

BW - 13

**PERMITS,
RENEWALS,
& MODS**

RECEIVED
NOV 23 2005
OIL CONSERVATION
DIVISION

ATTACHMENT TO THE DISCHARGE Permit APPROVAL
John R. Stearns dba Stearns Water Station (BW-013)
API # 30-025-35702
DISCHARGE PERMIT APPROVAL CONDITIONS
October 20, 2005

1. Payment of Discharge Plan Fees: The \$100.00 filing fee has been received by OCD. The \$1700.00 flat fee shall be submitted upon receipt of this approval. The required flat fee may be paid in a single payment due at the time of approval, or in equal annual installments over the duration of the permit, with the first payment due upon receipt of this approval.
2. Commitments: John R. Stearns dba Stearns Water Station will abide by all commitments submitted in the discharge permit renewal application and these conditions for approval.
3. Drum Storage: All drums containing materials other than fresh water must be stored on an impermeable pad with curbing. All empty drums should be stored on their sides with the bungs in place and lined up on a horizontal plane. Chemicals in other containers such as sacks or buckets must also be stored on an impermeable pad with curbing.
4. Process Areas: All process and maintenance areas which show evidence that leaks and spills are reaching the ground surface must be either paved and curbed or have some type of spill collection device incorporated into the design.
5. Above Ground Tanks: All above ground tanks which contain fluids other than fresh water must be bermed to contain a volume of one-third more than the total volume of the largest tank or of all interconnected tanks. All new facilities or modifications to existing facilities must place the tank on an impermeable type pad within the berm.
6. Above Ground Saddle Tanks: Above ground saddle tanks must have impermeable pad and curb type containment unless they contain fresh water or fluids that are gases at atmospheric temperature and pressure.
7. Labeling: All tanks, drums, and other containers should be clearly labeled to identify their contents and other emergency information necessary if the tank were to rupture, spill, or ignite.

8. Below Grade Tanks/Sumps/Pits/Ponds: All below grade tanks, sumps, pits and ponds must be approved by the OCD prior to installation or upon modification and must incorporate secondary containment and leak-detection into the design, unless approved otherwise. All below grade tanks, sumps and pits must be tested annually or as specified herein, except systems that have secondary containment with leak detection. These systems with leak detection shall have a monthly inspection of the leak detection to determine if the primary containment is leaking. Results of tests and inspections shall be maintained at the facility covered by this discharge permit and available for OCD inspection. Any system found to be leaking shall be reported to OCD within 15 days. Permit holders may propose various methods for testing such as pressure testing to 3 pounds per square inch above normal operating pressure and/or visual inspection of cleaned out tanks and/or sumps, or other OCD approved methods. The OCD will be notified at least 72 hours prior to all testing.
9. Underground Process/Wastewater Lines: All underground process/wastewater pipelines must be approved by the OCD prior to installation and must be tested to demonstrate their mechanical integrity every five (5) years. Results of such tests shall be maintained at the facility covered by this discharge permit and available for OCD inspection. Permit holders may propose various methods for testing such as pressure testing to 3 pounds per square inch above normal operating pressure or other means acceptable to the OCD. Any system found to be leaking shall be reported to OCD within 15 days. The OCD will be notified at least 72 hours prior to all testing.
10. Class V Wells: No Class V wells that inject non-hazardous industrial wastes or a mixture of industrial wastes and domestic wastes will be approved for construction and/or operation unless it can be demonstrated that groundwater will not be impacted in the reasonably foreseeable future. Leach fields and other wastewater disposal systems at OCD regulated facilities which inject non-hazardous fluid into or above an underground source of drinking water are considered Class V injection wells under the EPA UIC program. Class V wells that inject domestic waste only must be permitted by the New Mexico Environment Department.
11. Housekeeping: All systems designed for spill collection/prevention, and leak detection will be inspected daily to ensure proper operation and to prevent over topping or system failure. All spill collection and/or secondary containment devices will be emptied of fluids within 48 hours of discovery.

12. Spill Reporting: All spills/releases shall be reported pursuant to OCD Rule 116. and WQCC 1203.
13. Waste Disposal: All wastes will be disposed of at an OCD approved facility. Only oilfield exempt wastes shall be disposed of down Class II injection wells. Non-exempt oilfield wastes that are non-hazardous may be disposed of at an OCD approved facility upon proper waste determination per 40 CFR Part 261. Any waste stream that is not listed in the discharge permit will be approved by OCD on a case-by-case basis.
14. Rule 712 Waste: Pursuant to Rule 712, disposal of certain non-domestic waste is allowed at solid waste facilities permitted by the New Mexico Environment Department as long as the waste stream is identified in the discharge permit, and existing process knowledge of the waste stream does not change without notification to the Oil Conservation Division.
15. OCD Inspections: Additional requirements may be placed on the facility based upon results from OCD inspections.
16. Storm Water Plan: Stormwater runoff plans and controls shall be maintained. As a result of operations if any water contaminant that exceeds the WQCC standards listed in 20 NMAC 6.2.3101 is discharged in any stormwater run-off then immediate corrective actions shall be taken to stop the discharge. OCD shall be notified within 24 hours of discovery and the permit shall be modified within 15 days and submitted for OCD approval.
17. Well Work Over Operations: OCD approval will be obtained from the Director prior to performing remedial work, pressure test or any other Work over. 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.
18. Production Method: Fresh water will be injected down the casing and brine shall be recovered up the tubing. Reverse flow will be allowed only once a month for up to 24 hours for clean out.
19. Maximum Injection Pressure: The maximum operating injection and/or test pressure at the well head will be such that the fracture pressure of the injection formation will not be exceeded and will not cause new fractures or propagate existing fractures or cause damage to the system.

20. Mechanical Integrity Testing: Conduct an annual open to formation pressure test by pressuring up the formation with fluids to one and one-half times the normal operating pressure or 300 psig whichever is greater for four hours. However, no operator may exceed surface injection or test pressures that may cause formation fracturing (see item 4 above) or system failures. Systems requiring test pressures less than 300 psig or methods that use testing media other than fluids, i.e. gas, must be approved by OCD prior to testing. Brine supply wells operating with isolation packers will have to pressure test both the cavern formation and casing/tubing annually. At least once every five years and during well work-overs the cavern formation will be isolated from the casing/tubing annually and the casing pressure tested at 300 psig for 30 minutes. All pressure tests must be witnessed by OCD.
21. Capacity/ Cavity Configuration and Subsidence Survey: The operator shall provide information on the size and extent of the solution cavern and geologic/engineering data demonstrating that continued brine extraction will not cause surface subsidence, collapse or damage to property, or become a threat to public health and the environment. This information shall be supplied in each annual report. OCD may require the operator to perform additional well surveys, test, and install subsidence monitoring in order to demonstrate the integrity of the system. If the operator cannot demonstrate the integrity of the system to the satisfaction of the Division then the operator may be required to shut-down, close the site and properly plug and abandoned the well.
22. Production/Injection Volumes: The volumes of fluids injected (fresh water) and produced (brine) will be recorded monthly and submitted to the OCD Santa Fe Office in an annual report due on the first day of January of each year.
23. Analysis of Injection Fluid and Brine: Provide an analysis of the injection fluid and brine with each annual report. Analysis will be for General Chemistry (method 40 CFR 136.3) using EPA methods.
24. Transfer of Discharge Plan: The OCD will be notified prior to any transfer of ownership, control, or possession of a facility with an approved discharge plan. A written commitment to comply with the terms and conditions of the previously approved discharge plan must be submitted by the purchaser and approved by the OCD prior to transfer.
25. Closure: The OCD will be notified when operations of the facility are discontinued for a period in excess of six months. Prior to closure of the facility a closure plan will be submitted for approval by the Director. Closure and waste disposal will be in accordance with the statutes, rules and regulations in effect at the time of closure.

John R. Stearns
October 20, 2005
Page 7

26. Certification: John R. Stearns dba Stearns Water Station by the officer whose signature appears below, accepts this and agrees to comply with all terms and conditions contained herein. John R. Stearns dba Stearns Water Station further acknowledges that these conditions and requirements of this may be changed administratively by the Division for good cause shown as necessary to protect fresh water, human health and the environment.

John R. Stearns dba Stearns Water Station

Print Name: John R. Stearns

Signature: 

Title: Owner

Date: November 8, 2005

ACKNOWLEDGEMENT OF RECEIPT
OF CHECK/CASH

I hereby acknowledge receipt of check No. [redacted] dated 11/8/08
or cash received on _____ in the amount of \$ 1700⁰⁰

from STEARNS INC
for STEARNS BRINE WELL BW-013

Submitted by: ^(Facility Name) WAYNE PRIZZ Date: ^(CP No.) 11/30/08

Submitted to ASD by: [Signature] Date: "

Received in ASD by: _____ Date: _____

Filing Fee _____ New Facility _____ Renewal
Modification _____ Other _____
(optional)

Organization Code 521.07 Applicable FY 2005

To be deposited in the Water Quality Management Fund.

Full Payment or Annual Increment _____

STEARNS, INC.
HCR 65 BOX 988
CROSSROADS, NM 88114
(505) 675-2356

LEA COUNTY STATE BANK
P.O. Box 1477
Lovington, NM 88260
95-183/1122

DATE: Nov 8, 2005 AMOUNT: *****\$1,700.00

One Thousand Seven Hundred and 00/100 Dollars

PAY

TO THE ORDER OF: Water Quality Management Fund
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, NM 87505
Memo: BW-013 Discharge Permit

[Signature]
AUTHORIZED SIGNATURE

ACKNOWLEDGEMENT OF RECEIPT
OF CHECK/CASH

I hereby acknowledge receipt of check No. [redacted] dated 7/19/05
or cash received on _____ in the amount of \$ 100⁰⁰
from STEARNS INC.
for STEARNS DRIVE ST B.W-013

Submitted by: WAYNE PRICE (Facility Name) Date: 7/26/05 (DP No.)

Submitted to ASD by: [Signature] Date: "

Received in ASD by: _____ Date: _____

Filing Fee New Facility _____ Renewal _____

Modification _____ Other _____

Organization Code 521.07 Applicable FY 2006

To be deposited in the Water Quality Management Fund.

Full Payment _____ or Annual Increment _____

STEARNS, INC.

HCR 65 BOX 988
CROSSROADS, NM 88114
(505) 675-2356

LEA COUNTY STATE BANK
P.O. Box 1477
Lovington, NM 88260

95-183/1122

DATE

Jul 19, 2005

AMOUNT

*****\$100.00

One Hundred and 00/100 Dollars

PAY

TO THE
ORDER
OF:

Water Quality Management Fund
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, NM 87505

Memo: BW-013 Discharge Plan Renewal

[Signature]
AUTHORIZED SIGNATURE



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON
Governor
Joanna Prukop
Cabinet Secretary

Mark E. Fesmire, P.E.
Director
Oil Conservation Division

October 20, 2005

John R. Stearns
John R. Stearns dba Stearns Water Station
HC 65 Box 988
Crossroads, NM 88114

Re: Discharge Permit BW-013
API # 30-025-35702
Lea County, New Mexico

Dear Mr. Stearns:

The groundwater discharge permit for the John R. Stearns dba Stearns Water Station BW-013 operated by John R. Stearns dba Stearns Water Station located in the SE/4, SE/4 of Section 27, Township 9 South, Range 35 East, NMPM, Lea County, New Mexico is **hereby approved** under the conditions contained in the enclosed attachment. 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.**

The original discharge plan was approved on July 15, 1985 by the Environment Improvement Division with an expiration date of July 15, 1990. The discharge plan renewal application, including attachments, dated July 10, 2005 submitted pursuant to Section 5101.B.3. of the New Mexico Water Quality Control Commission (WQCC) Regulations also includes all earlier applications and all conditions later placed on those approvals.

The discharge permit renewal application was submitted pursuant to Section 20.6.2.5101 of the New Mexico Water Quality Control Commission (WQCC) Regulations. The discharge permit is issued pursuant to Section 5101 and 3109.C. Please note Section 3109.G., which provides for possible future amendment of the permit. Please be advised that approval of this permit does not relieve John R. Stearns dba Stearns Water Station of liability should operations result in pollution of surface or ground waters, or the environment.

Please be advised that all exposed pits, including lined pits and open top tanks (exceeding 16 feet in diameter) shall be screened, netted, or otherwise rendered non-hazardous to wildlife including migratory birds.

Please note that Section 3104 of the regulations requires that "when a permit has been approved, discharges must be consistent with the terms and conditions of the permit. Pursuant to Section

John R. Stearns
October 20, 2005
Page 2

3107.C., operators are required to notify the Director of any facility expansion, production increase, or process modification that would result in any change in the discharge of water quality or volume.

Pursuant to Section 3109.H.4., this approval is for a period of five years. **This approval will expire July 15, 2010** and an application for renewal should be submitted in ample time before that date. Pursuant to Section 5101.F. of the regulations, if a discharger submits a discharge 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.

The \$100.00 filing fee has been received by OCD. The \$1700.00 flat fee shall be submitted upon receipt of this approval.

**Please make all checks payable to: Water Quality Management Fund
C/o: Oil Conservation Division
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505.**

If you have any questions, please contact Wayne Price of my staff at (505-476-3487) or E-mail wayne.price@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 plan review.

Sincerely,



Roger C. Anderson
Environmental Bureau Chief
RCA/lwp

Attachment-1
xc: OCD District Office

ATTACHMENT TO THE DISCHARGE Permit APPROVAL
John R. Stearns dba Stearns Water Station (BW-013)
API # 30-025-35702
DISCHARGE PERMIT APPROVAL CONDITIONS
October 20, 2005

1. Payment of Discharge Plan Fees: The \$100.00 filing fee has been received by OCD. The \$1700.00 flat fee shall be submitted upon receipt of this approval. The required flat fee may be paid in a single payment due at the time of approval, or in equal annual installments over the duration of the permit, with the first payment due upon receipt of this approval.
2. Commitments: John R. Stearns dba Stearns Water Station will abide by all commitments submitted in the discharge permit renewal application and these conditions for approval.
3. Drum Storage: All drums containing materials other than fresh water must be stored on an impermeable pad with curbing. All empty drums should be stored on their sides with the bungs in place and lined up on a horizontal plane. Chemicals in other containers such as sacks or buckets must also be stored on an impermeable pad with curbing.
4. Process Areas: All process and maintenance areas which show evidence that leaks and spills are reaching the ground surface must be either paved and curbed or have some type of spill collection device incorporated into the design.
5. Above Ground Tanks: All above ground tanks which contain fluids other than fresh water must be bermed to contain a volume of one-third more than the total volume of the largest tank or of all interconnected tanks. All new facilities or modifications to existing facilities must place the tank on an impermeable type pad within the berm.
6. Above Ground Saddle Tanks: Above ground saddle tanks must have impermeable pad and curb type containment unless they contain fresh water or fluids that are gases at atmospheric temperature and pressure.
7. Labeling: All tanks, drums, and other containers should be clearly labeled to identify their contents and other emergency information necessary if the tank were to rupture, spill, or ignite.

8. Below Grade Tanks/Sumps/Pits/Ponds: All below grade tanks, sumps, pits and ponds must be approved by the OCD prior to installation or upon modification and must incorporate secondary containment and leak-detection into the design, unless approved otherwise. All below grade tanks, sumps and pits must be tested annually or as specified herein, except systems that have secondary containment with leak detection. These systems with leak detection shall have a monthly inspection of the leak detection to determine if the primary containment is leaking. Results of tests and inspections shall be maintained at the facility covered by this discharge permit and available for OCD inspection. Any system found to be leaking shall be reported to OCD within 15 days. Permit holders may propose various methods for testing such as pressure testing to 3 pounds per square inch above normal operating pressure and/or visual inspection of cleaned out tanks and/or sumps, or other OCD approved methods. The OCD will be notified at least 72 hours prior to all testing.
9. Underground Process/Wastewater Lines: All underground process/wastewater pipelines must be approved by the OCD prior to installation and must be tested to demonstrate their mechanical integrity every five (5) years. Results of such tests shall be maintained at the facility covered by this discharge permit and available for OCD inspection. Permit holders may propose various methods for testing such as pressure testing to 3 pounds per square inch above normal operating pressure or other means acceptable to the OCD. Any system found to be leaking shall be reported to OCD within 15 days. The OCD will be notified at least 72 hours prior to all testing.
10. Class V Wells: No Class V wells that inject non-hazardous industrial wastes or a mixture of industrial wastes and domestic wastes will be approved for construction and/or operation unless it can be demonstrated that groundwater will not be impacted in the reasonably foreseeable future. Leach fields and other wastewater disposal systems at OCD regulated facilities which inject non-hazardous fluid into or above an underground source of drinking water are considered Class V injection wells under the EPA UIC program. Class V wells that inject domestic waste only must be permitted by the New Mexico Environment Department.
11. Housekeeping: All systems designed for spill collection/prevention, and leak detection will be inspected daily to ensure proper operation and to prevent over topping or system failure. All spill collection and/or secondary containment devices will be emptied of fluids within 48 hours of discovery.

12. Spill Reporting: All spills/releases shall be reported pursuant to OCD Rule 116. and WQCC 1203.
13. Waste Disposal: All wastes will be disposed of at an OCD approved facility. Only oilfield exempt wastes shall be disposed of down Class II injection wells. Non-exempt oilfield wastes that are non-hazardous may be disposed of at an OCD approved facility upon proper waste determination per 40 CFR Part 261. Any waste stream that is not listed in the discharge permit will be approved by OCD on a case-by-case basis.
14. Rule 712 Waste: Pursuant to Rule 712, disposal of certain non-domestic waste is allowed at solid waste facilities permitted by the New Mexico Environment Department as long as the waste stream is identified in the discharge permit, and existing process knowledge of the waste stream does not change without notification to the Oil Conservation Division.
15. OCD Inspections: Additional requirements may be placed on the facility based upon results from OCD inspections.
16. Storm Water Plan: Stormwater runoff plans and controls shall be maintained. As a result of operations if any water contaminant that exceeds the WQCC standards listed in 20 NMAC 6.2.3101 is discharged in any stormwater run-off then immediate corrective actions shall be taken to stop the discharge. OCD shall be notified within 24 hours of discovery and the permit shall be modified within 15 days and submitted for OCD approval.
17. Well Work Over Operations: OCD approval will be obtained from the Director prior to performing remedial work, pressure test or any other Work over. 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.
18. Production Method: Fresh water will be injected down the casing and brine shall be recovered up the tubing. Reverse flow will be allowed only once a month for up to 24 hours for clean out.
19. Maximum Injection Pressure: The maximum operating injection and/or test pressure at the well head will be such that the fracture pressure of the injection formation will not be exceeded and will not cause new fractures or propagate existing fractures or cause damage to the system.

20. Mechanical Integrity Testing: Conduct an annual open to formation pressure test by pressuring up the formation with fluids to one and one-half times the normal operating pressure or 300 psig whichever is greater for four hours. However, no operator may exceed surface injection or test pressures that may cause formation fracturing (see item 4 above) or system failures. Systems requiring test pressures less than 300 psig or methods that use testing media other than fluids, i.e. gas, must be approved by OCD prior to testing. Brine supply wells operating with isolation packers will have to pressure test both the cavern formation and casing/tubing annuals. At least once every five years and during well work-overs the cavern formation will be isolated from the casing/tubing annuals and the casing pressure tested at 300 psig for 30 minutes. All pressure tests must be witnessed by OCD.
21. Capacity/ Cavity Configuration and Subsidence Survey: The operator shall provide information on the size and extent of the solution cavern and geologic/engineering data demonstrating that continued brine extraction will not cause surface subsidence, collapse or damage to property, or become a threat to public health and the environment. This information shall be supplied in each annual report. OCD may require the operator to perform additional well surveys, test, and install subsidence monitoring in order to demonstrate the integrity of the system. If the operator cannot demonstrate the integrity of the system to the satisfaction of the Division then the operator may be required to shut-down, close the site and properly plug and abandoned the well.
22. Production/Injection Volumes: The volumes of fluids injected (fresh water) and produced (brine) will be recorded monthly and submitted to the OCD Santa Fe Office in an annual report due on the first day of January of each year.
23. Analysis of Injection Fluid and Brine: Provide an analysis of the injection fluid and brine with each annual report. Analysis will be for General Chemistry (method 40 CFR 136.3) using EPA methods.
24. Transfer of Discharge Plan: The OCD will be notified prior to any transfer of ownership, control, or possession of a facility with an approved discharge plan. A written commitment to comply with the terms and conditions of the previously approved discharge plan must be submitted by the purchaser and approved by the OCD prior to transfer.
25. Closure: The OCD will be notified when operations of the facility are discontinued for a period in excess of six months. Prior to closure of the facility a closure plan will be submitted for approval by the Director. Closure and waste disposal will be in accordance with the statutes, rules and regulations in effect at the time of closure.

John R. Stearns
October 20, 2005
Page 7

26. Certification: John R. Stearns dba Stearns Water Station by the officer whose signature appears below, accepts this and agrees to comply with all terms and conditions contained herein. John R. Stearns dba Stearns Water Station further acknowledges that these conditions and requirements of this may be changed administratively by the Division for good cause shown as necessary to protect fresh water, human health and the environment.

John R. Stearns dba Stearns Water Station

Print Name: _____

Signature: _____

Title: _____

Date: _____



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Jennifer A. Salisbury
Cabinet Secretary

May 19, 2000

Lori Wrotenbery
Director
Oil Conservation Division

CERTIFIED MAIL
RETURN RECEIPT NO. 5051 5796

Mr. John R. Stearns
John R. Stearns dba Stearns
HCR P.O. Box 988
Crossroads, New Mexico 88114

Re: John R. Stearns dba Stearns Water Station
Discharge Plan BW-013 Renewal

Dear Mr. Stearns:

The groundwater discharge plan renewal for the John R. Stearns dba Stearns Water Station BW-013 operated by John R. Stearns dba Stearns located in SE/4, SE/4 of Section 27, Township 9 South, Range 35 East, NMPM, Lea County, New Mexico is **hereby approved** under the conditions contained in the enclosed attachment. 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 ten working days of receipt of this letter.**

The original discharge plan was approved on July 15, 1985 by the Environment Improvement Division with an expiration date of July 15, 1990, subsequently renewed by the OCD on September 06, 1991 and July 03, 1995. The discharge plan renewal application, including attachments, dated February 24, 2000 submitted pursuant to Section 5101.B.3. of the New Mexico Water Quality Control Commission (WQCC) Regulations also includes all earlier applications and all conditions later placed on those approvals. The discharge plan renewal application was submitted pursuant to Section 5101.B.3. of the New Mexico Water Quality Control Commission (WQCC) Regulations. The discharge plan is renewed pursuant to Section 5101.A. and 3109.C. Please note Section 3109.G., which provides for possible future amendment of the plan. Please be advised that approval of this plan does not relieve John R. Stearns dba Stearns of liability should operations result in pollution of surface or ground waters, or the environment.

Please be advised that all exposed pits, including lined pits and open top tanks (exceeding 16 feet in diameter) shall be screened, netted, or otherwise rendered nonhazardous to wildlife including migratory birds.

Please note that Section 3104. of the regulations requires that "when a plan has been approved, discharges must be consistent with the terms and conditions of the plan." Pursuant to Section 3107.C., John R. Stearns dba Stearns is required to notify the Director of any facility expansion,

Mr. Stearns

05/19/00

Page 2

production increase, or process modification that would result in any change in the discharge of water quality or volume.

Pursuant to Section 3109.H.4., this approval is for a period of five years. **This approval will expire July 15, 2005** and an application for renewal should be submitted in ample time before that date. Pursuant to Section 5101.F. of the regulations, if a discharger submits a discharge plan renewal application at least 120 days before the discharge plan expires and is in compliance with the approved plan, then the existing discharge plan will not expire until the application for renewal has been approved or disapproved. It should be noted that all discharge plan facilities will be required to submit plans for, or the results of, an underground drainage testing program as a requirement for discharge plan renewal.

The discharge plan application for the John R. Stearns dba Stearns Water Station is subject to the WQCC Regulation 3114. Every billable facility submitting a discharge plan will be assessed a fee equal to the filing fee of \$50 plus a renewal fee of \$690.00 for brine stations. The OCD has not received the \$690.00 flat fee. The flat fee of \$690.00 may be paid in a single payment due on the date of the discharge plan approval or in five equal installments over the expected duration of the discharge plan. Installment payments shall be remitted yearly, with the first installment due on the date of the discharge plan approval and subsequent installments due on this date of each calendar year.

Please make all checks payable to: Water Quality Management Fund
C/O: Oil Conservation Division
2040 South Pacheco
Santa Fe, New Mexico 87505

If you have any questions, please contact Wayne Price of my staff at (505-827-7155). On behalf of the staff of the OCD, I wish to thank you and your staff for your cooperation during this discharge plan review.

Sincerely,



Roger C. Anderson
Environmental Bureau Chief
RCA/lwp

Attachment-1

xc: OCD Hobbs Office

ATTACHMENT TO THE DISCHARGE PLAN BW-013 APPROVAL
John R. Stearns dba Stearns Water Station (BW-013)
DISCHARGE PLAN APPROVAL CONDITIONS
May 19, 2000

1. Payment of Discharge Plan Fees: The \$50.00 filing fee has been received by OCD. The \$690.00 flat fee shall be submitted upon receipt of this approval. The required flat fee may be paid in a single payment due at the time of approval, or in equal annual installments over the duration of the plan, with the first payment due upon receipt of this approval.
2. Commitments: John R. Stearns dba Stearns will abide by all commitments submitted in the discharge plan renewal application dated February 24, 2000 and these conditions for approval.
3. Emergency lined catch basin: The emergency lined catch basin will be emptied of fluids within 48 hours of discovery, unless fluids are fresh water.
4. Production Method: Fresh water will be injected down the casing and brine shall be recovered up the tubing. Reverse flow will be allowed only once a month for up to 24 hours for clean out.
5. Maximum Injection Pressure: The maximum operating injection and/or test pressure at the well head will be such that the fracture pressure of the injection formation will not be exceeded.
6. Mechanical Integrity Testing: John R. Stearns dba Stearns will conduct an annual open hole cavern pressure test equal to one and one-half times the normal operating pressure (not to exceed formation fracture pressure) or 300 psi, whichever is greater, for four hours. At least once every five years and during well work overs the cavern formation will be isolated from the casing/tubing annuals and the casing pressure tested at 300 psig for 30 minutes. All pressure test must be witnessed by OCD.
7. Capacity and Cavity Configuration: A test will be conducted to determine the size and configuration of the mined cavity prior to discharge plan renewal (July 15, 2005). The method and time of testing will be approved by the OCD prior to performing the test.

John R. Stearns dba Stearns will provide to the OCD the calculated size of the cavity and demonstrate the stability of the salt formation cavity from collapse and/or subsidence. Please include this information in the first annual report due on August 01, 2000.

Mr. Stearns

05/19/00

Page 4

8. Production/Injection Volumes: The volumes of fluids injected (fresh water) and produced (brine) will be recorded monthly and submitted to the OCD Santa Fe Office in an annual report due on the first day of August of each year.
9. Analysis of Injection Fluid and Brine: Provide an analysis of the injection fluid and brine with each annual report. Analysis will be for General Chemistry (Method 40 CFR 136.3) using EPA methods.
10. Drum Storage: All drums containing materials other than fresh water must be stored on an impermeable pad with curbing. All empty drums should be stored on their sides with the bungs in place and lined up on a horizontal plane. Chemicals in other containers such as sacks or buckets must also be stored on an impermeable pad with curbing.
11. Process Areas: All process and maintenance areas which show evidence that leaks and spills are reaching the ground surface must be either paved and curbed or have some type of spill collection device incorporated into the design.
12. Above Ground Tanks: All above ground tanks which contain fluids other than fresh water must be bermed to contain a volume of one-third more than the total volume of the largest tank or of all interconnected tanks. All new facilities or modifications to existing facilities must place the tank on an impermeable type pad within the berm.
13. Above Ground Saddle Tanks: Above ground saddle tanks must have impermeable pad and curb type containment unless they contain fresh water or fluids that are gases at atmospheric temperature and pressure.
14. Labeling: All tanks, drums, and other containers should be clearly labeled to identify their contents and other emergency information necessary if the tank were to rupture, spill, or ignite.
15. Below Grade Tanks/Sumps: All below grade tanks, sumps, and pits must be approved by the OCD prior to installation or upon modification and must incorporate secondary containment and leak-detection into the design. All pre-existing sumps and below-grade tanks must be tested to demonstrate their mechanical integrity no later than **July 01, 2000** and every year from tested date, thereafter. Permittees may propose various methods for testing such as pressure testing to 3 pounds per square inch above normal operating pressure and/or visual inspection of cleaned out tanks and/or sumps, or other OCD approved methods. The OCD will be notified at least 72 hours prior to all testing. The test results will be submitted to OCD in the annual report due on August 01, of each year.

16. Underground Process/Wastewater Lines: All underground process/wastewater pipelines must be tested to demonstrate their mechanical integrity no later than **July 01, 2000** and every 5 years, from tested date, thereafter. Permittees may propose various methods for testing such as pressure testing to 3 pounds per square inch above normal operating pressure or other means acceptable to the OCD. The OCD will be notified at least 72 hours prior to all testing. The test results will be submitted to OCD in the annual report due on August 01, 2000.
17. Class V Wells: No Class V wells that inject non-hazardous industrial wastes or a mixture of industrial wastes and domestic wastes will be approved for construction and/or operation unless it can be demonstrated that groundwater will not be impacted in the reasonably foreseeable future. Leach fields and other wastewater disposal systems at OCD regulated facilities which inject non-hazardous fluid into or above an underground source of drinking water are considered Class V injection wells under the EPA UIC program. Class V wells that inject domestic waste only must be permitted by the New Mexico Environment Department.
18. Well Work Over Operations: OCD approval will be obtained from the Director prior to performing remedial work, pressure test or any other Work over. 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 Hobbs District Office.
19. Housekeeping: All systems designed for spill collection/prevention, and leak detection will be inspected daily to ensure proper operation and to prevent overtopping or system failure. All spill collection and/or secondary containment devices will be emptied of fluids within 48 hours of discovery.
20. Spill Reporting: All spills/releases shall be reported pursuant to OCD Rule 116. and WQCC 1203. to the OCD Hobbs District Office.
21. Waste Disposal: All wastes will be disposed of at an OCD approved facility. Only oilfield exempt wastes shall be disposed of down Class II injection wells. Non-exempt oilfield wastes that are non-hazardous may be disposed of at an OCD approved facility upon proper waste determination per 40 CFR Part 261. Any waste stream that is not listed in the discharge plan will be approved by OCD on a case-by-case basis.
22. Transfer of Discharge Plan: The OCD will be notified prior to any transfer of ownership, control, or possession of a facility with an approved discharge plan. A written commitment to comply with the terms and conditions of the previously approved discharge plan must be submitted by the purchaser and approved by the OCD prior to transfer.

23. Closure: The OCD will be notified when operations of the facility are discontinued for a period in excess of six months. Prior to closure of the facility a closure plan will be submitted for approval by the Director. Closure and waste disposal will be in accordance with the statutes, rules and regulations in effect at the time of closure.
24. OCD Inspections: Additional requirements may be placed on the facility based upon results from OCD inspections.
25. Storm Water Plan: John R. Stearns dba Stearns will submit a storm water run-off plan for OCD approval by August 15, 2000.
26. Vadose Zone and Water Pollution: The previously submitted investigation and remediation plans were submitted pursuant to the discharge plan and all future discoveries of contamination will be addressed through the discharge plan process.
27. Certification: **John R. Stearns dba Stearns** by the officer whose signature appears below, accepts this permit and agrees to comply with all terms and conditions contained herein. **John R. Stearns dba Stearns** further acknowledges that these conditions and requirements of this permit may be changed administratively by the Division for good cause shown as necessary to protect fresh water, human health and the environment.

Conditions accepted by: **John R. Stearns dba Stearns**

Company Representative- print name

Date _____
Company Representative- Sign

Title _____

Mr. Stearns
05/19/00
Page 3

RECEIVED

MAY 31 2000

Environmental Bureau
Oil Conservation Division

ATTACHMENT TO THE DISCHARGE PLAN BW-013 APPROVAL
John R. Stearns dba Stearns Water Station (BW-013)
DISCHARGE PLAN APPROVAL CONDITIONS
May 19, 2000

1. Payment of Discharge Plan Fees: The \$50.00 filing fee has been received by OCD. The \$690.00 flat fee shall be submitted upon receipt of this approval. The required flat fee may be paid in a single payment due at the time of approval, or in equal annual installments over the duration of the plan, with the first payment due upon receipt of this approval.
2. Commitments: John R. Stearns dba Stearns will abide by all commitments submitted in the discharge plan renewal application dated February 24, 2000 and these conditions for approval.
3. Emergency lined catch basin: The emergency lined catch basin will be emptied of fluids within 48 hours of discovery, unless fluids are fresh water.
4. Production Method: Fresh water will be injected down the casing and brine shall be recovered up the tubing. Reverse flow will be allowed only once a month for up to 24 hours for clean out.
5. Maximum Injection Pressure: The maximum operating injection and/or test pressure at the well head will be such that the fracture pressure of the injection formation will not be exceeded.
6. Mechanical Integrity Testing: John R. Stearns dba Stearns will conduct an annual open hole cavern pressure test equal to one and one-half times the normal operating pressure (not to exceed formation fracture pressure) or 300 psi, whichever is greater, for four hours. At least once every five years and during well work overs the cavern formation will be isolated from the casing/tubing annuals and the casing pressure tested at 300 psig for 30 minutes. All pressure test must be witnessed by OCD.
7. Capacity and Cavity Configuration: A test will be conducted to determine the size and configuration of the mined cavity prior to discharge plan renewal (July 15, 2005). The method and time of testing will be approved by the OCD prior to performing the test.

John R. Stearns dba Stearns will provide to the OCD the calculated size of the cavity and demonstrate the stability of the salt formation cavity from collapse and/or subsidence. Please include this information in the first annual report due on August 01, 2000.

Mr. Stearns

05/19/00

Page 4

8. Production/Injection Volumes: The volumes of fluids injected (fresh water) and produced (brine) will be recorded monthly and submitted to the OCD Santa Fe Office in an annual report due on the first day of August of each year.
9. Analysis of Injection Fluid and Brine: Provide an analysis of the injection fluid and brine with each annual report. Analysis will be for General Chemistry (Method 40 CFR 136.3) using EPA methods.
10. Drum Storage: All drums containing materials other than fresh water must be stored on an impermeable pad with curbing. All empty drums should be stored on their sides with the bungs in place and lined up on a horizontal plane. Chemicals in other containers such as sacks or buckets must also be stored on an impermeable pad with curbing.
11. Process Areas: All process and maintenance areas which show evidence that leaks and spills are reaching the ground surface must be either paved and curbed or have some type of spill collection device incorporated into the design.
12. Above Ground Tanks: All above ground tanks which contain fluids other than fresh water must be bermed to contain a volume of one-third more than the total volume of the largest tank or of all interconnected tanks. All new facilities or modifications to existing facilities must place the tank on an impermeable type pad within the berm.
13. Above Ground Saddle Tanks: Above ground saddle tanks must have impermeable pad and curb type containment unless they contain fresh water or fluids that are gases at atmospheric temperature and pressure.
14. Labeling: All tanks, drums, and other containers should be clearly labeled to identify their contents and other emergency information necessary if the tank were to rupture, spill, or ignite.
15. Below Grade Tanks/Sumps: All below grade tanks, sumps, and pits must be approved by the OCD prior to installation or upon modification and must incorporate secondary containment and leak-detection into the design. All pre-existing sumps and below-grade tanks must be tested to demonstrate their mechanical integrity no later than **July 01, 2000** and every year from tested date, thereafter. Permittees may propose various methods for testing such as pressure testing to 3 pounds per square inch above normal operating pressure and/or visual inspection of cleaned out tanks and/or sumps, or other OCD approved methods. The OCD will be notified at least 72 hours prior to all testing. The test results will be submitted to OCD in the annual report due on August 01, of each year.

ACKNOWLEDGEMENT OF RECEIPT
OF CHECK/CASH

I hereby acknowledge receipt of check No. [redacted] dated 5/26/2000
or cash received on _____ in the amount of \$ 690⁰⁰
from JOHN R. STEARNS

for STEARNS WATER STATION BW-013

Submitted by: WAYNE PRICE (Family Name) Date: 5/31/2000 (DP No.)

Submitted to ASD by: Wayne Price Date: 5/31/2000

Received in ASD by: _____ Date: _____

Filing Fee _____ New Facility _____ Renewal
Modification _____ Other _____ (Specify)

Organization Code 521.07 Applicable FY 2000

To be deposited in the Water Quality Management Fund.

Full Payment or Annual Increment _____

John R. Stearns
STEARNS, [redacted]
HCR 65 BOX 988
CROSSROADS, NM 88114
(505) 675-2356

WESTERN COMMERCE BANK
TATUM, NM

95-108/1122 8

CHECK NO. [redacted]

Six Hundred Ninety and 0/100 Dollars

DATE May 26, 2000 AMOUNT *****\$690.00*

PAY
TO THE
ORDER
OF

Water Quality Management Fund
40 Oil Conservation Division
2040 S. Pacheco
SANTA FE, NM 87505
Memo: Discharge Plan BW-013 *Renewal*
THRU July 15, 2005

John R. Stearns
AUTHORIZED SIGNATURE

Security features. Details on back.



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 S. PACHECO
SANTA FE, NEW MEXICO 87505
(505) 827-7131

July 3, 1995

CERTIFIED MAIL
RETURN RECEIPT NO. Z-765-962-730

Mrs. L.A. Stearns
Kenneth Tank Services
P.O. Box 100
Crossroads, NM 88114

**Re: Discharge Plan Renewal BW-013
Kenneth Tank Services Brine Production Facility
Lea County, New Mexico**

Dear Mrs. Stearns:

The groundwater discharge plan renewal, BW-013, for the Kenneth Tank Services Brine Production Facility, located in the SE/4 SE/4 Section 27, Township 9 South, Range 35 East, NMPM, Lea County, New Mexico, and the tank replacement modification **is hereby approved** under the conditions contained in the enclosed attachment. The renewal application consists of the original discharge plan as approved July 15, 1985, the renewal dated September 6, 1991, and the renewal application dated January 25, 1995 and the additional modification information dated April 24, 1995.

The discharge plan renewal was submitted pursuant to section 3-106 of the Water Quality Control Commission Regulations. It is approved pursuant to section 3-109.A. Please note Section 3-109.F., which provides for possible future amendment of the plan. Please be advised that approval of this plan does not relieve you of liability should your operation result in pollution of surface or ground waters or the environment.

Please be advised that all exposed pits, including lined pits and open top tanks (exceeding 16 feet in diameter) shall be screened, netted, or otherwise rendered nonhazardous to wildlife including migratory birds.

Please note that Section 3-104 of the regulations requires that "when a plan has been approved,

Mrs. L.A. Stearns
July 3, 1995
Page 2

discharges must be consistent with the terms and conditions of the plan." Pursuant to Section 3-107.C. you are required to notify the Director of any facility expansion, production increase, or process modification that would result in any change in the discharge of water quality or volume.

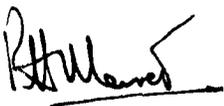
Pursuant to Section 3-109.G.4., this approval is for a period of five years. This approval will expire July 15, 2000, and an application for renewal should be submitted six months before that date. It should be noted that all discharge plan facilities will be required to submit plans for, or the results of, an underground drainage testing program as a requirement for discharge plan renewal.

The discharge plan renewal application for the Kenneth Tank Services Brine Production Facility is subject to the WQCC Regulation 3-114 discharge plan fee. Every billable facility submitting a discharge plan will be assessed a fee equal to the filing fee of fifty (50) dollars plus one half of the flat rate or six hundred and ninety dollars (\$690.00) for brine station discharge plans. The fifty (50) dollar filing fee and the six hundred and ninety dollar (\$690.00) flat fee have not been received by the New Mexico Oil Conservation Division (OCD), and shall be submitted on receipt of this approval. The required flat fee may be paid in a single payment or in five equal installments over the expected duration of the discharge plan. Installment payments shall be remitted yearly, with the first installment due on the date of the discharge plan approval.

Please make all checks payable to: **NMED-Water Quality Management** and addressed to the OCD Santa Fe Office.

On behalf of the staff of the Oil Conservation Division, I wish to thank you and your staff for your cooperation during this discharge plan review.

Sincerely,

by 
William J. LeMay
Director

Deputy Director

WJL/mwa
Attachments

xc: Jerry Sexton, OCD Hobbs Office
Wayne Price, OCD Hobbs Office

ATTACHMENT TO THE DISCHARGE PLAN BW-013 RENEWAL
KENNETH TANK SERVICES
BRINE PRODUCTION FACILITY
DISCHARGE PLAN REQUIREMENTS
(July 3, 1995)

1. Payment of Discharge Plan Fees: The fifty (50) dollar filing fee and the six hundred and ninety dollar (\$690.00) flat fee shall be submitted on receipt of this approval. The required flat fee may be paid in a single payment or in equal installments over the expected duration of the discharge plan. Installment payments shall be remitted yearly, with the first installment due on the date of the discharge plan approval and subsequent installments due on this date of each calendar year.
2. Brine Transfer Lines: All Below-grade brine transfer lines will be tested for integrity once every five years. Submit a testing procedure for approval by August 1, 1995 and complete testing by October 3, 1995.
3. Sump Inspection: All pre-existing single-lined sumps, including the catch pit, at this facility will be cleaned and visually inspected on an annual basis.

Any new or rebuilt sumps or below-grade tanks will incorporate leak detection in their designs and will be approved by the OCD prior to installation.
4. Berms: All tanks that contain materials other than freshwater will be bermed to contain one and one-third (1-1/3) the capacity of the largest tank within the berm or one and one-third (1-1/3) the total capacity of all interconnected tanks.
5. Drum Storage: All chemical and lubrication drums shall be stored on pad and curb type containment.
6. Spill Containment: All brine storage and transfer will be managed in such a manner to keep brine off of the ground surface. Any brine spilled onto the ground surface will be cleaned up upon discovery.
7. Spill Reporting: All spills and/or leaks shall be reported to the OCD Santa Fe and Hobbs offices pursuant to WQCC Rule 1-203 and OCD Rule 116.
8. Production Method: Fresh water shall be injected down the tubing of the injection well and brine shall be recovered up the tubing of the recovery well. Reverse flow will be allowed once a month for up to 24 hours for clean out.
9. Maximum Injection Pressure: The maximum operating injection pressure at the well head will be such that the fracture pressure of the injection formation will not be

exceeded. Kenneth Tank Services Brine Production Facility shall supply and obtain approval for any changes to the approval for the maximum and average injection pressures and injection volumes.

10. Mechanical Integrity Testing: A mechanical integrity test will be conducted on the well annually with the next test to be conducted by October 3, 1995. A pressure equal to one and one-half of the normal operating pressure will be maintained for four hours. A pressure test isolating the casing from the formation must be conducted at least once every five years. The OCD will be notified at least 72 hours prior to the test so that the OCD may witness the test.
11. Cavity Configuration: A test will be conducted to determine the size and configuration of the mined cavity prior to discharge plan renewal (July 15, 2000). The method and time of testing will be approved by the OCD prior to performing the test.
12. Production/Injection Volumes: The volumes of fluids injected (fresh water) and produced (brine) will be recorded monthly and submitted to the OCD Santa Fe Office quarterly.
13. Well Workover Operations: OCD approval will be obtained from the director prior to performing remedial work or any other workover. 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 Hobbs District office.
14. Pit: The emergency catch pit lining will be replaced, or the pit will be required to be closed. Prior approval from the OCD is required. Please submit, by October 3, 1995, a plan pursuant to the "Engineering Design Guidelines for Construction of Waste Storage/Disposal Ponds" of the OCD Environmental Regulations.
15. Brine Loading Valves: All brine loading valves will incorporate catch basins by October 3, 1995.
16. Closure: The OCD will be notified when operations of the facility is discontinued for a period in excess of six months. Prior to closure of the facility a closure plan will be submitted for approval by the director. Closure and waste disposal will be in accordance with the statutes, rules and regulations in effect at the time of closure.

Z 765 962 730



**Receipt for
Certified Mail**

No Insurance Coverage Provided
Do not use for International Mail
(See Reverse)

PS Form 3800, March 1993

Sent to	
Street and No.	
P.O., State and ZIP Code	
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, and Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date	

STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION



BRUCE KING
GOVERNOR

September 6, 1991

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

CERTIFIED MAIL
RETURN RECEIPT NO. P-327-278-012

Mr. Kenneth Kinsolving
Kenneth Tank Service
P. O. Box 100
Crossroads, New Mexico 88114

RE: Approval of Discharge Plan BW-13
Kenneth Tank Service Water Station

Dear Mr. Kinsolving:

The discharge plan renewal (BW-13) for the Kenneth Tank Service Water Station located in the SE/4 SE/4 of Section 27, Township 9 South, Range 35 East, NMPM, Lea County, New Mexico, is hereby approved. The renewal application consists of the original discharge plan as approved July 15, 1985, the renewal application dated August 9, 1991, and the materials dated July 31, 1991, submitted as supplements to the application.

The discharge plan was submitted pursuant to Section 5-101.B.3 of the New Mexico Water Quality Control Commission Regulations. It is approved pursuant to Sections 5-101.A and 3-109.C. Please note Sections 3-109.E and 3-109.F which provide for possible future amendments or modifications of the plan. Please be advised that the approval of this plan does not relieve you of liability should your operation result in actual pollution of surface water, ground water, or the environment which may be actionable under other laws and/or regulations.

The monitoring and reporting shall be as specified in the above referenced materials. Please note that Section 3-104 of the regulations requires that "When a plan has been approved, discharges must be consistent with the terms and conditions of the plan." Pursuant to Section 3-107.C. you are required to notify the Director of any facility expansion, production increase, or process modification that would result in any change in the discharge of water quality or volume.

Mr. Kenneth Kinsolving

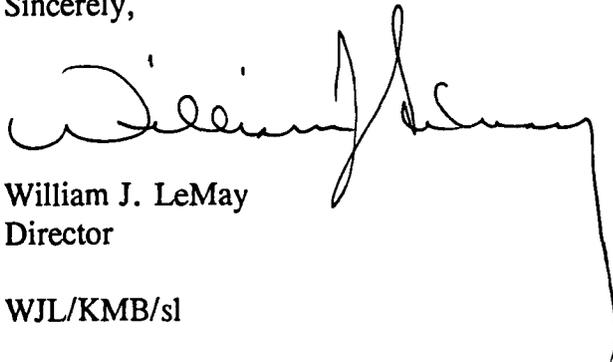
September 6, 1991

-2-

Pursuant to Section 3-109.G.4., this plan is for a period of five (5) years. This approval will expire July 15, 1995 and you should submit an application for renewal in ample time before this date. Note that under Section 5-101.G. of the regulations, if a discharger submits a discharge plan renewal application at least 180 days before the discharge plan expires and is in compliance with the approved plan, then the existing discharge plan will not expire until the application for renewal has been approved or disapproved.

On behalf of the staff of the Oil Conservation Division, I wish to thank you and your staff for your cooperation during this discharge plan review,

Sincerely,

A handwritten signature in black ink, appearing to read "William J. LeMay". The signature is fluid and cursive, with a long, sweeping underline that extends to the right and then curves back down.

William J. LeMay
Director

WJL/KMB/sl

cc: OCD Hobbs Office



STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

BRUCE KING
GOVERNOR

November 4, 1991

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

CERTIFIED MAIL
RETURN RECEIPT NO. P-106-675-377

Mr. Kenneth Kinsolving
Kenneth Tank Service
P.O. Box 100
Crossroads, New Mexico 88114

**RE: Approval of Discharge Plan BW-13
Kenneth Tank Service Water Station**

Dear Mr. Kinsolving:

The discharge plan renewal BW-19 for the Kenneth Tank Service Water Station located in the SE/4 SE/4, Section 27, Township 9 South, Range 35 East, NMPM, Lea County, New Mexico, is hereby approved. The renewal application consists of the original discharge plan as approved July 15, 1985, the renewal application dated August 9, 1991, and the materials dated July 31, 1991, submitted as supplements to the application.

The discharge plan renewal was submitted pursuant to Section 5-101.B.3 of the New Mexico Water Quality Control Commission Regulations. It is approved pursuant to Sections 5-101.A and 3-109.C. Please note Sections 3-109.E and 3-109.F which provide for possible future amendments or modifications of the plan. Please be advised that the approval of this plan does not relieve you of liability should your operation result in actual pollution of surface water, ground water, or the environment which may be actionable under other laws and/or regulations.

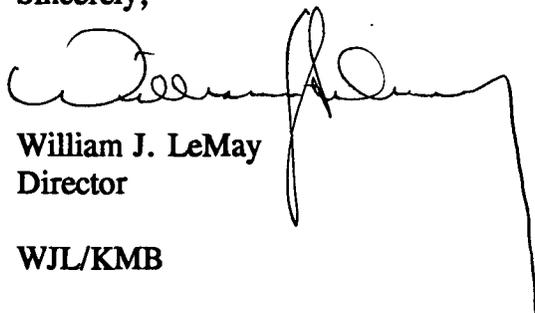
The monitoring and reporting shall be as specified in the above referenced materials. Please note that Section 3-104 of the regulations requires that "When a plan has been approved, discharges must be consistent with the terms and conditions of the plan." Pursuant to Section 3-107.C you are required to notify the Director of any facility expansion, production increase, or process modification that would result in any change in the discharge of water quality or volume.

Mr. Kenneth Kinsolving
November 4, 1991
Page 2

Pursuant to Section 3-109.G.4, this plan is for a period of five (5) years. This approval will expire July 15, 1995, and you should submit an application for renewal in ample time before this date. Note that under Section 5-101.G of the regulations, if a discharger submits a discharge plan renewal application at least 180 days before the discharge plan expires and is in compliance with the approved plan, then the existing discharge plan will not expire until the application for renewal has been approved or disapproved.

On behalf of the staff of the Oil Conservation Division, I wish to thank you and your staff for your cooperation during this discharge plan review.

Sincerely,

A handwritten signature in black ink, appearing to read "William J. LeMay", with a long, sweeping horizontal line extending to the right and a vertical line extending downwards from the end of the signature.

William J. LeMay
Director

WJL/KMB

cc: OCD Hobbs Office