualquier de permiso de descarga propuesto o de modificación importante, el Director deberá permitir un período de por lo menos treinta (30) días después de la fecha de publicación del presente anuncio, durante el cual las personas interesadas podrán presentar observaciones o solicitar la NMOCD celebrará una audiencia pública. Las solicitudes de audiencia pública expondrán las razones por las cuales la audiencia se debe celebrar. La audiencia se celebrará si el Director determina que existe un importante interés público.

Si no se celebra la audiencia pública, el Director aprobará o rechazará el permiso en base a la información disponible, incluyendo todos los comentarios recibidos. Si es una audiencia pública celebrada, el Director aprobará o rechazará el proyecto de permiso en base a la información en la solicitud de permiso y la información presentada en la audiencia.

Published in the Artesia Daily Press, August 9, 2009. Legal 20794.

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

Statement

Date: 7/30/09
Activity: 7/1/2009 - 7/31/2009
Terms: Net 30

Bill to:
Theresa Duran-Saenz
New Mexico Energy, Minerals & Natural
Resources Department
Oil Conservation Division
1220 So. St Francis Drive

Sold to:
Account ID: 4127
Theresa Duran-Saenz
New Mexico Energy, Minerals & Natural
Resources Department
Oil Conservation Division
1220 So. St Francis Drive

Balance Forward before 7/1/2009	$0.00

Date	Ad	Type	Description	Page	Sale	Adj	Pmt	*Balance*
07/17/09	23348	Sale	PO: legal 20769 NOTICE OF		$186.16			*$186.16*
					$186.16			

Thank you for advertising with Artesia Daily Press!

Unapplied Credit	$0.00
Paid Future Ads	$0.00
Account Balance as of 7/31/2009	**$186.16**

Invoice Balances:

Current	30 Day	60 Day	90 Day	120 Day	Over 120	Total
$186.16						$186.16

8/3/09 Spoke with Kimberly she will mail a copy of the Notice.

ok to pay
Carl Chavez
8/5/09

Please return this portion with your payment

Statement

Statement Date: 7/30/2009
Account # 4127

Amount Enclosed _____

Remit Payment to
Artesia Daily Press
P.O. Box 190
Artesia, NM 88211
575-746-3524

Account Balance as of 7/31/2009	$186.16

Affidavit of Publication

NO. 20769

STATE OF NEW MEXICO

County of Eddy:

RECEIVED
2009 AUG 4 AM 11 37

GARY D. 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 county and state, and that the here to 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 week/days on the same day as follows:

First Publication July 17, 2009

Second Publication

Third Publication

Fourth Publication

Fifth Publication

Subscribed and sworn to before me this

17 Day July 2009

OFFICIAL SEAL
Jo Morgan
NOTARY PUBLIC-STATE OF NEW MEXICO
My commission expires: 6/26/2012

Jo Morgan
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 New Mexico Water Quality Control Commission Regulations (20.6.2.3108 NMAC), the following discharge permit application(s) has been submitted to the Director of the New Mexico Oil Conservation Division ("NMOCD"), 1220 S. Saint Francis Drive, Santa Fe, New Mexico 87505, Telephone (505) 476-3440:

(I-008) Navajo Refining Company, Darrell Moore, Environmental Manager for Water and Waste, 501 East Main Street, P.O. Box Drawer 159, Artesia, New Mexico 88211-0159, has submitted an application for a Class I Injection Well Discharge Permit (UIC-CLI-008) for injection well WDW-1 (API# 30-015-27592) located in the SW/4 SE/4 of 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 on Hilltop Road. Oil field exempt and non-exempt non-hazardous industrial waste will be transported about 1.1 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 7,924 to 8,476 feet (depth below ground level). The total dissolved solids concentration of the injection zone ranges from 13,000 mg/l to 119,909 mg/l. The injection rate will not exceed 500 gpm at a maximum injection pressure of 1,580 psig. Groundwater most likely to be affected by a and has prepared a draft permit. The NMOCD will accept comments and statements of interest regarding this application and will create a facility-specific mailing list for persons who wish to receive future notices. 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 Oil Conservation Division at the address given above. The administrative completeness determination 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 NMOCD web site http://www.emnrd.state.nm.us/ocd/. Persons interested in obtaining a copy of the application and draft permit may contact the NMOCD 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 NMOCD 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 information available, including all comments received. If a public hearing is held, the director will approve or disapprove the proposed permit based on information in the permit application and 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,

approximately 100 feet below the ground surface, with a total dissolved solids concentration of 100 to 1,535 mg/L. The discharge plan addresses operation, monitoring, 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.

(I-008-1) Navajo Refining Company. Darrell Moore, Environmental Manager for Water and Waste, 501 East Main Street, P.O. Box Drawer 159, Artesia New Mexico 88211-0159, has submitted an application for a Class I Injection Well Discharge Permit (UIC-CLI-008-1) for injection well WDW-2 (API# 30-015-20894) located in the SW/4, NW/4 of Section 12, Township 18 South, Range 27 East, NMPM, Eddy County, New Mexico. The injection well is located approximately 10.5 miles East-Southeast of Artesia on Hwy-82 from Hwy-285 and about 3.3 miles south on Hilltop Road. Oil field exempt and non-exempt non-hazardous industrial waste will be transported about 10.5 miles underground from the Navajo-Artesia Refinery located at 501 E. Main Street, Artesia, NM via a 6 inch dia. pipeline to WDW-2 for disposal into the Wolfcamp, Cisco, and Canyon Formations in the injection interval from 7,570 to 8,399 feet (depth below ground level). The total dissolved solids concentration of the injection zone ranges from 13,000 mg/l to 119,909 mg/l. The injection rate will not exceed 500 gpm at a maximum injection pressure of 1,510 psig. Groundwater most likely to be affected by a spill, leak or accidental discharge is at a depth of approximately 100 feet below the ground surface, with a total dissolved solids concentration of 100 to 1,535 mg/l. The discharge plan addresses well operation, monitoring, 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.

Oil Conservation Division (Depto. Conservacio´n Del Petróleo), 1220 South St. Francis Drive, Santa Fe, New México (Contacto: Dorothy Phillips, 505-476-3461)

GIVEN under the Seal of New Mexico Oil Conservation Commission at Santa Fe, New Mexico, on this 15th day of July 2009.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION
S E A L
Mark Fesmire, Director

Published in the Artesia Daily Press, Artesia, NM July 17, 2009
Legal No. 20769

Affidavit of Publication

NO. 20769

STATE OF NEW MEXICO

County of Eddy:

GARY D. 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 county and state, and that the here to 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 week/days on the same

day as follows:

First Publication July 17, 2009

Second Publication

Third Publication

Fourth Publication

Fifth Publication

Subscribed and sworn to before me this

17 Day July 2009

OFFICIAL SEAL
Jo Morgan
NOTARY PUBLIC-STATE OF NEW MEXICO

My commission expires: 6/26/2012

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 New Mexico Water Quality Control Commission Regulations (20.6.2.3108 NMAC), the following discharge permit application(s) has been submitted to the Director of the New Mexico Oil Conservation Division ("NMOCD"), 1220 S. Saint Francis Drive, Santa Fe, New Mexico 87505, Telephone (505) 476-3440:

(I-008) Navajo Refining Company, Darrell Moore, Environmental Manager for Water and Waste, 501 East Main Street, P.O. Box Drawer 159, Artesia, New Mexico 88211-0159, has submitted an application for a Class I Injection Well Discharge Permit (UIC-CLI-008) for injection well WDW-1 (API# 30-015-27592) located in the SW/4, SE/4 of 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 on Hilltop Road. Oil field exempt and non-exempt non-hazardous industrial waste will be transported about 11 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 7,924 to 8,476 feet (depth below ground level). The total dissolved solids concentration of the injection zone ranges from 13,000 mg/l to 119,909 mg/l. The injection rate will not exceed 500 gpm at a maximum injection pressure of 1,580 psig. Groundwater most likely to be affected by a and has prepared a draft permit. The NMOCD will accept comments and statements of interest regarding this application and will create a facility-specific mailing list for persons who wish to receive future notices. 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 Oil Conservation Division at the address given above. The administrative completeness determination 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 NMOCD web site http://www.emnrd.state.nm.us/ocd/. Persons interested in obtaining a copy of the application and draft permit may contact the NMOCD 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 NMOCD 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 information available, including all comments received. If a public hearing is held, the director will approve or disapprove the proposed permit based on information in the permit application and information submitted at the hearing.

Para obtener más información sobre esta solicitud en espan?ol, sírvase comunicarse por favor: New Mexico Energy, Minerals and Natural Resources Department (Depto. Del Energia

the ground surface, with a total dissolved solids concentration of 100 to 1,535 mg/L. The discharge plan addresses operation, monitoring, 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. (I-008-1) Navajo Refining Company, Darrell Moore, Environmental Manager for Water and Waste, 501 East Main Street, P.O. Box Drawer 159, Artesia, New Mexico, 88211-0159, has submitted an application for a Class I Injection Well Discharge Permit (UIC-CLI-008-1) for injection well WDW-2 (API# 30-015-20894) located in the SW/4, NW/4 of Section 12, Township 18 South, Range 27 East, NMPM, Eddy County, New Mexico. The injection well is located approximately 10.5 miles East-Southeast of Artesia on Hwy-82 from Hwy-285 and about 3.3 miles south on Hilltop Road. Oil field exempt and non-exempt non-hazardous industrial waste will be transported about 10.5 miles underground from the Navajo-Artesia Refinery located at 501 E. Main Street, Artesia, NM via a 6 inch dia. pipeline to WDW-2 for disposal into the Wolfcamp, Cisco, and Canyon Formations in the injection interval from 7,570 to 8,399 feet (depth below ground level). The total dissolved solids concentration of the injection zone ranges from 13,000 mg/l to 119,909 mg/l. The injection rate will not exceed 500 gpm at a maximum injection pressure of 1,510 psig. Groundwater most likely to be affected by a spill, leak or accidental discharge is at a depth of approximately 100 feet below the ground surface, with a total dissolved solids concentration of 100 to 1,535 mg/l. The discharge plan addresses well operation, monitoring, 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.

The NMOCD has determined that the application is

(Depto. Conservacio n Del Petróleo), 1220 South St. Francis Drive, Santa Fe, New Mexico (Contacto: Dorothy Phillips, 505-476-3461)

GIVEN under the Seal of New Mexico Oil Conservation Commission at Santa Fe, New Mexico, on this 15th day of July 2009.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

S E A L

Mark Fesmire, Director

Published in the Artesia Daily Press, Artesia, NM July 17, 2009

Legal No. 20769

I-008-1
(WDW-2)
Permit/
Application

ED

256

THE SANTA FE
NEW MEXICAN
Founded 1849

L CONSERV
[illegible] ST FRANCIS DR
SANTA FE NM 87505

ALTERNATE ACCOUNT: 56689
AD NUMBER: 00292184 ACCOUNT: 00002212
LEGAL NO: 87680 P.O. #: 52100-00000206
294 LINES 1 TIME(S) 288.54
AFFIDAVIT: 7.00
TAX: 23.83
TOTAL: 319.37

ok to pay
7/24/09

AFFIDAVIT OF PUBLICATION

STATE OF NEW MEXICO
COUNTY OF SANTA FE

I, V.Wright, being first duly sworn declare and say that I am Legal Advertising Representative of THE SANTA FE NEW MEXICAN, a daily newspaper published in the English language, and having a general circulation in the Counties of Santa Fe and Los Alamos, State of New Mexico and being a newspaper duly qualified to publish legal notices and advertisements under the provisions of Chapter 167 on Session Laws of 1937; that the publication # 87680 a copy of which is hereto attached was published in said newspaper 1 day(s) between 07/22/2009 and 07/22/2009 and that the notice was published in the newspaper proper and not in any supplement; the first date of publication being on the 22nd day of July, 2009 and that the undersigned has personal knowledge of the matter and things set forth in this affidavit.

/S/ V Wright
LEGAL ADVERTISEMENT REPRESENTATIVE

Subscribed and sworn to before me on this 22nd day of July, 2009

Notary Mary Margaret Vigil-Weideman
Commission Expires: 11-13-2012

OFFICIAL SEAL
Mary Margaret Vigil-Weideman
NOTARY PUBLIC
STATE OF NEW MEXICO
My Commission Expires: 11-13-12

NOTICE OF PUBLICATION

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

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(I-008-1) Navajo Refining Company, Darrell Moore, Environmental Manager for Water and Waste, 501 East Main Street, P.O. Box Drawer 159, Artesia New Mexico 88211-0159, has submitted an application for a Class I Injection Well Discharge Permit (UIC-CLI-008-1) for injection well WDW-2 (API# 30-015-20894) located in the SW/4, NW/4 of Section 12, Township 18 South, Range 27 East, NMPM, Eddy County, New Mexico. The injection well is located approximately 10.5 miles East-Southeast of Artesia on Hwy-82 from Hwy-285 and about 3.3 miles south on Hilltop Road. Oil field exempt and non-exempt non-hazardous industrial waste will be transported about 10.5 miles underground from the Navajo-Artesia Refinery located at 501 E. Main Street, Artesia, NM via a 6 inch dia. pipeline to WDW-2 for disposal into the Wolfcamp, Cisco, and Canyon Formations in the injection interval from 7,570 to 8,399 feet (depth below ground level). The total dissolved solids concentration of the injection zone ranges from 13,000 mg/l to 119,909 mg/l. The injection rate will not exceed 500 gpm at a maximum injection pressure of 1,510 psig. Groundwater most likely to be affected by a spill, leak or accidental discharge is at a depth of approximately 100 feet below the ground surface, with a total dissolved solids concentration of 100 to 1,535 mg/l. The discharge plan addresses well operation, monitoring, 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.

The NMOCD has determined that the application is administratively complete and has prepared a draft permit. The NMOCD will accept comments and statements of interest regarding this application and will create a facility-specific mailing list for persons who wish to receive future notices. 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 Oil Conservation Division at the address given above. The administrative completeness determination, 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 NMOCD web site http://www.emnrd.state.nm.us/ocd/. Persons interested in obtaining a copy of the application and draft permit may contact the NMOCD 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 NMOCD 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.

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Para obtener más información sobre esta solicitud en espan˜ol, sírvase 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: Dorothy Phillips, 505-476-3461)

GIVEN under the Seal of New Mexico Oil Conservation Commission at Santa Fe, New Mexico, on this 15th day of July 2009.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

S E A L
Mark Fesmire, Director
Legal#87680
Pub. July 22, 2009