


GW - 14

**PERMITS,
RENEWALS,
& MODS**



New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

John H. Bemis
Cabinet Secretary

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

Jami Bailey
Division Director
Oil Conservation Division



FEBRUARY 9, 2012

Mr. Johnny Lackey
Senior Environmental Manager
The Holly Frontier Companies
P.O. Box 159
501 E. Main St.
Artesia, NM 88211-0159

Dear Mr. Lackey:

Based on your responses given in the "Oil & Gas Facilities Questionnaire for Determination of a WQCC Discharge Permit" and a file review, the Oil Conservation Division (OCD) has determined that two of your facilities with an expired or soon to be expired permit are not required to operate under a Water Quality Control Commission (WQCC) Discharge Permit. This means that the WQCC-Discharge Permit for GW-014 (Lovington Refinery) [REDACTED] IS [REDACTED] hereby rescinded and you are not required to proceed with the renewal of these expired WQCC Discharge Permit. OCD will close these discharge permits in its database.

Previously, Navajo Refining has conducted abatement of ground water contamination at these facilities under the authority of its WQCC Discharge Permits, pursuant to 20.6.2.4000 NMAC (PREVENTION AND ABATEMENT OF WATER POLLUTION). OCD has determined that Navajo does not intentionally discharge at these two facilities; therefore, no WQCC Discharge Permit is required. However, because of existing ground water contamination at these facilities, OCD is requiring Navajo to continue to abate pollution of ground water pursuant to 19.15.30 NMAC (REMEDIATION). The new Abatement Plan case number for the former GW-014 site is AP-110. [REDACTED]
Please use these Abatement Plan case numbers in all future correspondence.

Because these WQCC Discharge Permits will now longer be in effect, you may be required to obtain separate OCD permit(s) for other processes at your facility, such as: pits, ponds, impoundments, below-grade tanks; waste treatment, storage and disposal operations; and landfarms and landfills. OCD will determine if any of these existing processes may require a separate permit under OCD's Oil, Gas, and Geothermal regulations. If OCD determines that a separate permit(s) is required, then a letter will be sent to you indicating what type of permit is required.

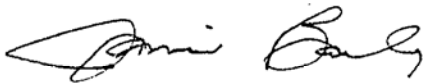
Mr. Johnny Lackey

Page 2

Please keep in mind, if your facility has any discharges that would require a WQCC Discharge Permit now or in the future, then you will be required to renew or obtain a WQCC Discharge Permit.

If you have any questions regarding this matter, please contact Glenn von Gonten at 505-476-3488.

Thank you for your cooperation.



Jami Bailey
Director

JB/gvg



Chavez, Carl J, EMNRD

From: Moore, Darrell [Darrell.Moore@hollyfrontier.com]
Sent: Tuesday, November 01, 2011 1:48 PM
To: Chavez, Carl J, EMNRD
Cc: Lackey, Johnny
Subject: Public Notice Affidavits
Attachments: Affidavit.pdf; Affidavit.pdf

Carl

Attached are the public notices and the signed affidavits for both of our Discharge Permits. The Artesia DP (GW-28) was published in the Artesia Daily Press on October 9, 2011 in both English and Spanish. The Lovington DP (GW-14) was published in the Lovington Leader on October 8, 2011 in both english and spanish.

Darrell Moore
Environmental Manager for Water and Waste
The Holly Frontier Companies
Navajo Refining Company, LLC
501 E Main
PO Box 159
Artesia NM 88211-0159
Phone: 575-746-5281
Cell: 575-703-5058

CONFIDENTIALITY NOTICE: This e-mail, and any attachments, may contain information that is privileged and confidential. If you received this message in error, please advise the sender immediately by reply e-mail and do not retain any paper or electronic copies of this message or any attachments. Unless expressly stated, nothing contained in this message should be construed as a digital or electronic signature or a commitment to a binding agreement

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Affidavit of Publication

STATE OF NEW MEXICO)
) ss.
COUNTY OF LEA)

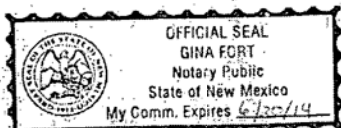
Joyce Clemens being first duly sworn on oath deposes and says that she is Advertising Director of THE LOVINGTON LEADER, a thrice a week newspaper of general paid circulation published in the English language at Lovington, Lea County, New Mexico; that said newspaper has been so published in such county continuously and uninterruptedly for a period in excess of Twenty-six (26) consecutive weeks next prior to the first publication of the notice hereto attached as hereinafter shown; and that said newspaper is in all things duly qualified to publish legal notices within the meaning of Chapter 167 of the 1937 Session Laws of the State of New Mexico.

That the notice which is hereto attached, entitled Legal Notice was published in a regular and entire issue of THE LOVINGTON LEADER and not in any supplement thereof, for one (1) day(s), beginning with the issue of October 8, 2011 and ending with the issue of October 8, 2011.

And that the cost of publishing said notice is the sum of \$ 269.33 which sum has been (Paid) as Court Costs.

Joyce Clemens
Joyce Clemens, Advertising Manager
Subscribed and sworn to before me this 18th day of October, 2011.

Gina Fort
Gina Fort
Notary Public, Lea County, New Mexico
My Commission Expires June 30, 2014



LEGAL NOTICE October 8, 2011 Notice of Publication NAVAJO REFINING COMPANY, LLC 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 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:

(GW-014) Navajo Refining Company - Lovington Refinery, Darrell Moore, Environmental Manager for Water and Waste, 7401 S. Main, Lovington, New Mexico 88260, has submitted a renewal application for the Lovington Refinery located in SW/4 of Section 31, Township 16 South, Range 37 East, the SE/4 of Section 36, Township 16 South, Range 36 East, the NW/4 of Section 6, Township 17 South, Range 37 East, and the NE/4 of Section 1, Township 17 South, Range 36 East, NMPM, Lea County, New Mexico located about 5 miles southeast of Lovington, New Mexico, just west of the North Lovington Hwy. The refinery refines approximately 75,000 bbl/day of crude oil and treats approximately 6,857 bbl/day of wastewater with a total dissolved solids concentration of approximately 1,850 mg/L which is discharged into the City of Lovington publicly owned treatment works (POTW). In addition, approximately 26 bbl/day of total sanitary effluent is discharged to three NMED permitted Class V septic systems throughout the facility. There is currently ground water and vadose zone contamination present with remediation or abatement and monitoring in progress. Consequently, there is an ongoing discharge occurring to ground water from vadose zone contamination at the facility. All wastes generated will be temporarily stored in tanks or containers and shipped off site for disposal or recycling at an OGD permitted and/or approved facility. Groundwater most likely to be affected by a spill, leak or accidental discharge is at a depth of about 100 feet below the ground surface, with a total dissolved solids concentration of approximately 600 mg/L. The discharge permit addresses the discharge to ground water under the Water Quality Control Commission Regulations (i.e., 20.6.2 NMAC and 20.6.4 NMAC). All other OGD facility related systems (i.e., below grade tanks, sumps, etc.) containing oilfield products and/or wastes will be properly handled, stored and disposed of, including how spills, leaks, and other accidental discharges to the surface, will be permitted and managed under separate oil and gas regulations in order to protect fresh surface and/or ground 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 am and 4:00 pm, Monday thru 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 parties may submit comments or request NMOCD to hold a public hearing. Requests for 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 Lovington Leader October 13, 2011.

AVISO LEGAL 09 De octubre de 2011 Aviso de publicación NAVAJO REFINING COMPANY, LLC ARTESIA, NUEVO MEXICO.

Aviso es dado que queda con arreglo al Nuevo México reglamentos de la Comisión de Control de calidad de agua (20.6.2.3108 CCMN), se presenta la siguiente solicitud de permiso de descarga para el Director de Nuevo México petróleo conservación División (NMOCD), 1220 S. Saint Francis Drive, Santa Fe, Nuevo México 87505. teléfono (505) 476-3440:

(GW-014) Navajo Refining Company - Lovington refinería, Darrell Moore, ambiental responsable de agua y residuos, principal S. 7401, Lovington, Nuevo México 88260, ha presentado una solicitud de renovación para la refinería de Lovington ubicado en SW/4 de la sección 31, municipio 16 sur, gama 37 East, SE/4 de la sección 36, Township 16 sur, este rango 36; NW/4 de la sección 6, Township 17 Sur, este rango 37, y NE/4 de la sección 1, municipio 17 Sur, gama 36 oriental, NMPM, Condado de Lea, Nuevo México ubicada a unos 5 kilómetros al sureste de Lovington, Nuevo México, al oeste de la autopista norte de Lovington. La refinería refina aproximadamente 75,000 bbl/día de petróleo crudo y trata aproximadamente 6,857 bbl/día de aguas residuales con una concentración de sólidos disueltos total de aproximadamente 1,850 mg/L, que es dado de alta en la ciudad de Lovington propiedad pública obras de tratamiento (POTW). Además, aproximadamente 26 bbl/día del effluente sanitario total se descargan a tres NMED permitido sistemas sépticos de clase v a lo largo de la instalación. Actualmente hay aguas subterráneas y la contaminación de la zona vadosa presente con corrección o abatimiento y vigilancia en curso. En consecuencia, hay una descarga continua que se producen a las aguas subterráneas de la contaminación de la zona vadosa en las instalaciones. Todos los desechos generados serán temporalmente almacenados en cisternas o contenedores y enviados fuera del sitio para su eliminación o reciclaje en un TOC permitidos y aprobó la instalación. Más probabilidad de ser afectado por un derrame, fuga o vertido accidental de agua subterránea está a una profundidad de unos 100 metros por debajo de la superficie del suelo, con una concentración de sólidos disueltos total de aproximadamente 600 mg/L. La aprobación de la gestión permitir direcciones el vertido a las aguas subterráneas bajo los reglamentos de la Comisión de Control de calidad de agua (es decir, 20.6.2 CCMN y 20.6.4 CCMN). Toda otra instalación TOC relacionados con sistemas (es decir, por debajo de tanques de grado, sumideros, etc.) que contengan productos petroleros y/o desechos será correctamente manejado, almacenado y enajenado, incluyendo cómo derrames, fugas y otros vertidos accidentales en la superficie, serán ser permitidos y gestionados bajo reglamentos independientes de petróleo y gas a fin de proteger la superficie fresca y/o aguas subterráneas.

El NMOCD ha determinado que la aplicación es administrativamente completa, y ha preparado un borrador de permiso. El NMOCD aceptará comentarios y declaraciones de interés relacionados con esta aplicación y creará una lista de correo de instalaciones específicas para las personas que deseen recibir avisos de futuros. Las personas interesadas en obtener más información, enviar comentarios o solicitar a estar en una lista específica de la instalación para futuros anuncios puede comunicarse con el jefe de la Oficina ambiental de la División de conservación de aceite en la dirección indicada anteriormente. El permiso de determinación y proyecto de integridad administrativa podrá revisarse en la dirección mencionada entre las 8:00 y 16:00, del lunes al viernes, o también puede verse en la <http://www.emnrd.state.nm.us/ocd> del sitio web NMOCD. Las personas interesadas en obtener una copia de la solicitud y el proyecto de permiso pueden ponerse en contacto con NMOCD en la dirección indicada anteriormente. Antes de sentencia sobre cualquier permiso de descarga propuesto o modificación importante, el Director deberá permitir un periodo de al menos 30 treinta días después de la fecha de publicación del presente anuncio, durante el cual las partes interesadas podrán presentar sus observaciones o solicitar NMOCD celebrar una audiencia pública. Las solicitudes de audiencia pública establecen las razones de por qué se celebre una audiencia. Se celebrará una audiencia si el Director determina hay interés importantes público.

Si no hay audiencia pública se celebró, el Director de aprobar o desaprobar la autorización basada en información disponible, incluyendo todas las observaciones recibidas. Si se celebra una audiencia pública, el Director aprobar o desaprobar el permiso propuesto basado en la información contenida en la solicitud de permiso y la información presentada en la audiencia.

Published in the Lovington Leader October 8, 2011.



New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

John H. Bemis
Cabinet Secretary-Designate

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

Jami Bailey
Division Director
Oil Conservation Division



May 12, 2011

Oil & Gas Facilities Questionnaire for Determination of a WQCC Discharge Permit

Only Water Quality Control Commission- regulated systems will be incorporated into the OCD's WQCC Permits, while OCD regulated systems will be handled under separate permit(s). A current discharge permit is valid until its normal expiration date or November 15, 2012, whichever is later. All facilities with processes subject to the Water Quality Act must have permits in place by November 16, 2012. H2S Contingency Plans; pits, ponds, above and/or below-grade tanks; waste treatment, storage and disposal; and landfarms and landfills may require separate permitting under the OCD Oil, Gas, and Geothermal regulations.

Proper completion and timely submission of this questionnaire is requested for all facilities with discharge permit expiration dates before November 15, 2012. Please complete and submit a separate questionnaire for each facility before July 15, 2011.

• **Name of the owner or operator of the facility**

Navajo Refining Co., LLC

• **Point of contact**

Name Darrell Moore

Telephone 575-746-5281

Email darrell.moore@hollycorp.com

Mailing address PO Box 159

Artesia, NM 88211-0159

• **Facility name** Lea Refining Co.

• **Facility location**

Unit Letter, Section, Township, Range _____

Street address (if any) 7406 S. Main

Lovington, NM 88260

- **Facility type**
- | | | |
|---|---|--|
| <input checked="" type="checkbox"/> Refinery | <input type="checkbox"/> Gas Plant | <input type="checkbox"/> Compressor |
| <input type="checkbox"/> Crude Oil Pump Station | <input type="checkbox"/> Injection Well | <input type="checkbox"/> Service Company |
| <input type="checkbox"/> Geothermal | <input checked="" type="checkbox"/> Abatement | |
| <input type="checkbox"/> Other (describe) _____ | | |

• **Current and Past Operations** (please check all that apply)

☐ Impoundments

☒ Treatment Plant

☐ Waterflood

☐ Disposal Well

☐ Brine Well

☐ Wash Bay

Oil Conservation Division * 1220 South St. Francis Drive

* Santa Fe, New Mexico 87505

* Phone: (505) 476-3440 * Fax (505) 476-3462* <http://www.emnrd.state.nm.us>

☐ Steam Cleaning ☒ Groundwater Remediation

• Facility Status ☒ Active ☐ Idle ☐ Closed

• Does this facility currently have a discharge permit? ☒ Yes ☐ No

If so, what is the permit number? GW-014

• Are there any routine activities at the facility which intentionally result in materials other than potable water being released either onto the ground or directly into surface or ground water?

(This includes process activities, equipment maintenance, or the cleanup of historic spills.)

☐ Yes ☒ No

If so, describe those activities including the materials involved, the frequency of discharge, and the estimated volume per discharge event.

Very minor dissolved phase plumes.

• What is the depth below surface to shallowest ground water in the area? 80-100 ft.

• Are there any water supply, groundwater monitoring, or recovery wells at the facility?

Water supply ☒ Monitoring ☒ Recovery ☐

If these wells are registered with the Office of the State Engineer (OSE), what are the OSE well numbers? _____

• Are abatement actions ongoing? Yes

• Are there any active or inactive UIC wells present as part of the federal Underground Injection Control program associated with this facility? ☐ Yes ☒ No

If so, what are the API numbers assigned to those wells?

• Are there any sumps at the facility? ☒ Yes ☐ No

Number of sumps with volume less than 500 gallons 17

Use and contents _____

Is secondary containment incorporated into the design? ☐ Yes ☒ No

Number of sumps with volume greater than 500 gallons _____

Use and contents _____

Is secondary containment incorporated into the design? ☐ Yes ☐ No

- Does the facility incorporate any underground lines other than electrical conduits, freshwater, natural gas for heating, or sanitary sewers? ☒ Yes ☐ No

If so, what do those buried lines contain?

Various-incl. process wastewater, products.

THIS FORM IS DUE TO THE OIL CONSERVATION DIVISION BY JULY 15, 2011.

Questions? Please contact Glenn VonGonten at 505-476-3488 or Carl Chavez at 505-476-3490.

Thank you for your cooperation.

JAMI BAILEY
Director

Affidavit of Publication

STATE OF NEW MEXICO)
) ss.
COUNTY OF LEA)

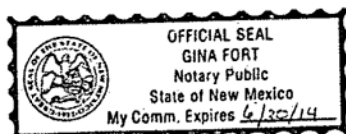
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And that the cost of publishing said notice is the sum of \$ 269.33 which sum has been (Paid) as Court Costs.

Joyce Clemens
Joyce Clemens, Advertising Manager
Subscribed and sworn to before me this 18th day of October, 2011.

Gina Fort
Gina Fort
Notary Public, Lea County, New Mexico
My Commission Expires June 30, 2014



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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 am and 4:00 pm, Monday thru 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 parties may submit comments or request NMOCD to hold a public hearing. Requests for 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 Lovington Leader October 13, 2011.

AVISO LEGAL 08 De octubre de 2011 Aviso de publicación NAVAJO REFINING COMPANY, LLC ARTESIA, NUEVO MÉXICO

Aviso es dado que queda con arreglo al Nuevo México reglamentos de la Comisión de Control de calidad de agua (20.6.2.3108 CCMN), se presenta la siguiente solicitud de permiso de descarga para el Director de Nuevo México petróleo conservación División (NMOCD), 1220 S. Saint Francis Drive, Santa Fe, Nuevo México 87505, teléfono (505) 478-3440:

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Published in the Lovington Leader October 8, 2011.

Advertising Receipt

Hobbs Daily News-Sun

201 N Thorp
P. O. Box 936
Hobbs, NM 88241

Phone: 575-393-2123
Fax: 575-397-0610

NEW MEXICO OIL CONSERVATION DI
LEONARD LOWE
1220 S. SAINT FRANCIS DR.
SANTA FE, NM 87505

Cust #: 01101546
Ad #: 00080061
Phone: (505)476-3492
Date: 09/16/2011
Ad taker: YC Salesperson: 08

Sort Line: #26866-PO# 52100-0000031857

Classification 672

Description	Start	Stop	Ins.	Cost/Day	Total
07 07 Daily News-Sun	09/18/2011	09/18/2011	1	126.00	126.00
AFFI Affidavit for legals					3.00
BOLD bold					1.00

*ok to pay
etc - 9/27/2011*

Ad Text:

LEGAL NOTICE
SEPTEMBER 18, 2011

Payment Reference:

NOTICE OF PUBLICATION

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

Notice is hereby given that pursuant to the Water Quality Control
Commission Regulations (20.6.2.3106 NMAC), the following discharge
permit application(s) has been submitted to the Director of the Oil

Total: 130.00
Tax: 8.86
Net: 138.86
Prepaid: 0.00

Total Due: 138.86

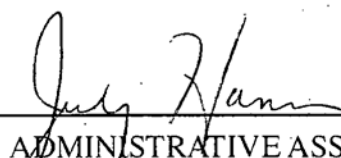
Affidavit of Publication

State of New Mexico,
County of Lea.

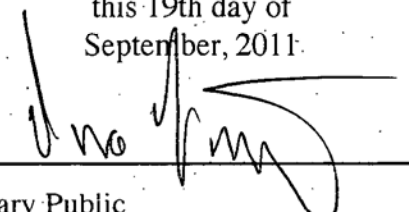
I, CINDY BENTLE
ADMINISTRATIVE ASSISTANT
of the Hobbs News-Sun, a
newspaper published at Hobbs, New
Mexico, do solemnly swear that the
clipping attached hereto was
published in the regular and entire
issue of said newspaper, and not a
supplement thereof for a period

of 1 issue(s).

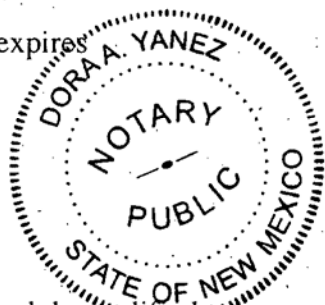
Beginning with the issue dated
September 18, 2011
and ending with the issue dated
September 18, 2011


ADMINISTRATIVE ASSISTANT

Sworn and subscribed to before me
this 19th day of
September, 2011.


Notary Public

My commission expires
June 06, 2012
(Seal)



This newspaper is duly qualified to
publish legal notices or
advertisements within the meaning of
Section 3, Chapter 167, Laws of
1937 and payment of fees for said
publication has been made.

LEGAL LEGAL
LEGAL NOTICE
SEPTEMBER 18, 2011
NOTICE OF PUBLICATION
STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES
DEPARTMENT OIL CONSERVATION DIVISION
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Control Commission Regulations (20.6.2.3106 NMAC), the
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1220 S. Saint Francis Drive, Santa Fe, New Mexico 87505.
Telephone (505) 476-3440.
(GW-014) Navajo Refining Company - Lovington Refi-
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and Waste, 7401 S. Main, Lovington, New Mexico
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tion 6, Township 17 South, Range 37 East, and the
NE/4 of Section 1, Township 17 South, Range 36 East,
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east of Lovington, New Mexico, west of the North Lov-
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bbl/day of crude oil and treats approximately 6,857
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treatment works (POTW). In addition, approximately 26
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Ground water most likely to be affected by a spill, leak
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any proposed discharge permit or major modification, the
Director shall allow a period of at least thirty (30) days after

01101546

00080061

LEONARD LOWE
NEW MEXICO OIL CONSERVATION DIVISION, EMNRD
1220 S. SAINT FRANCIS DR.
SANTA FE, NM 87505

LEGAL

LEGAL

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Para obtener más información sobre esta solicitud en español, sírvase comunicarse por favor: New Mexico Energy, Minerals and Natural Resources Department (Depto. Del: Energía, Minerals y Recursos Naturales de Nuevo México), Oil Conservation Division (Depto. Conservación 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 14th day of September 2011.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

Jami Bailey, Director

LEGAL

LEGAL

LEGAL NOTICE
SEPTEMBER 18, 2011

SEAL
#26866

NOTICE OF PUBLICATION

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Notice of Publication

New Mexico,
Lea.

CINDY BENTLE
ADMINISTRATIVE ASSISTANT
of the Hobbs News-Sun, a
newspaper published at Hobbs, New
Mexico, do solemnly swear that the
notice attached hereto was
published in the regular and entire
issue of said newspaper, and not a
supplement thereof for a period

of 1 issue(s).
Beginning with the issue dated
September 18, 2011
and ending with the issue dated
September 18, 2011

[Signature]

LEGAL NOTICE
SEPTEMBER 18, 2011

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GIVEN under the Seal of New Mexico Oil Conservation Commission at Santa Fe, New Mexico, on this 14th day of September 2011.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

SEAL
#26866

Jami Bailey, Director

RECEIVED OGD

THE SANTA FE

SEP 23 P NEW MEXICAN

Founded 1849

NM EMNRD OIL CONSERV
1220 S ST FRANCIS DR
Leonard Lowe
SANTA FE NM 87505

ALTERNATE ACCOUNT: [REDACTED]

AD NUMBER: 00356088 ACCOUNT: [REDACTED]

LEGAL NO: P.O. #: [REDACTED]

219 LINES 1 TIME(S) 224.20

AFFIDAVIT: 0.00

TAX: 18.36

TOTAL: 242.56

OK to pay
JTC 9/23/11

AFFIDAVIT OF PUBLICATION

STATE OF NEW MEXICO
COUNTY OF SANTA FE

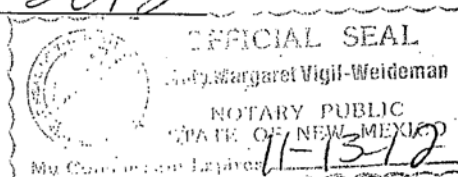
I, V. Wright, being first duly sworn declare and say that I am Legal Advertising Representative of THE SANTA FE NEW MEXICAN, a daily newspaper published in the English language, and having a general circulation in the Counties of Santa Fe and Los Alamos, State of New Mexico and being a newspaper duly qualified to publish legal notices and advertisements under the provisions of Chapter 167 on Session Laws of 1937; that the publication # a copy of which is hereto attached was published in said newspaper 1 day(s) between 09/20/2011 and 09/20/2011 and that the notice was published in the newspaper proper and not in any supplement; the first date of publication being on the 20th day of September, 2011 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 20th day of September, 2011

Notary Mary Margaret Vigil-Weideman

Commission Expires: 11-13-2012



NOTICE OF PUBLICATION

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

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STATE OF NEW MEXICO
OIL CONSERVATION DIVISION
Jami Bailey, Director
Legal # 91505
Pub. Sept. 20, 2011

Advertising Receipt

Hobbs Daily News-Sun

201 N Thorp
P. O. Box 936
Hobbs, NM 88241

Phone: 575-393-2123

Fax: 575-397-0610

NEW MEXICO OIL CONSERVATION DI
LEONARD LOWE
1220 S. SAINT FRANCIS DR.
SANTA FE , NM 87505

Cust #: 01101546

Ad #: 00080061

Phone: (505)476-3492

Date: 09/16/2011

Ad taker: YC

Salesperson: 08

Sort Line: #26866-PO# 52100-0000031857

Classification 672

Description	Start	Stop	Ins.	Cost/Day	Total
07 07 Daily News-Sun	09/18/2011	09/18/2011	1	126.00	126.00
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GIVEN under the Seal of New Mexico Oil Conservation Commission at Santa Fe, New Mexico, on this 14th day of September 2011.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

SEAL
#26866

Jami Bailey, Director

Chavez, Carl J, EMNRD

From: Legals [legals@sfnewmexican.com]
Sent: Friday, September 16, 2011 10:50 AM
To: Chavez, Carl J, EMNRD
Subject: Re: Public Notice Request to Santa Fe New Mexican Newspaper Classified Notice Section GW- 014 and GW-028 Public Notices
Attachments: proofad #356088.pdf; receipt.pdf

Thank you

On 9/15/11 11:52 AM, "Chavez, Carl J, EMNRD" <CarlJ.Chavez@state.nm.us> wrote:

Ms. Harding:

Yes. Thank you.

Carl J. Chavez, CHMM
New Mexico Energy, Minerals & Natural Resources Dept.
Oil Conservation Division, Environmental Bureau
1220 South St. Francis Dr., Santa Fe, New Mexico 87505
Office: (505) 476-3490
Fax: (505) 476-3462
E-mail: CarlJ.Chavez@state.nm.us <<mailto: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, go to "Pollution Prevention & Waste Minimization" at:
<http://www.emnrd.state.nm.us/ocd/environmental.htm#environmental>)

From: Legals [<mailto:legals@sfnewmexican.com>]
Sent: Thursday, September 15, 2011 11:48 AM
To: Chavez, Carl J, EMNRD
Subject: Re: Public Notice Request to Santa Fe New Mexican Newspaper Classified Notice Section GW- 014 and GW-028 Public Notices

Dear Mr. Chavez:

We publish legal advertisements Monday through Friday. We can run your notice on Tuesday, September 20th. Please let me know if this is okay with you.

Thank You,
Laura Harding
Classified Operations Manager
The New Mexican

On 9/15/11 9:28 AM, "Chavez, Carl J, EMNRD" <CarlJ.Chavez@state.nm.us> wrote:

Dear Sir or Madam:

Please publish (**for one day [Saturday or Sunday (preferred)]**) the attached Public Notices in the classified notice section of your respective newspaper.

For billing purposes, the New Mexico Oil Conservation Division billing information is as follows:

- Santa Fe New Mexican: PO# is 52100-0000026037 and Account # is 56689.

Please send me affidavits of proof of publications for each notice that you process and contact me if you have questions. Thank you.

Carl J. Chavez, CHMM

New Mexico Energy, Minerals & Natural Resources Dept.

Oil Conservation Division, Environmental Bureau

1220 South St. Francis Dr., Santa Fe, New Mexico 87505

Office: (505) 476-3490

Fax: (505) 476-3462

E-mail: CarlJ.Chavez@state.nm.us <<mailto:CarlJ.Chavez@state.nm.us>>

Website: <http://www.emnrd.state.nm.us/oed/>

"Why not Prevent Pollution; Minimize Waste; Reduce the Cost of Operations; & Move Forward with the Rest of the Nation?" To see how, go to "Pollution Prevention & Waste Minimization" at:

<http://www.emnrd.state.nm.us/oed/environmental.htm#environmental>)

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GIVEN under the Seal of New Mexico Oil Conservation Commission at Santa Fe, New Mexico, on this 14th day of September 2011.

STATE OF
NEW MEXICO
OIL CONSERVATION
DIVISION

Jami Bailey, Director
Legal # 91505
Pub. Sept. 20, 2011

Advertising Receipt

The New Mexican
202 E. Marcy
P.O. Box 2048
Santa Fe, NM 87504-204
Phone: (505) 983-3303
Fax: (505) 820-1635

NM EMNRD OIL CONSERVATION DIV

1220 S ST FRANCIS DR
Leonard Lowe
SANTA FE , NM 87505

Alt #: 56689

Cust#: 00002212

Ad#: 00356088

Phone: (505)476-3492

Date: 09/16/2011

Ad taker: 38

Salesperson: 40

Classification: 6000

Sort Line	Start	Stop	Runs	Lines	Cost
NOTICE OF PUBLICATION STATE O	09/20/2011	09/20/2011	1	219	224.20

Ad Text:
NOTICE OF

Tax: 18.36
Net: 242.56
Prepaid: 0.00

Total Due 242.56

Chavez, Carl J, EMNRD

From: Chavez, Carl J, EMNRD
Sent: Wednesday, September 14, 2011 4:51 PM
To: Chavez, Carl J, EMNRD; Stevenson, Tod, DGF; Wunder, Matthew, DGF; 'Warren, Alvin, DIA'; 'ddapr@nmda.nmsu.edu'; 'Linda_Rundell@nm.blm.gov'; 'psisneros@nmag.gov'; 'r@rthicksconsult.com'; 'sricdon@earthlink.net'; 'nmparks@state.nm.us'; Dantonio, John, OSE; 'seligman@nmoga.org'; Fetner, William, NMENV; 'lazarus@glorietageo.com'; 'marissa.stone@state.nm.us'; 'ron.dutton@xcelenergy.com'; 'cgarcia@fs.fed.us'; Kieling, John, NMENV; 'bsg@garbhall.com'; Olson, Bill, NMENV; 'claudette.horn@pnm.com'; 'ekendrick@montand.com'; 'staff@ipanm.org'; 'dseawright@gmail.com'; 'jharris@rwdhc.com'; Bonham, Sherry, EMNRD; 'Dade.Randy@state.nm.us'; 'Dade.Randy@state.nm.us'; Gray, Darold, EMNRD; Perrin, Charlie, EMNRD; Powell, Brandon, EMNRD; Martin, Ed, EMNRD; 'lynnb@nmt.edu'; Gonzales, Elidio L, EMNRD
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Subject: RE: New Mexico Oil Conservation Division Public Notices for Navajo Refining Company-Artesia (GW-028) & Lovington (GW-014) Discharge Permit Renewal

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Please contact me if you have questions. Thank you.

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

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STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

S E A L

Jami Bailey, Director

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OIL CONSERVATION DIVISION

S E A L

Jami Bailey, Director

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To: Chavez, Carl J, EMNRD; Stevenson, Tod, DGF; Wunder, Matthew, DGF; 'Warren, Alvin, DIA'; 'ddapr@nmda.nmsu.edu'; 'Linda_Rundell@nm.blm.gov'; 'psisneros@nmag.gov'; 'r@rthicksconsult.com'; 'sricdon@earthlink.net'; 'nmparks@state.nm.us'; Dantonio, John, OSE; 'seligman@nmoga.org'; Fetner, William, NMENV; 'lazarus@glorietageo.com'; 'marissa.stone@state.nm.us'; 'ron.dutton@xcelenergy.com'; 'cgarcia@fs.fed.us'; Kieling, John, NMENV; 'bsg@garbhall.com'; Olson, Bill, NMENV; 'claudette.horn@pnm.com'; 'ekendrick@montand.com'; 'staff@ipanm.org'; 'dseawright@gmail.com'; 'jharris@rwdhc.com'; Bonham, Sherry, EMNRD; 'Dade.Randy@state.nm.us'; 'Dade.Randy@state.nm.us'; Gray, Darold, EMNRD; Perrin, Charlie, EMNRD; Powell, Brandon, EMNRD; Martin, Ed, EMNRD; 'lynnb@nmt.edu'; Gonzales, Elidio L, EMNRD
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STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

S E A L

Jami Bailey, Director



New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

John H. Bemis
Cabinet Secretary-Designate

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

Jami Bailey
Division Director
Oil Conservation Division



SEPTEMBER 14, 2011

CERTIFIED MAIL
RETURN RECEIPT NO: 7001 1940 0004 7923 1176

Mr. Darrell Moore
Environmental Manager for Water and Waste
Navajo Refining Company - Lovington Refinery
P.O. Box 159
Artesia, New Mexico 88211-0159

**RE: Draft Discharge Permit Renewal (GW-014) Lovington Refinery
SW/4 of Section 31, Township 16 South, Range 37 East; the SE/4 of Section 36,
Township 16 South, Range 36 East; the NW/4 of Section 6, Township 17 South,
Range 37 East; and the NE/4 of Section 1, Township 17 South, Range 36 East,
NMPM, Lea County, New Mexico**

Dear Mr. Moore:

Pursuant to the Water Quality Control Commission (WQCC) Regulations 20.6.2.3104 - 20.6.2.3114 NMAC, the Oil Conservation Division (OCD) hereby proposes to approve the renewal of Navajo Refining Company's (Owner/Operator) discharge permit for the above referenced Facility contingent upon the conditions specified in the attached draft Discharge Permit. Please review and provide comments to OCD on the draft Discharge Permit within 45 days of receipt of this letter.

If you have any questions, please contact Carl Chavez of my staff at (505-476-3490) or E-mail: 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/gvg

DISCHARGE PERMIT GW-014

1. GENERAL PROVISIONS:

A. PERMITTEE AND PERMITTED FACILITY: The Oil Conservation Division (OCD) of the Energy, Minerals and Natural Resources Department issues Discharge Permit GW-014 (Discharge Permit) to Navajo Refining Company (Owner/Operator) located at 501 E. Main, Artesia, New Mexico 88210, to operate the Lovington Refinery (Facility) located in the SW/4 of Section 31, Township 16 South, Range 37 East; the SE/4 of Section 36, Township 16 South, Range 36 East; the NW/4 of Section 6, Township 17 South, Range 37 East; and the NE/4 of Section 1, Township 17 South, Range 36 East, NMPM, Lea County, New Mexico, including the abatement of ground water and vadose zone contamination. The refinery is located 5 miles south of Lovington, New Mexico, west of the North Lovington Highway.

The Facility provides oil and gas refining. The Facility receives and processes up to 75,000 barrels per day of crude oil and other feed stocks. Ground water that may be affected by a spill, leak, or accidental discharge occurs at a depth of approximately 100 feet below ground surface, with a total dissolved solids concentration of approximately 600 mg/L.

B. SCOPE OF PERMIT: OCD has been granted authority to administer the Water Quality Act (Chapter 74, Article 6 NMSA 1978) as it applies to refineries by statute and by delegation from the Water Quality Control Commission pursuant to Section 74-6-4(E) NMSA 1978.

The Water Quality Act and the rules issued under that Act protect ground water and surface water of the State of New Mexico by providing that, unless otherwise allowed by rule, no person shall cause or allow effluent or leachate to discharge so that it may move directly or indirectly into ground water unless such discharge is pursuant to an approved discharge permit (see WQCC Regulations: 20.6.2.3104 NMAC and 20.6.2.3106 NMAC).

This Discharge Permit does not authorize any treatment of, or on-site disposal of, any materials, product, by-product, or oil field waste, including, but not limited to, the on-site disposal of lube oil, glycol, antifreeze, filters, elemental sulfur, washdown water, contaminated soil, and cooling tower blowdown water.

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

The Owner/Operator shall operate in accordance with the Discharge Permit conditions to comply with the Water Quality Act and the rules issued pursuant to that Act, so that neither a hazard to public health nor undue risk to property will result (see 20.6.2.3109C NMAC); so that no discharge will cause or may cause any stream standard to be violated (see 20.6.2.3109H(2) NMAC); so that no discharge of any water contaminant will result in a hazard to public health, (see 20.6.2.3109H(3) NMAC); and so that the numerical standards specified of 20.6.2.3103 NMAC are not exceeded.

The Owner/Operator shall not allow or cause water pollution, discharge, or release of any water contaminant that exceeds the Water Quality Control Commission (WQCC) standards specified at 20.6.2.3101 NMAC and 20.6.2.3103 NMAC or 20.6.4 NMAC (Water Quality Standards for Interstate and Intrastate Streams).

C. DISCHARGE PERMIT CONDITIONS: By signing this Discharge Permit, the Owner/Operator agrees to the specific provisions set out in this document, and the commitments made in the approved Discharge Permit Application and the attachments to that application, which are incorporated into the Discharge Permit by reference.

This Discharge Permit is a permit renewal. It replaces the permit being renewed. Replacement of a prior permit does not relieve the Owner/Operator of its responsibility to comply with the terms of that prior permit while that permit was in effect.

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

E. FILING FEES AND PERMIT FEES: Pursuant to 20.6.2.3114 NMAC, every Facility that submits a discharge permit application for initial approval or renewal shall pay the permit fees specified in Table 1 and the filing fee specified in Table 2 of 20.6.2.3114 NMAC. OCD has already received the required \$100.00 filing fee for this application. The flat fee for the abatement of Ground Water and Vadose Zone Contamination is \$2,600.00. The Owner/Operator shall submit this amount along with the signed Discharge Permit. Checks should be payable to the "New Mexico Water Quality Management Fund," and not the Oil Conservation Division.

F. EFFECTIVE DATE, EXPIRATION, RENEWAL CONDITIONS, AND PENALTIES FOR OPERATING WITHOUT A DISCHARGE PERMIT: This Discharge Permit is effective when the Division's Environmental Bureau receives the signed Discharge Permit from the Owner/Operator and the \$2,600.00 fee or until the permit is terminated. **This Discharge Permit will expire on October 30, 2016.** The Owner/Operator shall submit an application for renewal no later than 120 calendar days before that expiration date, pursuant to 20.6.2.3106F NMAC. If an Owner/Operator submits a renewal application at least 120 calendar days before the Discharge Permit expires and is in compliance with the approved Discharge Permit, then the existing Discharge Permit will not expire until OCD has approved or disapproved the renewal application. Operating with an expired Discharge Permit may subject the Owner/Operator to civil and/or criminal penalties. See Section 74-6-10.1 NMSA 1978 and Section 74-6-10.2 NMSA 1978.

G. MODIFICATIONS: The Owner/Operator shall notify the Division's Environmental Bureau of any Facility expansion, production increase, or process modification that would result in any significant modification in the discharge of water contaminants (see 20.6.2.3107C NMAC). The Division's Environmental Bureau may require the Owner/Operator to submit a permit modification pursuant to 20.6.2.3109E NMAC and may modify or terminate a permit pursuant to Section 74-6-5(M) through (N) NMSA 1978.

H. TRANSFER OF DISCHARGE PERMIT: Prior to any transfer of ownership, control, or possession (whether by lease, conveyance or otherwise) of the Facility, the transferor shall notify the transferee in writing of the existence of the Discharge Permit, and shall deliver or send by certified mail to the Division's Environmental Bureau a copy of such written notification, together with a certification or other proof that such notification has been received by the transferee pursuant to 20.6.2.3111 NMAC. Upon receipt of such notification, the transferee shall inquire into all of the provisions and requirements contained in the Discharge Permit, and the transferee shall be charged with notice of all such provisions and requirements as they appear of record in the Division's file or files concerning the Discharge Permit. Upon assuming either ownership or possession of the Facility the transferee shall have the same rights and responsibilities under the Discharge Permit as were applicable to the transferor (see 20.6.2.3111 NMAC).

Transfer of the ownership, control, or possession of the Facility does not relieve the transferor of responsibility or liability for any act or omission which occurred while the transferor owned, controlled, or was in possession of the Facility (see 20.6.2.3111(E) NMAC).

I. CLOSURE PLAN AND FINANCIAL ASSURANCE: The Owner/Operator shall notify the Division's Environmental Bureau in writing when any operations of its Facility are to be discontinued for a period in excess of six months. Upon review of the Owner/Operator's notice, the Division's Environmental Bureau will determine whether to modify this permit, pursuant to 20.6.2.3107 NMAC and 20.6.2.3109E NMAC, to require the Owner/Operator to submit a closure plan and/or post-closure plan, including financial assurance.

J. COMPLIANCE AND ENFORCEMENT: If the Owner/Operator violates or is violating a condition of this Discharge Permit, the Division's Environmental Bureau may issue a compliance order requiring compliance immediately, or within a specified time period, suspending or terminating this Discharge Permit, and/or assessing a civil penalty. See Section 74-6-10 NMSA 1978. The Division's Environmental Bureau may also commence a civil action in district court for appropriate relief, including injunctive relief. See Section 74-6-10(A)(2) NMSA 1978 and Section 74-6-11 NMSA 1978. The Owner/Operator may be subject to criminal penalties for discharging a water contaminant without a discharge permit or in violation of a condition of a discharge permit; making any false material statement, representation, certification or omission of material fact in an application, record, report, plan or other document filed, submitted or required to be maintained under the Water Quality Act; falsifying, tampering with or rendering inaccurate any monitoring device, method or record required to be maintained under the Water Quality Act; or failing to monitor, sample or report as required by a permit issued pursuant to a state or federal law or regulation. See Section 74-6-10.2 NMSA 1978.

2. GENERAL FACILITY OPERATIONS:

A. OPERATIONAL MONITORING: The Owner/Operator shall comply with its approved monitoring programs pursuant to 20.6.2.3107 NMAC.

1. Ground Water Monitoring System: The Owner/Operator shall monitor ground water in accordance with the Facility-Wide Ground Water Monitoring Plan (FWGWMP). The

Owner/Operator shall monitor for all of the constituents listed in 20.6.2.3103 NMAC following the procedures specified in the FWGWMP. Proposed changes to the FWGWMP shall be submitted annually to the agencies during the month of April.

B. POST-CLOSURE MONITORING: The Owner/Operator shall comply with its approved post-closure monitoring program pursuant 20.6.2.3107 NMAC (Continuation of monitoring after cessation of operations).

C. CONTINGENCY PLANS: The Owner/Operator shall implement its approved Contingency Plans to cope with failure of the Discharge Permit or system in accordance with Permit Conditions 2.F and 2.G.

D. CLOSURE PLAN: After completing abatement of all ground water and vadose contamination required under Permit Condition 2.G, the Owner/Operator shall perform the following closure measures:

1. Remove or plug all lines leading to and from the extraction wells and the injection wells so that a discharge can no longer occur.
2. Remove all remediation system components from the site, if applicable.
3. After receiving notification from the Division's Environmental Bureau that post-closure monitoring may cease, the Owner/Operator shall plug and abandon the monitoring well(s).

E. RECORD KEEPING: The Owner/Operator shall maintain records of all inspections required by this Discharge Permit at its Facility office for a minimum of five years and shall make those records available for inspection by the Division's Environmental Bureau and/or New Mexico Environment Department.

F. RELEASE REPORTING: The Owner/Operator shall comply with the following permit conditions, pursuant to 20.6.2.1203 NMAC, and submittal of an OCD C-141 to report releases, if it determines that a release of oil or other water contaminant, in such quantity as may with reasonable probability injure or be detrimental to human health, animal or plant life, or property, or unreasonably interfere with the public welfare or the use of property, has occurred. The Owner/Operator shall report unauthorized releases of water contaminants in accordance with any additional commitments made in its approved Contingency Plan. If the Owner/Operator determines that any constituent exceeds the standards specified at 20.6.2.3103 NMAC, then it shall report a release to the Division's Environmental Bureau.

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

- the name, address, and telephone number of the person or persons in charge of the Facility, as well as of the Owner/Operator of the Facility;
- the name and location of the Facility;
- the date, time, location, and duration of the discharge;

- the source and cause of discharge;
- a description of the discharge, including its chemical composition;
- the estimated volume of the discharge; and
- any corrective actions taken to mitigate immediate damage from the discharge.

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

G. **ABATEMENT PLAN:** Pursuant to 20.6.2.4105A(6) NMAC, an Owner/Operator is exempt from the requirement to obtain and implement an Abatement Plan, as required in 20.6.2.4104 NMAC. However, an Owner/Operator's Discharge Permit must address abatement of contaminated ground water and be consistent with the requirements and provisions of Sections 20.6.2.4101, 20.6.2.4103, Subsections C and E of Section 20.6.2.4106, Sections 20.6.2.4107 and 20.6.2.4112 NMAC.

1. **Purpose of Abatement Plan:** The Owner/Operator shall abate polluted ground water so as to either remediate or protect the ground water for use as domestic and agricultural water supply.

2. **Abatement Standards and Requirements:** The Owner/Operator shall abate the vadose zone so that water contaminants in the vadose zone shall not contaminate ground water or surface water through leaching, percolation or as the water table elevation fluctuates. The Owner/Operator, where the Total Dissolved Solids concentration is 10,000 mg/L or less, shall abate contaminated ground water so that toxic pollutant(s), as defined in 20.6.2.7WW NMAC, shall not be present and so that the standards of 20.6.2.3103 NMAC shall be met.

3. **Stage 1 Abatement Plan:** The Owner/Operator shall continue to implement its approved Stage 1 Abatement and monitoring consistent with the Facility-Wide Ground Water Monitoring Plan (FWGWMP). Pursuant to 20.6.2.4106C NMAC, the purpose of a Stage 1 Abatement Plan is to design and conduct a site investigation that will adequately define site conditions, and provide the data necessary to select and design an effective abatement option.

4. **Stage 2 Abatement Plan:** The Owner/Operator shall implement any approved Stage 2 Abatement and monitoring consistent with the FWGWMP. OCD will allow the Owner/Operator to abate pollution under this provision for good cause. Pursuant to 20.6.2.4106E NMAC, the purpose of the Stage 2 Abatement Plan is for the Owner/Operator to select and design, if necessary, an abatement option that, when implemented, will result in attainment of the abatement standards and requirements set forth in Section 20.6.2.4103 NMAC, including post-closure maintenance activities.

5. **Completion and Termination:** Pursuant to 20.6.2.4112 NMAC, abatement shall be considered complete when the standards and requirements specified in 20.6.2.4103 NMAC are met. At that time, the Owner/Operator shall submit an abatement completion report,

documenting compliance with the standards and requirements set forth in 20.6.2.4103 NMAC and this Discharge Permit, to Division's Environmental Bureau for approval. The abatement completion report also shall propose any changes to long term monitoring and site maintenance activities, if needed, to be performed after termination of the abatement plan.

H. OTHER REQUIREMENTS:

1. Inspection and Entry: Pursuant to 20.6.2.4107A NMAC, the Owner/Operator shall allow the Division's Environmental Bureau with presentation of proper credentials, to:

- enter the Facility at reasonable times;
- inspect and copy records required by this discharge permit;
- inspect any treatment units or systems, monitoring or abatement systems, and analytical equipment;
- sample or witness Owner/Operator sampling of any wastes, contaminated vadose zone, ground water, surface water, stream sediment, plants, animals, or vadose-zone material including vadose-zone vapor;
- use the Owner/Operator's monitoring systems and wells in order to collect environmental samples; and
- gain access to off-site property not owned or controlled by the Owner/Operator, but accessible to the Owner/Operator through a third-party access agreement, provided that it is allowed by the agreement.

2. Advance Notice: Pursuant to 20.6.2.4107B NMAC, the Owner/Operator shall provide the Division's Environmental Bureau with at least four (4) working days advance notice of any environmental sampling to be performed pursuant to this Discharge Permit, or any well plugging, abandonment or destruction at the Facility site.

3. Hydrostatic Testing: Pursuant to 20.6.2.3104 NMAC, no effluent or leachate shall discharge or be allowed to move directly or indirectly into ground water unless a discharge permit is issued by the OCD. When a permit has been issued, discharges must be consistent with the terms and conditions of the permit.

4. Plugging and Abandonment: Pursuant to 20.6.2.4107(C) NMAC, the Owner/Operator shall propose to plug and abandon a monitor well by certified mail to the Division's Environmental Bureau for approval, unless such approval is required from the State Engineer. The proposed action shall be designed to prevent water pollution that could result from water contaminants migrating through the well or borehole. The proposed action shall not take place without written approval from the Division's Environmental Bureau, unless written approval or disapproval is not received by the Owner/Operator within thirty (30) days of the date of receipt of the proposal.

5. OCD Inspections: The OCD may place additional requirements on the Facility and modify the permit conditions as needed based on OCD inspections.

I. ANNUAL REPORT: The Owner/Operator shall submit its annual report pursuant to 20.6.2.3107 NMAC to the Division's Environmental Bureau by April 15th of each year. The annual report shall include the following:

1. A summary of all major refinery activities or events including: a description of the monitoring and remediation activities, which occurred during the year with any conclusions and recommendations.
2. A summary of any new discoveries of ground water contamination with all leaks, spills and releases, and corrective actions taken. Include recommendations for investigation and/or abatement.
3. Summary tables listing laboratory analyses of all water samples for each monitoring point and plots of concentration vs. time for contaminants of concern from each monitoring point. Any WQCC 20.6.2.3103 NMAC constituent found to exceed the water quality standard shall be highlighted and noted in the annual report. The Owner/Operator shall include copies of the most recent year's laboratory analytical data sheets with QA/QC.
4. Annual water table (piezometric) and potentiometric elevation map per aquifer system(s) using hydrostatic head elevation(s) from associated monitor wells in each aquifer system(s). A corrected water table or head elevation shall be determined for all wells containing phase-separated hydrocarbons. This map shall show aquifer system well locations, pertinent site features, and the ground water flow direction with hydraulic gradient. Include plots of head elevation vs. time for each ground water monitoring well over time.
5. Annual phase-separated hydrocarbon (PSH) and/or product thickness map from ground water in all monitoring and recovery wells. This map shall include isopleths or iso-concentration lines for products and contaminants of concern detected within each aquifer system.
6. Summary of the volume and quality of PSH or free product removed and the discharged treated ground water from the recovery wells during each quarter and the total recovered to date.
7. Results from the ground water monitoring program with any recommendations based on contaminant hydrogeology. Include any recommended abatement or approved Contingency Plan.
8. Summary of all waste and wastewater disposed of, sold, or treated on-site, including a refinery wastewater balance sheet and mass balance of the evaporation pond rates.
9. Electronic filing: Owner/Operator shall file this report in an acceptable electronic format with hard copy submittals to the NMED and OCD.

10. Summary and copies of all EPA/NMED RCRA activity.

3. **CLASS V WELLS:** Pursuant to 20.6.2.5002B NMAC, leach fields and other wastewater disposal systems at Division-regulated facilities that inject non-hazardous fluid into or above an underground source of drinking water are UIC Class V injection wells. This Discharge Permit does not authorize the use of a Class V injection well for the disposal of industrial waste at the Facility, except for the disposal of contaminated ground water. Pursuant to 20.6.2.5005 NMAC, the Owner/Operator shall close any Class V industrial waste injection wells at its Facility that inject non-hazardous industrial wastes or a mixture of industrial wastes and domestic wastes (e.g., septic systems, leach fields, dry wells, etc.) other than contaminated ground water within 90 calendar days of the issuance of this Discharge Permit. The Owner/Operator shall document the closure of any Class V wells used for the disposal of non-hazardous industrial wastes or a mixture of industrial wastes and domestic wastes other than contaminated ground water in its Annual Report.

Other Class V wells, including wells used only for the injection of domestic wastes, must be permitted by the New Mexico Environment Department.

4. **SCHEDULE OF COMPLIANCE:**

A. **PERMIT CERTIFICATION:** The Owner/Operator shall sign and return this Permit to the Division's Environmental Bureau within 30 days of its receipt of this Permit.

B. **SUBMISSION OF THE PERMIT FEES:** As specified in Permit Condition 1.F, the Owner/Operator shall submit the permit fee of \$2,600.00 along with the signed Discharge Permit within 30 days of the receipt of the Discharge Permit. Checks should be payable to the "New Mexico Water Quality Management Fund," not the Oil Conservation Division.

C. **ANNUAL REPORT:** As specified in Permit Condition 2.I, the Owner/Operator shall submit its annual report to the Division's Environmental Bureau by April 15th of each year.

5. **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

Company Representative - print name

Company Representative - Signature

Title: _____

Date: _____

DRAFT



New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

John H. Bemis
Cabinet Secretary-Designate

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

Jami Bailey
Division Director
Oil Conservation Division



SEPTEMBER 14, 2011

Mr. Darrell Moore
Environmental Manager for Water and Waste
Navajo Refining Company - Lovington Refinery
P.O. Box 159
Artesia, New Mexico 88211-0159

**Re: Discharge Permit Renewal (GW-014) Lovington Refinery
SW/4 of Section 31, Township 16 South, Range 37 East; the SE/4 of Section 36,
Township 16 South, Range 36 East; the NW/4 of Section 6, Township 17 South,
Range 37 East; and the NE/4 of Section 1, Township 17 South, Range 36 East,
NMPM, Lea County, New Mexico**

Dear Mr. Moore:

The Oil Conservation Division (OCD) has received Western Refining Southwest, Inc.'s request and initial fee, dated April 5, 2011, to renew GW-014 for the Navajo Refining Company - Lovington Refinery located 5 miles southeast of Lovington, New Mexico, west of the North Lovington Highway. The application for renewal submittal provided the required information in order for the OCD to deem the application administratively complete.

Therefore, the Water Quality Control Commission regulations (WQCC) notice requirements of 20.6.2.3108 NMAC must be satisfied and demonstrated to the OCD. The OCD will provide public notice pursuant to the WQCC notice requirements of 20.6.2.3108 NMAC to determine if there is any public interest. If there are any questions regarding this matter, please do not hesitate to contact me at (505) 476-3490 or CarlJ.Chavez@state.nm.us. On behalf of the OCD, I wish to thank you and your staff for your cooperation during this discharge permit review.

Sincerely,

Carl J. Chavez
Environmental Engineer

CJC/cjc

xc: OCD District I Office, Hobbs

NOTICE OF PUBLICATION

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

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

(GW-014) Navajo Refining Company - Lovington Refinery, Darrell Moore, Environmental Manager for Water and Waste, 7401 S. Main, Lovington, New Mexico 88260, has submitted a renewal application for the Lovington Refinery located in SW/4 of Section 31, Township 16 South, Range 37 East; the SE/4 of Section 36, Township 16 South, Range 36 East; the NW/4 of Section 6, Township 17 South, Range 37 East; and the NE/4 of Section 1, Township 17 South, Range 36 East, NMPM, Lea County, New Mexico located 5 miles southeast of Lovington, New Mexico, west of the North Lovington Highway. The refinery refines up to 75,000 bbl/day of crude oil and treats approximately 6,857 bbl/day of wastewater with a total dissolved solids concentration of approximately 1,850 mg/L, which is discharged into the City of Lovington publicly owned treatment works (POTW). In addition, approximately 26 bbl/day of total sanitary effluent is discharged to three NMED permitted Class V septic systems throughout the facility. There is currently ground water and vadose zone contamination present with remediation or abatement and monitoring in progress. Consequently, there is an ongoing discharge occurring to ground water from vadose zone contamination at the facility. Ground water most likely to be affected by a spill, leak or accidental discharge is at a depth of about 100 feet below the ground surface with a total dissolved solids concentration of approximately 600 mg/L. The discharge permit specifies that Navajo Refining Company will remediate contaminated ground at the site to meet the standards specified in the Water Quality Control Commission regulations (20.6.2.3103 NMAC).

OCD has determined that the applications listed above are administratively complete and has prepared draft permits. OCD 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 OCD web site <http://www.emnrd.state.nm.us/ocd/>. Persons interested in obtaining a copy of the application and draft permit may contact OCD at the address given above. Prior to ruling on any proposed discharge permit or major modification, the Director shall allow a period of at least thirty (30) days after the date of publication of this notice, during which interested persons may submit comments or request that OCD hold a public hearing. Requests for a public hearing shall set forth the reasons why a hearing should be held. A hearing will be held if the Director determines that there is significant public interest.

If no public hearing is held, the Director will approve or disapprove the proposed permit based on 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 español, sirvase comunicarse por favor: New Mexico Energy, Minerals and Natural Resources Department (Depto. Del Energía, Minerals y Recursos Naturales de Nuevo México), Oil Conservation Division (Depto. Conservación 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 14th day of September 2011.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

S E A L

Jami Bailey, Director

Chavez, Carl J, EMNRD

From: Chavez, Carl J, EMNRD
Sent: Tuesday, August 02, 2011 10:30 AM
To: 'Moore, Darrell'
Cc: VonGonten, Glenn, EMNRD; Dade, Randy, EMNRD; Gonzales, Elidio L, EMNRD
Subject: Navajo Refining Company Artesia (GW-028) and Lovington (GW-014) Refineries "Filing Fees" \$100/Ea. Refinery Received

Darrell:

The Oil Conservation Division is in receipt of the filing fees for the above subject refineries and discharge permit renewal applications.

Thank you.

Carl J. Chavez, CHMM
New Mexico Energy, Minerals & Natural Resources Dept.
Oil Conservation Division, Environmental Bureau
1220 South St. Francis Dr., Santa Fe, New Mexico 87505
Office: (505) 476-3490
Fax: (505) 476-3462
E-mail: CarlJ.Chavez@state.nm.us

Website: <http://www.emnrd.state.nm.us/oed/index.htm>

"Why not Prevent Pollution; Minimize Waste; Reduce the Cost of Operations; & Move Forward with the Rest of the Nation?" To see how, go to "Pollution Prevention & Waste Minimization" at:
<http://www.emnrd.state.nm.us/oed/environmental.htm#environmental>)



REFINING COMPANY, LLC

RECEIVED OGD

FAX

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

2011 JUL 29 11:59 AM
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

July 27, 2011

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: APPLICATION FEES FOR DISCHARGE PLANS GW-014 AND GW-028
ARTESIA AND LOVINGTON FACILITIES**

Dear Carl,

Enclosed, please find two checks for \$100 each to pay for the application fees for Discharge Plan GW-014 for our Lovington facility and GW-028 for our Artesia facility. If you have any questions, please call me at 575-748-3311.

Sincerely,
NAVAJO REFINING COMPANY, LLC

Darrell Moore
Environmental Manager for Water and Waste

Encl:

Chavez, Carl J, EMNRD

From: Moore, Darrell [Darrell.Moore@hollycorp.com]
Sent: Tuesday, June 28, 2011 3:54 PM
To: Chavez, Carl J, EMNRD
Cc: Lackey, Johnny
Subject: Discharge Permit Renewals
Attachments: Renewals.pdf

Carl

Attached, please find the renewal applications for our two facilities. After talking with you this morning, I'm not sure if these are required given the new directives from OCD, but it doesn't hurt to cover our bases. I will send the Questionnaires for both facilities before the July 15, 2011 deadline. Thanks for clearing some things up for me this morning.

Darrell Moore
Environmental Manager for Water and Waste
Navajo Refining Company, LLC
Phone Number 575-746-5281
Cell Number 575-703-5058
Fax Number 575-746-5451

CONFIDENTIAL

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Please consider the environment before printing this e-mail.

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District I
1625 N French Dr., Hobbs, NM 88240
District II
1301 W Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources
Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Revised June 10, 2003

Submit Original
Plus 1 Copy
to Santa Fe
1 Copy to Appropriate
District Office

**DISCHARGE PLAN APPLICATION FOR SERVICE COMPANIES, GAS PLANTS,
REFINERIES, COMPRESSOR, GEOTHERMAL FACILITIES
AND CRUDE OIL PUMP STATIONS**

(Refer to the OCD Guidelines for assistance in completing the application)

☐ New ☒ Renewal ☐ Modification

1. Type: _____ Refinery _____ Discharge Plan GW-014 _____

2. Operator: _____ Lea Refining Company, LLC _____

Address: _____ 7401 S. Main Lovington NM 88260 _____

Contact Person: _____ Darrell Moore _____ Phone: _____ 575-748-3311 _____

3. Location: _____ /4 _____ /4 Section _____ Township _____ Range _____

Submit large scale topographic map showing exact location.

~~FOR ITEMS BELOW SEE DISCHARGE PLAN GW-014~~

4. Attach the name, telephone number and address of the landowner of the facility site.
5. Attach the description of the facility with a diagram indicating location of fences, pits, dikes and tanks on the facility.
6. Attach a description of all materials stored or used at the facility.
7. Attach a description of present sources of effluent and waste solids. Average quality and daily volume of waste water must be included.
8. Attach a description of current liquid and solid waste collection/treatment/disposal procedures.
9. Attach a description of proposed modifications to existing collection/treatment/disposal systems.
10. Attach a routine inspection and maintenance plan to ensure permit compliance.
11. Attach a contingency plan for reporting and clean-up of spills or releases.
12. Attach geological/hydrological information for the facility. Depth to and quality of ground water must be included.
13. Attach a facility closure plan, and other information as is necessary to demonstrate compliance with any other OCD rules, regulations and/or orders.

14. CERTIFICATION I hereby certify that the information submitted with this application is true and correct to the best of my knowledge and belief.

Name: _____ Darrell Moore _____

Title: _____ Env. Mgr for Water and Waste _____

Signature: Darrell Moore

Date: _____ June 28, 2011 _____

E-mail Address: _____ darrell.moore@hollycorp.com _____



REFINING COMPANY, LLC

RECEIVED

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

2009 FEB 13 PM 12:49
(575) 746-5419 ACCOUNTING
(575) 746-5451 ENV/PURCH/MKTG
(575) 746-5421 ENGINEERING

February 13, 2009

Mr. Brad Jones
Environmental Engineer
Environmental Bureau
NM Oil Conservation Division
1220 S. St. Francis Drive
Santa Fe, New Mexico 87505

**RE: DISCHARGE PERMIT (GW-14)
NAVAJO REFINING COMPANY – LOVINGTON REFINERY**

Dear Brad,

Enclosed, please find the signed discharge permit (GW-14) for our Lovington Refinery. The permit fee of \$8400 will be sent to you under separate letter. The check comes from our Dallas office but should be in your office early next week.

If there are any questions concerning this submission, please call me at 575-746-5281.

Sincerely,
NAVAJO REFINING COMPANY

Darrell Moore
Environmental manager for Water and Waste

Encl.

New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson
Governor

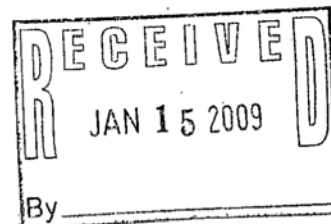
Joanna Prukop
Cabinet Secretary
Reese Fullerton
Deputy Cabinet Secretary

Mark Fesmire
Division Director
Oil Conservation Division



January 12, 2009

Mr. Darrell Moore
Environmental Manager for Water & Waste
Navajo Refining Company- Lovington Refinery
PO Box 159
Artesia, New Mexico 88211-0159



RE: DISCHARGE PERMIT (GW-014)
NAVAJO REFINING COMPANY- LOVINGTON REFINERY

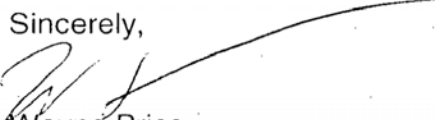
Dear Mr. Moore:

Pursuant to Water Quality Control Commission (WQCC) Regulations (20.6.2.3000 - 20.6.2.3114 NMAC), the Oil Conservation Division (OCD) **hereby approves** the discharge permit for the **Navajo Refining Company- Lovington Refinery (GW-014)** located in the SW/4 of Section 31, Township 16 South, Range 37 East; the SE/4 of Section 36, Township 16 South, Range 36 East; the NW/4 of Section 6, Township 17 South, Range 37 East; and the NE/4 of Section 1, Township 17 South, Range 36 East, NMPM, Lea County, New Mexico, under the conditions specified in the enclosed **Attachment To The 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 owner/operator of responsibility if operations result in pollution of surface water, ground water or the environment. Nor does approval of the permit relieve the owner/operator of its responsibility to comply with any other applicable governmental authority's rules and regulations.

If you have any questions, Please contact Mr. Carl Chavez of my staff at (505-476-3491) or E-mail: 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,


Wayne Price
Environmental Bureau Chief

LWP/cc
Attachments-1
xc: OCD District Office

**ATTACHMENT TO THE DISCHARGE PERMIT
NAVAJO REFINING COMPANY- LOVINGTON REFINERY (GW-014)
DRAFT DISCHARGE PERMIT APPROVAL CONDITIONS**

January 12, 2009

Please remit a check for \$8,400.00 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 shall 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. However, the owner/operator still owes the required \$8,400.00 renewal permit fee for a refinery.
2. **Permit Expiration and Renewal and Penalties:** Pursuant to WQCC Regulations (20.6.2.3109.H.4 NMAC), this permit is valid for a period of five years. **The permit will expire on October 30, 2011** 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, NMSA1978} 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 owner/operator 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 and local environmental regulation(s) and/or ordinance(s).
4. **Owner/Operator Commitments:** The owner/operator shall abide by all commitments submitted in its June 27, 2006, discharge plan renewal application with \$100 Filing Fee, including attachments and subsequent amendments and these conditions for approval. Permit applications that reference previously approved plans on file with the division shall be incorporated in this permit and the owner/operator shall abide by all previous commitments of such plans and these conditions for approval.

5. Modifications: WQCC Regulation 20.6.2.3107.C and 20.6.2.3109 NMAC addresses possible future modifications of a permit. The owner/operator (discharger) shall notify the OCD of any facility expansion, production increases 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 being or will be exceeded, or if a toxic pollutant 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: The owner/operator shall dispose of all oil field exempt and non-exempt non-hazardous wastes at an OCD-approved facility. RCRA non-hazardous, non-exempt oil field wastes regulated by the OCD 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 (See Attachment 1). Only oil field RCRA-exempt and non-exempt non-hazardous wastes may be disposed of by injection in a Class I Well. Only oil field RCRA-exempt wastes may be disposed of by injection in a Class II Well.

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 (See Attachment 1).

B. Waste Storage: The owner/operator 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 owner/operator shall not store oil field waste on-site for more than 180 days unless approved by the OCD.

7. Drum Storage: The owner/operator must store all drums, including empty drums, containing materials other than fresh water on an impermeable pad with curbing. An exception may be allowed where empty containers are triple-rinsed prior to storage and demarcated to indicate rinsing was performed. However, approval shall require submittal of a site diagram(s) displaying the empty container triple-rinse location(s) throughout the refinery with schematics or flow diagrams with explanation of the rinse process, effluent discharge location(s), treatment, storage or disposal of any waste, and equipment within 3 months of permit issuance. Empty containers stored outside of impermeable pads or curbing without a triple rinse designation shall be a violation of this provision. The owner/operator shall store empty containers (non-rinsed) on their sides with the bungs or lids in place and lined up in a horizontal plane. The owner/operator shall store chemicals in other containers, such as drums, tote tanks, sacks, etc., on an impermeable pad with curbing. All storage areas shall be designed and constructed to allow for the separation of incompatible chemicals.

8. Process, Maintenance and Yard Areas: The owner/operator 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 and spills have reached the ground surface.

9. Above Ground Tanks: The owner/operator shall ensure that all above ground tanks have impermeable secondary containment (e.g., liners and berms) with leak detection systems. The owner/operator shall retrofit all existing tanks before discharge permit renewal or within a proposed schedule approved by the OCD within 3 months of permit issuance. Tanks that contain good quality fresh water or fluids that are gases at atmospheric temperature and pressure are exempt from this condition.

All new and existing above ground tanks containing chemicals must be placed or retrofitted over an impermeable pad (60-mil LLDPE reinforced liner with leak detection system) or liner system within a bermed secondary containment area approved by the OCD. The bermed areas shall be constructed to contain a volume of at least one and one-third ($1 + 1/3$) greater than the total volume of the largest tank and/or all interconnected tanks within a bermed containment area. Alternative secondary containment designs must be approved by the OCD.

The owner/operator shall submit a spreadsheet or table identifying all tanks with a work schedule to address this provision (Tank ID #, type of tank, new/used, volume, chemical stored, tank age, last Integrity test date, planned retrofit date and/or construction date, etc.) to the OCD for approval. The owner/operator shall prioritize existing tanks for retrofit based on the toxicity and solubility (contaminant fate-transport potential, etc.) of chemicals (i.e., BTEX, JP4, etc.), site-specific threats to public health, safety, fresh water, and the environment. A work schedule with a phased approach extending beyond the standard 5-Year permit period may be approved by the OCD if submitted within 3 months of permit issuance. The table(s) shall be considered approved if the OCD does not respond within 30 days of receipt of the proposed table and work schedule.

10. Labeling: The owner/operator shall clearly label all tanks, drums, and containers to identify their contents and other emergency notification information. The owner/operator may use a tank code numbering system, which is incorporated into their emergency response plans. Per Section 7 above, all triple-rinsed containers stored outside of impermeable pad areas shall be demarcated to indicate they have been triple-rinsed at approved locations.

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 owner/operator shall retrofit all existing systems without secondary containment and leak detection before discharge permit renewal or within a schedule proposed in a spreadsheet or table approved by the OCD within 3 months of permit issuance. The owner/operator shall develop a spreadsheet record or table that contains

all below-grade tanks, sumps, pits, and ponds. Each device or system shall have an identification, drawing reference, date installed, test dates, test method, pass/fail/repair information with signature, and investigation results w/ date of resolution, if applicable. Navajo shall test at a minimum 20% of each category of device each year or 100% by the expiration date of the permit, if an alternate schedule is not approved by the OCD. The table(s) shall be considered approved if the OCD does not respond to a proposed alternate schedule submitted to OCD within 3 months of permit issuance. An alternate schedule will be considered approved if the OCD does not respond to a submittal within 30 days of receipt. Systems that have secondary containment with leak detection shall have a monthly inspection with fluid level record keeping 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. A list of all below-grade tanks and sumps with schedule for testing or completion, and/or decommission shall be included with the submittal.

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, 60-mil LLDPE liners or other liner approved by the OCD with dual thermal seam (seamless liners preferred), and secondary containment with leak detection system (with the exception of storm water retention or detention ponds that must meet the liner requirement only), 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 owner/ operator shall retrofit all existing systems without secondary containment and leak detection before discharge permit renewal or within a schedule submitted to the OCD and approved within 3 months of permit issuance. A spreadsheet or table of all pits and ponds with schedule for completion shall be included in the submittal and OCD shall approve or deny the submittal within 30 days of receipt. The table(s) and work schedule(s) shall be considered approved if the OCD does not respond within 30 days of receipt.

C. The owner/operator 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. Where netting is not feasible, routine witnessing and/or discovery of dead wildlife and migratory birds shall be reported to the appropriate wildlife agency with notification to the OCD in order to assess and enact measures to prevent the above from reoccurring.

D. The owner/operator shall maintain the records from all tests and inspections at the facility covered by this discharge permit and made available for OCD inspection upon request. The owner/operator shall report the discovery of any system which is found to be leaking or has lost integrity to the OCD within 72 hours of discovery. The owner/operator 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 owner/operator shall notify the OCD at Least 72 hours prior to all testing.

12. Evaporation Ponds: All wastewater discharged to evaporation ponds shall be demonstrated that it meets the definition of EPA RCRA Non-hazardous pursuant to 40 CFR 260-261. A minimum freeboard of two feet shall be maintained in the ponds so that no over topping of wastewater occurs. Any major repairs or modifications to the ponds or leak detection systems must receive prior OCD approval. Any exceedance of the freeboard, rapid loss of head or any leaks or releases shall be reported pursuant to Section 16 (Spill Reporting).

A. Inspections: Evaporation ponds shall be inspected a minimum of three times per week and after any major storm event. Weekly records shall be maintained for all flow rates from all flow meters, fluid levels, freeboard, seepage, flow channels, pipes, valves, liner and dike integrity.

B. Water Quality and Quantity Monitoring: All operational evaporation ponds shall be inspected, sampled and analyzed similar to the frequency of monitor wells in Section 20A and analytical data shall be included in the annual report. In addition, all wastewater from the refinery or other sources entering ponds shall be metered and records maintained and reported in the Annual Summary Report (See Section 22).

C. Temporary and existing storage ponds: Any existing ponds shall be identified as per Section 11B and the owner/operator shall submit either a closure plan for OCD approval or install liners, etc. as required by the permit.

13. Underground Process/Wastewater Lines:

A. The owner/operator shall provide a comprehensive spreadsheet/table listing of all underground process/wastewater pipelines within 3 months of permit issuance to establish the basis for compliance with this provision. The owner/operator shall perform mechanical integrity testing (MIT) at least once every five (5) years and/or complete a minimum of 20% per year of all underground process/wastewater pipeline MITs before the expiration date of the permit to demonstrate the mechanical integrity of all underground process/wastewater pipelines, 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 owner/operator may use other methods for testing if approved by the OCD. The OCD shall be notified at Least 72 hours prior to all testing.

B. The owner/operator 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 (i.e., sanitary effluent lines, triple-rinse flow lines, etc.) must be

approved by the OCD prior to installation. The owner/operator shall report any Leaks or loss of integrity to the OCD within 72 hours of discovery. The owner/operator shall maintain the results of all tests at the facility covered by this discharge permit and records shall be made available to OCD inspectors upon request. The owner/operator shall notify the OCD at Least 72 hours prior to all testing.

14. Class V Wells: The owner/operator shall close all Class V wells (e.g., septic systems, underground sanitary discharge closed system tanks, 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 and/or where the infiltration trench is "deeper than its widest surface dimension," or includes an assemblage of perforated pipes, drain tiles, or other similar mechanisms intended to distribute fluids below the surface of the ground, are considered Class V injection wells under the EPA UIC Program. Class V wells shall be permitted by the New Mexico Environment Department (NMED) if sanitary wastewater is injected into a leach field without processing, treatment or disposal within an OCD treatment system at the facility.

15. Housekeeping: The owner/operator 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. All drains shall be fully functional, unobstructed by sediment buildup and debris to facilitate proper drainage. The owner/operator shall maintain all discharge permit related records at the facility and make records available to OCD inspectors upon request (See Section 21C below).

16. Spill Reporting: The owner/operator 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 owner/operator shall notify the City of Lovington, OCD District Office and the OCD Santa Fe Office within 24 hours and file a written report to OCD Santa Fe within 15 days. The owner/operator shall notify the City of Lovington immediately of any discharge, leak, spill or release that poses an imminent threat to the City's fresh water supply to allow the City to take corrective action(s) to prevent contamination from entering the freshwater gathering system. Note that the owner/operator may also have a federal reporting obligation(s) to the National Response Center when releases to the environment exceed the "Reportable Quantity" or RQ per 40 CFR 302.4 (Designation of Hazardous Substances).

17. OCD Inspections: The OCD may place additional requirements on the facility and modify the permit conditions based on OCD inspections. Subsequent to the OCD's March 14, 2008 inspection of the facility, the following requirements apply:

- i The owner/operator shall submit an updated site map(s) showing the current status of all recovery wells, monitor wells, domestic wells (City of Lovington water supply),

irrigation wells, and pertinent features (i.e., new refinery units, remediation systems, new tanks, expansions, effluent pipeline(s), centralized chemical storage location, oil and gas transmission lines within and proximal to the property and ground water contamination, including storm water basins (detention ponds) if present) before June 30, 2009.

ii The owner/operator shall construct a second impermeable pad area at a centralized chemical storage area, which will serve to separate incompatible chemicals by March 31, 2009. A drawing(s) shall be submitted that illustrates a new centralized chemical storage location in advance of construction activities.

iii The owner/operator is in the process of moving the control room into the main office building, which will impact the number of new and size of existing sanitary septic systems at the facility. The owner/operator shall provide proof of permit application and correspondence with the New Mexico Environment Department (NMED) - Ground Water Quality Bureau for septic system(s) installation before June 30, 2009. The septic system(s) shall be installed by September 30, 2009. Class V wells that inject domestic waste that is not treated at the refinery must be permitted by the NMED (See Section 14).

iv The owner/operator shall cleanup all spills or releases of chemicals regardless of "Minor vs. Major Releases" under OCD Rule 116. Contaminated soils/sediments shall be physically removed or excavated from the ground to eliminate point source contamination to surface and/or ground water throughout the refinery (See Section 16). The only exceptions would be monitor well installation down gradient of releases or potential point source(s) areas that are inaccessible, and process, maintenance and yard areas (See Section 8) where the owner/operator 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.

v The owner/operator shall cleanup chemical spills to soil/sediment media using visual, olfactory, field PID (OCD approved procedures) with final laboratory samples collected (base and sidewalls of excavation) and analyzed for BTEX, TPH and Chlorides at an environmental laboratory implementing standard EPA analytical methods with QA/QC. Analytical laboratory data with photos and supporting documentation shall confirm that contamination has been cleaned up and attached to a final C-141 for OCD approval. The OCD may require additional corrective action(s).

vi The owner/operator shall install monitor wells with 15 foot screens across the water table (monitored for BTEX, TPH and Chlorides with the rest of the facility monitor wells) down gradient of all releases where contaminated soils/sediments are not fully excavated and associated with C-141 reporting (See Attachment 2). Other proposed options, i.e., soil vapor extraction, bioremediation, additional investigation, etc. of contaminated soils to remove the point source of contamination from soil and sediment may be considered for approval by the OCD (see Sections 16 and 20).

vii The owner shall submit annual ground water monitoring reports similar to the contents and format of the "Groundwater Monitoring & Remediation System Performance Report July 2001 – June 2002" (report) from now on in order to reassess the status of vadose zone and contaminant hydrogeology beneath the facility. The recovery system that was installed was apparently discontinued over time as the ground water level dropped below many of the current monitor well screen locations according to the most recent status of operation inquiry. New monitor wells constructed and monitored (See Sections 16(v) and 20) shall be installed within 3 months of permit issuance. Additional down gradient monitor wells are required at locations down gradient from suspected refinery point source areas (See "Attachment 2" C-141 Forms- especially the 10/25/2007 pipeline release discovery) and upgradient from any City of Lovington drinking water supply well in order to safeguard the municipal water supply system. Phase separated hydrocarbons (PSH) shall be reassessed and PSH wells shall be installed within 6 months of permit issuance where product thickness is at or greater than 0.5 ft. Recovery wells may be required anywhere ground water contamination is detected upgradient from a water supply well. The annual monitoring report shall contain a conclusions section with recommendations for any additional corrective actions including additional monitor well locations based on the contaminant hydrogeology from environmental sampling and in the annual report. (See Section 20).

viii The owner/operator shall consider all explosions, fires, etc., regardless of magnitude, duration, etc., to be a "Major Release" under OCD Rule 116 and reported to the OCD accordingly. The owner/operator shall cooperate with the OCD to ensure that all explosions/fires are tracked or recorded and corrective action(s) is implemented in a timely manner to eliminate the recurrence and to protect human health, safety and the environment. The OCD shall assist by following up with the owner/operator to ensure that the refinery is working to address and find solutions to these type of problems as the situation warrants.

ix The owner/operator shall maintain a non-vegetation zone minimum of one-hundred feet radius around any flare stack(s) at all times to help prevent potential fire danger regardless of the season or weather conditions.

x The owner/operator shall maintain all Lovington Refinery records including this discharge permit at the facility and readily available during inspections, site activities, etc. All records shall be made available to OCD Inspectors upon request (See Section 21C).

18. Storm Water: The owner/operator shall implement and maintain run-on and run-off plans and controls. The owner/operator shall separate or isolate chemical contact from non-contact storm water drainage areas at the plant. The owner/operator 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 non-contact storm water run-off drainage area. The owner/operator shall notify the OCD within 24 hours of discovery of any releases and shall take immediate corrective action(s) to mitigate and remediate any discharge.

19. Unauthorized Discharges: The owner/operator 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 and approved herein. **An unauthorized discharge is a violation of this permit.**

20. Surface Water/ Ground Water/ Vadose Zone Monitoring/ Remediation/ Abatement:

The owner/operator 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 owner/operator 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 shall be a violation of the permit.

The owner/operator shall sample, analyze and report ground water contamination to the City of Lovington and OCD in accordance with applicable federal, state and local laws or ordinances. All environmental analytical sampling and testing shall comply with Environmental Protection Agency Standards and Methods. Permanent and/or temporary monitoring and remediation changes must be approved in writing by the OCD.

A. Ground Water and Treatment System Monitoring: Ground water monitoring locations, sample frequency, and laboratory analytical methods are specified in the table below. All permanent changes to the ground water monitor plan must be approved in a "Minor Modification" in writing by the OCD.

Location ^{1,2}	Frequency	Measurement ^{1,2} / Analysis ³
MW-1	Semi-Annual	General chemistry / VOC / SVOC / MTBE / WQCC Metals
MW-2	Semi-Annual	General chemistry / VOC / SVOC / MTBE / WQCC Metals
MW-3	Semi-Annual	General chemistry / VOC / SVOC / MTBE / WQCC Metals
MW-4	Semi-Annual	General chemistry / VOC / SVOC / MTBE / WQCC Metals
MW-5	Semi-Annual	General chemistry / VOC / SVOC / MTBE / WQCC Metals
MW-6	Semi-Annual	General chemistry / VOC / SVOC / MTBE / WQCC Metals
MW-7	Semi-Annual	General chemistry / VOC / SVOC / MTBE / WQCC Metals
MW-8	Semi-Annual	General chemistry / VOC / SVOC / MTBE / WQCC Metals
MW-9	Semi-Annual	General chemistry / VOC / SVOC / MTBE / WQCC Metals
MW-10	Semi-Annual	General chemistry / VOC / SVOC / MTBE / WQCC Metals
New MWs	Semi-Annual	General chemistry / VOC / SVOC / MTBE / WQCC Metals

Location ^{1,2}	Frequency	Measurement ^{1,2} / Analysis ³
All down gradient water supply wells	Semi-Annual	General chemistry / VOC / SVOC / MTBE / WQCC Metals
All RWs	Semi-Annual	General chemistry / VOC / SVOC / MTBE / WQCC Metals
All PSH Wells	Semi-Annual	Measurement of product layer thickness, if present.

PSH= Phase Separated Hydrocarbon or Free-Product
RW= Recovery Well

1. Static water level or water table depth shall be measured in advance of each sampling event with exception of water supply wells and exceedances of the water quality standards displayed as piezometric and iso-concentration maps in reports. All monitor well locations shall be constructed with 15 feet of screen to allow 5 feet of screen above the water table for fluctuations.
2. All MWs and RWs shall be monitored for Phase-Separated Hydrocarbon (PSH) & thickness (to nearest 0.01ft) recorded and displayed as iso-concentration maps in reports. A correction factor for wells containing PSH shall be applied where necessary.
3. Lab methods shall be as follows: Gen. Chem. (300 & other approved methods); VOC (8260B); SVOC (8270/8310); MTBE (8260B) & WQCC Metals (6010).

B. Ground Water and Treatment System Annual Monitoring Report: An annual report shall be submitted to the OCD by April 15th of each year. The annual report shall contain:

1. Description of the monitoring and remediation activities that occurred during the year including conclusions and recommendations.
2. Summary tables listing laboratory analytical results of all water quality sampling for each monitoring point and plots of concentration vs. time for contaminants of concern from each monitoring point. Any WQCC constituent found to exceed the groundwater standard shall be highlighted. Copies of the most recent year's laboratory analytical data sheets supporting plots shall also be submitted.
3. Water table (piezometric) and/or potentiometric surface elevation iso-concentration maps utilizing static water level data shall be included in the annual report to assess local and/or regional ground water flow direction(s). A corrected water table elevation shall be determined from all wells containing phase-separated hydrocarbons. Map shall show all monitoring, recovery, PSH and City of Lovington water supply wells, pertinent site features (i.e., pipelines, effluent lines, etc.), and the direction and magnitude of the hydraulic gradient. All maps shall be to scale. Chemical iso-concentration maps of any contaminants exceeding water quality standards are required.
4. Plots of water table elevation vs. time for each ground water monitoring point from monitoring data is required to assess water table fluctuations and potential for PSH smear zone development or dormancy.

5. Monthly and cumulative flow rates and volumes from PSH and recovery wells and the total recovered to date.

6. Product thickness maps from monitoring based on the thickness of Phase-Separated Hydrocarbons (PSH) or product on ground water in all refinery recovery and monitoring wells shall be included in the report. Maps shall include isopleths to the nearest 0.5 feet or iso-concentration lines to the nearest 10 ppb for organics, 10 - 100 ppm for metals, TDS, etc., for product and contaminants of concern detected during monitoring.

7. File this report in an acceptable electronic format along with hard copies to the City of Lovington and OCD Santa Fe.

C. Vadose Zone Monitoring: The following shall apply:

1. The owner/operator shall implement vadose zone corrective action from releases consistent with Sections 17iv and 17v of this permit. All point sources of contamination shall be removed to eliminate surface water and ground water contamination threats to the environment and the City of Lovington Well Head Protection Area.

2. All verification (analytical data results, photos, C-138s, etc.) of vadose zone remediation shall be documented and submitted to the OCD on a final C-141 with supporting documentation within 30 days of corrective action.

D. Notification of field activities: The following shall apply:

1. The owner/operator shall notify the City of Lovington, OCD Santa Fe and local district office at least 2 weeks in advance of all scheduled field activities to allow OCD the opportunity to witness investigation, remediation, monitoring events and split samples. For large facilities, i.e., refineries, an annual notification may suffice.

2. The owner/operator shall notify the City of Lovington and OCD within 72 hours of the discovery of separated-phase hydrocarbons or the exceedance of WQCC water quality standards detected in any down gradient monitor well from the previous sampling or monitoring event.

21. Additional Site Specific Conditions:

A. Environmental Status Report: The owner/operator shall provide a separate monitoring and remediation environmental status report or presentation to the City of Lovington and OCD within 9 months of permit issuance to provide an update on contaminant hydrogeology with emphasis on threats to the City of Lovington water supply from the facility. PSH locations with thickness; isocon or isopleth maps (i.e., VOCs, SVOCs, MTBE, Gen. Chemistry; and WQCC Metals) and other information that support findings with conclusions and/or recommendations for further remediation.

Include any recent ground water quality monitoring information from monitor and recovery wells, since the report, "Groundwater Monitoring & Remediation System Performance Report (Report) July 2001 – June 2002." This report appears to be the last groundwater monitoring report submitted by Navajo to the OCD with analysis of data, supporting documentation, compilation, and recommendations based on the report. At that time, Navajo had an active treatment system in operation and was continuing quarterly monitoring with the next sampling event scheduled for September 2002. Navajo was continuing to investigate the occurrence of hydrocarbon product with additional work. Surface excavation in the vicinity of the API Separator and installation of additional PSH product recovery wells was also mentioned. According to the report, the leading edge of the benzene plume had reached the North refinery well and was impacting ground water at the drinking water standard of 0.005 mg/L. It was stated that the monitor wells are monitored quarterly for BTEX. The report also stated that the presence of PSH at RW-1, MW-1 and MW-7 was troublesome. Navajo had performed extensive remedial work at the location to eliminate leaks from oil/water separator boxes. Possible remaining sources of the problem may be an unknown crude line in the area or delayed drainage of previously released oil through preferential pathways in the near-surface caliche.

B. New Full-Time Automated Free-Product Recovery System: PSH or product recovery wells shall be installed at or near monitoring locations exhibiting significant product thickness (>0.5 ft.) within 6 months of permit issuance, if warranted, to recover and eliminate the source of ground water contamination from the refinery, if present. PSH or free-product shall be routed to the API Separator for refinery reprocessing, and to address the OCD conservation requirement to prevent the waste of recoverable energy resources. Alternative methods of treatment, storage and/or disposal shall be approved in writing by the OCD.

C. Records: The owner/operator shall store all discharge permit related records and documents at the refinery and make them available to the agencies (City of Lovington and OCD) upon request.

22. Annual Summary Report: On an annual basis due by April 15th, the Owner/Operator may combine the Annual Summary Report herein with the "Ground Water and Treatment System Annual Monitoring Report" (See Section 20B) and submit one formal "Annual Ground Water Monitoring and Summary Report (Report)" to the City of Lovington and OCD Santa Fe. In addition to Section 20B, the Report shall include the following at a minimum:

- A.** Summary of all major refinery activities or events and pollution prevention initiatives to highlight.
- B.** Highlights or results of all aforementioned sampling and monitoring events per Sections 20 and 21.

- C. Summary of all waste and wastewater disposed of, sold, or treated on-site, including a refinery wastewater balance sheet with a mass balance of the any evaporation pond rates, if applicable.
- D. Summary of tanks, sumps and underground wastewater lines tested and or retrofitted.
- E. Summary of all leaks, spills and releases with attached initial and final C-141 forms, supporting information, and corrective actions taken.
- F. Summary of discovery of any new vadose zone and/or ground water contamination or threat to the City of Lovington Well Head Protection Area. This should include recommendations with a schedule for any further investigation, monitoring and remediation.
- G. Summary and Copies of all City of Lovington and OCD activity, i.e., meetings, inspections, etc.

23. Transfer of Discharge Permit (WQCC 20.6.2.3111): Prior to any transfer of ownership, control, or possession (whether by lease, conveyance or otherwise) of a facility with a discharge permit, the transferor shall notify the transferee in writing of the existence of the discharge permit, and shall deliver or send by certified mail to the department a copy of such written notification, together with a certification or other proof that such notification has in fact been received by the transferee. Upon receipt of such notification, the transferee shall have the duty to inquire into all of the provisions and requirements contained in such discharge permit, and the transferee shall be charged with notice of all such provisions and requirements as they appear of record in the OCD's file or files concerning such discharge permit. The transferee (new owner/operator) shall sign and return an original copy of these permit conditions and provide a written commitment to comply with the terms and conditions of the previously approved discharge permit.

24. Closure and Financial Assurance (20.6.2.3107A (11) NMAC): Pursuant to 20.6.2.3107 NMAC an owner/operator shall notify the OCD when any operations of the facility are to be discontinued for a period in excess of six months. Prior to closure, or as a condition of this permit, or request from the OCD, the operator shall submit a closure plan for OCD written approval or modify an existing plan, and/or provide adequate financial assurance in the form of an OCD Letter of Credit for a minimum OCD required amount based on the cost estimate provided below.

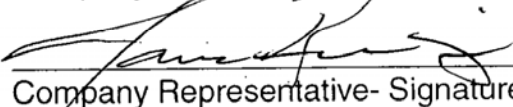
The owner/operator shall submit a closure plan and financial assurance cost estimate for post-cleanup monitoring by September 30, 2009. The plan shall address how any remaining water contaminants will be monitored and/or abated to ensure the protection of public health and safety, fresh water, and the environment for a period of at least 30 years after facility closure.

25. Certification: Navajo Refining Company, by the officer, whose signature appears below, accepts this permit and agrees to comply with all submitted commitments, including these terms and conditions contained herein. **Navajo Refining Company** further acknowledges that the OCD may, for good cause shown, as necessary to protect fresh water, public health, safety, and the environment, change the conditions and requirements of this permit administratively.

Conditions accepted by: "I certify under penalty of law that I have personally examined and am familiar with the information submitted in this document and all attachments and that, based on my inquiry of those individuals immediately responsible for obtaining the information, I believe that the information is true, accurate, and complete. I am aware that there are significant penalties for submitting false information including the possibility of fine and imprisonment."

NAVAJO REFINING CO
Company Name-print name above

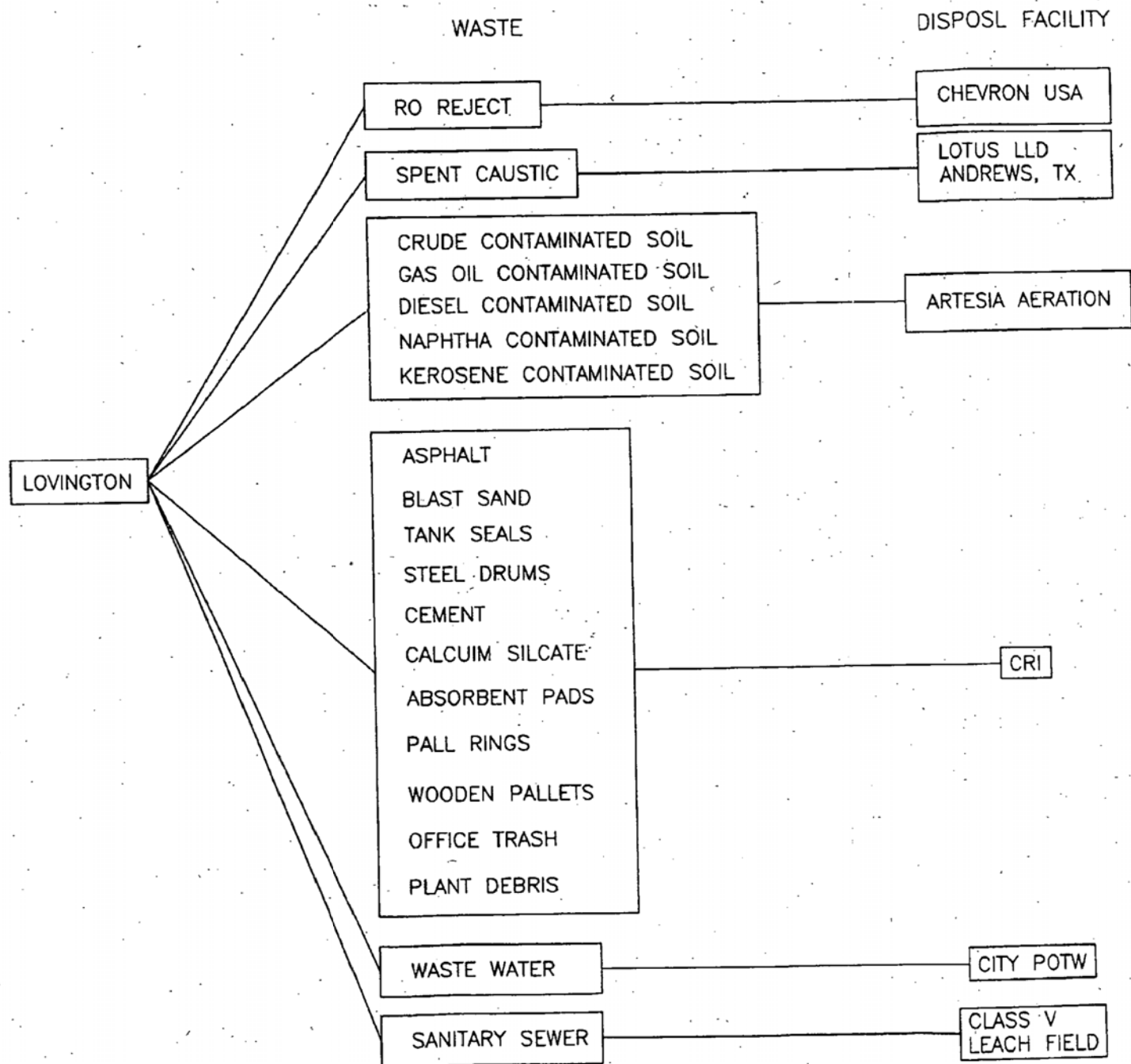
JAMES RESINGER
Company Representative print name


Company Representative- Signature

Title VP NAVAJO REFINING CO

Date: 2/11/09

ATTACHMENT 1



ATTACHMENT 2

District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 South First, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources

Oil Conservation Division
2040 South Pacheco
Santa Fe, NM 87505

Form C-141
Revised March 17, 1999

Submit 2 Copies to appropriate
District Office in accordance
with Rule 116 on back
side of form

Release Notification and Corrective Action

OPERATOR

☒ Initial Report ☐ Final Report

Name of Company Navajo Refining - Lea	Contact Darrell Moore
Address P.O. Drawer 159 Artesia, NM	Telephone No. 505-748-3311
Facility Name	Facility Type

Surface Owner	Mineral Owner	Lease No.
---------------	---------------	-----------

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
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NATURE OF RELEASE

Type of Release Diesel	Volume of Release 70 bbls.	Volume Recovered 30 bbls.
Source of Release Relief valve	Date and Hour of Occurrence 12/7/03 4:00 am	Date and Hour of Discovery 12/7/03 4:00 am
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? E.L. Gonzalez	
By Whom? Darrell Moore	Date and Hour 12/7/03 1:00 pm	
Was a Watercourse Reached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, Volume Impacting the Watercourse.	

If a Watercourse was Impacted, Describe Fully.*

Describe Cause of Problem and Remedial Action Taken.*
Relief valve was left open. When pump was kicked on, the release occurred.

Describe Area Affected and Cleanup Action Taken.* Area is near TK103B. Vacuum truck picked up 30bbls. Liquid. 100yds. of contaminated soil was removed and shipped to CRI. Bottom hole samples have been collected. Awaiting results.

I hereby certify that the information given above is true and complete to the best of my knowledge and understand that pursuant to NMOCD rules and regulations all operators are required to report and/or file certain release notifications and perform corrective actions for releases which may endanger public health or the environment. The acceptance of a C-141 report by the NMOCD marked as "Final Report" does not relieve the operator of liability should their operations have failed to adequately investigate and remediate contamination that pose a threat to ground water, surface water, human health or the environment. In addition, NMOCD acceptance of a C-141 report does not relieve the operator of responsibility for compliance with any other federal, state, or local laws and/or regulations.

Signature: <i>Darrell Moore</i>		OIL CONSERVATION DIVISION	
Printed Name: Darrell Moore		Approved by: District Supervisor:	
Title: Env. Mgr. for Water & Waste		Approval Date:	Expiration Date:
Date: 12/17/03	Phone: 505-748-3311	Conditions of Approval:	Attached <input type="checkbox"/>

* Attach Additional Sheets If Necessary

1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-141
Revised October 10, 2003

Submit 2 Copies to appropriate
District Office in accordance
with Rule 116 on back
side of form

Release Notification and Corrective Action

Name of Company <u>Lea Refining Co.</u>		Contact <u>Darrell Moore</u>
Address		Telephone No. <u>505-746-5281</u>
Facility Name		Facility Type <u>Refinery</u>
Surface Owner	Mineral Owner	Lease No.

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
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Latitude 32°52'38"N Longitude 103°18'00"W

NATURE OF RELEASE

Type of Release <u>Naptha-Kerosene</u>	Volume of Release <u>Unknown</u>	Volume Recovered <u>30bbbls</u>
Source of Release <u>Run Down Line</u>	Date and Hour of Release	Date and Hour of Discovery <u>10/12/05</u>
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? <u>Larry Johnson OGD</u>	
By Whom? <u>Darrell Moore</u>	Date and Hour <u>10/13/05 8:30am</u>	
Was a Watercourse Reached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, Volume Impacting the Watercourse.	

If a Watercourse was Impacted, Describe Fully.*

Describe Cause of Problem and Remedial Action Taken * Line developed leak. Leak was clamped off and free standing product was vacuumed up. Line is being inspected for potential replacement.

Describe Area Affected and Cleanup Action Taken.* Affected area is near the RO Unit and under pipe rack. Crew will remove contaminated dirt which will be profiled for disposal. Bottom samples will be analyzed.

I hereby certify that the information given above is true and complete to the best of my knowledge and understand that pursuant to NMOCD rules and regulations all operators are required to report and/or file certain release notifications and perform corrective actions for releases which may endanger public health or the environment. The acceptance of a C-141 report by the NMOCD marked as "Final Report" does not relieve the operator of liability should their operations have failed to adequately investigate and remediate contamination that pose a threat to ground water, surface water, human health or the environment. In addition, NMOCD acceptance of a C-141 report does not relieve the operator of responsibility for compliance with any other federal, state, or local laws and/or regulations.

Signature: <u>Darrell Moore</u>	OIL CONSERVATION DIVISION	
Printed Name: <u>Darrell Moore</u>	Approved by District Supervisor:	
Title <u>Env. Mgr. for Water & Waste</u>	Approval Date:	Expiration Date:
E-mail Address <u>darrell.moore@navajo-refining.com</u>	Conditions of Approval:	Attached <input type="checkbox"/>
Date: <u>10/14/05</u>	Phone: <u>505-746-5281</u>	

* Attach Additional Sheets if Necessary

District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 South First, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources

Oil Conservation Division
2040 South Pacheco
Santa Fe, NM 87505

FILE COPY

Form C-141
Revised March 17, 1999

Submit 2 Copies to appropriate
District Office in accordance
with Rule 116 on back
side of form

Release Notification and Corrective Action

OPERATOR

☒ Initial Report ☐ Final Report

Name of Company Navajo Lea Refining Co. LLC	Contact Darrell Moore	
Address 7406 S. Main Lovington, NM	Telephone No. 575-748-3311	
Facility Name Lovington Plant	Facility Type Petroleum Refinery	
Surface Owner	Mineral Owner	Lease No.

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
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NATURE OF RELEASE

Type of Release Crude Oil	Volume of Release 20 bbls	Volume Recovered 5 bbls
Source of Release Sump at pipeline	Date and Hour of Occurrence 10/10/07 8:00am	Date and Hour of Discovery 10/10/07 8:00am
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? Hobbs OCD voicemail-on call phone	
By Whom? Doug Price	Date and Hour 10/10/07 9:05am	
Was a Watercourse Reached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, Volume Impacting the Watercourse.	
If a Watercourse was Impacted, Describe Fully.*		
Describe Cause of Problem and Remedial Action Taken.* During switching from one crude tank to the other, relief valve released filling up sump and overrunning. Vacuum was used to suck up free oil.		
Describe Area Affected and Cleanup Action Taken.* Area affected is in two areas of about 10' wide by 100' long each. Contaminated soil has been picked up and bottom hole TPH samples taken. Waiting on results		
I hereby certify that the information given above is true and complete to the best of my knowledge and understand that pursuant to NMOCD rules and regulations all operators are required to report and/or file certain release notifications and perform corrective actions for releases which may endanger public health or the environment. The acceptance of a C-141 report by the NMOCD marked as "Final Report" does not relieve the operator of liability should their operations have failed to adequately investigate and remediate contamination that pose a threat to ground water, surface water, human health or the environment. In addition, NMOCD acceptance of a C-141 report does not relieve the operator of responsibility for compliance with any other federal, state, or local laws and/or regulations		
Signature: <i>Darrell Moore</i>	OIL CONSERVATION DIVISION	
Printed Name: Darrell Moore	Approved by District Supervisor:	
Title: Env. Mgr. for Waste & Water	Approval Date	Expiration Date
Date: 10/18/07 Phone: 575-748-3311	Conditions of Approval	Attached <input type="checkbox"/>

* Attach Additional Sheets If Necessary

FILE COPY

District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 South First, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources
Oil Conservation Division
2040 South Pacheco
Santa Fe, NM 87505

Form C-141
Revised March 17, 1999

Submit 2 Copies to appropriate
District Office in accordance
with Rule 116 on back
side of form

Release Notification and Corrective Action

OPERATOR

☒ Initial Report ☐ Final Report

Name of Company Navajo Refining Co. LLC	Contact Darrell Moore
Address 7406 S. Main Lovington, NM	Telephone No. 575-746-5281
Facility Name Lovington Refinery	Facility Type Petroleum Refinery

Surface Owner	Mineral Owner	Lease No.
---------------	---------------	-----------

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
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NATURE OF RELEASE

Type of Release Crude Oil	Volume of Release Unknown	Volume Recovered 2 bbls
Source of Release Hole in pipeline	Date and Hour of Occurrence Unknown	Date and Hour of Discovery 10/25/07 10:00am
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? Larry Johnson, Hobbs OCD, Wayne Price Santa Fe, OCD	
By Whom? Darrell Moore	Date and Hour 3:30 pm 10/25/07	
Was a Watercourse Reached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, Volume Impacting the Watercourse.	

If a Watercourse was Impacted, Describe Fully.*

Describe Cause of Problem and Remedial Action Taken.* A pool of oil was noticed along a pipe-run. Upon investigation, a hole was discovered in a pipe. The pipe was excavated and clamped.

Describe Area Affected and Cleanup Action Taken.* 20 yds of contaminated soil has been removed to uncover the pipe. The vertical limit has not been reached and the location within the pipe run makes it difficult to clean under it.

I hereby certify that the information given above is true and complete to the best of my knowledge and understand that pursuant to NMOCD rules and regulations all operators are required to report and/or file certain release notifications and perform corrective actions for releases which may endanger public health or the environment. The acceptance of a C-141 report by the NMOCD marked as "Final Report" does not relieve the operator of liability should their operations have failed to adequately investigate and remediate contamination that pose a threat to ground water, surface water, human health or the environment. In addition, NMOCD acceptance of a C-141 report does not relieve the operator of responsibility for compliance with any other federal, state, or local laws and/or regulations.

OIL CONSERVATION DIVISION

Signature: <i>Darrell Moore</i>	Approved by District Supervisor	
Printed Name: Darrell Moore	Approval Date:	Expiration Date:
Title: Env. Mgr for Water & Waste	Conditions of Approval:	
Date: 10/25/07	Phone: 575-746-5281	Attached <input type="checkbox"/>

* Attach Additional Sheets If Necessary

District I
1625 N. French Dr., Hobbs, NM 88240
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1000 Rio Brazos Road, Aztec, NM 87410
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2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources

Oil Conservation Division
2040 South Pacheco
Santa Fe, NM 87505

Form C-141
Revised March 17, 1999

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side of form

Release Notification and Corrective Action

OPERATOR

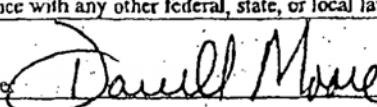
☒ Initial Report ☐ Final Report

Name of Company Navajo Refining Co. LLC	Contact Darrell Moore	
Address 7406 Si Main Lovington, NM 88260	Telephone No. 505-703-5058	
Facility Name	Facility Type Petroleum Refinery	
Surface Owner	Mineral Owner	Lease No.

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
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NATURE OF RELEASE

Type of Release Caustic	Volume of Release 150 Bbls	Volume Recovered 120 Bbls
Source of Release Caustic Scrubber	Date and Hour of Occurrence 7/10/08 5:30 am	Date and Hour of Discovery 7/10/08 6:00 am
Was Immediate Notice Given? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom?	
By Whom?	Date and Hour	
Was a Watercourse Reached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, Volume Impacting the Watercourse.	
If a Watercourse was Impacted, Describe Fully.*		
Describe Cause of Problem and Remedial Action Taken.* Relief valve hung in the open position and filled sump. Which then over flowed. Valve is being replaced.		
Describe Area Affected and Cleanup Action Taken.* Area affected is to the east and south of caustic scrubber. Happened during a rain event, so most of material was floating on water. Vacuum truck sucked up spill material. Contaminated soil will be removed.		
I hereby certify that the information given above is true and complete to the best of my knowledge and understand that pursuant to NMOCD rules and regulations all operators are required to report and/or file certain release notifications and perform corrective actions for releases which may endanger public health or the environment. The acceptance of a C-141 report by the NMOCD marked as "Final Report" does not relieve the operator of liability should their operations have failed to adequately investigate and remediate contamination that pose a threat to ground water, surface water, human health or the environment. In addition, NMOCD acceptance of a C-141 report does not relieve the operator of responsibility for compliance with any other federal, state, or local laws and/or regulations.		
Signature 	OIL CONSERVATION DIVISION	
Printed Name: Darrell Moore	Approved by District Supervisor:	
Title: Env. Mgr. for Water & Waste	Approval Date:	Expiration Date:
Date: 7/10/08 Phone: 575-703-5058	Conditions of Approval:	Attached <input type="checkbox"/>

* Attach Additional Sheets If Necessary



Infrastructure, environment, buildings

RECEIVED

2009 JAN 14 PM 1 23

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

Sent Certified Mail Return Receipt # 7002 2410 0001 58133 0066

Subject:

Navajo Refining Company Lovington Refinery (GW-104) Discharge Permit Renewal
Application Proof of Notice

Mr. Chavez:

On behalf of Navajo Refining Company I am respectfully submitting this proof of notice for the Navajo Refining Company Lovington Refinery (GW-104) discharge permit renewal application. The attached proof of notice includes a letter to Pat Wise, City of Lovington City Manager with copies of the public notice and the public notice and affidavit of publication in the Lovington Leader on January 3, 2009.

If you have any questions or require additional information please contact Darrell Moore or me.

Sincerely,

ARCADIS

Sharon E. Hall

Sharon E. Hall
Associate Vice President

Copies:

Darrell Moore- Navajo Refining Company

1004 North Big Spring Street
Suite 300
Midland
Texas 79701
Tel 432.687.5400
Fax 432.687.5401
www.arcadis-us.com

Date:

January 9, 2009

Contact:

Sharon Hall

Phone:

432 687-5400

Email:

shall@aracdis-us.com

Our ref:

MT001007.0001.00001

Imagine the result

AFFIDAVIT OF PUBLICATION

Lovington ~~Daily~~ Leader

P.O. BOX 1717, Lovington, New Mexico 88260
(575) ~~(506)~~ 396 2844 (PHONE) & (575) 396-5775 (FAX)

**STATE OF NEW MEXICO
COUNTY OF Lea**

I Joyce Clemens (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 Lovington ~~Daily~~ Leader is a newspaper, which is published ⁱⁿ ~~at~~, Lovington, Lea 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:

January 3, 2009

THE NAME OF THE COMPANY: NAVAJO REFINING COMPANY

PROJECT SITE: (GW-014) NAVAJO REFINING COMPANY - LOVINGTON REFINERY

TYPE OF NOTICE: APPLICATION FOR DISCHARGE PERMIT RENEWAL

AUTHORIZED SIGNATURE:

Joyce Clemens
Title Advertising Director

SUBSCRIBED AND SWORN TO BEFORE ME ON THE

7th DAY OF January, 2009.

NOTARY SIGNATURE :

Addie Schilling
MY COMMISSION EXPIRES ON : June 22, 2010
NOTARY PUBLIC IN AND FOR THE COUNTY OF EDDY, NEW MEXICO

Please attach a newsprint clip of the published notice.

LEGAL NOTICE
NOTICE OF PUBLICATION
Navajo Refining Company
- Lovington, New Mexico

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

(GW-014) Navajo Refining Company, Darrell Moore (505) 748-3311, P.O. Box 159, Artesia, New Mexico, 88211-0159, has submitted a renewal application for the Navajo refining Company-Lovington Refinery (GW-014) located in the SW/4 of Section 31, Township 16 South, Range 37 East; the SE/4 of Section 36, Township 16 South, Range 36 East; the NW/4 of Section 6, Township 17 South, Range 37 East; and the NE/4 of Section 1, Township 17 South, Range 36 East, NMPM, Lea County, New Mexico. The refinery is located about 5 miles southeast of Lovington, New Mexico, just west of the North Lovington Hwy. The facility is within the City of Lovington Well Head Protection Area. Approximately 288,000 gallons per day of treated refinery waste water with a total dissolved solids concentration of approximately 1,850 mg/L will undergo treatment in a USEPA regulated pre-treatment unit prior to discharge to the City of Lovington publically owned treatment works (POTW). Approximately 1,100 gallons per day of total sanitary effluent is discharged to various localized septic systems across the facility. A new Underground Injection Control "Class V" well permit for a sanitary waste water leach field system will be overseen by New Mexico Environment Department. Groundwater most likely to be affected by a spill, leak or accidental discharge is at a depth of approximately 90 feet below the ground surface, with a total dissolved solids concentration of approximately 500 mg/L. The discharge plan addresses how spills, leaks, and other accidental discharges to the surface will be managed including methods and procedures for handling products, waste, waste water management, and site investigation or abatement plans.

The NMOCD has determined that the applications listed above are administratively complete and has prepared draft permits. 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. Request 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 Lovington Leader January 3, 2009.

AFFIDAVIT OF PUBLICATION

Lovington ~~Daily~~ Leader

P.O. BOX 1717, Lovington, New Mexico 88260
(575) (505) 396 2844 (PHONE) & (575) 396-5775 (FAX)

**STATE OF NEW MEXICO
COUNTY OF Lea**

I Joyce Clemens (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 Lovington ~~Daily~~ Leader is a newspaper, which is published ⁱⁿ ~~daily~~, Lovington, Lea 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:

January 3, 2009

THE NAME OF THE COMPANY: NAVAJO REFINING COMPANY

PROJECT SITE: (GW-014) NAVAJO REFINING COMPANY - LOVINGTON REFINERY

TYPE OF NOTICE: APPLICATION FOR DISCHARGE PERMIT RENEWAL

AUTHORIZED SIGNATURE:

Joyce Clemens
Title Advertising Director

SUBSCRIBED AND SWORN TO BEFORE ME ON THE

7th DAY OF January, 2009.

NOTARY SIGNATURE :

Debbie Schilling
MY COMMISSION EXPIRES ON : June 22, 2010
NOTARY PUBLIC IN AND FOR THE COUNTY OF EDDY, NEW MEXICO

Please attach a newsprint clip of the published notice.

LEGAL NOTICE
AVISO DE
PUBLICACIÓN

Navajo Refining Company
Lovington, Nuevo México

Por la presente, se emite aviso de que, conforme a las regulaciones de la Comisión de Control de Calidad de Agua de Nuevo México (NMAC 20.6.2.3106), la(s) siguiente(s) solicitud(es) de Permiso de Descarga ha(n) sido sometida(s) al Director de la División de Conservación de Petróleo de Nuevo México (NMOCD, por sus siglas en inglés), S. Saint Francis Drive, Santa Fe, New Mexico 87505; teléfono (505) 476-3440:

(GW-014) Navajo Refining Company, Darrell Moore (505) 748-3311, Apartado Postal 159, Artesia, Nuevo México, 88211-0159 ha sometido una solicitud de renovación para la Navajo Refining Company-Lovington Refinery (GW-014), ubicada en el SW/4 de la Sección 31, del Municipio 16 Sur, Rango 37 Este; SE/4 de la Sección 36, Municipio 16 Sur, Rango 36 Este; NW/4 de la Sección 6, Municipio 17 Sur, Rango 37 Este; NE/4 de Sección 1, Municipio 17 Sur, Rango 36 Este, NMPM, Condado de Lea, Nuevo México. La refinería está situada cerca de 5 millas al sudeste de Lovington, Nuevo México, justo al oeste de la Autopista Lovington Norte. Las instalaciones están dentro del Área de Protección de Manantiales de la Ciudad de Lovington. Aproximadamente, 288,000 galones diarios de agua residual tratada de refinería, con una concentración de sólidos disueltos totales de aproximadamente 1,850 mg/L, se someterán a tratamiento en una unidad de pretratamiento regulada por la Agencia de Protección Ambiental de los Estados Unidos (USEPA, por sus siglas en inglés) antes de descargar a la Planta Pública de Tratamiento de Aguas Residuales (POTW, por sus siglas en inglés) de la Ciudad de Lovington. Aproximadamente 1,100 galones diarios de efluente sanitario total se descarga a varios sistemas sépticos localizados a través de las instalaciones. El Departamento Ambiental de Nuevo México examinará un nuevo Permiso de Pozo para el Control de Inyección Subterránea Clase V para un sistema de lixiviado de campo de agua sanitaria residual. El agua subterránea más probablemente afectada por un derrame, filtración o descarga accidental está a una profundidad de aproximadamente 90 pies debajo de la superficie del suelo, con un concentración de sólidos disueltos totales de aproximadamente 500 mg/L. El Plan de Descarga trata sobre cómo los derrames, filtraciones y otras descargas accidentales a la superficie se manejarán e incluye métodos y procedimientos para manejar productos, desechos, manejo de agua residual y planes de investigación o mitigación de instalaciones.

El NMOCD determinó que las solicitudes listadas arriba están administrativamente completas y preparó permisos preliminares. El NMOCD aceptará comentarios y declaraciones de interés con respecto a esta solicitud y creará una lista de envío para cada instalación para personas que deseen recibir avisos futuros. Las personas interesadas en obtener información adicional, someter comentarios o solicitar aparecer en la lista de envío de cada instalación para recibir avisos en el futuro pueden contactar al Jefe de la Oficina Ambiental de la División de Conservación de Petróleo a la dirección suministrada arriba. La determinación de compleción administrativa y el permiso preliminar se pueden revisar en la dirección suministrada arriba entre las 8:00 de la mañana y 4:00 de la tarde, de lunes a viernes o se pueden examinar también en el portal del NMOCD, <http://www.emnrd.state.nm.us/ocd>. Los interesados en obtener una copia de la solicitud y el permiso preliminar pueden contactar al NMOCD en la dirección proporcionada arriba. Antes de la resolución de cualquier Permiso de Descarga propuesto o modificación mayor, el Director dará un período de por lo menos 30 días después de la fecha de publicación de este aviso, durante el cual los interesados pueden someter comentarios o solicitar que el NMOCD lleve a cabo una vista pública. La solicitud para la vista pública expondrá las razones por las cuales una vista debe ser llevada a cabo. La vista se llevará a cabo si el Director determina que existe interés público significativo.

Si no se lleva a cabo ninguna vista pública, el Director aprobará o rechazará el permiso basado en la información disponible, incluyendo todos los comentarios recibidos. Si se lleva a cabo una vista pública, el Director aprobará o rechazará el permiso propuesto basado en la información contenida en la solicitud del permiso e información sometida durante la vista.

Published in the Lovington Leader January 3, 2009.



Infrastructure, environment, buildings

Pat Wise
Lovington City Manager
214 South Love Street
Lovington, New Mexico 88260

1004 North Big Spring Street
Suite 300
Midland
Texas 79701
Tel 432.687.5400
Fax 432.687.5401
www.arcadis-us.com

Sent by Certified Mail #7002 2410 0001 5813 0004

Subject:

Public Notice- Navajo Refining Company Discharge Permit Renewal

Dear Mr Wise:

Date:

December 22, 2008

Navajo Refining Company has made application to New Mexico Oil Conservation Division to renew their Discharge Permit. As the City of Lovington owns the publicly owned treatment works (POTW) to which the discharge will be made you are being sent the attached Public Notice in both English and Spanish. The public notices will also be posted in the Lovington Daily Leader on Sunday January 4th, 2009.

Contact:

Sharon E. Hall

Phone:

432 687-5400

Email:

shall@arcadis-us.com

If you have any questions regarding this notice please call Darrell Moore with Navajo Refining Company (575 746-5281) or me at 432 687-5400

Our ref:

MT001007

Sincerely,

ARCADIS

A handwritten signature in cursive script that reads 'Sharon E. Hall'.

Sharon E. Hall
Associate Vice President

Copies:

Darrell Moore- Navajo Refining Company (email)

Imagine the result

NOTICE OF PUBLICATION

Navajo Refining Company
Lovington, New Mexico

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

(GW-014) Navajo Refining Company, Darrell Moore (505) 748-3311, P.O. Box 159, Artesia, New Mexico, 88211-0159, has submitted a renewal application for the Navajo refining Company-Lovington Refinery (GW-014) located in the SW/4 of Section 31, Township 16 South, Range 37 East; the SE/4 of Section 36, Township 16 South, Range 36 East; the NW/4 of Section 6, Township 17 South, Range 37 East; and the NE/4 of Section 1, Township 17 South, Range 36 East, NMPM, Lea County, New Mexico. The refinery is located about 5 miles southeast of Lovington, New Mexico, just west of the North Lovington Hwy. The facility is within the City of Lovington Well Head Protection Area. Approximately 288,000 gallons per day of treated refinery waste water with a total dissolved solids concentration of approximately 1,850 mg/L will undergo treatment in a USEPA regulated pretreatment unit prior to discharge to the City of Lovington publically owned treatment works (POTW). Approximately 1,100 gallons per day of total sanitary effluent is discharged to various localized septic systems across the facility. A new Underground Injection Control "Class V" well permit for a sanitary waste water leach field system will be overseen by New Mexico Environment Department. Groundwater most likely to be affected by a spill, leak or accidental discharge is at a depth of approximately 90 feet below the ground surface, with a total dissolved solids concentration of approximately 500 mg/L. The discharge plan addresses how spills, leaks, and other accidental discharges to the surface will be managed including methods and procedures for handling products, waste, waste water management, and site investigation or abatement plans.

The NMOCD has determined that the applications listed above are administratively complete and has prepared draft permits. 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. Request 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.

AVISO DE PUBLICACIÓN

Navajo Refining Company
Lovington, Nuevo México

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SENDER: COMPLETE THIS SECTION

Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
Print your name and address on the reverse so that we can return the card to you.
Attach this card to the back of the mailpiece, either on the front if space permits.

Addressed to:

Pat Wise
Lovington City Manager
214 South Love Street
Lovington, NM 88260

COMPLETE THIS SECTION ON DELIVERY

A. Signature

Rhonda Jones

☐ Agent

☐ Addressee

B. Received by (Printed Name)

Rhonda Jones

C. Date of Delivery

12-26

D. Is delivery address different from item 1? ☐ Yes

If YES, enter delivery address below:

☐ No

3. Service Type

☒ Certified Mail

☐ Express Mail

☐ Registered

☐ Return Receipt for Merchandise

☐ Insured Mail

☐ C.O.D.

4. Restricted Delivery? (Extra Fee)

☐ Yes

Postage Number

(Transfer from service label)

7002 2410 0001 5813 0004

Postmark 3811, August 2001

Domestic Return Receipt

102595-0

U.S. Postal Service™

CERTIFIED MAIL™ RECEIPT

(Domestic Mail Only; No Insurance Coverage Provided)

For delivery information visit our website at www.usps.com®

OFFICIAL USE

Postage	\$
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$

Postmark
Here

~~Post to~~ Wise

~~Lovington City Manager~~

~~214 South Love Street~~

~~City, State, ZIP+4~~
Lovington, NM 88260

7002 2410 0001 5813 0000 4000



REFINING COMPANY, LLC

RECEIVED

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

2009 FEB 17 PM 12:49

(575) 746-5451 ACCOUNTING

(575) 746-5451 ENV/PURCH/MKTG

(575) 746-5421 ENGINEERING

February 13, 2009

Mr. Brad Jones
Environmental Engineer
Environmental Bureau
NM Oil Conservation Division
1220 S. St. Francis Drive
Santa Fe, New Mexico 87505

RE: DISCHARGE PERMIT (GW-14)
NAVAJO REFINING COMPANY – LOVINGTON REFINERY

Dear Brad,

Enclosed, please find the signed discharge permit (GW-14) for our Lovington Refinery. The permit fee of \$8400 will be sent to you under separate letter. The check comes from our Dallas office but should be in your office early next week.

If there are any questions concerning this submission, please call me at 575-746-5281.

Sincerely,

NAVAJO REFINING COMPANY

Darrell Moore
Environmental manager for Water and Waste

Encl.

New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson
Governor

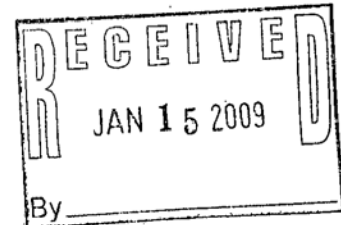
Joanna Prukop
Cabinet Secretary
Reese Fullerton
Deputy Cabinet Secretary

Mark Fesmire
Division Director
Oil Conservation Division



January 12, 2009

Mr. Darrell Moore
Environmental Manager for Water & Waste
Navajo Refining Company- Lovington Refinery
PO Box 159
Artesia, New Mexico 88211-0159



**RE: DISCHARGE PERMIT (GW-014)
NAVAJO REFINING COMPANY- LOVINGTON REFINERY**

Dear Mr. Moore:

Pursuant to Water Quality Control Commission (WQCC) Regulations (20.6.2.3000 - 20.6.2.3114 NMAC), the Oil Conservation Division (OCD) **hereby approves** the discharge permit for the **Navajo Refining Company- Lovington Refinery (GW-014)** located in the SW/4 of Section 31, Township 16 South, Range 37 East; the SE/4 of Section 36, Township 16 South, Range 36 East; the NW/4 of Section 6, Township 17 South, Range 37 East; and the NE/4 of Section 1, Township 17 South, Range 36 East, NMPM, Lea County, New Mexico, under the conditions specified in the enclosed **Attachment To The 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 owner/operator of responsibility if operations result in pollution of surface water, ground water or the environment. Nor does approval of the permit relieve the owner/operator of its responsibility to comply with any other applicable governmental authority's rules and regulations.

If you have any questions, Please contact Mr. Carl Chavez of my staff at (505-476-3491) or E-mail: 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,


Wayne Price
Environmental Bureau Chief

LWP/cc
Attachments-1
xc: OCD District Office

**ATTACHMENT TO THE DISCHARGE PERMIT
NAVAJO REFINING COMPANY- LOVINGTON REFINERY (GW-014)
DRAFT DISCHARGE PERMIT APPROVAL CONDITIONS**

January 12, 2009

Please remit a check for \$8,400.00 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 shall 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. However, the owner/operator still owes the required \$8,400.00 renewal permit fee for a refinery.
2. **Permit Expiration and Renewal and Penalties:** Pursuant to WQCC Regulations (20.6.2.3109.H.4 NMAC), this permit is valid for a period of five years. **The permit will expire on October 30, 2011** 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, NMSA1978} 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 owner/operator 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 and local environmental regulation(s) and/or ordinance(s).
4. **Owner/Operator Commitments:** The owner/operator shall abide by all commitments submitted in its June 27, 2006, discharge plan renewal application with \$100 Filing Fee, including attachments and subsequent amendments and these conditions for approval. Permit applications that reference previously approved plans on file with the division shall be incorporated in this permit and the owner/operator shall abide by all previous commitments of such plans and these conditions for approval.

5. Modifications: WQCC Regulation 20.6.2.3107.C and 20.6.2.3109 NMAC addresses possible future modifications of a permit. The owner/operator (discharger) shall notify the OCD of any facility expansion, production increases 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 being or will be exceeded, or if a toxic pollutant 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: The owner/operator shall dispose of all oil field exempt and non-exempt non-hazardous wastes at an OCD-approved facility. RCRA non-hazardous, non-exempt oil field wastes regulated by the OCD 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 (See Attachment 1). Only oil field RCRA-exempt and non-exempt non-hazardous wastes may be disposed of by injection in a Class I Well. Only oil field RCRA-exempt wastes may be disposed of by injection in a Class II Well.

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 (See Attachment 1).

B. Waste Storage: The owner/operator 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 owner/operator shall not store oil field waste on-site for more than 180 days unless approved by the OCD.

7. Drum Storage: The owner/operator must store all drums, including empty drums, containing materials other than fresh water on an impermeable pad with curbing. An exception may be allowed where empty containers are triple-rinsed prior to storage and demarcated to indicate rinsing was performed. However, approval shall require submittal of a site diagram(s) displaying the empty container triple-rinse location(s) throughout the refinery with schematics or flow diagrams with explanation of the rinse process, effluent discharge location(s), treatment, storage or disposal of any waste, and equipment within 3 months of permit issuance. Empty containers stored outside of impermeable pads or curbing without a triple rinse designation shall be a violation of this provision. The owner/operator shall store empty containers (non-rinsed) on their sides with the bungs or lids in place and lined up in a horizontal plane. The owner/operator shall store chemicals in other containers, such as drums, tote tanks, sacks, etc., on an impermeable pad with curbing. All storage areas shall be designed and constructed to allow for the separation of incompatible chemicals.

8. Process, Maintenance and Yard Areas: The owner/operator 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 and spills have reached the ground surface.

9. Above Ground Tanks: The owner/operator shall ensure that all above ground tanks have impermeable secondary containment (e.g., liners and berms) with leak detection systems. The owner/operator shall retrofit all existing tanks before discharge permit renewal or within a proposed schedule approved by the OCD within 3 months of permit issuance. Tanks that contain good quality fresh water or fluids that are gases at atmospheric temperature and pressure are exempt from this condition.

All new and existing above ground tanks containing chemicals must be placed or retrofitted over an impermeable pad (60-mil LLDPE reinforced liner with leak detection system) or liner system within a bermed secondary containment area approved by the OCD. The bermed areas shall be constructed to contain a volume of at least one and one-third ($1 + 1/3$) greater than the total volume of the largest tank and/or all interconnected tanks within a bermed containment area. Alternative secondary containment designs must be approved by the OCD.

The owner/operator shall submit a spreadsheet or table identifying all tanks with a work schedule to address this provision (Tank ID #, type of tank, new/used, volume, chemical stored, tank age, last Integrity test date, planned retrofit date and/or construction date, etc.) to the OCD for approval. The owner/operator shall prioritize existing tanks for retrofit based on the toxicity and solubility (contaminant fate-transport potential, etc.) of chemicals (i.e., BTEX, JP4, etc.), site-specific threats to public health, safety, fresh water, and the environment. A work schedule with a phased approach extending beyond the standard 5-Year permit period may be approved by the OCD if submitted within 3 months of permit issuance. The table(s) shall be considered approved if the OCD does not respond within 30 days of receipt of the proposed table and work schedule.

10. Labeling: The owner/operator shall clearly label all tanks, drums, and containers to identify their contents and other emergency notification information. The owner/operator may use a tank code numbering system, which is incorporated into their emergency response plans. Per Section 7 above, all triple-rinsed containers stored outside of impermeable pad areas shall be demarcated to indicate they have been triple-rinsed at approved locations.

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 owner/operator shall retrofit all existing systems without secondary containment and leak detection before discharge permit renewal or within a schedule proposed in a spreadsheet or table approved by the OCD within 3 months of permit issuance. The owner/operator shall develop a spreadsheet record or table that contains

all below-grade tanks, sumps, pits, and ponds. Each device or system shall have an identification, drawing reference, date installed, test dates, test method, pass/fail/repair information with signature, and investigation results w/ date of resolution, if applicable. Navajo shall test at a minimum 20% of each category of device each year or 100% by the expiration date of the permit, if an alternate schedule is not approved by the OCD. The table(s) shall be considered approved if the OCD does not respond to a proposed alternate schedule submitted to OCD within 3 months of permit issuance. An alternate schedule will be considered approved if the OCD does not respond to a submittal within 30 days of receipt. Systems that have secondary containment with leak detection shall have a monthly inspection with fluid level record keeping 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. A list of all below-grade tanks and sumps with schedule for testing or completion, and/or decommission shall be included with the submittal.

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, 60-mil LLDPE liners or other liner approved by the OCD with dual thermal seam (seamless liners preferred), and secondary containment with leak detection system (with the exception of storm water retention or detention ponds that must meet the liner requirement only), 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 owner/ operator shall retrofit all existing systems without secondary containment and leak detection before discharge permit renewal or within a schedule submitted to the OCD and approved within 3 months of permit issuance. A spreadsheet or table of all pits and ponds with schedule for completion shall be included in the submittal and OCD shall approve or deny the submittal within 30 days of receipt. The table(s) and work schedule(s) shall be considered approved if the OCD does not respond within 30 days of receipt.

C. The owner/operator 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. Where netting is not feasible, routine witnessing and/or discovery of dead wildlife and migratory birds shall be reported to the appropriate wildlife agency with notification to the OCD in order to assess and enact measures to prevent the above from reoccurring.

D. The owner/operator shall maintain the records from all tests and inspections at the facility covered by this discharge permit and made available for OCD inspection upon request. The owner/operator shall report the discovery of any system which is found to be leaking or has lost integrity to the OCD within 72 hours of discovery. The owner/operator 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 owner/operator shall notify the OCD at Least 72 hours prior to all testing.

12. Evaporation Ponds: All wastewater discharged to evaporation ponds shall be demonstrated that it meets the definition of EPA RCRA Non-hazardous pursuant to 40 CFR 260-261. A minimum freeboard of two feet shall be maintained in the ponds so that no over topping of wastewater occurs. Any major repairs or modifications to the ponds or leak detection systems must receive prior OCD approval. Any exceedance of the freeboard, rapid loss of head or any leaks or releases shall be reported pursuant to Section 16 (Spill Reporting).

A. Inspections: Evaporation ponds shall be inspected a minimum of three times per week and after any major storm event. Weekly records shall be maintained for all flow rates from all flow meters, fluid levels, freeboard, seepage, flow channels, pipes, valves, liner and dike integrity.

B. Water Quality and Quantity Monitoring: All operational evaporation ponds shall be inspected, sampled and analyzed similar to the frequency of monitor wells in Section 20A and analytical data shall be included in the annual report. In addition, all wastewater from the refinery or other sources entering ponds shall be metered and records maintained and reported in the Annual Summary Report (See Section 22).

C. Temporary and existing storage ponds: Any existing ponds shall be identified as per Section 11B and the owner/operator shall submit either a closure plan for OCD approval or install liners, etc. as required by the permit.

13. Underground Process/Wastewater Lines:

A. The owner/operator shall provide a comprehensive spreadsheet/table listing of all underground process/wastewater pipelines within 3 months of permit issuance to establish the basis for compliance with this provision. The owner/operator shall perform mechanical integrity testing (MIT) at least once every five (5) years and/or complete a minimum of 20% per year of all underground process/wastewater pipeline MITs before the expiration date of the permit to demonstrate the mechanical integrity of all underground process/wastewater pipelines, 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 owner/operator may use other methods for testing if approved by the OCD. The OCD shall be notified, at Least 72 hours prior to all testing.

B. The owner/operator 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 (i.e., sanitary effluent lines, triple-rinse flow lines, etc.) must be

approved by the OCD prior to installation. The owner/operator shall report any Leaks or loss of integrity to the OCD within 72 hours of discovery. The owner/operator shall maintain the results of all tests at the facility covered by this discharge permit and records shall be made available to OCD inspectors upon request. The owner/operator shall notify the OCD at Least 72 hours prior to all testing.

14. Class V Wells: The owner/operator shall close all Class V wells (e.g., septic systems, underground sanitary discharge closed system tanks, 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 and/or where the infiltration trench is "deeper than its widest surface dimension," or includes an assemblage of perforated pipes, drain tiles, or other similar mechanisms intended to distribute fluids below the surface of the ground, are considered Class V injection wells under the EPA UIC Program. Class V wells shall be permitted by the New Mexico Environment Department (NMED) if sanitary wastewater is injected into a leach field without processing, treatment or disposal within an OCD treatment system at the facility.

15. Housekeeping: The owner/operator 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. All drains shall be fully functional, unobstructed by sediment buildup and debris to facilitate proper drainage. The owner/operator shall maintain all discharge permit related records at the facility and make records available to OCD inspectors upon request (See Section 21C below).

16. Spill Reporting: The owner/operator 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 owner/operator shall notify the City of Lovington, OCD District Office and the OCD Santa Fe Office within 24 hours and file a written report to OCD Santa Fe within 15 days. The owner/operator shall notify the City of Lovington immediately of any discharge, leak, spill or release that poses an imminent threat to the City's fresh water supply to allow the City to take corrective action(s) to prevent contamination from entering the freshwater gathering system. Note that the owner/operator may also have a federal reporting obligation(s) to the National Response Center when releases to the environment exceed the "Reportable Quantity" or RQ per 40 CFR 302.4 (Designation of Hazardous Substances).

17. OCD Inspections: The OCD may place additional requirements on the facility and modify the permit conditions based on OCD inspections. Subsequent to the OCD's March 14, 2008 inspection of the facility, the following requirements apply:

- i The owner/operator shall submit an updated site map(s) showing the current status of all recovery wells, monitor wells, domestic wells (City of Lovington water supply),

irrigation wells, and pertinent features (i.e., new refinery units, remediation systems, new tanks, expansions, effluent pipeline(s), centralized chemical storage location, oil and gas transmission lines within and proximal to the property and ground water contamination, including storm water basins (detention ponds) if present) before June 30, 2009.

ii The owner/operator shall construct a second impermeable pad area at a centralized chemical storage area, which will serve to separate incompatible chemicals by March 31, 2009. A drawing(s) shall be submitted that illustrates a new centralized chemical storage location in advance of construction activities.

iii The owner/operator is in the process of moving the control room into the main office building, which will impact the number of new and size of existing sanitary septic systems at the facility. The owner/operator shall provide proof of permit application and correspondence with the New Mexico Environment Department (NMED) - Ground Water Quality Bureau for septic system(s) installation before June 30, 2009. The septic system(s) shall be installed by September 30, 2009. Class V wells that inject domestic waste that is not treated at the refinery must be permitted by the NMED (See Section 14).

iv The owner/operator shall cleanup all spills or releases of chemicals regardless of "Minor vs. Major Releases" under OCD Rule 116. Contaminated soils/sediments shall be physically removed or excavated from the ground to eliminate point source contamination to surface and/or ground water throughout the refinery (See Section 16). The only exceptions would be monitor well installation down gradient of releases or potential point source(s) areas that are inaccessible, and process, maintenance and yard areas (See Section 8) where the owner/operator 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.

v The owner/operator shall cleanup chemical spills to soil/sediment media using visual, olfactory, field PID (OCD approved procedures) with final laboratory samples collected (base and sidewalls of excavation) and analyzed for BTEX, TPH and Chlorides at an environmental laboratory implementing standard EPA analytical methods with QA/QC. Analytical laboratory data with photos and supporting documentation shall confirm that contamination has been cleaned up and attached to a final C-141 for OCD approval. The OCD may require additional corrective action(s).

vi The owner/operator shall install monitor wells with 15 foot screens across the water table (monitored for BTEX, TPH and Chlorides with the rest of the facility monitor wells) down gradient of all releases where contaminated soils/sediments are not fully excavated and associated with C-141 reporting (See Attachment 2). Other proposed options, i.e., soil vapor extraction, bioremediation, additional investigation, etc. of contaminated soils to remove the point source of contamination from soil and sediment may be considered for approval by the OCD (see Sections 16 and 20).

vii The owner shall submit annual ground water monitoring reports similar to the contents and format of the "Groundwater Monitoring & Remediation System Performance Report July 2001 – June 2002" (report) from now on in order to reassess the status of vadose zone and contaminant hydrogeology beneath the facility. The recovery system that was installed was apparently discontinued over time as the ground water level dropped below many of the current monitor well screen locations according to the most recent status of operation inquiry. New monitor wells constructed and monitored (See Sections 16(v) and 20) shall be installed within 3 months of permit issuance. Additional down gradient monitor wells are required at locations down gradient from suspected refinery point source areas (See "Attachment 2" C-141 Forms- especially the 10/25/2007 pipeline release discovery) and upgradient from any City of Lovington drinking water supply well in order to safeguard the municipal water supply system. Phase separated hydrocarbons (PSH) shall be reassessed and PSH wells shall be installed within 6 months of permit issuance where product thickness is at or greater than 0.5 ft. Recovery wells may be required anywhere ground water contamination is detected upgradient from a water supply well. The annual monitoring report shall contain a conclusions section with recommendations for any additional corrective actions including additional monitor well locations based on the contaminant hydrogeology from environmental sampling and in the annual report. (See Section 20).

viii The owner/operator shall consider all explosions, fires, etc., regardless of magnitude, duration, etc., to be a "Major Release" under OCD Rule 116 and reported to the OCD accordingly. The owner/operator shall cooperate with the OCD to ensure that all explosions/fires are tracked or recorded and corrective action(s) is implemented in a timely manner to eliminate the recurrence and to protect human health, safety and the environment. The OCD shall assist by following up with the owner/operator to ensure that the refinery is working to address and find solutions to these type of problems as the situation warrants.

ix The owner/operator shall maintain a non-vegetation zone minimum of one-hundred feet radius around any flare stack(s) at all times to help prevent potential fire danger regardless of the season or weather conditions.

x The owner/operator shall maintain all Lovington Refinery records including this discharge permit at the facility and readily available during inspections, site activities, etc. All records shall be made available to OCD Inspectors upon request (See Section 21C).

18. Storm Water: The owner/operator shall implement and maintain run-on and run-off plans and controls. The owner/operator shall separate or isolate chemical contact from non-contact storm water drainage areas at the plant. The owner/operator 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 non-contact storm water run-off drainage area. The owner/operator shall notify the OCD within 24 hours of discovery of any releases and shall take immediate corrective action(s) to mitigate and remediate any discharge.

19. Unauthorized Discharges: The owner/operator 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 and approved herein. **An unauthorized discharge is a violation of this permit.**

20. Surface Water/ Ground Water/ Vadose Zone Monitoring/ Remediation/ Abatement:

The owner/operator 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 owner/operator 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 shall be a violation of the permit.

The owner/operator shall sample, analyze and report ground water contamination to the City of Lovington and OCD in accordance with applicable federal, state and local laws or ordinances. All environmental analytical sampling and testing shall comply with Environmental Protection Agency Standards and Methods. Permanent and/or temporary monitoring and remediation changes must be approved in writing by the OCD.

A. Ground Water and Treatment System Monitoring: Ground water monitoring locations, sample frequency, and laboratory analytical methods are specified in the table below. All permanent changes to the ground water monitor plan must be approved in a "Minor Modification" in writing by the OCD.

Location ^{1,2}	Frequency	Measurement ^{1,2} / Analysis ³
MW-1	Semi-Annual	General chemistry / VOC / SVOC / MTBE / WQCC Metals
MW-2	Semi-Annual	General chemistry / VOC / SVOC / MTBE / WQCC Metals
MW-3	Semi-Annual	General chemistry / VOC / SVOC / MTBE / WQCC Metals
MW-4	Semi-Annual	General chemistry / VOC / SVOC / MTBE / WQCC Metals
MW-5	Semi-Annual	General chemistry / VOC / SVOC / MTBE / WQCC Metals
MW-6	Semi-Annual	General chemistry / VOC / SVOC / MTBE / WQCC Metals
MW-7	Semi-Annual	General chemistry / VOC / SVOC / MTBE / WQCC Metals
MW-8	Semi-Annual	General chemistry / VOC / SVOC / MTBE / WQCC Metals
MW-9	Semi-Annual	General chemistry / VOC / SVOC / MTBE / WQCC Metals
MW-10	Semi-Annual	General chemistry / VOC / SVOC / MTBE / WQCC Metals
New MWs	Semi-Annual	General chemistry / VOC / SVOC / MTBE / WQCC Metals

Location ^{1,2}	Frequency	Measurement ^{1,2} / Analysis ³
All down gradient water supply wells	Semi-Annual	General chemistry / VOC / SVOC / MTBE / WQCC Metals
All RWs	Semi-Annual	General chemistry / VOC / SVOC / MTBE / WQCC Metals
All PSH Wells	Semi-Annual	Measurement of product layer thickness, if present.

PSH= Phase Separated Hydrocarbon or Free-Product
RW= Recovery Well

1. Static water level or water table depth shall be measured in advance of each sampling event with exception of water supply wells and exceedances of the water quality standards displayed as piezometric and iso-concentration maps in reports. All monitor well locations shall be constructed with 15 feet of screen to allow 5 feet of screen above the water table for fluctuations.
2. All MWs and RWs shall be monitored for Phase-Separated Hydrocarbon (PSH) & thickness (to nearest 0.01ft) recorded and displayed as iso-concentration maps in reports. A correction factor for wells containing PSH shall be applied where necessary.
3. Lab methods shall be as follows: Gen. Chem. (300 & other approved methods); VOC (8260B); SVOC (8270/8310); MTBE (8260B) & WQCC Metals (6010).

B. Ground Water and Treatment System Annual Monitoring Report: An annual report shall be submitted to the OCD by April 15th of each year. The annual report shall contain:

1. Description of the monitoring and remediation activities that occurred during the year including conclusions and recommendations.
2. Summary tables listing laboratory analytical results of all water quality sampling for each monitoring point and plots of concentration vs. time for contaminants of concern from each monitoring point. Any WQCC constituent found to exceed the groundwater standard shall be highlighted. Copies of the most recent year's laboratory analytical data sheets supporting plots shall also be submitted.
3. Water table (piezometric) and/or potentiometric surface elevation iso-concentration maps utilizing static water level data shall be included in the annual report to assess local and/or regional ground water flow direction(s). A corrected water table elevation shall be determined from all wells containing phase-separated hydrocarbons. Map shall show all monitoring, recovery, PSH and City of Lovington water supply wells, pertinent site features (i.e., pipelines, effluent lines, etc.), and the direction and magnitude of the hydraulic gradient. All maps shall be to scale. Chemical iso-concentration maps of any contaminants exceeding water quality standards are required.
4. Plots of water table elevation vs. time for each ground water monitoring point from monitoring data is required to assess water table fluctuations and potential for PSH smear zone development or dormancy.

5. Monthly and cumulative flow rates and volumes from PSH and recovery wells and the total recovered to date.

6. Product thickness maps from monitoring based on the thickness of Phase-Separated Hydrocarbons (PSH) or product on ground water in all refinery recovery and monitoring wells shall be included in the report. Maps shall include isopleths to the nearest 0.5 feet or iso-concentration lines to the nearest 10 ppb for organics, 10 - 100 ppm for metals, TDS, etc., for product and contaminants of concern detected during monitoring.

7. File this report in an acceptable electronic format along with hard copies to the City of Lovington and OCD Santa Fe.

C. Vadose Zone Monitoring: The following shall apply:

1. The owner/operator shall implement vadose zone corrective action from releases consistent with Sections 17iv and 17v of this permit. All point sources of contamination shall be removed to eliminate surface water and ground water contamination threats to the environment and the City of Lovington Well Head Protection Area.

2. All verification (analytical data results, photos, C-138s, etc.) of vadose zone remediation shall be documented and submitted to the OCD on a final C-141 with supporting documentation within 30 days of corrective action.

D. Notification of field activities: The following shall apply:

1. The owner/operator shall notify the City of Lovington, OCD Santa Fe and local district office at least 2 weeks in advance of all scheduled field activities to allow OCD the opportunity to witness investigation, remediation, monitoring events and split samples. For large facilities, i.e., refineries, an annual notification may suffice.

2. The owner/operator shall notify the City of Lovington and OCD within 72 hours of the discovery of separated-phase hydrocarbons or the exceedance of WQCC water quality standards detected in any down gradient monitor well from the previous sampling or monitoring event.

21. Additional Site Specific Conditions:

A. Environmental Status Report: The owner/operator shall provide a separate monitoring and remediation environmental status report or presentation to the City of Lovington and OCD within 9 months of permit issuance to provide an update on contaminant hydrogeology with emphasis on threats to the City of Lovington water supply from the facility. PSH locations with thickness; isocon or isopleth maps (i.e., VOCs, SVOCs, MTBE, Gen. Chemistry; and WQCC Metals) and other information that support findings with conclusions and/or recommendations for further remediation.

Include any recent ground water quality monitoring information from monitor and recovery wells, since the report, "Groundwater Monitoring & Remediation System Performance Report (Report) July 2001 – June 2002." This report appears to be the last groundwater monitoring report submitted by Navajo to the OCD with analysis of data, supporting documentation, compilation, and recommendations based on the report. At that time, Navajo had an active treatment system in operation and was continuing quarterly monitoring with the next sampling event scheduled for September 2002. Navajo was continuing to investigate the occurrence of hydrocarbon product with additional work. Surface excavation in the vicinity of the API Separator and installation of additional PSH product recovery wells was also mentioned. According to the report, the leading edge of the benzene plume had reached the North refinery well and was impacting ground water at the drinking water standard of 0.005 mg/L. It was stated that the monitor wells are monitored quarterly for BTEX. The report also stated that the presence of PSH at RW-1, MW-1 and MW-7 was troublesome. Navajo had performed extensive remedial work at the location to eliminate leaks from oil/water separator boxes. Possible remaining sources of the problem may be an unknown crude line in the area or delayed drainage of previously released oil through preferential pathways in the near-surface caliche.

B. New Full-Time Automated Free-Product Recovery System: PSH or product recovery wells shall be installed at or near monitoring locations exhibiting significant product thickness (>0.5 ft.) within 6 months of permit issuance, if warranted, to recover and eliminate the source of ground water contamination from the refinery, if present. PSH or free-product shall be routed to the API Separator for refinery reprocessing, and to address the OCD conservation requirement to prevent the waste of recoverable energy resources. Alternative methods of treatment, storage and/or disposal shall be approved in writing by the OCD.

C. Records: The owner/operator shall store all discharge permit related records and documents at the refinery and make them available to the agencies (City of Lovington and OCD) upon request.

22. Annual Summary Report: On an annual basis due by April 15th, the Owner/Operator may combine the Annual Summary Report herein with the "Ground Water and Treatment System Annual Monitoring Report" (See Section 20B) and submit one formal "Annual Ground Water Monitoring and Summary Report (Report)" to the City of Lovington and OCD Santa Fe. In addition to Section 20B, the Report shall include the following at a minimum:

- A.** Summary of all major refinery activities or events and pollution prevention initiatives to highlight.
- B.** Highlights or results of all aforementioned sampling and monitoring events per Sections 20 and 21.

- C. Summary of all waste and wastewater disposed of, sold, or treated on-site, including a refinery wastewater balance sheet with a mass balance of the any evaporation pond rates, if applicable.
- D. Summary of tanks, sumps and underground wastewater lines tested and or retrofitted.
- E. Summary of all leaks, spills and releases with attached initial and final C-141 forms, supporting information, and corrective actions taken.
- F. Summary of discovery of any new vadose zone and/or ground water contamination or threat to the City of Lovington Well Head Protection Area. This should include recommendations with a schedule for any further investigation, monitoring and remediation.
- G. Summary and Copies of all City of Lovington and OCD activity, i.e., meetings, inspections, etc.

23. Transfer of Discharge Permit (WQCC 20.6.2.3111): Prior to any transfer of ownership, control, or possession (whether by lease, conveyance or otherwise) of a facility with a discharge permit, the transferor shall notify the transferee in writing of the existence of the discharge permit, and shall deliver or send by certified mail to the department a copy of such written notification, together with a certification or other proof that such notification has in fact been received by the transferee. Upon receipt of such notification, the transferee shall have the duty to inquire into all of the provisions and requirements contained in such discharge permit, and the transferee shall be charged with notice of all such provisions and requirements as they appear of record in the OCD's file or files concerning such discharge permit. The transferee (new owner/operator) shall sign and return an original copy of these permit conditions and provide a written commitment to comply with the terms and conditions of the previously approved discharge permit.

24. Closure and Financial Assurance (20.6.2.3107A (11) NMAC): Pursuant to 20.6.2.3107 NMAC an owner/operator shall notify the OCD when any operations of the facility are to be discontinued for a period in excess of six months. Prior to closure, or as a condition of this permit, or request from the OCD, the operator shall submit a closure plan for OCD written approval or modify an existing plan, and/or provide adequate financial assurance in the form of an OCD Letter of Credit for a minimum OCD required amount based on the cost estimate provided below.

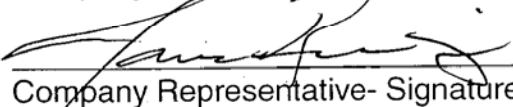
The owner/operator shall submit a closure plan and financial assurance cost estimate for post-cleanup monitoring by September 30, 2009. The plan shall address how any remaining water contaminants will be monitored and/or abated to ensure the protection of public health and safety, fresh water, and the environment for a period of at least 30 years after facility closure.

25. Certification: Navajo Refining Company, by the officer, whose signature appears below, accepts this permit and agrees to comply with all submitted commitments, including these terms and conditions contained herein. **Navajo Refining Company** further acknowledges that the OCD may, for good cause shown, as necessary to protect fresh water, public health, safety, and the environment, change the conditions and requirements of this permit administratively.

Conditions accepted by: "I certify under penalty of law that I have personally examined and am familiar with the information submitted in this document and all attachments and that, based on my inquiry of those individuals immediately responsible for obtaining the information, I believe that the information is true, accurate, and complete. I am aware that there are significant penalties for submitting false information including the possibility of fine and imprisonment."

NAVAJO REFINING CO
Company Name-print name above

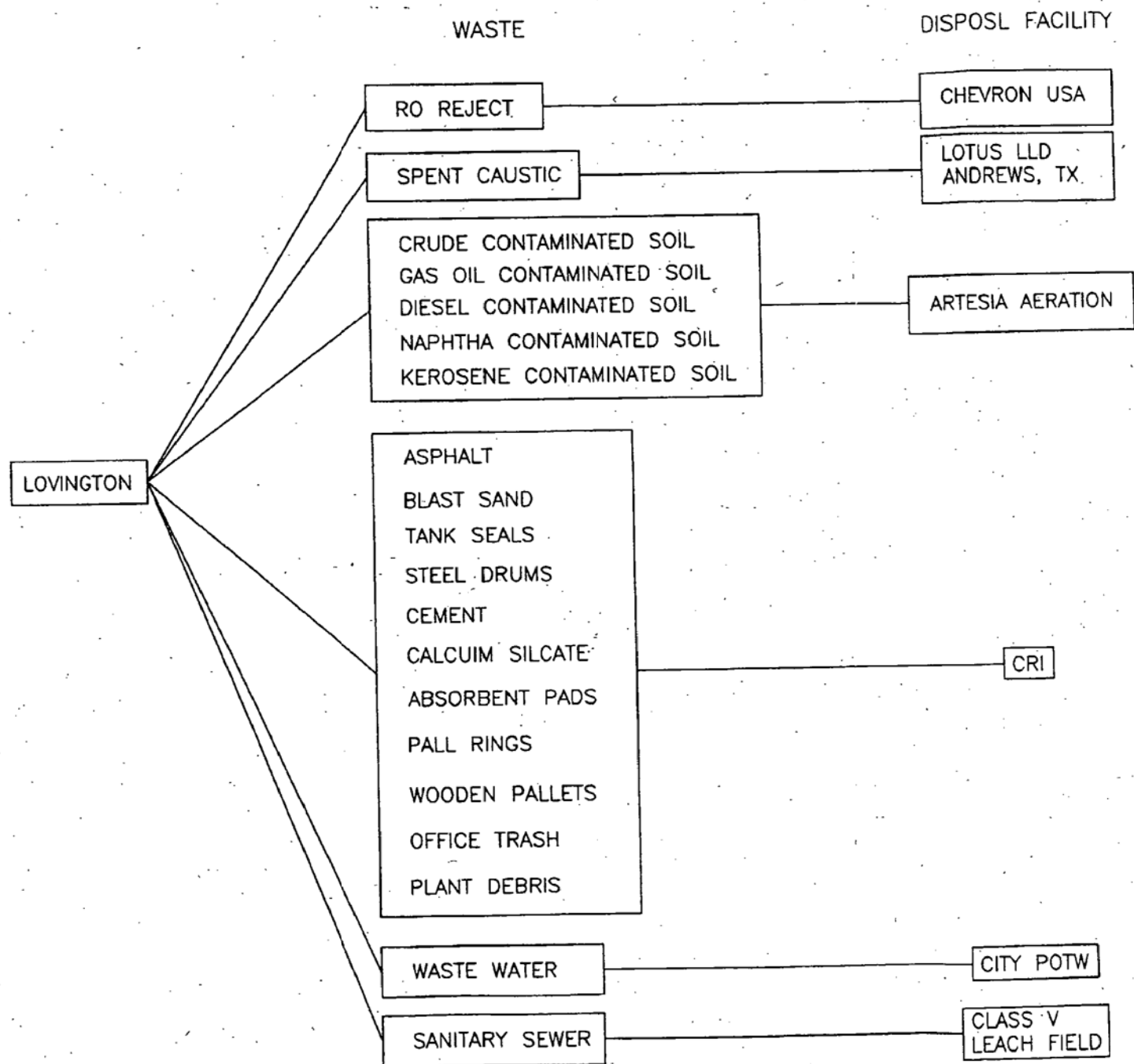
JAMES RESINGER
Company Representative print name


Company Representative- Signature

Title VP NAVAJO REFINING CO

Date: 2/11/09

ATTACHMENT 1



ATTACHMENT 2

District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 South First, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources

Oil Conservation Division
2040 South Pacheco
Santa Fe, NM 87505

Form C-141
Revised March 17, 1999

Submit 2 Copies to appropriate
District Office in accordance
with Rule 116 on back
side of form

Release Notification and Corrective Action

OPERATOR

☒ Initial Report ☐ Final Report

Name of Company Navajo Refining - Lea	Contact Darrell Moore	
Address P.O. Drawer 159 Artesia, NM	Telephone No. 505-748-3311	
Facility Name	Facility Type	
Surface Owner	Mineral Owner	Lease No.

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
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NATURE OF RELEASE

Type of Release Diesel	Volume of Release 70 bbls.	Volume Recovered 30 bbls.
Source of Release Relief valve	Date and Hour of Occurrence 12/7/03 4:00 am	Date and Hour of Discovery 12/7/03 4:00 am
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? E.L. Gonzalez	
By Whom? Darrell Moore	Date and Hour 12/7/03 1:00 pm	
Was a Watercourse Reached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, Volume Impacting the Watercourse.	

If a Watercourse was Impacted, Describe Fully.*

Describe Cause of Problem and Remedial Action Taken.*

Relief valve was left open. When pump was kicked on, the release occurred.

Describe Area Affected and Cleanup Action Taken.* Area is near TK103B. Vacuum truck picked up 30bbls. Liquid. 100yds. of contaminated soil was removed and shipped to CRI. Bottom hole samples have been collected. Awaiting results.

I hereby certify that the information given above is true and complete to the best of my knowledge and understand that pursuant to NMOCD rules and regulations all operators are required to report and/or file certain release notifications and perform corrective actions for releases which may endanger public health or the environment. The acceptance of a C-141 report by the NMOCD marked as "Final Report" does not relieve the operator of liability should their operations have failed to adequately investigate and remediate contamination that pose a threat to ground water, surface water, human health or the environment. In addition, NMOCD acceptance of a C-141 report does not relieve the operator of responsibility for compliance with any other federal, state, or local laws and/or regulations.

Signature: <i>Darrell Moore</i>	OIL CONSERVATION DIVISION	
Printed Name: Darrell Moore	Approved by: District Supervisor:	
Title: Env. Mgr. for Water & Waste	Approval Date:	Expiration Date:
Date: 12/17/03 Phone: 505-748-3311	Conditions of Approval:	Attached <input type="checkbox"/>

* Attach Additional Sheets If Necessary

1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-141
Revised October 10, 2003

Submit 2 Copies to appropriate
District Office in accordance
with Rule 116 on back
side of form

Release Notification and Corrective Action

OPERATOR

☒ Initial Report ☐ Final Report

Name of Company <u>Lea Refining Co.</u>	Contact <u>Darrell Moore</u>	
Address	Telephone No. <u>505-746-5281</u>	
Facility Name	Facility Type <u>Refinery</u>	
Surface Owner	Mineral Owner	Lease No.

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
-------------	---------	----------	-------	---------------	------------------	---------------	----------------	--------

Latitude 32°52'38"N Longitude 103°18'00"W

NATURE OF RELEASE

Type of Release <u>Naptha-Kerosene</u>	Volume of Release <u>Unknown</u>	Volume Recovered <u>30 bbls</u>
Source of Release <u>Run Down Line</u>	Date and Hour of Release	Date and Hour of Discovery <u>10/12/05</u>
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? <u>Larry Johnson OGD</u>	
By Whom? <u>Darrell Moore</u>	Date and Hour <u>10/13/05 8:30am</u>	
Was a Watercourse Reached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, Volume Impacting the Watercourse.	

If a Watercourse was Impacted, Describe Fully.*

Describe Cause of Problem and Remedial Action Taken * Line developed leak. Leak was clamped off and free standing product was vacuumed up. Line is being inspected for potential replacement.

Describe Area Affected and Cleanup Action Taken * Affected area is near the RO Unit and under pipe rack. Crew will remove contaminated dirt which will be profiled for disposal. Bottom samples will be analyzed.

I hereby certify that the information given above is true and complete to the best of my knowledge and understand that pursuant to NMOCD rules and regulations all operators are required to report and/or file certain release notifications and perform corrective actions for releases which may endanger public health or the environment. The acceptance of a C-141 report by the NMOCD marked as "Final Report" does not relieve the operator of liability should their operations have failed to adequately investigate and remediate contamination that pose a threat to ground water, surface water, human health or the environment. In addition, NMOCD acceptance of a C-141 report does not relieve the operator of responsibility for compliance with any other federal, state, or local laws and/or regulations.

Signature: <u>Darrell Moore</u>	OIL CONSERVATION DIVISION	
Printed Name: <u>Darrell Moore</u>	Approved by District Supervisor:	
Title <u>Env. Mgr. for Water & Waste</u>	Approval Date:	Expiration Date:
E-mail Address <u>darrell.moore@navajo-refining.com</u>	Conditions of Approval:	Attached <input type="checkbox"/>
Date: <u>10/14/05</u>	Phone: <u>505-746-5281</u>	

* Attach Additional Sheets If Necessary

District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 South First, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources

Oil Conservation Division
2040 South Pacheco
Santa Fe, NM 87505

FILE COPY

Form C-141
Revised March 17, 1999

Submit 2 Copies to appropriate
District Office in accordance
with Rule 116 on back
side of form

Release Notification and Corrective Action

OPERATOR

☒ Initial Report ☐ Final Report

Name of Company Navajo Lea Refining Co. LLC	Contact Darrell Moore	
Address 7406 S. Main Lovington, NM	Telephone No. 575-748-3311	
Facility Name Lovington Plant	Facility Type Petroleum Refinery	
Surface Owner	Mineral Owner	Lease No.

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
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NATURE OF RELEASE

Type of Release Crude Oil	Volume of Release 20 bbls	Volume Recovered 5 bbls
Source of Release Sump at pipeline	Date and Hour of Occurrence 10/10/07 8:00am	Date and Hour of Discovery 10/10/07 8:00am
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? Hobbs OCD voicemail-on call phone	
By Whom? Doug Price	Date and Hour 10/10/07 9:05am	
Was a Watercourse Reached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, Volume Impacting the Watercourse.	
If a Watercourse was Impacted, Describe Fully.*		
Describe Cause of Problem and Remedial Action Taken.* During switching from one crude tank to the other, relief valve released filling up sump and overrunning. Vacuum was used to suck up free oil.		
Describe Area Affected and Cleanup Action Taken.* Area affected is in two areas of about 10' wide by 100' long each. Contaminated soil has been picked up and bottom hole TPH samples taken. Waiting on results		
I hereby certify that the information given above is true and complete to the best of my knowledge and understand that pursuant to NMOCD rules and regulations all operators are required to report and/or file certain release notifications and perform corrective actions for releases which may endanger public health or the environment. The acceptance of a C-141 report by the NMOCD marked as "Final Report" does not relieve the operator of liability should their operations have failed to adequately investigate and remediate contamination that pose a threat to ground water, surface water, human health or the environment. In addition, NMOCD acceptance of a C-141 report does not relieve the operator of responsibility for compliance with any other federal, state, or local laws and/or regulations		
Signature: <i>Darrell Moore</i>	OIL CONSERVATION DIVISION	
Printed Name: Darrell Moore	Approved by District Supervisor:	
Title: Env. Mgr. for Waste & Water	Approval Date	Expiration Date
Date: 10/18/07 Phone: 575-748-3311	Conditions of Approval	Attached <input type="checkbox"/>

* Attach Additional Sheets If Necessary

FILE COPY

District I
1625 N. French Dr., Hobbs, NM 88240
District II
511 South First, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources
Oil Conservation Division
2040 South Pacheco
Santa Fe, NM 87505

Form C-141
Revised March 17, 1999

Submit 2 Copies to appropriate
District Office in accordance
with Rule 116 on back
side of form

Release Notification and Corrective Action

OPERATOR

☒ Initial Report ☐ Final Report

Name of Company Navajo Refining Co. LLC	Contact Darrell Moore
Address 7406 S. Main Lovington, NM	Telephone No. 575-746-5281
Facility Name Lovington Refinery	Facility Type Petroleum Refinery
Surface Owner	Mineral Owner
Lease No.	

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
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NATURE OF RELEASE

Type of Release Crude Oil	Volume of Release Unknown	Volume Recovered 2 bbls
Source of Release Hole in pipeline	Date and Hour of Occurrence Unknown	Date and Hour of Discovery 10/25/07 10:00am
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? Larry Johnson, Hobbs OCD, Wayne Price Santa Fe, OCD	
By Whom? Darrell Moore	Date and Hour 3:30 pm 10/25/07	
Was a Watercourse Reached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, Volume Impacting the Watercourse.	

If a Watercourse was Impacted, Describe Fully.*

Describe Cause of Problem and Remedial Action Taken.* A pool of oil was noticed along a pipe run. Upon investigation, a hole was discovered in a pipe. The pipe was excavated and clamped.

Describe Area Affected and Cleanup Action Taken.* 20 yds of contaminated soil has been removed to uncover the pipe. The vertical limit has not been reached and the location within the pipe run makes it difficult to clean under it.

I hereby certify that the information given above is true and complete to the best of my knowledge and understand that pursuant to NMOCD rules and regulations all operators are required to report and/or file certain release notifications and perform corrective actions for releases which may endanger public health or the environment. The acceptance of a C-141 report by the NMOCD marked as "Final Report" does not relieve the operator of liability should their operations have failed to adequately investigate and remediate contamination that pose a threat to ground water, surface water, human health or the environment. In addition, NMOCD acceptance of a C-141 report does not relieve the operator of responsibility for compliance with any other federal, state, or local laws and/or regulations.

OIL CONSERVATION DIVISION

Signature: <i>Darrell Moore</i>	Approved by District Supervisor	
Printed Name: Darrell Moore	Approval Date:	Expiration Date:
Title: Env. Mgr for Water & Waste	Conditions of Approval	Attached <input type="checkbox"/>
Date: 10/25/07	Phone: 575-746-5281	

* Attach Additional Sheets If Necessary

District I
1625 N. French Dr., Hobbs, NM 88240
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State of New Mexico
Energy Minerals and Natural Resources

Oil Conservation Division
2040 South Pacheco
Santa Fe, NM 87505

Form C-141
Revised March 17, 1999

Submit 2 Copies to appropriate
District Office in accordance
with Rule 116 on back
side of form

Release Notification and Corrective Action

OPERATOR

☒ Initial Report ☐ Final Report

Name of Company Navajo E&E Refining Co. LLC	Contact Darrell Moore	
Address 7406 S. Main Lovington, NM 88260	Telephone No. 505-703-5058	
Facility Name	Facility Type Petroleum Refinery	
Surface Owner	Mineral Owner	Lease No.

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
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NATURE OF RELEASE

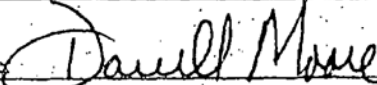
Type of Release Caustic	Volume of Release 150 Bbls	Volume Recovered 120 Bbls
Source of Release Caustic Scrubber	Date and Hour of Occurrence 7/10/08 5:30 am	Date and Hour of Discovery 7/10/08 6:00 am
Was Immediate Notice Given? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom?	
By Whom?	Date and Hour	
Was a Watercourse Reached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, Volume Impacting the Watercourse.	

If a Watercourse was Impacted, Describe Fully.*

Describe Cause of Problem and Remedial Action Taken.* Relief valve hung in the open position and filled sump. Which then over flowed. Valve is being replaced.

Describe Area Affected and Cleanup Action Taken.* Area affected is to the east and south of caustic scrubber. Happened during a rain event, so most of material was floating on water. Vacuum truck sucked up spill material. Contaminated soil will be removed.

I hereby certify that the information given above is true and complete to the best of my knowledge and understand that pursuant to NMOCD rules and regulations all operators are required to report and/or file certain release notifications and perform corrective actions for releases which may endanger public health or the environment. The acceptance of a C-141 report by the NMOCD marked as "Final Report" does not relieve the operator of liability should their operations have failed to adequately investigate and remediate contamination that pose a threat to ground water, surface water, human health or the environment. In addition, NMOCD acceptance of a C-141 report does not relieve the operator of responsibility for compliance with any other federal, state, or local laws and/or regulations.

Signature: 	OIL CONSERVATION DIVISION	
Printed Name: Darrell Moore	Approved by: District Supervisor:	
Title: Env. Mgr. for Water & Waste	Approval Date:	Expiration Date:
Date: 7/10/08 Phone: 575-703-5058	Conditions of Approval:	Attached <input type="checkbox"/>

* Attach Additional Sheets If Necessary

New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson
Governor

Joanna Prukop
Cabinet Secretary
Reese Fullerton
Deputy Cabinet Secretary

Mark Fesmire
Division Director
Oil Conservation Division



January 12, 2009

Mr. Darrell Moore
Environmental Manager for Water & Waste
Navajo Refining Company- Lovington Refinery
PO Box 159
Artesia, New Mexico 88211-0159

**RE: DISCHARGE PERMIT (GW-014)
NAVAJO REFINING COMPANY- LOVINGTON REFINERY**

Dear Mr. Moore:

Pursuant to Water Quality Control Commission (WQCC) Regulations (20.6.2.3000 - 20.6.2.3114 NMAC), the Oil Conservation Division (OCD) **hereby approves** the discharge permit for the **Navajo Refining Company- Lovington Refinery** (GW-014) located in the SW/4 of Section 31, Township 16 South, Range 37 East; the SE/4 of Section 36, Township 16 South, Range 36 East; the NW/4 of Section 6, Township 17 South, Range 37 East; and the NE/4 of Section 1, Township 17 South, Range 36 East, NMPM, Lea County, New Mexico, under the conditions specified in the enclosed **Attachment To The 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 owner/operator of responsibility if operations result in pollution of surface water, ground water or the environment. Nor does approval of the permit relieve the owner/operator of its responsibility to comply with any other applicable governmental authority's rules and regulations.

If you have any questions, Please contact Mr. Carl Chavez of my staff at (505-476-3491) or E-mail: 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,


Wayne Price
Environmental Bureau Chief

LWP/cc
Attachments-1
xc: OCD District Office

**ATTACHMENT TO THE DISCHARGE PERMIT
NAVAJO REFINING COMPANY- LOVINGTON REFINERY (GW-014)
DRAFT DISCHARGE PERMIT APPROVAL CONDITIONS**

January 12, 2009

Please remit a check for \$8,400.00 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 shall 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. However, the owner/operator still owes the required \$8,400.00 renewal permit fee for a refinery.
2. **Permit Expiration and Renewal and Penalties:** Pursuant to WQCC Regulations (20.6.2.3109.H.4 NMAC), this permit is valid for a period of five years. **The permit will expire on October 30, 2011** 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, NMSA1978} 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 owner/operator 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 and local environmental regulation(s) and/or ordinance(s).
4. **Owner/Operator Commitments:** The owner/operator shall abide by all commitments submitted in its June 27, 2006, discharge plan renewal application with \$100 Filing Fee, including attachments and subsequent amendments and these conditions for approval. Permit applications that reference previously approved plans on file with the division shall be incorporated in this permit and the owner/operator shall abide by all previous commitments of such plans and these conditions for approval.

5. Modifications: WQCC Regulation 20.6.2.3107.C and 20.6.2.3109 NMAC addresses possible future modifications of a permit. The owner/operator (discharger) shall notify the OCD of any facility expansion, production increases 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 being or will be exceeded, or if a toxic pollutant 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: The owner/operator shall dispose of all oil field exempt and non-exempt non-hazardous wastes at an OCD-approved facility. RCRA non-hazardous, non-exempt oil field wastes regulated by the OCD 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 (See Attachment 1). Only oil field RCRA- exempt and non-exempt non-hazardous wastes may be disposed of by injection in a Class I Well. Only oil field RCRA-exempt wastes may be disposed of by injection in a Class II Well.

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 (See Attachment 1).

B. Waste Storage: The owner/operator 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 owner/operator shall not store oil field waste on-site for more than 180 days unless approved by the OCD.

7. Drum Storage: The owner/operator must store all drums, including empty drums, containing materials other than fresh water on an impermeable pad with curbing. An exception may be allowed where empty containers are triple-rinsed prior to storage and demarcated to indicate rinsing was performed. However, approval shall require submittal of a site diagram(s) displaying the empty container triple-rinse locations(s) throughout the refinery with schematics or flow diagrams with explanation of the rinse process, effluent discharge location(s), treatment, storage or disposal of any waste, and equipment within 3 months of permit issuance. Empty containers stored outside of impermeable pads or curbing without a triple-rinse designation shall be a violation of this provision. The owner/operator shall store empty containers (non-rinsed) on their sides with the bungs or lids in place and lined up in a horizontal plane. The owner/operator shall store chemicals in other containers, such as drums, tote tanks, sacks, etc., on an impermeable pad with curbing. All storage areas shall be designed and constructed to allow for the separation of incompatible chemicals.

8. Process, Maintenance and Yard Areas: The owner/operator 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 and spills have reached the ground surface.

9. Above Ground Tanks: The owner/operator shall ensure that all above ground tanks have impermeable secondary containment (e.g., liners and berms) with leak detection systems. The owner/operator shall retrofit all existing tanks before discharge permit renewal or within a proposed schedule approved by the OCD within 3 months of permit issuance. Tanks that contain good quality fresh water or fluids that are gases at atmospheric temperature and pressure are exempt from this condition.

All new and existing above ground tanks containing chemicals must be placed or retrofitted over an impermeable pad (60-mil LLDPE reinforced liner with leak detection system) or liner system within a bermed secondary containment area approved by the OCD. The bermed areas shall be constructed to contain a volume of at least one and one-third ($1 + 1/3$) greater than the total volume of the largest tank and/or all interconnected tanks within a bermed containment area. Alternative secondary containment designs must be approved by the OCD.

The owner/operator shall submit a spreadsheet or table identifying all tanks with a work schedule to address this provision (Tank ID #, type of tank, new/used, volume, chemical stored, tank age, last Integrity test date, planned retrofit date and/or construction date, etc.) to the OCD for approval. The owner/operator shall prioritize existing tanks for retrofit based on the toxicity and solubility (contaminant fate-transport potential, etc.) of chemicals (i.e., BTEX, JP4, etc.), site-specific threats to public health, safety, fresh water, and the environment. A work schedule with a phased approach extending beyond the standard 5-Year permit period may be approved by the OCD if submitted within 3 months of permit issuance. The table(s) shall be considered approved if the OCD does not respond within 30 days of receipt of the proposed table and work schedule.

10. Labeling: The owner/operator shall clearly label all tanks, drums, and containers to identify their contents and other emergency notification information. The owner/operator may use a tank code numbering system, which is incorporated into their emergency response plans. Per Section 7 above, all triple-rinsed containers stored outside of impermeable pad areas shall be demarcated to indicate they have been triple-rinsed at approved locations.

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 owner/operator shall retrofit all existing systems without secondary containment and leak detection before discharge permit renewal or within a schedule proposed in a spreadsheet or table approved by the OCD within 3 months of permit issuance. The owner/operator shall develop a spreadsheet record or table that contains

all below-grade tanks, sumps, pits, and ponds. Each device or system shall have an identification, drawing reference, date installed, test dates, test method, pass/fail/repair information with signature, and investigation results w/ date of resolution, if applicable. Navajo shall test at a minimum 20% of each category of device each year or 100% by the expiration date of the permit, if an alternate schedule is not approved by the OCD. The table(s) shall be considered approved if the OCD does not respond to a proposed alternate schedule submitted to OCD within 3 months of permit issuance. An alternate schedule will be considered approved if the OCD does not respond to a submittal within 30 days of receipt. Systems that have secondary containment with leak detection shall have a monthly inspection with fluid level record keeping 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. A list of all below-grade tanks and sumps with schedule for testing or completion, and/or decommission shall be included with the submittal.

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, 60-mil LLDPE liners or other liner approved by the OCD with dual thermal seam (seamless liners preferred), and secondary containment with leak detection system (with the exception of storm water retention or detention ponds that must meet the liner requirement only), 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 owner/ operator shall retrofit all existing systems without secondary containment and leak detection before discharge permit renewal or within a schedule submitted to the OCD and approved within 3 months of permit issuance. A spreadsheet or table of all pits and ponds with schedule for completion shall be included in the submittal and OCD shall approve or deny the submittal within 30 days of receipt. The table(s) and work schedule(s) shall be considered approved if the OCD does not respond within 30 days of receipt.

C. The owner/operator 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. Where netting is not feasible, routine witnessing and/or discovery of dead wildlife and migratory birds shall be reported to the appropriate wildlife agency with notification to the OCD in order to assess and enact measures to prevent the above from reoccurring.

D. The owner/operator shall maintain the records from all tests and inspections at the facility covered by this discharge permit and made available for OCD inspection upon request. The owner/operator shall report the discovery of any system which is found to be leaking or has lost integrity to the OCD within 72 hours of discovery. The owner/operator 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 owner/operator shall notify the OCD at Least 72 hours prior to all testing.

12. Evaporation Ponds: All wastewater discharged to evaporation ponds shall be demonstrated that it meets the definition of EPA RCRA Non-hazardous pursuant to 40 CFR 260-261. A minimum freeboard of two feet shall be maintained in the ponds so that no over topping of wastewater occurs. Any major repairs or modifications to the ponds or leak detection systems must receive prior OCD approval. Any exceedance of the freeboard, rapid loss of head or any leaks or releases shall be reported pursuant to Section 16 (Spill Reporting).

A. Inspections: Evaporation ponds shall be inspected a minimum of three times per week and after any major storm event. Weekly records shall be maintained for all flow rates from all flow meters, fluid levels, freeboard, seepage, flow channels, pipes, valves, liner and dike integrity.

B. Water Quality and Quantity Monitoring: All operational evaporation ponds shall be inspected, sampled and analyzed similar to the frequency of monitor wells in Section 20A and analytical data shall be included in the annual report. In addition, all wastewater from the refinery or other sources entering ponds shall be metered and records maintained and reported in the Annual Summary Report (See Section 22).

C. Temporary and existing storage ponds: Any existing ponds shall be identified as per Section 11B and the owner/operator shall submit either a closure plan for OCD approval or install liners, etc. as required by the permit.

13. Underground Process/Wastewater Lines:

A. The owner/operator shall provide a comprehensive spreadsheet/table listing of all underground process/wastewater pipelines within 3 months of permit issuance to establish the basis for compliance with this provision. The owner/operator shall perform mechanical integrity testing (MIT) at least once every five (5) years and/or complete a minimum of 20% per year of all underground process/wastewater pipeline MITs before the expiration date of the permit to demonstrate the mechanical integrity of all underground process/wastewater pipelines, 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 owner/operator may use other methods for testing if approved by the OCD. The OCD shall be notified at Least 72 hours prior to all testing.

B. The owner/operator 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 (i.e., sanitary effluent lines, triple-rinse flow lines, etc.) must be

approved by the OCD prior to installation. The owner/operator shall report any Leaks or loss of integrity to the OCD within 72 hours of discovery. The owner/operator shall maintain the results of all tests at the facility covered by this discharge permit and records shall be made available to OCD inspectors upon request. The owner/operator shall notify the OCD at Least 72 hours prior to all testing.

14. Class V Wells: The owner/operator shall close all Class V wells (e.g., septic systems, underground sanitary discharge closed system tanks, 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 and/or where the infiltration trench is "deeper than its widest surface dimension," or includes an assemblage of perforated pipes, drain tiles, or other similar mechanisms intended to distribute fluids below the surface of the ground, are considered Class V injection wells under the EPA UIC Program. Class V wells shall be permitted by the New Mexico Environment Department (NMED) if sanitary wastewater is injected into a leach field without processing, treatment or disposal within an OCD treatment system at the facility.

15. Housekeeping: The owner/operator 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. All drains shall be fully functional, unobstructed by sediment buildup and debris to facilitate proper drainage. The owner/operator shall maintain all discharge permit related records at the facility and make records available to OCD inspectors upon request (See Section 21C below).

16. Spill Reporting: The owner/operator 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 owner/operator shall notify the City of Lovington, OCD District Office and the OCD Santa Fe Office within 24 hours and file a written report to OCD Santa Fe within 15 days. The owner/operator shall notify the City of Lovington immediately of any discharge, leak, spill or release that poses an imminent threat to the City's fresh water supply to allow the City to take corrective action(s) to prevent contamination from entering the freshwater gathering system. Note that the owner/operator may also have a federal reporting obligation(s) to the National Response Center when releases to the environment exceed the "Reportable Quantity" or RQ per 40 CFR 302.4 (Designation of Hazardous Substances).

17. OCD Inspections: The OCD may place additional requirements on the facility and modify the permit conditions based on OCD inspections. Subsequent to the OCD's March 14, 2008 inspection of the facility, the following requirements apply:

- i The owner/operator shall submit an updated site map(s) showing the current status of all recovery wells, monitor wells, domestic wells (City of Lovington water supply),

irrigation wells, and pertinent features (i.e., new refinery units, remediation systems, new tanks, expansions, effluent pipeline(s), centralized chemical storage location, oil and gas transmission lines within and proximal to the property and ground water contamination, including storm water basins (detention ponds) if present) before June 30, 2009.

ii The owner/operator shall construct a second impermeable pad area at a centralized chemical storage area, which will serve to separate incompatible chemicals by March 31, 2009. A drawing(s) shall be submitted that illustrates a new centralized chemical storage location in advance of construction activities.

iii The owner/operator is in the process of moving the control room into the main office building, which will impact the number and size of existing sanitary septic systems at the facility. The owner/operator shall provide proof of permit application and correspondence with the New Mexico Environment Department (NMED) - Ground Water Quality Bureau for septic system(s) installation before June 30, 2009. The septic system(s) shall be installed by September 30, 2009. Class V wells that inject domestic waste that is not treated at the refinery must be permitted by the NMED (See Section 14).

iv The owner/operator shall cleanup all spills or releases of chemicals regardless of "Minor vs. Major Releases" under OCD Rule 116. Contaminated soils/sediments shall be physically removed or excavated from the ground to eliminate point source contamination to surface and/or ground water throughout the refinery (See Section 16). The only exceptions would be monitor well installation down gradient of releases or potential point source(s) areas that are inaccessible, and process, maintenance and yard areas (See Section 8) where the owner/operator 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:

v The owner/operator shall cleanup chemical spills to soil/sediment media using visual, olfactory, field PID (OCD approved procedures) with final laboratory samples collected (base and sidewalls of excavation) and analyzed for BTEX, TPH and Chlorides at an environmental laboratory implementing standard EPA analytical methods with QA/QC. Analytical laboratory data with photos and supporting documentation shall confirm that contamination has been cleaned up and attached to a final C-141 for OCD approval. The OCD may require additional corrective action(s).

vi The owner/operator shall install monitor wells with 15 foot screens across the water table (monitored for BTEX, TPH and Chlorides with the rest of the facility monitor wells) down gradient of all releases where contaminated soils/sediments are not fully excavated and associated with C-141 reporting (See Attachment 2). Other proposed options, i.e., soil vapor extraction, bioremediation, additional investigation, etc. of contaminated soils to remove the point source of contamination from soil and sediment may be considered for approval by the OCD (see Sections 16 and 20).

vii The owner shall submit annual ground water monitoring reports similar to the contents and format of the "Groundwater Monitoring & Remediation System Performance Report July 2001 – June 2002" (report) from now on in order to reassess the status of vadose zone and contaminant hydrogeology beneath the facility. The recovery system that was installed was apparently discontinued over time as the ground water level dropped below many of the current monitor well screen locations according to the most recent status of operation inquiry. New monitor wells constructed and monitored (See Sections 16(v) and 20) shall be installed within 3 months of permit issuance. Additional down gradient monitor wells are required at locations down gradient from suspected refinery point source areas (See "Attachment 2" C-141 Forms- especially the 10/25/2007 pipeline release discovery) and upgradient from any City of Lovington drinking water supply well in order to safeguard the municipal water supply system. Phase separated hydrocarbons (PSH) shall be reassessed and PSH wells shall be installed within 6 months of permit issuance where product thickness is at or greater than 0.5 ft. Recovery wells may be required anywhere ground water contamination is detected upgradient from a water supply well. The annual monitoring report shall contain a conclusions section with recommendations for any additional corrective actions including additional monitor well locations based on the contaminant hydrogeology from environmental sampling and in the annual report. (See Section 20).

viii The owner/operator shall consider all explosions, fires, etc., regardless of magnitude, duration, etc., to be a "Major Release" under OCD Rule 116 and reported to the OCD accordingly. The owner/operator shall cooperate with the OCD to ensure that all explosions/fires are tracked or recorded and corrective action(s) is implemented in a timely manner to eliminate the recurrence and to protect human health, safety and the environment. The OCD shall assist by following up with the owner/operator to ensure that the refinery is working to address and find solutions to these type of problems as the situation warrants.

ix The owner/operator shall maintain a non-vegetation zone minimum of one-hundred feet radius around any flare stack(s) at all times to help prevent potential fire danger regardless of the season or weather conditions.

x The owner/operator shall maintain all Lovington Refinery records including this discharge permit at the facility and readily available during inspections, site activities, etc. All records shall be made available to OCD Inspectors upon request (See Section 21C).

18. Storm Water: The owner/operator shall implement and maintain run-on and run-off plans and controls. The owner/operator shall separate or isolate chemical contact from non-contact storm water drainage areas at the plant. The owner/operator 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 non-contact storm water run-off drainage area. The owner/operator shall notify the OCD within 24 hours of discovery of any releases and shall take immediate corrective action(s) to mitigate and remediate any discharge.

19. Unauthorized Discharges: The owner/operator 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 and approved herein. **An unauthorized discharge is a violation of this permit.**

20. Surface Water/ Ground Water/ Vadose Zone Monitoring/ Remediation/ Abatement:

The owner/operator 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 owner/operator 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 shall be a violation of the permit.

The owner/operator shall sample, analyze and report ground water contamination to the City of Lovington and OCD in accordance with applicable federal, state and local laws or ordinances. All environmental analytical sampling and testing shall comply with Environmental Protection Agency Standards and Methods. Permanent and/or temporary monitoring and remediation changes must be approved in writing by the OCD.

A. Ground Water and Treatment System Monitoring: Ground water monitoring locations, sample frequency, and laboratory analytical methods are specified in the table below. All permanent changes to the ground water monitor plan must be approved in a "Minor Modification" in writing by the OCD.

Location ^{1,2}	Frequency	Measurement ^{1,2} / Analysis ³
MW-1	Semi-Annual	General chemistry / VOC / SVOC / MTBE / WQCC Metals
MW-2	Semi-Annual	General chemistry / VOC / SVOC / MTBE / WQCC Metals
MW-3	Semi-Annual	General chemistry / VOC / SVOC / MTBE / WQCC Metals
MW-4	Semi-Annual	General chemistry / VOC / SVOC / MTBE / WQCC Metals
MW-5	Semi-Annual	General chemistry / VOC / SVOC / MTBE / WQCC Metals
MW-6	Semi-Annual	General chemistry / VOC / SVOC / MTBE / WQCC Metals
MW-7	Semi-Annual	General chemistry / VOC / SVOC / MTBE / WQCC Metals
MW-8	Semi-Annual	General chemistry / VOC / SVOC / MTBE / WQCC Metals
MW-9	Semi-Annual	General chemistry / VOC / SVOC / MTBE / WQCC Metals
MW-10	Semi-Annual	General chemistry / VOC / SVOC / MTBE / WQCC Metals
New MWs	Semi-Annual	General chemistry / VOC / SVOC / MTBE / WQCC Metals

Location ^{1,2}	Frequency	Measurement ^{1,2} / Analysis ³
All down gradient water supply wells	Semi-Annual	General chemistry / VOC / SVOC / MTBE / WQCC Metals
All RWs	Semi-Annual	General chemistry / VOC / SVOC / MTBE / WQCC Metals
All PSH Wells	Semi-Annual	Measurement of product layer thickness, if present.

PSH= Phase Separated Hydrocarbon or Free-Product
RW= Recovery Well

1. Static water level or water table depth shall be measured in advance of each sampling event with exception of water supply wells and exceedances of the water quality standards displayed as piezometric and iso-concentration maps in reports. All monitor well locations shall be constructed with 15 feet of screen to allow 5 feet of screen above the water table for fluctuations.
2. All MWs and RWs shall be monitored for Phase-Separated Hydrocarbon (PSH) & thickness (to nearest 0.01ft) recorded and displayed as iso-concentration maps in reports. A correction factor for wells containing PSH shall be applied where necessary.
3. Lab methods shall be as follows: Gen. Chem. (300 & other approved methods); VOC (8260B); SVOC (8270/8310); MTBE (8260B) & WQCC Metals (6010).

B. Ground Water and Treatment System Annual Monitoring Report: An annual report shall be submitted to the OCD by April 15th of each year. The annual report shall contain:

1. Description of the monitoring and remediation activities that occurred during the year including conclusions and recommendations.
2. Summary tables listing laboratory analytical results of all water quality sampling for each monitoring point and plots of concentration vs. time for contaminants of concern from each monitoring point. Any WQCC constituent found to exceed the groundwater standard shall be highlighted. Copies of the most recent year's laboratory analytical data sheets supporting plots shall also be submitted.
3. Water table (piezometric) and/or potentiometric surface elevation iso-concentration maps utilizing static water level data shall be included in the annual report to assess local and/or regional ground water flow direction(s). A corrected water table elevation shall be determined from all wells containing phase-separated hydrocarbons. Map shall show all monitoring, recovery, PSH and City of Lovington water supply wells, pertinent site features (i.e., pipelines, effluent lines, etc.), and the direction and magnitude of the hydraulic gradient. All maps shall be to scale. Chemical iso-concentration maps of any contaminants exceeding water quality standards are required.
4. Plots of water table elevation vs. time for each ground water monitoring point from monitoring data is required to assess water table fluctuations and potential for PSH smear zone development or dormancy.

5. Monthly and cumulative flow rates and volumes from PSH and recovery wells and the total recovered to date.

6. Product thickness maps from monitoring based on the thickness of Phase-Separated Hydrocarbons (PSH) or product on ground water in all refinery recovery and monitoring wells shall be included in the report. Maps shall include isopleths to the nearest 0.5 feet or iso-concentration lines to the nearest 10 ppb for organics, 10 - 100 ppm for metals, TDS, etc., for product and contaminants of concern detected during monitoring.

7. File this report in an acceptable electronic format along with hard copies to the City of Lovington and OCD Santa Fe.

C. Vadose Zone Monitoring: The following shall apply:

1. The owner/operator shall implement vadose zone corrective action from releases consistent with Sections 17iv and 17v of this permit. All point sources of contamination shall be removed to eliminate surface water and ground water contamination threats to the environment and the City of Lovington Well Head Protection Area.

2. All verification (analytical data results, photos, C-138s, etc.) of vadose zone remediation shall be documented and submitted to the OCD on a final C-141 with supporting documentation within 30 days of corrective action.

D. Notification of field activities: The following shall apply:

1. The owner/operator shall notify the City of Lovington, OCD Santa Fe and local district office at least 2 weeks in advance of all scheduled field activities to allow OCD the opportunity to witness investigation, remediation, monitoring events and split samples. For large facilities, i.e., refineries, an annual notification may suffice.

2. The owner/operator shall notify the City of Lovington and OCD within 72 hours of the discovery of separated-phase hydrocarbons or the exceedance of WQCC water quality standards detected in any down gradient monitor well from the previous sampling or monitoring event.

21. Additional Site Specific Conditions:

A. Environmental Status Report: The owner/operator shall provide a separate monitoring and remediation environmental status report or presentation to the City of Lovington and OCD within 9 months of permit issuance to provide an update on contaminant hydrogeology with emphasis on threats to the City of Lovington water supply from the facility. PSH locations with thickness; isocon or isopleth maps (i.e., VOCs, SVOCs, MTBE, Gen. Chemistry; and WQCC Metals) and other information that support findings with conclusions and/or recommendations for further remediation.

Include any recent ground water quality monitoring information from monitor and recovery wells, since the report, "Groundwater Monitoring & Remediation System Performance Report (Report) July 2001 – June 2002." This report appears to be the last groundwater monitoring report submitted by Navajo to the OCD with analysis of data, supporting documentation, compilation, and recommendations based on the report. At that time, Navajo had an active treatment system in operation and was continuing quarterly monitoring with the next sampling event scheduled for September 2002. Navajo was continuing to investigate the occurrence of hydrocarbon product with additional work. Surface excavation in the vicinity of the API Separator and installation of additional PSH product recovery wells was also mentioned. According to the report, the leading edge of the benzene plume had reached the North refinery well and was impacting ground water at the drinking water standard of 0.005 mg/L. It was stated that the monitor wells are monitored quarterly for BTEX. The report also stated that the presence of PSH at RW-1, MW-1 and MW-7 was troublesome. Navajo had performed extensive remedial work at the location to eliminate leaks from oil/water separator boxes. Possible remaining sources of the problem may be an unknown crude line in the area or delayed drainage of previously released oil through preferential pathways in the near-surface caliche.

B. New Full-Time Automated Free-Product Recovery System: PSH or product recovery wells shall be installed at or near monitoring locations exhibiting significant product thickness (>0.5 ft.) within 6 months of permit issuance, if warranted, to recover and eliminate the source of ground water contamination from the refinery, if present. PSH or free-product shall be routed to the API Separator for refinery reprocessing, and to address the OCD conservation requirement to prevent the waste of recoverable energy resources. Alternative methods of treatment, storage and/or disposal shall be approved in writing by the OCD.

C. Records: The owner/operator shall store all discharge permit related records and documents at the refinery and make them available to the agencies (City of Lovington and OCD) upon request.

22. Annual Summary Report: On an annual basis due by April 15th, the Owner/Operator may combine the Annual Summary Report herein with the "Ground Water and Treatment System Annual Monitoring Report" (See Section 20B) and submit one formal "Annual Ground Water Monitoring and Summary Report (Report)" to the City of Lovington and OCD Santa Fe. In addition to Section 20B, the Report shall include the following at a minimum:

- A.** Summary of all major refinery activities or events and pollution prevention initiatives to highlight.
- B.** Highlights or results of all aforementioned sampling and monitoring events per Sections 20 and 21.

- C. Summary of all waste and wastewater disposed of, sold, or treated on-site, including a refinery wastewater balance sheet with a mass balance of the any evaporation pond rates, if applicable.
- D. Summary of tanks, sumps and underground wastewater lines tested and or retrofitted.
- E. Summary of all leaks, spills and releases with attached initial and final C-141 forms, supporting information, and corrective actions taken.
- F. Summary of discovery of any new vadose zone and/or ground water contamination or threat to the City of Lovington Well Head Protection Area. This should include recommendations with a schedule for any further investigation, monitoring and remediation.
- G. Summary and Copies of all City of Lovington and OCD activity, i.e., meetings, inspections, etc.

23. Transfer of Discharge Permit (WQCC 20.6.2.3111): Prior to any transfer of ownership, control, or possession (whether by lease, conveyance or otherwise) of a facility with a discharge permit, the transferor shall notify the transferee in writing of the existence of the discharge permit, and shall deliver or send by certified mail to the department a copy of such written notification, together with a certification or other proof that such notification has in fact been received by the transferee. Upon receipt of such notification, the transferee shall have the duty to inquire into all of the provisions and requirements contained in such discharge permit, and the transferee shall be charged with notice of all such provisions and requirements as they appear of record in the OCD's file or files concerning such discharge permit. The transferee (new owner/operator) shall sign and return an original copy of these permit conditions and provide a written commitment to comply with the terms and conditions of the previously approved discharge permit.

24. Closure and Financial Assurance (20.6.2.3107A (11) NMAC): Pursuant to 20.6.2.3107 NMAC an owner/operator shall notify the OCD when any operations of the facility are to be discontinued for a period in excess of six months. Prior to closure, or as a condition of this permit, or request from the OCD, the operator shall submit a closure plan for OCD written approval or modify an existing plan, and/or provide adequate financial assurance in the form of an OCD Letter of Credit for a minimum OCD required amount based on the cost estimate provided below.

The owner/operator shall submit a closure plan and financial assurance cost estimate for post-cleanup monitoring by September 30, 2009. The plan shall address how any remaining water contaminants will be monitored and/or abated to ensure the protection of public health and safety, fresh water, and the environment for a period of at least 30 years after facility closure.

25. Certification: Navajo Refining Company, by the officer, whose signature appears below, accepts this permit and agrees to comply with all submitted commitments, including these terms and conditions contained herein. **Navajo Refining Company** further acknowledges that the OCD may, for good cause shown, as necessary to protect fresh water, public health, safety, and the environment, change the conditions and requirements of this permit administratively.

Conditions accepted by: "I certify under penalty of law that I have personally examined and am familiar with the information submitted in this document and all attachments and that, based on my inquiry of those individuals immediately responsible for obtaining the information, I believe that the information is true, accurate, and complete. I am aware that there are significant penalties for submitting false information including the possibility of fine and imprisonment."

Company Name-print name above

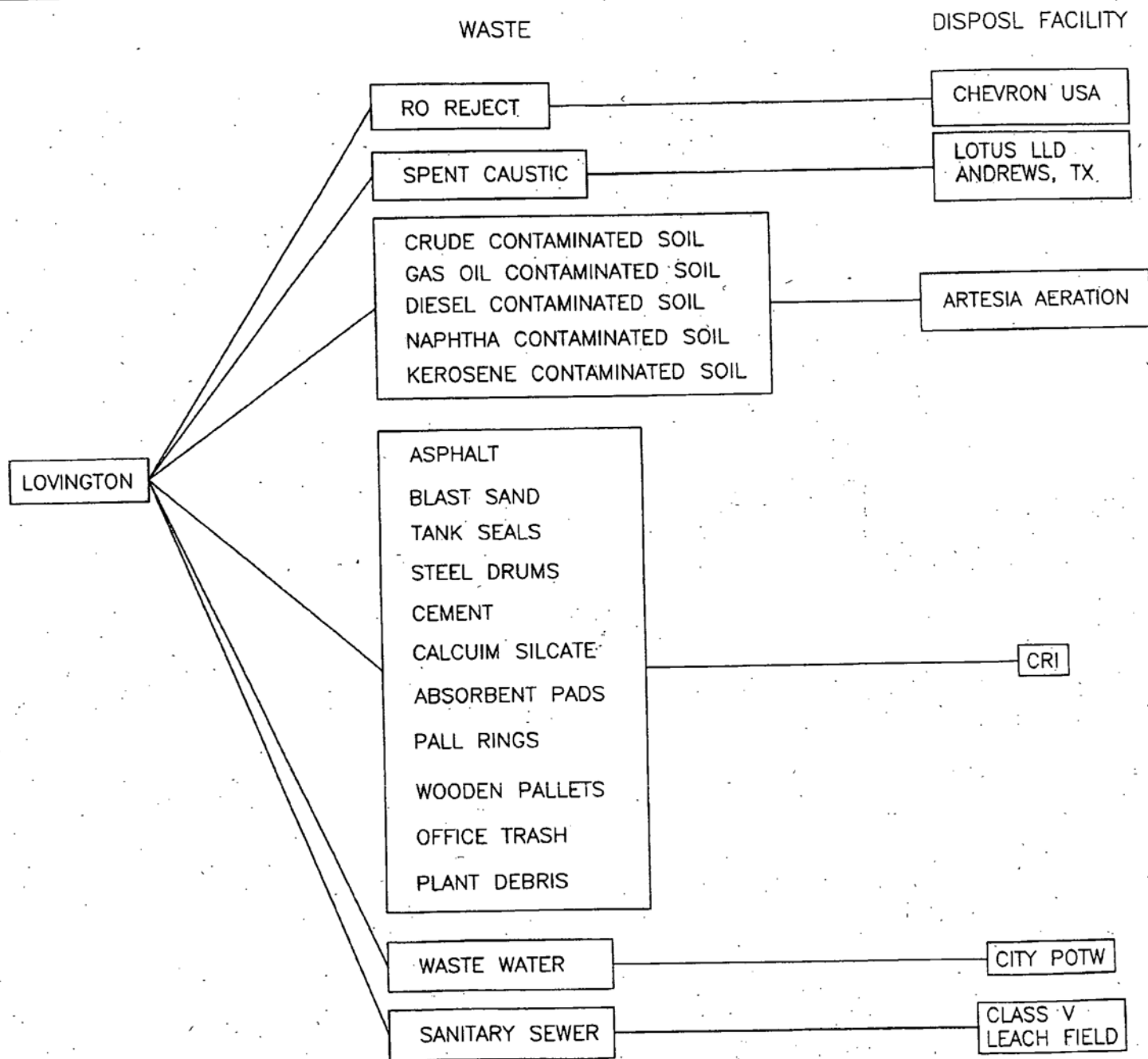
Company Representative- print name

Company Representative- Signature

Title _____

Date: _____

ATTACHMENT 1



ATTACHMENT 2

District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 South First, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources

Oil Conservation Division
2040 South Pacheco
Santa Fe, NM 87505

Form C-141
Revised March 17, 1999

Submit 2 Copies to appropriate
District Office in accordance
with Rule 116 on back
side of form

Release Notification and Corrective Action

OPERATOR

☒ Initial Report

☐ Final Report

Name of Company Navajo Refining - Lea	Contact Darrell Moore	
Address P.O. Drawer 159 Artesia, NM	Telephone No. 505-748-3311	
Facility Name	Facility Type	
Surface Owner	Mineral Owner	Lease No.

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
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NATURE OF RELEASE

Type of Release Diesel	Volume of Release 70 bbls.	Volume Recovered 30 bbls.
Source of Release Relief valve	Date and Hour of Occurrence 12/7/03 4:00 am	Date and Hour of Discovery 12/7/03 4:00 am
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? E.L. Gonzalez	
By Whom? Darrell Moore	Date and Hour 12/7/03 1:00 pm	
Was a Watercourse Reached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, Volume Impacting the Watercourse.	

If a Watercourse was Impacted, Describe Fully.*

Describe Cause of Problem and Remedial Action Taken.*

Relief valve was left open. When pump was kicked on, the release occurred.

Describe Area Affected and Cleanup Action Taken.* Area is near TK103B. Vacuum truck picked up 30bbls.

Liquid. 100yds. of contaminated soil was removed and shipped to CRI.
Bottom hole samples have been collected. Awaiting results.

I hereby certify that the information given above is true and complete to the best of my knowledge and understand that pursuant to NMOCD rules and regulations all operators are required to report and/or file certain release notifications and perform corrective actions for releases which may endanger public health or the environment. The acceptance of a C-141 report by the NMOCD marked as "Final Report" does not relieve the operator of liability should their operations have failed to adequately investigate and remediate contamination that pose a threat to ground water, surface water, human health or the environment. In addition, NMOCD acceptance of a C-141 report does not relieve the operator of responsibility for compliance with any other federal, state, or local laws and/or regulations.

Signature: <i>Darrell Moore</i>	OIL CONSERVATION DIVISION	
Printed Name: Darrell Moore	Approved by: District Supervisor:	
Title: Env. Mgr. for Water & Waste	Approval Date:	Expiration Date:
Date: 12/17/03 Phone: 505-748-3311	Conditions of Approval:	Attached <input type="checkbox"/>

* Attach Additional Sheets If Necessary

1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-141
Revised October 10, 2003

Submit 2 Copies to appropriate
District Office in accordance
with Rule 116 on back
side of form

Release Notification and Corrective Action

OPERATOR

☒ Initial Report ☐ Final Report

Name of Company <u>Lea Refining Co.</u>	Contact <u>Darrell Moore</u>	
Address	Telephone No. <u>505-746-5281</u>	
Facility Name	Facility Type <u>Refinery</u>	
Surface Owner	Mineral Owner	Lease No.

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
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Latitude 32°52'38"N Longitude 103°18'00"W

NATURE OF RELEASE

Type of Release <u>Naptha-Kerosene</u>	Volume of Release <u>Unknown</u>	Volume Recovered <u>30bbbls</u>
Source of Release <u>Run-Down Line</u>	Date and Hour of Discovery <u>10/12/05</u>	Date and Hour of Discovery <u>10/12/05</u>
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? <u>Larry Johnson OCD</u>	
By Whom? <u>Darrell Moore</u>	Date and Hour <u>10/13/05 8:30am</u>	
Was a Watercourse Reached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, Volume Impacting the Watercourse.	

If a Watercourse was Impacted, Describe Fully.*

Describe Cause of Problem and Remedial Action Taken.* Line developed leak. Leak was clamped off and free standing product was vacuumed up. Line is being inspected for potential replacement.

Describe Area Affected and Cleanup Action Taken.* Affected area is near the RO Unit and under pipe rack. Crew will remove contaminated dirt which will be profiled for disposal. Bottom samples will be analyzed.

I hereby certify that the information given above is true and complete to the best of my knowledge and understand that pursuant to NMOCD rules and regulations all operators are required to report and/or file certain release notifications and perform corrective actions for releases which may endanger public health or the environment. The acceptance of a C-141 report by the NMOCD marked as "Final Report" does not relieve the operator of liability should their operations have failed to adequately investigate and remediate contamination that pose a threat to ground water, surface water, human health or the environment. In addition, NMOCD acceptance of a C-141 report does not relieve the operator of responsibility for compliance with any other federal, state, or local laws and/or regulations.

Signature: <u>Darrell Moore</u>	OIL CONSERVATION DIVISION	
Printed Name: <u>Darrell Moore</u>	Approved by District Supervisor.	
Title <u>Env. Mgr. for Water & Waste</u>	Approval Date:	Expiration Date:
E-mail Address <u>darrell.moore@navajo-refining.com</u>	Conditions of Approval:	Attached <input type="checkbox"/>
Date: <u>10/14/05</u>	Phone: <u>505-746-5281</u>	

* Attach Additional Sheets If Necessary

District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 South First, Artesia, NM 88210
District III
1600 Rio Brazos Road, Aztec, NM 87410
District IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources

Oil Conservation Division
2040 South Pacheco
Santa Fe, NM 87505

FILE COPY

Form C-141
Revised March 17, 1999

Submit 2 Copies to appropriate
District Office in accordance
with Rule 116 on back
side of form

Release Notification and Corrective Action

OPERATOR

☒ Initial Report ☐ Final Report

Name of Company Navajo Lea Refining Co. LLC	Contact Darrell Moore
Address 7406 S. Main Lovington, NM	Telephone No. 575-748-3311
Facility Name Lovington Plant	Facility Type Petroleum Refinery

Surface Owner	Mineral Owner	Lease No.
---------------	---------------	-----------

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
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NATURE OF RELEASE

Type of Release Crude Oil	Volume of Release 20 bbls	Volume Recovered 5 bbls
Source of Release Sump at pipeline	Date and Hour of Occurrence 10/10/07 8:00am	Date and Hour of Discovery 10/10/07 8:00am
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? Hobbs OCD voicemail-on call phone	
By Whom? Doug Price	Date and Hour 10/10/07 9:05am	
Was a Watercourse Reached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, Volume Impacting the Watercourse.	

If a Watercourse was Impacted, Describe Fully.*

Describe Cause of Problem and Remedial Action Taken.* During switching from one crude tank to the other, relief valve released filling up sump and overrunning. Vacuum was used to suck up free oil.

Describe Area Affected and Cleanup Action Taken.* Area affected is in two areas of about 10' wide by 100' long each. Contaminated soil has been picked up and bottom hole TPH samples taken. Waiting on results

I hereby certify that the information given above is true and complete to the best of my knowledge and understand that pursuant to NMOCD rules and regulations all operators are required to report and/or file certain release notifications and perform corrective actions for releases which may endanger public health or the environment. The acceptance of a C-141 report by the NMOCD marked as "Final Report" does not relieve the operator of liability should their operations have failed to adequately investigate and remediate contamination that pose a threat to ground water, surface water, human health or the environment. In addition, NMOCD acceptance of a C-141 report does not relieve the operator of responsibility for compliance with any other federal, state, or local laws and/or regulations

Signature: <i>Darrell Moore</i>	OIL CONSERVATION DIVISION	
Printed Name: Darrell Moore	Approved by District Supervisor:	
Title: Env. Mgr. for Waste & Water	Approval Date	Expiration Date
Date: 10/18/07 Phone: 575-748-3311	Conditions of Approval	Attached <input type="checkbox"/>

Attach Additional Sheets If Necessary

2 FILE COPY

District I
1625 N. French Dr., Hobbs, NM 88240
District II
511 South First, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources

Oil Conservation Division
2040 South Pacheco
Santa Fe, NM 87505

Form C-141
Revised March 17, 1999

Submit 2 Copies to appropriate
District Office in accordance
with Rule 116 on back
side of form

Release Notification and Corrective Action**OPERATOR**☒ Initial Report☐ Final Report

Name of Company Navajo Refining Co. LLC	Contact Darrell Moore	
Address 7406 S. Main Lovington, NM	Telephone No. 575-746-5281	
Facility Name Lovington Refinery	Facility Type Petroleum Refinery	
Surface Owner	Mineral Owner	Lease No.

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
-------------	---------	----------	-------	---------------	------------------	---------------	----------------	--------

NATURE OF RELEASE

Type of Release Crude Oil	Volume of Release Unknown	Volume Recovered 2 bbls
Source of Release Hole in pipeline	Date and Hour of Occurrence Unknown	Date and Hour of Discovery 10/25/07 10:00am
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? Larry Johnson, Hobbs OCD, Wayne Price Santa Fe, OCD	
By Whom? Darrell Moore	Date and Hour 3:30 pm 10/25/07	
Was a Watercourse Reached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, Volume Impacting the Watercourse.	
If a Watercourse was Impacted, Describe Fully.*		
Describe Cause of Problem and Remedial Action Taken.* A pool of oil was noticed along a pipe run. Upon investigation, a hole was discovered in a pipe. The pipe was excavated and clamped.		
Describe Area Affected and Cleanup Action Taken.* 20 yds of contaminated soil has been removed to uncover the pipe. The vertical limit has not been reached and the location within the pipe run makes it difficult to clean under it.		
I hereby certify that the information given above is true and complete to the best of my knowledge and understand that pursuant to NMOCD rules and regulations all operators are required to report and/or file certain release notifications and perform corrective actions for releases which may endanger public health or the environment. The acceptance of a C-141 report by the NMOCD marked as "Final Report" does not relieve the operator of liability should their operations have failed to adequately investigate and remediate contamination that pose a threat to ground water, surface, water, human health or the environment. In addition, NMOCD acceptance of a C-141 report does not relieve the operator of responsibility for compliance with any other federal, state, or local laws and/or regulations.		
Signature: <i>Darrell Moore</i>	OIL CONSERVATION DIVISION	
Printed Name: Darrell Moore	Approved by District Supervisor	
Title: Env. Mgr for Water & Waste	Approval Date:	Expiration Date:
Date: 10/25/07	Phone: 575-746-5281	Conditions of Approval: Attached <input type="checkbox"/>

* Attach Additional Sheets If Necessary

District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 South First, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources

Oil Conservation Division
2040 South Pacheco
Santa Fe, NM 87505

Form C-141
Revised March 17, 1999

Submit 2 Copies to appropriate
District Office in accordance
with Rule 116 on back
side of form

Release Notification and Corrective Action

OPERATOR

☒ Initial Report

☐ Final Report

Name of Company Navajo Lea Refining Co. LLC	Contact Darrell Moore	
Address 7406 S1 Main Lovington, NM 88260	Telephone No. 505-703-5058	
Facility Name	Facility Type Petroleum Refinery	
Surface Owner	Mineral Owner	Lease No.

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
-------------	---------	----------	-------	---------------	------------------	---------------	----------------	--------

NATURE OF RELEASE

Type of Release Caustic	Volume of Release 150 Bbls	Volume Recovered 120 Bbls
Source of Release Caustic Scrubber	Date and Hour of Occurrence 7/10/08 5:30 am	Date and Hour of Discovery 7/10/08 6:00 am
Was Immediate Notice Given? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom?	
By Whom?	Date and Hour	
Was a Watercourse Reached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, Volume Impacting the Watercourse.	
If a Watercourse was Impacted, Describe Fully.*		
Describe Cause of Problem and Remedial Action Taken.* Relief valve hung in the open position and filled sump. Which then over flowed. Valve is being replaced.		
Describe Area Affected and Cleanup Action Taken.* Area affected is to the east and south of caustic scrubber. Happened during a rain event, so most of material was floating on water. Vacuum truck sucked up spill material. Contaminated soil will be removed.		
I hereby certify that the information given above is true and complete to the best of my knowledge and understand that pursuant to NMOCD rules and regulations all operators are required to report and/or file certain release notifications and perform corrective actions for releases which may endanger public health or the environment. The acceptance of a C-141 report by the NMOCD marked as "Final Report" does not relieve the operator of liability should their operations have failed to adequately investigate and remediate contamination that pose a threat to ground water, surface water, human health or the environment. In addition, NMOCD acceptance of a C-141 report does not relieve the operator of responsibility for compliance with any other federal, state, or local laws and/or regulations.		
Signature <i>Darrell Moore</i>	OIL CONSERVATION DIVISION	
Printed Name: Darrell Moore	Approved by District Supervisor:	
Title: Env. Mgr. for Water & Waste	Approval Date:	Expiration Date:
Date: 7/10/08 Phone: 575-703-5058	Conditions of Approval:	Attached <input type="checkbox"/>

* Attach Additional Sheets If Necessary

Affidavit of Publication

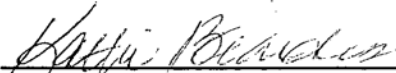
State of New Mexico,
County of Lea.

I, KATHI BEARDEN
PUBLISHER

of the Hobbs News-Sun, a
newspaper published at Hobbs, New
Mexico, do solemnly swear that the
clipping attached hereto was
published in the regular and entire
issue of said newspaper, and not a
supplement thereof for a period

of 1 issue(s).

Beginning with the issue dated
December 13, 2008
and ending with the issue dated
December 13, 2008


PUBLISHER

Sworn and subscribed to before me
this 15th day of
December, 2008

Notary Public

My commission expires
February 07, 2009
(Seal)



OFFICIAL SEAL
DORA MONTZ
NOTARY PUBLIC
STATE OF NEW MEXICO

My Commission Expires: _____

This newspaper is duly qualified to
publish legal notices or
advertisements within the meaning of
Section 3, Chapter 167, Laws of
1937 and payment of fees for said
publication has been made.

DECEMBER 13, 2008
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 (20.6.2.3106 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:

(GW-014) Navajo Refining Company, Darrell Moore (505) 748-3311, P.O. Box 159, Artesia, New Mexico, 88211-0159, has submitted a renewal application for the Navajo Refining Company - Lovington Refinery (GW-014) located in the SW/4 of Section 31, Township 16 South, Range 37 East, the SE/4 of Section 36, Township 16 South, Range 36 East, the NW/4 of Section 6, Township 17 South, Range 37 East, and the NE/4 of Section 1, Township 17 South, Range 36 East, NMPM, Lea County, New Mexico. The refinery is about 5 miles southeast of Lovington, New Mexico, just west of the North Lovington Hwy. The facility is within the City of Lovington Well Head Protection Area. Approximately 288,000 gallons per day of treated refinery waste water with a total dissolved solids concentration of approximately 1,850 mg/L will undergo treatment in a USEPA regulated pretreatment unit prior to discharge to the City of Lovington publicly owned treatment works (POTW). Approximately 1,100 gallons per day of total sanitary effluent is discharged to various localized septic systems across the facility. A new Underground Injection Control, Class V, well permit for a sanitary waste water leach field system will be overseen by the New Mexico Environment Department. Groundwater most likely to be affected by a spill, leak or accidental discharge is at a depth of approximately 90 feet below the ground surface, with a total dissolved solids concentration of approximately 500 mg/L. The discharge plan addresses how spills, leaks, and other accidental discharges to the surface will be managed including methods and procedures for handling products, waste, waste water management, and site investigation or abatement plans.

The NMOCD has determined that the applications listed above are administratively complete and has prepared draft permits. 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 español, sírvase comunicarse por favor: New Mexico Energy, Minerals and Natural Resources Department (Depto. Del. Energía, Minerales y Recursos Naturales de Nuevo México), Oil Conservation Division (Depto. Conservación 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 9th day of December 2008.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

SEAL
#24591

Mark Fesmire, Director

01101546

00022682

CARL J. CHAVEZ
NM OIL CONSERVATION DIVISION, EMNRD
1220 S. SAINT FRANCIS DR.
SANTA FE, NM 87505

Advertising Receipt

Hobbs Daily News-Sun

201 N Thorp
P. O. Box 936
Hobbs, NM 88241

Phone: 575-397-0610

Fax: 575-397-0610

RECEIVED

2008 DEC 19 PM 1 05

NM OIL CONSERVATION DIVISION,
CARL J. CHAVEZ
1220 S. SAINT FRANCIS DR.
SANTA FE, NM 87505

Cust #: 01101546
Ad #: 00022682
Phone: (505)476-3492
Date: 12/10/2008
Ad taker: C2 Salesperson: 08

Sort Line: #24591

Classification 673

Description	Start	Stop	Ins.	Cost/Day	Total
07 07 Daily News-Sun	12/13/2008	12/13/2008	1	119.28	119.28
AFFI Affidavit for legals					3.00
BOLD bold					1.00

Ad Text:

LEGAL
DECEMBER 13, 2008
NOTICE OF PUBLICATION

Payment Reference:

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

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Total: 123.28
Tax: 8.24
Net: 131.52
Prepaid: 0.00

Total Due: 131.52

And el...
approved
12/16

THE SANTA FE
NEW MEXICAN
Founded 1849

RECEIVED

2009 JAN 5 PM 2 00

NM EMNRD Oil Cons.
Carl Chavez
1220 S. St. Francis Drive
Santa Fe, NM 87505

ALTERNATE ACCOUNT: 56689
AD NUMBER: 00276178 ACCOUNT: 00002212
LEGAL NO: 86443 P.O. #: 56689
232 LINES 1 TIME(S) 202.16
AFFIDAVIT: 7.00
TAX: 16.60
TOTAL: 225.76

AFFIDAVIT OF PUBLICATION

STATE OF NEW MEXICO
COUNTY OF SANTA FE

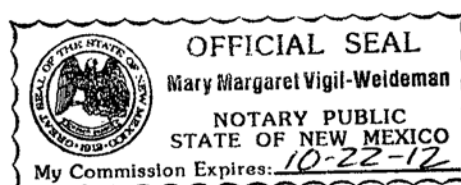
I, L. Paquin, being first duly sworn declare and say that I am Legal Advertising Representative of THE SANTA FE NEW MEXICAN, a daily newspaper published in the English language, and having a general circulation in the Counties of Santa Fe and Los Alamos, State of New Mexico and being a newspaper duly qualified to publish legal notices and advertisements under the provisions of Chapter 167 on Session Laws of 1937; that the publication # 86443 a copy of which is hereto attached was published in said newspaper 1 day(s) between 12/16/2008 and 12/16/2008 and that the notice was published in the newspaper proper and not in any supplement; the first date of publication being on the 16th day of December, 2008 and that the undersigned has personal knowledge of the matter and things set forth in this affidavit.

/s/ L. Paquin
LEGAL ADVERTISEMENT REPRESENTATIVE

Subscribed and sworn to before me on this 16th day of December, 2008

Notary Mary Margaret Vigil-Weideman

Commission Expires: October 22, 2012



**NOTICE OF
PUBLICATION**

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

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GIVEN under the Seal of New Mexico Oil Conservation Commission at Santa Fe, New Mexico, on this

9th day of December 2008.

**STATE OF
NEW MEXICO
OIL CONSERVATION
DIVISION**

SEAL Mark Fesmire,
Director
Legal No. 86443
Pub. Dec. 16, 2008

Chavez, Carl J, EMNRD

From: Mary Eleas [meleas@sfnewmexican.com]
Sent: Monday, December 15, 2008 11:34 AM
To: Chavez, Carl J, EMNRD
Subject: Legal

Carl

Your notice is scheduled for tomorrow the 16th

Thank you for advertising with The Santa Fe New Mexican.

Mary Eleas

This inbound email has been scanned by the MessageLabs Email Security System.

Chavez, Carl J, EMNRD

From: classifieds [classifieds@hobbsnews.com]
Sent: Monday, December 15, 2008 12:15 PM
To: Chavez, Carl J, EMNRD
Subject: Re: Legal Notice

Carl,

I have received your Legal it ran on 12/13/08

thanks

Penney

On Dec 10, 2008, at 10:34 AM, Chavez, Carl J, EMNRD wrote:

<image001.gif>

Dear Sir or Madam:

Please publish (**for one day only**) the attached Public Notice in the classified notice section of your respective newspapers.

For billing purposes, please find below the PO# for each of your newspapers:

Santa Fe New Mexican (PO# 56689) **Public Notice Description: GW-014 (see attached public notice)**

Hobbs News-Sun (PO# 01101546-000) **Public Notice Description: GW-014 (see attached public notice)**

Please send me an affidavit of proof of publication for each notice that you process and contact me if you have questions. Thank you.

Carl J. Chavez, CHMM

New Mexico Energy, Minerals & Natural Resources Dept.

Oil Conservation Division, Environmental Bureau

1220 South St. Francis Dr., Santa Fe, New Mexico 87505

Office: (505) 476-3491

Fax: (505) 476-3462

E-mail: CarlJ.Chavez@state.nm.us

Website: <http://www.emnrd.state.nm.us/ocd/index.htm>

(Pollution Prevention Guidance is under "Publications")

Confidentiality Notice: This e-mail, including all attachments is for the sole use of the intended recipient(s), and may contain confidential and privileged information. Any unauthorized review, use, disclosure or distribution is prohibited unless specifically provided under the New Mexico Inspection of Public Records Act. If you are not the intended recipient, please contact the sender and destroy all copies of this message. -- This email has been scanned by the Sybari - Antigen Email System.

<GW-14 PN.doc>

This inbound email has been scanned by the MessageLabs Email Security System.

NOTICE OF PUBLICATION

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

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GIVEN under the Seal of New Mexico Oil Conservation Commission at Santa Fe, New Mexico, on this 9th day of December 2008.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

S E A L

Mark Fesmire, Director



New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson
Governor

Joanna Prukop
Cabinet Secretary
Reese Fullerton
Deputy Cabinet Secretary

Mark Fesmire
Division Director
Oil Conservation Division



December 9, 2008

Mr. Darrell Moore
Environmental Manager for Water & Waste
Navajo Refining Company- Lovington Refinery
PO Box 159
Artesia, New Mexico 88211-0159

Re: Discharge Plan Renewal Permit (GW-014)
Navajo Refining Company- Lovington Refinery
Lea County, New Mexico

Dear Mr. Moore:

The New Mexico Oil Conservation Division (NMOCD) has received Navajo Refining Company's request and initial fee, dated June 27, 2006, to renew GW-014 for the Navajo Refining Company- Lovington Refinery located in the SW/4 of Section 31, Township 16 South, Range 37 East; the SE/4 of Section 36, Township 16 South, Range 36 East; the NW/4 of Section 6, Township 17 South, Range 37 East; and the NE/4 of Section 1, Township 17 South, Range 36 East, NMPM, Lovington County, New Mexico. The refinery is about 5 miles southeast of Lovington, New Mexico, just west of the North Lovington Hwy. The initial submittal provided the required information in order to deem the application "administratively" complete.

Therefore, the New Mexico Water Quality Control Commission regulations (WQCC) notice requirements of 20.6.2.3108 NMAC must be satisfied and demonstrated to the NMOCD. NMOCD will provide public notice pursuant to the WQCC notice requirements of 20.6.2.3108 NMAC to determine if there is any public interest.

If there are any questions regarding this matter, please do not hesitate to contact me at (505) 476-3491 or carlj.chavez@state.nm.us. On behalf of the staff of the NMOCD, I wish to thank you and your staff for your cooperation during this discharge permit review.

Sincerely,

Carl J. Chavez
Environmental Engineer

CJC/cjc

xc: OCD District I Office, Hobbs





New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson
Governor

Joanna Prukop
Cabinet Secretary
Reese Fullerton
Deputy Cabinet Secretary

Mark Fesmire
Division Director
Oil Conservation Division



December 9, 2008

Mr. Darrell Moore
Environmental Manager for Water & Waste
Navajo Refining Company- Lovington Refinery
PO Box 159
Artesia, New Mexico 88211-0159

RE: DISCHARGE PERMIT (GW-014)
NAVAJO REFINING COMPANY- LOVINGTON REFINERY

Dear Mr. Moore:

Pursuant to Water Quality Control Commission (WQCC) Regulations (20.6.2.3000 - 20.6.2.3114 NMAC), the Oil Conservation Division (OCD) **hereby approves** the discharge permit for the **Navajo Refining Company- Lovington Refinery** (GW-014) located in the SW/4 of Section 31, Township 16 South, Range 37 East; the SE/4 of Section 36, Township 16 South, Range 36 East; the NW/4 of Section 6, Township 17 South, Range 37 East; and the NE/4 of Section 1, Township 17 South, Range 36 East, NMPM, Lea County, New Mexico, under the conditions specified in the enclosed **Attachment To The 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 owner/operator of responsibility if operations result in pollution of surface water, ground water or the environment. Nor does approval of the permit relieve the owner/operator of its responsibility to comply with any other applicable governmental authority's rules and regulations.

If you have any questions, Please contact Mr. Carl Chavez of my staff at (505-476-3491) or E-mail: 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,

Wayne Price
Environmental Bureau Chief

LWP/cc
Attachments-1
xc: OCD District Office

**ATTACHMENT TO THE DISCHARGE PERMIT
NAVAJO REFINING COMPANY- LOVINGTON REFINERY (GW-014)
DRAFT DISCHARGE PERMIT APPROVAL CONDITIONS**

December 9, 2008

Please remit a check for \$8,400.00 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 shall 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. However, the owner/operator still owes the required \$8,400.00 renewal permit fee for a refinery.
- 2. Permit Expiration and Renewal and Penalties:** Pursuant to WQCC Regulations (20.6.2.3109.H.4 NMAC), this permit is valid for a period of five years. **The permit will expire on October 30, 2011** 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, NMSA1978} 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 owner/operator 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 and local environmental regulation(s) and/or ordinance(s).
- 4. Owner/Operator Commitments:** The owner/operator shall abide by all commitments submitted in its June 27, 2006, discharge plan renewal application with \$100 Filing Fee, including attachments and subsequent amendments and these conditions for approval. Permit applications that reference previously approved plans on file with the division shall be incorporated in this permit and the owner/operator shall abide by all previous commitments of such plans and these conditions for approval.

5. Modifications: WQCC Regulation 20.6.2.3107.C, and 20.6.2.3109 NMAC addresses possible future modifications of a permit. The owner/operator (discharger) shall notify the OCD of any facility expansion, production increases 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 being or will be exceeded, or if a toxic pollutant 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: The owner/operator shall dispose of all oil field exempt and non-exempt non-hazardous wastes at an OCD-approved facility. RCRA non-hazardous, non-exempt oil field wastes regulated by the OCD 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 (See Attachment 1). Only oil field RCRA- exempt and non-exempt non-hazardous wastes may be disposed of by injection in a Class I Well. Only oil field RCRA-exempt wastes may be disposed of by injection in a Class II Well.

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 (See Attachment 1).

B. Waste Storage: The owner/operator 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 owner/operator shall not store oil field waste on-site for more than 180 days unless approved by the OCD.

7. Drum Storage: The owner/operator must store all drums, including empty drums, containing materials other than fresh water on an impermeable pad with curbing. An exception may be allowed where empty containers are triple-rinsed prior to storage and demarcated to indicate rinsing was performed. However, approval shall require submittal of a site diagram(s) displaying the empty container triple-rinse locations(s) throughout the refinery with schematics or flow diagrams with explanation of the rinse process, effluent discharge location(s), treatment, storage or disposal of any waste, and equipment within 3 months of permit issuance. Empty containers stored outside of impermeable pads or curbing without a triple rinse designation shall be a violation of this provision. The owner/operator shall store empty containers (non-rinsed) on their sides with the bungs or lids in place and lined up in a horizontal plane. The owner/operator shall store chemicals in other containers, such as drums, tote tanks, sacks, etc., on an impermeable pad with curbing. All storage areas shall be designed and constructed to allow for the separation of incompatible chemicals.

8. Process, Maintenance and Yard Areas: The owner/operator 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 and spills have reached the ground surface.

9. Above Ground Tanks: The owner/operator shall ensure that all above ground tanks have impermeable secondary containment (e.g., liners and berms) with leak detection systems. The owner/operator shall retrofit all existing tanks before discharge permit renewal or within a proposed schedule approved by the OCD within 3 months of permit issuance. Tanks that contain good quality fresh water or fluids that are gases at atmospheric temperature and pressure are exempt from this condition.

All new and existing above ground tanks containing chemicals must be placed or retrofitted over an impermeable pad (60-mil LLDPE reinforced liner with leak detection system) or liner system within a bermed secondary containment area approved by the OCD. The bermed areas shall be constructed to contain a volume of at least one and one-third ($1 + 1/3$) greater than the total volume of the largest tank and/or all interconnected tanks within a bermed containment area. Alternative secondary containment designs must be approved by the OCD.

The owner/operator shall submit a spreadsheet or table identifying all tanks with a work schedule to address this provision (Tank ID #, type of tank, new/used, volume, chemical stored, tank age, last Integrity test date, planned retrofit date and/or construction date, etc.) to the OCD for approval. The owner/operator shall prioritize existing tanks for retrofit based on the toxicity and solubility (contaminant fate-transport potential, etc.) of chemicals (i.e., BTEX, JP4, etc.), site-specific threats to public health, safety, fresh water, and the environment. A work schedule with a phased approach extending beyond the standard 5-Year permit period may be approved by the OCD if submitted within 3 months of permit issuance. The table(s) shall be considered approved if the OCD does not respond within 30 days of receipt of the proposed table and work schedule.

10. Labeling: The owner/operator shall clearly label all tanks, drums, and containers to identify their contents and other emergency notification information. The owner/operator may use a tank code numbering system, which is incorporated into their emergency response plans. Per Section 7 above, all triple-rinsed containers stored outside of impermeable pad areas shall be demarcated to indicate they have been triple-rinsed at approved locations.

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 owner/operator shall retrofit all existing systems without secondary containment and leak detection before discharge permit renewal or within a schedule proposed in a spreadsheet or table approved by the OCD within 3 months of permit issuance. The owner/operator shall develop a spreadsheet record or table that contains

all below-grade tanks, sumps, pits, and ponds. Each device or system shall have an identification, drawing reference, date installed, test dates, test method, pass/fail/repair information with signature, and investigation results w/ date of resolution, if applicable. Navajo shall test at a minimum 20% of each category of device each year or 100% by the expiration date of the permit, if an alternate schedule is not approved by the OCD. The table(s) shall be considered approved if the OCD does not respond to a proposed alternate schedule submitted to OCD within 3 months of permit issuance. An alternate schedule will be considered approved if the OCD does not respond to a submittal within 30 days of receipt. Systems that have secondary containment with leak detection shall have a monthly inspection with fluid level record keeping 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. A list of all below-grade tanks and sumps with schedule for testing or completion, and/or decommission shall be included with the submittal.

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, 60-mil LLDPE liners or other liner approved by the OCD with dual thermal seam (seamless liners preferred), and secondary containment with leak detection system (with the exception of storm water retention or detention ponds that must meet the liner requirement only), 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 owner/ operator shall retrofit all existing systems without secondary containment and leak detection before discharge permit renewal or within a schedule submitted to the OCD and approved within 3 months of permit issuance. A spreadsheet or table of all pits and ponds with schedule for completion shall be included in the submittal and OCD shall approve or deny the submittal within 30 days of receipt. The table(s) and work schedule(s) shall be considered approved if the OCD does not respond within 30 days of receipt.

C. The owner/operator 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. Where netting is not feasible, routine witnessing and/or discovery of dead wildlife and migratory birds shall be reported to the appropriate wildlife agency with notification to the OCD in order to assess and enact measures to prevent the above from reoccurring.

D. The owner/operator shall maintain the records from all tests and inspections at the facility covered by this discharge permit and made available for OCD inspection upon request. The owner/operator shall report the discovery of any system which is found to be leaking or has lost integrity to the OCD within 72 hours of discovery. The owner/operator 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 owner/operator shall notify the OCD at Least 72 hours prior to all testing.

12. Evaporation Ponds: All wastewater discharged to evaporation ponds shall be demonstrated that it meets the definition of EPA RCRA Non-hazardous pursuant to 40 CFR 260-261. A minimum freeboard of two feet shall be maintained in the ponds so that no over topping of wastewater occurs. Any major repairs or modifications to the ponds or leak detection systems must receive prior OCD approval. Any exceedance of the freeboard, rapid loss of head or any leaks or releases shall be reported pursuant to Section 16 (Spill Reporting).

A. Inspections: Evaporation ponds shall be inspected a minimum of three times per week and after any major storm event. Weekly records shall be maintained for all flow rates from all flow meters, fluid levels, freeboard, seepage, flow channels, pipes, valves, liner and dike integrity.

B. Water Quality and Quantity Monitoring: All operational evaporation ponds shall be inspected, sampled and analyzed similar to the frequency of monitor wells in Section 20A and analytical data shall be included in the annual report. In addition, all wastewater from the refinery or other sources entering ponds shall be metered and records maintained and reported in the Annual Summary Report (See Section 22).

C. Temporary and existing storage ponds: Any existing ponds shall be identified as per Section 11B and the owner/operator shall submit either a closure plan for OCD approval or install liners, etc. as required by the permit.

13. Underground Process/Wastewater Lines:

A. The owner/operator shall provide a comprehensive spreadsheet/table listing of all underground process/wastewater pipelines within 3 months of permit issuance to establish the basis for compliance with this provision. The owner/operator shall perform mechanical integrity testing (MIT) at least once every five (5) years and/or complete a minimum of 20% per year of all underground process/wastewater pipeline MITs before the expiration date of the permit to demonstrate the mechanical integrity of all underground process/wastewater pipelines, 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 owner/operator may use other methods for testing if approved by the OCD. The OCD shall be notified at Least 72 hours prior to all testing.

B. The owner/operator 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 (i.e., sanitary effluent lines, triple-rinse flow lines, etc.) must be

approved by the OCD prior to installation. The owner/operator shall report any Leaks or loss of integrity to the OCD within 72 hours of discovery. The owner/operator shall maintain the results of all tests at the facility covered by this discharge permit and records shall be made available to OCD inspectors upon request. The owner/operator shall notify the OCD at Least 72 hours prior to all testing.

14. Class V Wells: The owner/operator shall close all Class V wells (e.g., septic systems, underground sanitary discharge closed system tanks, 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 and/or where the infiltration trench is "deeper than its widest surface dimension," or includes an assemblage of perforated pipes, drain tiles, or other similar mechanisms intended to distribute fluids below the surface of the ground, are considered Class V injection wells under the EPA UIC Program. Class V wells shall be permitted by the New Mexico Environment Department (NMED) if sanitary wastewater is injected into a leach field without processing, treatment or disposal within an OCD treatment system at the facility.

15. Housekeeping: The owner/operator 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. All drains shall be fully functional, unobstructed by sediment buildup and debris to facilitate proper drainage. The owner/operator shall maintain all discharge permit related records at the facility and make records available to OCD inspectors upon request (See Section 21C below).

16. Spill Reporting: The owner/operator 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 owner/operator shall notify the City of Lovington, OCD District Office and the OCD Santa Fe Office within 24 hours and file a written report to OCD Santa Fe within 15 days. The owner/operator shall notify the City of Lovington immediately of any discharge, leak, spill or release that poses an imminent threat to the City's fresh water supply to allow the City to take corrective action(s) to prevent contamination from entering the freshwater gathering system. Note that the owner/operator may also have a federal reporting obligation(s) to the National Response Center when releases to the environment exceed the "Reportable Quantity" or RQ per 40 CFR 302.4 (Designation of Hazardous Substances).

17. OCD Inspections: The OCD may place additional requirements on the facility and modify the permit conditions based on OCD inspections. Subsequent to the OCD's March 14, 2008 inspection of the facility, the following requirements apply:

i The owner/operator shall submit an updated site map(s) showing the current status of all recovery wells, monitor wells, domestic wells (City of Lovington water supply),

irrigation wells, and pertinent features (i.e., new refinery units, remediation systems, new tanks, expansions, effluent pipeline(s), centralized chemical storage location, oil and gas transmission lines within and proximal to the property and ground water contamination, including storm water basins (detention ponds) if present) before June 30, 2009.

ii The owner/operator shall construct a second impermeable pad area at a centralized chemical storage area, which will serve to separate incompatible chemicals by March 31, 2009. A drawing(s) shall be submitted that illustrates a new centralized chemical storage location in advance of construction activities.

iii The owner/operator is in the process of moving the control room into the main office building, which will impact the number of new and size of existing sanitary septic systems at the facility. The owner/operator shall provide proof of permit application and correspondence with the New Mexico Environment Department (NMED)- Ground Water Quality Bureau for septic system(s) installation before June 30, 2009. The septic system(s) shall be installed by September 30, 2009. Class V wells that inject domestic waste that is not treated at the refinery must be permitted by the NMED (See Section 14).

iv The owner/operator shall cleanup all spills or releases of chemicals regardless of "Minor vs. Major Releases" under OCD Rule 116. Contaminated soils/sediments shall be physically removed or excavated from the ground to eliminate point source contamination to surface and/or ground water throughout the refinery (See Section 16). The only exceptions would be monitor well installation down gradient of releases or potential point source(s) areas that are inaccessible, and process, maintenance and yard areas (See Section 8) where the owner/operator 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.

v The owner/operator shall cleanup chemical spills to soil/sediment media using visual, olfactory, field PID (OCD approved procedures) with final laboratory samples collected (base and sidewalls of excavation) and analyzed for BTEX, TPH and Chlorides at an environmental laboratory implementing standard EPA analytical methods with QA/QC. Analytical laboratory data with photos and supporting documentation shall confirm that contamination has been cleaned up and attached to a final C-141 for OCD approval. The OCD may require additional corrective action(s).

vi The owner/operator shall install monitor wells with 15 foot screens across the water table (monitored for BTEX, TPH and Chlorides with the rest of the facility monitor wells) down gradient of all releases where contaminated soils/sediments are not fully excavated and associated with C-141 reporting (See Attachment 2). Other proposed options, i.e., soil vapor extraction, bioremediation, additional investigation, etc. of contaminated soils to remove the point source of contamination from soil and sediment may be considered for approval by the OCD (see Sections 16 and 20).

vii The owner shall submit annual ground water monitoring reports similar to the contents and format of the "Groundwater Monitoring & Remediation System Performance Report July 2001 – June 2002" (report) from now on in order to reassess the status of vadose zone and contaminant hydrogeology beneath the facility. The recovery system that was installed was apparently discontinued over time as the ground water level dropped below many of the current monitor well screen locations according to the most recent status of operation inquiry. New monitor wells constructed and monitored (See Sections 16(v) and 20) shall be installed within 3 months of permit issuance. Additional down gradient monitor wells are required at locations down gradient from suspected refinery point source areas (See "Attachment 2" C-141 Forms- especially the 10/25/2007 pipeline release discovery) and upgradient from any City of Lovington drinking water supply well in order to safeguard the municipal water supply system. Phase separated hydrocarbons (PSH) shall be reassessed and PSH wells shall be installed within 6 months of permit issuance where product thickness is at or greater than 0.5 ft. Recovery wells may be required anywhere ground water contamination is detected upgradient from a water supply well. The annual monitoring report shall contain a conclusions section with recommendations for any additional corrective actions including additional monitor well locations based on the contaminant hydrogeology from environmental sampling and in the annual report. (See Section 20).

viii The owner/operator shall consider all explosions, fires, etc., regardless of magnitude, duration, etc., to be a "Major Release" under OCD Rule 116 and reported to the OCD accordingly. The owner/operator shall cooperate with the OCD to ensure that all explosions/fires are tracked or recorded and corrective action(s) is implemented in a timely manner to eliminate the recurrence and to protect human health, safety and the environment. The OCD shall assist by following up with the owner/operator to ensure that the refinery is working to address and find solutions to these type of problems as the situation warrants.

ix The owner/operator shall maintain a non-vegetation zone minimum of one-hundred feet radius around any flare stack(s) at all times to help prevent potential fire danger regardless of the season or weather conditions.

x The owner/operator shall maintain all Lovington Refinery records including this discharge permit at the facility and readily available during inspections, site activities, etc. All records shall be made available to OCD Inspectors upon request (See Section 21C).

18. Storm Water: The owner/operator shall implement and maintain run-on and run-off plans and controls. The owner/operator shall separate or isolate chemical contact from non-contact storm water drainage areas at the plant. The owner/operator 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 non-contact storm water run-off drainage area. The owner/operator shall notify the OCD within 24 hours of discovery of any releases and shall take immediate corrective action(s) to mitigate and remediate any discharge.

19. Unauthorized Discharges: The owner/operator 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 and approved herein. **An unauthorized discharge is a violation of this permit.**

20. Surface Water/ Ground Water/ Vadose Zone Monitoring/ Remediation/ Abatement:

The owner/operator 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 owner/operator 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 shall be a violation of the permit.

The owner/operator shall sample, analyze and report ground water contamination to the City of Lovington and OCD in accordance with applicable federal, state and local laws or ordinances. All environmental analytical sampling and testing shall comply with Environmental Protection Agency Standards and Methods. Permanent and/or temporary monitoring and remediation changes must be approved in writing by the OCD.

A. Ground Water and Treatment System Monitoring: Ground water monitoring locations, sample frequency, and laboratory analytical methods are specified in the table below. All permanent changes to the ground water monitor plan must be approved in a "Minor Modification" in writing by the OCD.

Location ^{1,2}	Frequency	Measurement ^{1,2} / Analysis ³
MW-1	Semi-Annual	General chemistry / VOC / SVOC / MTBE / WQCC Metals
MW-2	Semi-Annual	General chemistry / VOC / SVOC / MTBE / WQCC Metals
MW-3	Semi-Annual	General chemistry / VOC / SVOC / MTBE / WQCC Metals
MW-4	Semi-Annual	General chemistry / VOC / SVOC / MTBE / WQCC Metals
MW-5	Semi-Annual	General chemistry / VOC / SVOC / MTBE / WQCC Metals
MW-6	Semi-Annual	General chemistry / VOC / SVOC / MTBE / WQCC Metals
MW-7	Semi-Annual	General chemistry / VOC / SVOC / MTBE / WQCC Metals
MW-8	Semi-Annual	General chemistry / VOC / SVOC / MTBE / WQCC Metals
MW-9	Semi-Annual	General chemistry / VOC / SVOC / MTBE / WQCC Metals
MW-10	Semi-Annual	General chemistry / VOC / SVOC / MTBE / WQCC Metals
New MWs	Semi-Annual	General chemistry / VOC / SVOC / MTBE / WQCC Metals

Location ^{1,2}	Frequency	Measurement ^{1,2} / Analysis ³
All down gradient water supply wells	Semi-Annual	General chemistry / VOC / SVOC / MTBE / WQCC Metals
All RWs	Semi-Annual	General chemistry / VOC / SVOC / MTBE / WQCC Metals
All PSH Wells	Semi-Annual	Measurement of product layer thickness, if present.

PSH= Phase Separated Hydrocarbon or Free-Product
RW= Recovery Well

1. Static water level or water table depth shall be measured in advance of each sampling event with exception of water supply wells and exceedances of the water quality standards displayed as piezometric and iso-concentration maps in reports. All monitor well locations shall be constructed with 15 feet of screen to allow 5 feet of screen above the water table for fluctuations.
2. All MWs and RWs shall be monitored for Phase-Separated Hydrocarbon (PSH) & thickness (to nearest 0.01ft) recorded and displayed as iso-concentration maps in reports. A correction factor for wells containing PSH shall be applied where necessary.
3. Lab methods shall be as follows: Gen. Chem. (300 & other approved methods); VOC (8260B); SVOC (8270/8310); MTBE (8260B) & WQCC Metals (6010).

B. Ground Water and Treatment System Annual Monitoring Report: An annual report shall be submitted to the OCD by April 15th of each year. The annual report shall contain:

1. Description of the monitoring and remediation activities that occurred during the year including conclusions and recommendations.
2. Summary tables listing laboratory analytical results of all water quality sampling for each monitoring point and plots of concentration vs. time for contaminants of concern from each monitoring point. Any WQCC constituent found to exceed the groundwater standard shall be highlighted. Copies of the most recent year's laboratory analytical data sheets supporting plots shall also be submitted.
3. Water table (piezometric) and/or potentiometric surface elevation iso-concentration maps utilizing static water level data shall be included in the annual report to assess local and/or regional ground water flow direction(s). A corrected water table elevation shall be determined from all wells containing phase-separated hydrocarbons. Map shall show all monitoring, recovery, PSH and City of Lovington water supply wells, pertinent site features (i.e., pipelines, effluent lines, etc.), and the direction and magnitude of the hydraulic gradient. All maps shall be to scale. Chemical iso-concentration maps of any contaminants exceeding water quality standards are required.
4. Plots of water table elevation vs. time for each ground water monitoring point from monitoring data is required to assess water table fluctuations and potential for PSH smear zone development or dormancy.

5. Monthly and cumulative flow rates and volumes from PSH and recovery wells and the total recovered to date.

6. Product thickness maps from monitoring based on the thickness of Phase-Separated Hydrocarbons (PSH) or product on ground water in all refinery recovery and monitoring wells shall be included in the report. Maps shall include isopleths to the nearest 0.5 feet or iso-concentration lines to the nearest 10 ppb for organics, 10 - 100 ppm for metals, TDS, etc., for product and contaminants of concern detected during monitoring.

7. File this report in an acceptable electronic format along with hard copies to the City of Lovington and OCD Santa Fe.

C. Vadose Zone Monitoring: The following shall apply:

1. The owner/operator shall implement vadose zone corrective action from releases consistent with Sections 17iv and 17v of this permit. All point sources of contamination shall be removed to eliminate surface water and ground water contamination threats to the environment and the City of Lovington Well Head Protection Area.

2. All verification (analytical data results, photos, C-138s, etc.) of vadose zone remediation shall be documented and submitted to the OCD on a final C-141 with supporting documentation within 30 days of corrective action.

D. Notification of field activities: The following shall apply:

1. The owner/operator shall notify the City of Lovington, OCD Santa Fe and local district office at least 2 weeks in advance of all scheduled field activities to allow OCD the opportunity to witness investigation, remediation, monitoring events and split samples. For large facilities, i.e., refineries, an annual notification may suffice.

2. The owner/operator shall notify the City of Lovington and OCD within 72 hours of the discovery of separated-phase hydrocarbons or the exceedance of WQCC water quality standards detected in any down gradient monitor well from the previous sampling or monitoring event.

21. Additional Site Specific Conditions:

A. Environmental Status Report: The owner/operator shall provide a separate monitoring and remediation environmental status report or presentation to the City of Lovington and OCD within 9 months of permit issuance to provide an update on contaminant hydrogeology with emphasis on threats to the City of Lovington water supply from the facility. PSH locations with thickness; isocon or isopleth maps (i.e., VOCs, SVOCs, MTBE, Gen. Chemistry; and WQCC Metals) and other information that support findings with conclusions and/or recommendations for further remediation.

Include any recent ground water quality monitoring information from monitor and recovery wells, since the report, "Groundwater Monitoring & Remediation System Performance Report (Report) July 2001 – June 2002." This report appears to be the last groundwater monitoring report submitted by Navajo to the OCD with analysis of data, supporting documentation, compilation, and recommendations based on the report. At that time, Navajo had an active treatment system in operation and was continuing quarterly monitoring with the next sampling event scheduled for September 2002. Navajo was continuing to investigate the occurrence of hydrocarbon product with additional work. Surface excavation in the vicinity of the API Separator and installation of additional PSH product recovery wells was also mentioned. According to the report, the leading edge of the benzene plume had reached the North refinery well and was impacting ground water at the drinking water standard of 0.005 mg/L. It was stated that the monitor wells are monitored quarterly for BTEX. The report also stated that the presence of PSH at RW-1, MW-1 and MW-7 was troublesome. Navajo had performed extensive remedial work at the location to eliminate leaks from oil/water separator boxes. Possible remaining sources of the problem may be an unknown crude line in the area or delayed drainage of previously released oil through preferential pathways in the near-surface caliche.

B. New Full-Time Automated Free-Product Recovery System: PSH or product recovery wells shall be installed at or near monitoring locations exhibiting significant product thickness (>0.5 ft.) within 6 months of permit issuance, if warranted, to recover and eliminate the source of ground water contamination from the refinery, if present. PSH or free-product shall be routed to the API Separator for refinery reprocessing, and to address the OCD conservation requirement to prevent the waste of recoverable energy resources. Alternative methods of treatment, storage and/or disposal shall be approved in writing by the OCD.

C. Records: The owner/operator shall store all discharge permit related records and documents at the refinery and make them available to the agencies (City of Lovington and OCD) upon request.

22. Annual Summary Report: On an annual basis due by April 15th. the Owner/Operator may combine the Annual Summary Report herein with the "Ground Water and Treatment System Annual Monitoring Report" (See Section 20B) and submit one formal "Annual Ground Water Monitoring and Summary Report (Report)" to the City of Lovington and OCD Santa Fe. In addition to Section 20B, the Report shall include the following at a minimum:

- A.** Summary of all major refinery activities or events and pollution prevention initiatives to highlight.
- B.** Highlights or results of all aforementioned sampling and monitoring events per Sections 20 and 21.

- C. Summary of all waste and wastewater disposed of, sold, or treated on-site, including a refinery wastewater balance sheet with a mass balance of the any evaporation pond rates, if applicable.
- D. Summary of tanks, sumps and underground wastewater lines tested and or retrofitted.
- E. Summary of all leaks, spills and releases with attached initial and final C-141 forms, supporting information, and corrective actions taken.
- F. Summary of discovery of any new vadose zone and/or ground water contamination or threat to the City of Lovington Well Head Protection Area. This should include recommendations with a schedule for any further investigation, monitoring and remediation.
- G. Summary and Copies of all City of Lovington and OCD activity, i.e., meetings, inspections, etc.

23. Transfer of Discharge Permit (WQCC 20.6.2.3111): Prior to any transfer of ownership, control, or possession (whether by lease, conveyance or otherwise) of a facility with a discharge permit, the transferor shall notify the transferee in writing of the existence of the discharge permit, and shall deliver or send by certified mail to the department a copy of such written notification, together with a certification or other proof that such notification has in fact been received by the transferee. Upon receipt of such notification, the transferee shall have the duty to inquire into all of the provisions and requirements contained in such discharge permit, and the transferee shall be charged with notice of all such provisions and requirements as they appear of record in the OCD's file or files concerning such discharge permit. The transferee (new owner/operator) shall sign and return an original copy of these permit conditions and provide a written commitment to comply with the terms and conditions of the previously approved discharge permit.

24. Closure and Financial Assurance (20.6.2.3107A (11) NMAC): Pursuant to 20.6.2.3107 NMAC an owner/operator shall notify the OCD when any operations of the facility are to be discontinued for a period in excess of six months. Prior to closure, or as a condition of this permit, or request from the OCD, the operator shall submit a closure plan for OCD written approval or modify an existing plan, and/or provide adequate financial assurance in the form of an OCD Letter of Credit for a minimum OCD required amount based on the cost estimate provided below.

The owner/operator shall submit a closure plan and financial assurance cost estimate for post-cleanup monitoring by September 30, 2009. The plan shall address how any remaining water contaminants will be monitored and/or abated to ensure the protection of public health and safety, fresh water, and the environment for a period of at least 30 years after facility closure.

25. Certification: Navajo Refining Company, by the officer, whose signature appears below, accepts this permit and agrees to comply with all submitted commitments, including these terms and conditions contained herein. **Navajo Refining Company** further acknowledges that the OCD may, for good cause shown, as necessary to protect fresh water, public health, safety, and the environment, change the conditions and requirements of this permit administratively.

Conditions accepted by: "I certify under penalty of law that I have personally examined and am familiar with the information submitted in this document and all attachments and that, based on my inquiry of those individuals immediately responsible for obtaining the information, I believe that the information is true, accurate, and complete. I am aware that there are significant penalties for submitting false information including the possibility of fine and imprisonment."

Company Name-print name above

Company Representative- print name

Company Representative- Signature

Title _____

Date: _____

ATTACHMENT 1

ATTACHMENT 2

Chavez, Carl J, EMNRD

From: Chavez, Carl J, EMNRD
Sent: Tuesday, December 09, 2008 5:01 PM
To: 'Moore, Darrell'; Lackey, Johnny
Cc: 'Patrick B. McMahon'; Price, Wayne, EMNRD; Guye, Gerry, EMNRD
Subject: FW: City of Lovington Well Field Contact for Discharge Permit GW-14 (Lea Refinery) Review Assistance
Attachments: Renewal WQCC Notice Regs.pdf; PN Flow Chart.20.6.2renewal.pdf

Mr. Moore, et al:

The OCD has deemed the discharge permit (DP) application to be "Administratively Complete" today. The letter was mailed to you this afternoon. The OCD has posted the "Administratively Complete" letter, public notice and draft permit on its website at <http://www.emnrd.state.nm.us/ocd/ENV-DraftPublicEtc.htm>.

After considering comments from the City of Lovington and the Navajo Refining Company, I ultimately incorporated all of the City of Lovington's comments (see comments below) into the draft DP. The Navajo Refining Company had some good comments that made me go back through the draft permit to consider revisions based on comments from the previous City Manager Pat Wise and new comments from Mr. McMahon (see comments below). Please find below in red ink my responses to Navajo Refining Company comments. Note that some of the numbering system has changed, since the review comments were made. In addition, I have attached the WQCC Regulations on public notice, etc. for DP renewals as the "Administratively Complete" letter starts the beginning of the public notice process.

Navajo Refining Company Comments:

Dear Carl,

After reading through the discharge plan for our Lovington Plant, the following are our comments for your consideration. The numbers represent the section:

9. OCD asks for a 60 mil LLDPE liner under all new tanks. In the Artesia permit, the liner is 40 mil LLDPE. Navajo would like the 40 mil LLDPE to be the standard. The City wants 60-mil liner and since the facility is in a Well Head Protection Area (WHPA), the 60-mil liner recommendation was incorporated into the draft DP. If the refinery can demonstrate to the City that the 40-mil LLDPE reinforced liner is as protective, then the final permit may change to 40-mil?
- 11D. This section mentions that ... "The owner operator shall report the discovery of any system which is found to be leaking or has lost integrity to the OCD within 72 hours of discovery". In the Artesia permit, this reporting requirement is for **15 days**. Navajo would request that the Lovington permit be consistent with Artesia and be rewritten to reflect the 15 day requirement. Pat Wise (former City Mgr.) wanted notice within 72 hours of discovery in a meeting with the refinery in 2008. Also, Mr. McMahon's paragraph 16 comment to include "immediate" was incorporated into the draft DP.
13. The last line of this section mentions that ... "the owner operator must permit any new septic systems with the NMED before September 30, 2009". In Section 16C it is stated that ... "The septic systems shall be installed by March 31, 2009". These dates don't synchronize. We would request the September 30, 2009 date for completion as well as permitting. Proof of permit application w/ NMED is requested by 6/30/2009 with completion of work by September 30, 2009 in incorporated into the draft DP.
- 16g. This section talks about adding monitor wells to replace the current wells that are no longer useful which Navajo agrees with. It goes on to require monitor wells downgradient of reported releases and upgradient from any City of Lovington well head protection area. Navajo would propose that we first replace the wells that are no longer useful, sample and evaluate those wells for PSH and dissolved constituents, and then, if necessary, determine where to place additional wells to protect water supply wells. While we appreciate the concern by OCD and the City of Lovington regarding the water wells, we have seen no evidence at this facility of a spill large enough to impact those wells. If the new monitor wells show otherwise, then we can attack the problem with a focused approach. To just install monitor wells for no apparent reason seems like overkill. Sorry, but the refinery corrective actions in submitted C-141s and

from meetings on the draft permit clearly indicate that the refinery's modus operandi cleanup up was to remove standing fluids and leave contaminated soils in place. The soil or sediment is too hard beneath the facility to remove contaminated soils and the refinery is concerned about exacerbating contamination to ground water by cleanup actions. The pipeline discovery release of 10/27/2007 while reported on the C-141 as a minor release, it is not clear how long the pipeline leaked, rate of leakage, and cleanup could not be conducted due to the location of the discovery of the release. OCD included this language to monitor for releases, which have occurred, but were not fully cleaned up and are considered potential point sources of contamination that may threaten the City's drinking water wells. The OCD has requested that Navajo Refining Company change its corrective action approach to remove contamination soon after releases occur as opposed to leaving contamination in the ground. In addition, the OCD discharge permit requires locations where spills are released to the ground at the facility to be constructed with secondary containment. If the ground is too hard to cleanup releases when they occur on the ground, Navajo needs to construct secondary containment to prevent releases from impacting the ground and storm water drainage areas.

- 16h. This section asks for a one-hundred foot radius non-vegetative zone around the flare stack. In Lovington, as at Artesia, we have our own on-site fire team that could respond within minutes to any fire caused by the flare. This provision was removed in the Artesia permit. We think it should be removed in Lovington also. Unlike the Navajo Artesia Refinery where numerous personnel may assume immediate and direct fire fighting and release cleanup roles, a fire from a flare stack at this facility poses a danger to the public and environment. Therefore, the 100 ft. radius remains in the permit to prevent fires from occurring at the facility- especially during the windy season.
17. This section asks us to maintain run-on and run-off **plans** and controls. Lovington is bermed all the way around to keep any storm water from running on or off the premises. What is meant by **plans**? Although the facility is surrounded by a berm, the OCD regards any location at the facility where precipitation runs off to be storm water areas. Therefore, any contamination that runs off onto the ground and makes its way to the berm areas is considered storm water drainage. The OCD is requiring the refinery to maintain run-on run-off plans to identify process drainage from storm water drainage and to keep them separated. Similar to a Storm Water Pollution Prevention Plan that requires a drainage map with drainage direction(s), the OCD requires the facility to identify storm water drainage areas and any releases to storm water drainage areas from the facility are in violation of storm water provisions of the permit. For example, a BTEX release to the ground in a storm water drainage area is a violation of the storm water provisions and thinking that a berm surrounds the facility and addresses a storm water contamination problem is not correct.
22. This section asks for an annual report due January 31. There is also an annual Ground Water Monitoring report in 19B that is due by April 15. Navajo would like to submit **one** annual report that covers all requirements by April 15. The dates were changed to April 15th of each year with option to submit one report under a designated title to address the annual GW monitoring and annual summary report. By receipt of this e-mail, Navajo Refining Company should be working to install new wells, etc., to ensure that the annual report for 2009 is comprehensive in scope and addresses the intent of the draft permit and previous correspondence and meetings related to the lack of contamination hydrogeologic information beneath the facility and possible treatment to prevent impacts to the City of Lovington's WHPA. The OCD hopes that the refinery will be very very responsive as you now have an opportunity to address contaminant hydrogeology under the OCD and City of Lovington DP as opposed to addressing the concerns under RCRA at this or a later time.

The OCD hopes the refinery will move very quickly to address the monitoring and remediation aspects of the permit to assure the City of Lovington that it is also concerned about any contamination from its facility impacting the WHPA or environment. Please contact me if you have questions. Thank you for your cooperation in the permit process and we look forward to receiving information that will address the environmental concerns raised in the draft DP. Please contact me if you have questions.

Sincerely,

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

Office: (505) 476-3491
Fax: (505) 476-3462
E-mail: CarlJ.Chavez@state.nm.us
Website: <http://www.emnrd.state.nm.us/oed/index.htm>
(Pollution Prevention Guidance is under "Publications")

From: Chavez, Carl J, EMNRD
Sent: Thursday, November 20, 2008 4:46 PM
To: 'Patrick B. McMahon'
Subject: RE: City of Lovington Well Field Contact for Discharge Permit GW-14 (Lea Refinery) Review Assistance

Thanks Mr. McMahon. I'll try and get the draft discharge permit posted tomorrow. Otherwise, it won't be until the week of 12/3/2008 before I get to it. Thank you.

Carl J. Chavez, CHMM
New Mexico Energy, Minerals & Natural Resources Dept.
Oil Conservation Division, Environmental Bureau
1220 South St. Francis Dr., Santa Fe, New Mexico 87505
Office: (505) 476-3491
Fax: (505) 476-3462
E-mail: CarlJ.Chavez@state.nm.us
Website: <http://www.emnrd.state.nm.us/oed/index.htm>
(Pollution Prevention Guidance is under "Publications")

From: Patrick B. McMahon [mailto:hsncpbm@leaco.net]
Sent: Wednesday, November 19, 2008 2:52 PM
To: Chavez, Carl J, EMNRD
Cc: ckelley@lovington-nm.org; Price, Wayne, EMNRD; darrell.moore@hollycorp.com
Subject: RE: City of Lovington Well Field Contact for Discharge Permit GW-14 (Lea Refinery) Review Assistance

Mr. Chavez,

Thank you for the opportunity to comment on the GW-14 Lea Refinery Discharge Permit. Please accept the following comments on behalf of the City of Lovington:

Paragraph 9 Above Ground Tanks:

The City would prefer the 60 mil vs. 40 mil LLDPE liner under all new tanks. Protection of a public water supply should justify the additional costs associated with the increased mil thickness.

Paragraph 20 D(1) and (2) Notification of Field Activities:

The City would also like to be notified of field activities and the discovery, if any, of separated-phase hydrocarbons or the exceedance of WQCC standards in any monitor well(s).

Paragraph 16 Spill Reporting:

The City would like the owner/operator to notify the City immediately of any discharge, leak, spill or release that poses an imminent threat to the City's fresh water supply. Immediate notification of such an event may allow the City to take corrective action(s) to prevent non- water from entering the freshwater gathering system.

Please note that the City's lack of comment(s) on the remainder of the GW-14 Lea Refinery Discharge Permit should not be construed as an approval of such.

If you should have any questions, please do not hesitate to call. Thank you.

Sincerely,

Patrick B. McMahon
HEIDEL, SAMBERSON, NEWELL, COX & McMAHON
311 North First Street
Lovington, New Mexico 88260
Office: (575) 396-5303
Facsimile: (575) 396-5305

From: Chavez, Carl J, EMNRD [mailto:CarlJ.Chavez@state.nm.us]
Sent: Monday, November 17, 2008 9:20 AM
To: Patrick B. McMahon
Subject: FW: City of Lovington Well Field Contact for Discharge Permit GW-14 (Lea Refinery) Review Assistance

Mr. McMahon:

Please find attached the draft discharge permit that you requested this morning. I look forward to receiving your comments in the next couple of days. Please note that Mr. Pat Wise wanted a quicker release reporting time from 15 days to 72 hours or so. He wasn't too concerned about monitor wells upgradient of the water supply wells to the east of the Lovington Refinery at the time of our last meeting.

Navajo Refinery Recent Comments on Draft:

From: Moore, Darrell [mailto:Darrell.Moore@hollycorp.com]
Sent: Friday, November 07, 2008 2:51 PM
To: Chavez, Carl J, EMNRD
Subject: Lovington Discharge Plan Comments

Dear Carl,

After reading through the discharge plan for our Lovington Plant, the following are our comments for your consideration. The numbers represent the section:

9. OCD asks for a 60 mil LLDPE liner under all new tanks. In the Artesia permit, the liner is 40 mil LLDPE. Navajo would like the 40 mil LLDPE to be the standard.
- 11D. This section mentions that ... "The owner operator shall report the discovery of any system which is found to be leaking or has lost integrity to the OCD within 72 hours of discovery". In the Artesia permit, this reporting requirement is for **15 days**. Navajo would request that the Lovington permit be consistent with Artesia and be rewritten to reflect the 15 day requirement.
13. The last line of this section mentions that ... "the owner operator must permit any new septic systems with the NMED before September 30, 2009". In Section 16C it is stated that ... "The septic systems shall be installed by March 31, 2009". These dates don't synchronize. We would request the September 30, 2009 date for completion as well as permitting.
- 16g. This section talks about adding monitor wells to replace the current wells that are no longer useful which Navajo agrees with. It goes on to require monitor wells downgradient of reported releases and upgradient from any City of Lovington well head protection area. Navajo would propose that we first replace the wells that are no longer useful, sample and evaluate those wells for PSH and dissolved constituents, and then, if necessary, determine where to place additional wells to protect water supply wells. While we appreciate the concern by OCD and the City of Lovington regarding the water wells, we have seen no evidence at this facility of a spill large enough to impact those wells. If the new monitor wells show

otherwise, then we can attack the problem with a focused approach. To just install monitor wells for no apparent reason seems like overkill.

- 16h. This section asks for a one-hundred foot radius non-vegetative zone around the flare stack. In Lovington, as at Artesia, we have our own on-site fire team that could respond within minutes to any fire caused by the flare. This provision was removed in the Artesia permit. We think it should be removed in Lovington also.
17. This sections asks us to maintain run-on and run-off **plans** and controls. Lovington is bermed all the way around to keep any storm water from running on or off the premises. What is meant by **plans**?
22. This section asks for an annual report due January 31. There is also an annual Ground Water Monitoring report in 19B that is due by April 15. Navajo would like to submit **one** annual report that covers all requirements by April 15.

Darrell Moore
Environmental Manager for Water and Waste
Navajo Refining Company, LLC
Phone Number 575-746-5281
Cell Number 575-703-5058
Fax Number 575-746-5451

Please contact me if you have questions. Thank you.

Carl J. Chavez, CHMM
New Mexico Energy, Minerals & Natural Resources Dept.
Oil Conservation Division, Environmental Bureau
1220 South St. Francis Dr., Santa Fe, New Mexico 87505
Office: (505) 476-3491
Fax: (505) 476-3462
E-mail: CarlJ.Chavez@state.nm.us
Website: <http://www.emnrd.state.nm.us/ocd/index.htm>
(Pollution Prevention Guidance is under "Publications")

From: ckelley [mailto:ckelley@lovington-nm.org]
Sent: Saturday, November 15, 2008 7:42 AM
To: Chavez, Carl J, EMNRD
Subject: Re: City of Lovington Well Field Contact for Discharge Permit GW-14 (Lea Refinery) Review Assistance

Patrick McMahon
(575)396-5303

----- Original Message -----

From: Chavez, Carl J, EMNRD
To: ckelley@lovington-nm.org
Sent: Friday, November 14, 2008 2:30 PM
Subject: FW: City of Lovington Well Field Contact for Discharge Permit GW-14 (Lea Refinery) Review Assistance

Mr. Kelley:

Good afternoon. Just following up on the Lovington Refinery discharge permit draft. Could you please provide the name and phone number of the City Attorney mentioned earlier this week in our telephone conversation who will review the OCD draft discharge permit? Thank you.

Carl J. Chavez, CHMM
New Mexico Energy, Minerals & Natural Resources Dept.
Oil Conservation Division, Environmental Bureau

1220 South St. Francis Dr., Santa Fe, New Mexico 87505
Office: (505) 476-3491
Fax: (505) 476-3462
E-mail: CarlJ.Chavez@state.nm.us
Website: <http://www.emnrd.state.nm.us/ocd/index.htm>
(Pollution Prevention Guidance is under "Publications")

From: Chavez, Carl J, EMNRD
Sent: Friday, October 24, 2008 11:27 AM
To: 'ckelley@lovington-nm.org'
Subject: FW: City of Lovington Well Field Contact for Discharge Permit GW-14 (Lea Refinery) Review Assistance

Mr. Kelley:

Good morning. Could you please contact me to discuss the permit for the Lovington Refinery? I understand you are now in charge. Thank you.

Carl J. Chavez, CHMM
New Mexico Energy, Minerals & Natural Resources Dept.
Oil Conservation Division, Environmental Bureau
1220 South St. Francis Dr., Santa Fe, New Mexico 87505
Office: (505) 476-3491
Fax: (505) 476-3462
E-mail: CarlJ.Chavez@state.nm.us
Website: <http://www.emnrd.state.nm.us/ocd/index.htm>
(Pollution Prevention Guidance is under "Publications")

From: Chavez, Carl J, EMNRD
Sent: Friday, April 04, 2008 1:35 PM
To: Chavez, Carl J, EMNRD
Subject: FW: City of Lovington Well Field Contact for Discharge Permit GW-14 (Lea Refinery) Review Assistance

Contact Information:

Mr. Pat Wise
City of Lovington
(505) 396-2884
pwise@lovington-nm.org

Carl J. Chavez, CHMM
New Mexico Energy, Minerals & Natural Resources Dept.
Oil Conservation Division, Environmental Bureau
1220 South St. Francis Dr., Santa Fe, New Mexico 87505
Office: (505) 476-3491
Fax: (505) 476-3462
E-mail: CarlJ.Chavez@state.nm.us
Website: <http://www.emnrd.state.nm.us/ocd/index.htm>
(Pollution Prevention Guidance is under "Publications")

From: Chavez, Carl J, EMNRD
Sent: Friday, April 04, 2008 10:56 AM
To: Lovington, City of
Cc: Price, Wayne, EMNRD; 'DARRELL MOORE'
Subject: FW: City of Lovington Well Field Contact for Discharge Permit GW-14 (Lea Refinery) Review Assistance

Dear Mr. Wise:

I am contacting you today because the Oil Conservation Division is working to renew the Navajo Lea Refinery discharge permit. The Lea Refinery has ground water contamination. Unlike the Navajo Artesia Refinery where the OCD has coordinated its efforts on ground water remediation with the New Mexico Environment Department (NMED)- Hazardous Waste Bureau, the NMED is not involved with the OCD on the ground water remediation at the Lea Refinery (no SWMU/AOC RCRA Units identified to date) at this time.

However, during a recent site inspection (March 14, 2008) and in conjunction with a discharge permit renewal, a suggestion was made by Mr. Darrell Moore (Navajo Refinery) at (505) 703-5058 that the OCD should coordinate its efforts with the City of Lovington based on recent ordinances that it is or has implemented to protect the City of Lovington Well Field. Mr. Moore explained how the Lea Refinery is located with the City of Lovington's well field area. Navajo prefers to work with agencies in a coordinated fashion to promote efficiency in its operations and based on the OCD's experience at the Navajo Refinery, the OCD agrees. However, the City may not have the resources? The OCD would be glad to copy the City on refinery activities in the future.

Consequently, I am requesting the City of Lovington's assistance with the OCD's discharge permit renewal. I am currently developing a draft document to share with the City of Lovington if it expresses to work with the OCD similar to NMED at the Artesia Refinery. The OCD's goal is to cleanup ground water contamination and protect the drinking water supply. The OCD's goal will not change regardless of the City's response.

Thank you in advance for your consideration of this matter. Please contact me at your earliest convenience to express the City of Lovington's response based on the above information.

Carl J. Chavez, CHMM
New Mexico Energy, Minerals & Natural Resources Dept.
Oil Conservation Division, Environmental Bureau
1220 South St. Francis Dr., Santa Fe, New Mexico 87505
Office: (505) 476-3491
Fax: (505) 476-3462
E-mail: CarlJ.Chavez@state.nm.us
Website: <http://www.emnrd.state.nm.us/ocd/index.htm>
(Pollution Prevention Guidance is under "Publications")

From: Price, Wayne, EMNRD
Sent: Friday, April 04, 2008 10:37 AM
To: Chavez, Carl J, EMNRD
Cc: Lovington, City of
Subject: RE: City of Lovington Well Field Contact for Discharge Permit GW-14 (Lea Refinery) Review Assistance

Carl, make sure Mr. Pat Wise Lovington City Manager is in the loop.

From: Chavez, Carl J, EMNRD
Sent: Friday, April 04, 2008 10:00 AM
To: Price, Wayne, EMNRD
Subject: City of Lovington Well Field Contact for Discharge Permit GW-14 (Lea Refinery) Review Assistance

Wayne:

I think we discussed Darrell's request during the 3/14/08 facility inspection to include the City of Lovington in the permit review process and OCD permit related activities at the refinery. This was requested because he felt that the OCD and NMED's coordinated efforts were preferred to dealing separately with the agencies.

Could you please provide me with the name and phone number of the City of Lovington's contact? Thank you.

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

Office: (505) 476-3491
Fax: (505) 476-3462
E-mail: CarlJ.Chavez@state.nm.us
Website: <http://www.emnrd.state.nm.us/ocd/index.htm>
(Pollution Prevention Guidance is under "Publications")

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District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Revised June 10, 2003

Submit Original
Plus 1 Copy
to Santa Fe
1 Copy to Appropriate
District Office

**DISCHARGE PLAN APPLICATION FOR SERVICE COMPANIES, GAS PLANTS,
REFINERIES, COMPRESSOR, GEOTHERMAL FACILITIES
AND CRUDE OIL PUMP STATIONS**

(Refer to the OCD Guidelines for assistance in completing the application)

☐ New ☒ Renewal ☐ Modification

1. Type: Oil Refinery
2. Operator: Navajo Refining Company
Address: PO Box 159 Artesia, NM 88211
Contact Person: Darrell Moore Phone: 505-746-5281
3. Location: _____ /4 _____ /4 Section 36 Township 16s Range 36e
Submit large scale topographic map showing exact location.
4. Attach the name, telephone number and address of the landowner of the facility site.
5. Attach the description of the facility with a diagram indicating location of fences, pits, dikes and tanks on the facility.
6. Attach a description of all materials stored or used at the facility.
7. Attach a description of present sources of effluent and waste solids. Average quality and daily volume of waste water must be included.
8. Attach a description of current liquid and solid waste collection/treatment/disposal procedures.
9. Attach a description of proposed modifications to existing collection/treatment/disposal systems.
10. Attach a routine inspection and maintenance plan to ensure permit compliance.
11. Attach a contingency plan for reporting and clean-up of spills or releases.
12. Attach geological/hydrological information for the facility. Depth to and quality of ground water must be included.
13. Attach a facility closure plan, and other information as is necessary to demonstrate compliance with any other OCD rules, regulations and/or orders.
14. CERTIFICATION: I hereby certify that the information submitted with this application is true and correct to the best of my knowledge and belief.

Name: Darrell Moore

Title: Env. Mgr. for Water & Waste

Signature: Darrell Moore

Date: 6/27/06

E-mail Address: darrell.moore@navajo-refining.com



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

April 8, 2008

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

RECEIVED
2008 APR 9 PM 1 01

RE: March 14, 2008 OCD Inspection Follow-Up or Clarification Items

Dear Mr. Chavez,

On March 24, 2008, Navajo Refining Company (Navajo) received an e mail from you asking for follow-up on several items relating to the discharge permit for our Lovington facility. Below, I have answered each item in order.

- 1) *Item 3 (Drum Storage): "All drums containing materials other than fresh water must be stored on an impermeable pad with curbing." The OCD noticed that an impermeable centralized pad area was constructed to store chemicals; however, there are plans to construct another impermeable pad area adjacent to the existing one to separate incompatible chemicals. Please provide the anticipated date of construction of the new impermeable pad along with a drawing that reflects the existing and new central pad storage areas. Also, any plans of new or anticipated expansion at the refinery should also be submitted to the OCD for review. The new pad will be constructed during the summer of 2008. The drawings for that pad are not finalized as yet but will be forwarded to OCD when they are completed. We have attached a drawing of the existing pad for your review. This drawing is very simple. The drawing for the new pad will be much more detailed.*

There are currently no plans for expansion of the Lovington Refinery.

- 2) *Item 5 (Above Ground Tanks): "All new facilities or modifications to existing facilities must place the tank on an impermeable pad within the*

berm." The OCD informed Navajo Personnel that under the new permit, existing tanks containing chemicals or new tanks containing chemicals will need to be retrofitted or constructed with impermeable pads to satisfy new discharge permit conditions; however, the OCD will work with Navajo to request a schedule from Navajo identifying the tanks and phases for completing the above.

No response required

- 3) *Item 8 (Below Grade Tanks/Sumps): Please provide proof of test data for sumps, since 2002. "All pre-existing sumps and below-grade tanks must be tested to demonstrate their mechanical integrity no later than December 15, 2002. and every year from tested date, thereafter."*
Navajo has enclosed inspection results spreadsheets and hydrotest sheets used by our maintenance department. After the February 19-21, 2007 OCD inspection in Artesia, spreadsheets were updated to include repair information and installation dates or date ranges, where known, and the addition of a "pass/fail" section at both facilities. Before that time, testing was done and any failures were repaired.
- 4) *Item 9 (Underground Process/Wastewater Lines): Please provide 2007 test data for process and wastewater lines. "All underground process/wastewater pipelines must be tested to demonstrate their mechanical integrity no later than December 15, 2002, and every 5 years, from tested dated, thereafter."* Navajo has enclosed inspection results spreadsheets and hydrotest sheets used by our maintenance department. The underground process/wastewater lines at Lovington were tested in 2005 and early 2006. The next tests on that 5 year cycle will be started in 2010.
- 5) *Item 10 (Class V Wells): Please provide proof of permit application and correspondence with NMED for septic system at the refinery. "Class V wells that inject domestic waste only must be permitted by the New Mexico Environment Department."* There has not been a permit application made to the New Mexico Environment Department yet. We have had preliminary talks with John Wells in the Roswell office. Currently, we are in the process of moving the control room at Lovington into the main office building which will impact the number and size of systems needed. We will then send a Corrective Action Plan to Mr. Wells for his approval.
- 6) *Item 12 (Spill Reporting): Please provide copies of all C-141 spill releases, since October 31, 2002. Identify releases where contamination was left in place or not removed as part of the spill release response. The OCD looked at the last C-141 incident near Tank 1201D where the sump leaked and diesel was released onto the ground migrating westward. Navajo informed the OCD that it recovered standing fluids,*

but left the contaminated soil in place so as not to exacerbate the contamination due to the cobbly sediment nature of the ground throughout the refinery. Leaving contaminated soil or sediment in place is not an acceptable practice for dealing with releases. Spills are generally cleaned up using visual, olefactory, field PID and final samples (base and sidewalls of excavation) collected and sent to a lab for confirmation that the release was properly cleaned up. The OCD may require further corrective actions based on the C-141s requested above.

Navajo would like to clarify in writing what was discussed with you at the time of the inspection concerning the spill south of 1201 D. The sump was overrun by **crude** oil. Navajo responded to this spill immediately and used a vacuum truck to pick up standing fluid. We then used a front end loader and picked up **5 roll-off bins of contaminated dirt** (approx. 100 yds) from the area. We stated that, due to the rocky nature of the underlying material, it would be extremely difficult, if not impossible, to remove the contaminated rock due to its massive lithology. If we dig up the rock we would lose any protection this massive layer gives us in regard to the underlying sand. In effect, we would "create" a pathway for the contamination into the Ogallala (which is the water bearing formation). In our opinion, removing the contaminated top soil and letting the sun and wind remediate the rock below is the much better, and frankly, more environmentally safe alternative. The contamination that was left on the underlying rock is minimal.

We have enclosed all C-141's from Lovington since October 31, 2002.

- 7) *Item 13 (Waste Disposal): Please provide any new waste streams as part of the permit renewal and future expansion plans for the refinery. We have enclosed a list of all waste streams from the refinery.*
- 8) *Item 14 (OCD Inspections): Please ensure that there is a minimum one-hundred feet radius non-vegetation zone around the flare stack(s) at the refinery- especially now that the windy season has arrived in SE New Mexico. This item is being looked into. We believe that there is currently a 100 ft. radius around our flare. If not, we will ensure that this is maintained.*
- 9) *Item 18 (Vadose Zone and Water Pollution): Please provide ground water monitoring reports from MWs at the refinery, since the "Groundwater Monitoring & Remediation System Performance Report July 2001 – June 2002." This appears to be the last groundwater monitoring report submitted by Navajo to the OCD? Those reports are attached.*
- 10) *Record keeping is not specified in the existing discharge permit, but will be included in the permit renewal. Please transfer the Lea Refinery*

records from the Artesia Refinery to the Lea Refinery so they will be onsite for inspections, etc. from now on. We will make copies of the pertinent records and have them on file at Lovington.

If there are any questions concerning this submission, please do not hesitate to call me at 575-746-5281.

Sincerely,
NAVAJO REFINING COMPANY, LLP

A handwritten signature in cursive script that reads "Darrell Moore".

Darrell Moore
Environmental Manager for Water and Waste

Encl.

Cc: Johnny Lackey, Environmental Manager
Jim Resinger, Vice President-Navajo Refinery

File: Lovington Discharge Permit Lov 5E4B

Chavez, Carl J, EMNRD

From: Chavez, Carl J, EMNRD
Sent: Monday, March 24, 2008 11:40 AM
To: 'Moore, Darrell'
Cc: 'eloy.hernandez@navajo-refining.com'; 'steve.terry@navajo-refining.com'; Price, Wayne, EMNRD
Subject: March 14, 2008 OCD Inspection Follow-Up or Clarification Items

Darrell:

Good morning. As stated during the inspection, I had planned to send you an e-mail requesting more info. or expanding on inspection items during the inspection; consequently, please find below the discharge permit follow-up items needed to complete the OCD inspection:

- 1) Item 3 (Drum Storage): "All drums containing materials other than fresh water must be stored on an impermeable pad with curbing." The OCD noticed that an impermeable centralized pad area was constructed to store chemicals; however, there are plans to construct another impermeable pad area adjacent to the existing one to separate incompatible chemicals. Please provide the anticipated date of construction of the new impermeable pad along with a drawing that reflects the existing and new central pad storage areas. Also, any plans of new or anticipated expansion at the refinery should also be submitted to the OCD for review.
- 2) Item 5 (Above Ground Tanks): "All new facilities or modifications to existing facilities must place the tank on an impermeable pad within the berm." The OCD informed Navajo Personnel that under the new permit, existing tanks containing chemicals or new tanks containing chemicals will need to be retrofitted or constructed with impermeable pads to satisfy new discharge permit conditions; however, the OCD will work with Navajo to request a schedule from Navajo identifying the tanks and phases for completing the above.
- 3) Item 8 (Below Grade Tanks/Sumps): Please provide proof of test data for sumps, since 2002. "All pre-existing sumps and below-grade tanks must be tested to demonstrate their mechanical integrity no later than December 15, 2002. and every year from tested date, thereafter."
- 4) Item 9 (Underground Process/Wastewater Lines): Please provide 2007 test data for process and wastewater lines. "All underground process/wastewater pipelines must be tested to demonstrate their mechanical integrity no later than December 15, 2002, and every 5 years, from tested dated, thereafter."
- 5) Item 10 (Class V Wells): Please provide proof of permit application and correspondence with NMED for septic system at the refinery. "Class V wells that inject domestic waste only must be permitted by the New Mexico Environment Department."
- 6) Item 12 (Spill Reporting): Please provide copies of all C-141 spill releases, since October 31, 2002. Identify releases where contamination was left in place or not removed as part of the spill release response. The OCD looked at the last C-141 incident near Tank 1201D where the sump leaked and diesel was released onto the ground migrating westward. Navajo informed the OCD that it recovered standing fluids, but left the contaminated soil in place so as not to exacerbate the contamination due to the cobbly sediment nature of the ground throughout the refinery. Leaving contaminated soil or sediment in place is not an acceptable practice for dealing with releases. Spills are generally cleaned up using visual, olefactory, field PID and final samples (base and sidewalls of excavation) collected and sent to a lab for confirmation that the release was properly cleanup up. The OCD may require further corrective actions based on the C-141s requested above.
- 7) Item 13 (Waste Disposal): Please provide any new waste streams as part of the permit renewal and future expansion plans for the refinery.
- 8) Item 14 (OCD Inspections): Please ensure that there is a minimum one-hundred feet radius non-vegetation zone around the flare stack(s) at the refinery- especially now that the windy season has arrived in SE New Mexico..
- 9) Item 18 (Vadose Zone and Water Pollution): Please provide ground water monitoring reports from MWs at the

4/3/2008

refinery, since the "Groundwater Monitoring & Remediation System Performance Report July 2001 – June 2002." This appears to be the last groundwater monitoring report submitted by Navajo to the OCD?

10) Record keeping is not specified in the existing discharge permit, but will be included in the permit renewal. Please transfer the Lea Refinery records from the Artesia Refinery to the Lea Refinery so they will be onsite for inspections, etc. from now on.

The OCD would appreciate any information requested above within 15 days of receipt of this e-mail message. Please contact me if you have questions or if there is anything missing based on the recent OCD inspection. Thank you.

Carl J. Chavez, CHMM
New Mexico Energy, Minerals & Natural Resources Dept.
Oil Conservation Division, Environmental Bureau
1220 South St. Francis Dr., Santa Fe, New Mexico 87505
Office: (505) 476-3491
Fax: (505) 476-3462
E-mail: CarlJ.Chavez@state.nm.us
Website: <http://www.emnrd.state.nm.us/ocd/index.htm>
(Pollution Prevention Guidance is under "Publications")

4/3/2008

District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 South First, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources

Oil Conservation Division
2040 South Pacheco
Santa Fe, NM 87505

Form C-141
Revised March 17, 1999

Submit 2 Copies to appropriate
District Office in accordance
with Rule 116 on back
side of form

Release Notification and Corrective Action

OPERATOR

☒ Initial Report ☐ Final Report

Name of Company Navajo Refining - Lea	Contact Darrell Moore
Address P.O. Drawer 159 Artesia, NM	Telephone No. 505-748-3311
Facility Name	Facility Type

Surface Owner	Mineral Owner	Lease No.
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LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
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NATURE OF RELEASE

Type of Release Diesel	Volume of Release 70 bbls.	Volume Recovered 30 bbls.
Source of Release Relief valve	Date and Hour of Occurrence 12/7/03 4:00 am	Date and Hour of Discovery 12/7/03 4:00 am
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? E.L. Gonzalez	
By Whom? Darrell Moore	Date and Hour 12/7/03 1:00 pm	
Was a Watercourse Reached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, Volume Impacting the Watercourse.	

If a Watercourse was Impacted, Describe Fully.*

Describe Cause of Problem and Remedial Action Taken.*

Relief valve was left open. When pump was kicked on, the release occurred.

Describe Area Affected and Cleanup Action Taken.* Area is near TK103B. Vacuum truck picked up 30bbls. Liquid. 100yds. of contaminated soil was removed and shipped to CRI. Bottom hole samples have been collected. Awaiting results.

I hereby certify that the information given above is true and complete to the best of my knowledge and understand that pursuant to NMOCD rules and regulations all operators are required to report and/or file certain release notifications and perform corrective actions for releases which may endanger public health or the environment. The acceptance of a C-141 report by the NMOCD marked as "Final Report" does not relieve the operator of liability should their operations have failed to adequately investigate and remediate contamination that pose a threat to ground water, surface water, human health or the environment. In addition, NMOCD acceptance of a C-141 report does not relieve the operator of responsibility for compliance with any other federal, state, or local laws and/or regulations.

OIL CONSERVATION DIVISION

Signature: <i>Darrell Moore</i>	Approved by District Supervisor:	
Printed Name: Darrell Moore	Approval Date:	Expiration Date:
Title: Env. Mgr. for Water & Waste	Conditions of Approval:	
Date: 12/17/03 Phone: 505-748-3311	Attached <input type="checkbox"/>	

* Attach Additional Sheets If Necessary

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-141
Revised October 10, 2003

Submit 2 Copies to appropriate
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Release Notification and Corrective Action

OPERATOR

☒ Initial Report ☐ Final Report

Name of Company	Lea Refining Co.	Contact	Darrell Moore
Address		Telephone No.	505-746-5281
Facility Name		Facility Type	Refinery
Surface Owner		Mineral Owner	
		Lease No.	

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
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Latitude: 32°52'38"N Longitude: 103°18'00"W

NATURE OF RELEASE

Type of Release	<u>Naptha-Kerosene</u>	Volume of Release	<u>Unknown</u>	Volume Recovered	<u>30bbls</u>
Source of Release	<u>Run Down Line</u>	Date and Hour of Release	<u>10/12/05</u>	Date and Hour of Discovery	<u>10/12/05</u>
Was Immediate Notice Given?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom?	<u>Larry Johnson OCD</u>		
By Whom?	<u>Darrell Moore</u>	Date and Hour	<u>10/13/05 8:30am</u>		
Was a Watercourse Reached?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, Volume Impacting the Watercourse.			

If a Watercourse was Impacted, Describe Fully.*

Describe Cause of Problem and Remedial Action Taken.* Line developed leak. Leak was clamped off and free standing product was vacuumed up. Line is being inspected for potential replacement.

Describe Area Affected and Cleanup Action Taken.* Affected area is near the RO Unit and under pipe rack. Crew will remove contaminated dirt which will be profiled for disposal. Bottom samples will be analyzed.

I hereby certify that the information given above is true and complete to the best of my knowledge and understand that pursuant to NMOC rules and regulations all operators are required to report and/or file certain release notifications and perform corrective actions for releases which may endanger public health or the environment. The acceptance of a C-141 report by the NMOC marked as "Final Report" does not relieve the operator of liability should their operations have failed to adequately investigate and remediate contamination that pose a threat to ground water, surface water, human health or the environment. In addition, NMOC acceptance of a C-141 report does not relieve the operator of responsibility for compliance with any other federal, state, or local laws and/or regulations.

Signature: <u>Darrell Moore</u>	OIL CONSERVATION DIVISION		
Printed Name: <u>Darrell Moore</u>	Approved by District Supervisor:		
Title: <u>Env. Mgr. for Water & Waste</u>	Approval Date:	Expiration Date:	
E-mail Address: <u>darrell.moore@navajo-refining.com</u>	Conditions of Approval:		Attached <input type="checkbox"/>
Date: <u>10/14/05</u>	Phone: <u>505-746-5281</u>		

* Attach Additional Sheets If Necessary

FILE COPY

District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 South First, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources

Oil Conservation Division
2040 South Pacheco
Santa Fe, NM 87505

Form C-141
Revised March 17, 1999

Submit 2 Copies to appropriate
District Office in accordance
with Rule 116 on back
side of form

Release Notification and Corrective Action

OPERATOR

☒ Initial Report ☐ Final Report

Name of Company Navajo Lea Refining Co. LLC	Contact Darrell Moore	
Address 7406 S. Main Lovington, NM	Telephone No. 575-748-3311	
Facility Name Lovington Plant	Facility Type Petroleum Refinery	
Surface Owner	Mineral Owner	Lease No.

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
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NATURE OF RELEASE

Type of Release Crude Oil	Volume of Release 20 bbls	Volume Recovered 5 bbls
Source of Release Sump at pipeline	Date and Hour of Occurrence 10/10/07 8:00am	Date and Hour of Discovery 10/10/07 8:00am
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? Hobbs OCD voicemail-on call phone	
By Whom? Doug Price	Date and Hour 10/10/07 9:05am	
Was a Watercourse Reached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, Volume Impacting the Watercourse.	
If a Watercourse was Impacted, Describe Fully.*		
Describe Cause of Problem and Remedial Action Taken.* During switching from one crude tank to the other, relief valve released filling up sump and overrunning. Vacuum was used to suck up free oil.		
Describe Area Affected and Cleanup Action Taken.* Area affected is in two areas of about 10' wide by 100' long each. Contaminated soil has been picked up and bottom hole TPH samples taken. Waiting on results		
I hereby certify that the information given above is true and complete to the best of my knowledge and understand that pursuant to NMOCD rules and regulations all operators are required to report and/or file certain release notifications and perform corrective actions for releases which may endanger public health or the environment. The acceptance of a C-141 report by the NMOCD marked as "Final Report" does not relieve the operator of liability should their operations have failed to adequately investigate and remediate contamination that pose a threat to ground water, surface water, human health or the environment. In addition, NMOCD acceptance of a C-141 report does not relieve the operator of responsibility for compliance with any other federal, state, or local laws and/or regulations.		
Signature: <i>Darrell Moore</i>		OIL CONSERVATION DIVISION
Printed Name: Darrell Moore		Approved by District Supervisor:
Title: Env. Mgr. for Waste & Water		Approval Date: Expiration Date:
Date: 10/18/07 Phone: 575-748-3311		Must comply w/ Sec. 163 of permit. Conditions of Approval: Attached <input type="checkbox"/>

* Attach Additional Sheets If Necessary

FILE COPY

District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 South First, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources

Oil Conservation Division
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Santa Fe, NM 87505

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Revised March 17, 1999

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Release Notification and Corrective Action

OPERATOR

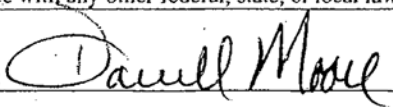
☒ Initial Report ☐ Final Report

Name of Company Navajo Refining Co. LLC	Contact Darrell Moore
Address 7406 S. Main Lovington, NM	Telephone No. 575-746-5281
Facility Name Lovington Refinery	Facility Type Petroleum Refinery
Surface Owner	Mineral Owner
Lease No.	

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County

NATURE OF RELEASE

Type of Release Crude Oil	Volume of Release Unknown	Volume Recovered 2. bbls
Source of Release Hole in pipeline	Date and Hour of Occurrence Unknown	Date and Hour of Discovery 10/25/07 10:00am
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? Larry Johnson, Hobbs OCD, Wayne Price Santa Fe, OCD	
By Whom? Darrell Moore	Date and Hour 3:30 pm 10/25/07	
Was a Watercourse Reached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, Volume Impacting the Watercourse.	
If a Watercourse was Impacted, Describe Fully.*		
Describe Cause of Problem and Remedial Action Taken.* A pool of oil was noticed along a piperrun. Upon investigation, a hole was discovered in a pipe. The pipe was excavated and clamped.		
Describe Area Affected and Cleanup Action Taken.* 20 yds of contaminated soil has been removed to uncover the pipe. The vertical limit has not been reached and the location within the pipe run makes it difficult to clean under it.		
I hereby certify that the information given above is true and complete to the best of my knowledge and understand that pursuant to NMOCD rules and regulations all operators are required to report and/or file certain release notifications and perform corrective actions for releases which may endanger public health or the environment. The acceptance of a C-141 report by the NMOCD marked as "Final Report" does not relieve the operator of liability should their operations have failed to adequately investigate and remediate contamination that pose a threat to ground water, surface water, human health or the environment. In addition, NMOCD acceptance of a C-141 report does not relieve the operator of responsibility for compliance with any other federal, state, or local laws and/or regulations.		
Signature: 	OIL CONSERVATION DIVISION	
Printed Name: Darrell Moore	Approved by District Supervisor:	
Title: Env. Mgr for Water & Waste	Approval Date:	Expiration Date:
Date: 10/25/07 Phone: 575-746-5281	Conditions of Approval: <i>MUST comply w/ Sec. 16.9 of permit</i> Attached <input type="checkbox"/>	

* Attach Additional Sheets If Necessary

District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 South First, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources

Oil Conservation Division
2040 South Pacheco
Santa Fe, NM 87505

Form C-141
Revised March 17, 1999

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side of form

Release Notification and Corrective Action

OPERATOR

☒ Initial Report ☐ Final Report

Name of Company Navajo E&E Refining Co. LLC	Contact Darrell Moore
Address 7406 S1 Main Lovington, NM 88260	Telephone No. 505-703-5058
Facility Name	Facility Type Petroleum Refinery

Surface Owner	Mineral Owner	Lease No.
---------------	---------------	-----------

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
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NATURE OF RELEASE

Type of Release Caustic	Volume of Release 150 Bbls	Volume Recovered 120 Bbls
Source of Release Caustic Scrubber	Date and Hour of Occurrence 7/10/08 5:30 am	Date and Hour of Discovery 7/10/08 6:00 am
Was Immediate Notice Given? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom?	
By Whom?	Date and Hour	
Was a Watercourse Reached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, Volume Impacting the Watercourse.	

If a Watercourse was Impacted, Describe Fully.*

Describe Cause of Problem and Remedial Action Taken.* Relief valve hung in the open position and filled sump. Which then over flowed. Valve is being replaced.

Describe Area Affected and Cleanup Action Taken.* Area affected is to the east and south of caustic scrubber. Happened during a rain event, so most of material was floating on water. Vacuum truck sucked up spill material. Contaminated soil will be removed.

I hereby certify that the information given above is true and complete to the best of my knowledge and understand that pursuant to NMOCD rules and regulations all operators are required to report and/or file certain release notifications and perform corrective actions for releases which may endanger public health or the environment. The acceptance of a C-141 report by the NMOCD marked as "Final Report" does not relieve the operator of liability should their operations have failed to adequately investigate and remediate contamination that pose a threat to ground water, surface water, human health or the environment. In addition, NMOCD acceptance of a C-141 report does not relieve the operator of responsibility for compliance with any other federal, state, or local laws and/or regulations.

OIL CONSERVATION DIVISION

Signature: <i>Darrell Moore</i>	Approved by District Supervisor:	
Printed Name: Darrell Moore	Approval Date:	Expiration Date:
Title: Env. Mgr. for Water & Waste	Conditions of Approval:	
Date: 7/10/08 Phone: 575-703-5058	Attached <input type="checkbox"/>	

* Attach Additional Sheets If Necessary

Chavez, Carl J, EMNRD

From: Moore, Darrell [Darrell.Moore@hollycorp.com]
Sent: Thursday, July 10, 2008 3:07 PM
To: Johnson, Larry, EMNRD; Chavez, Carl J, EMNRD
Subject: Caustic Scrubber Spill
Attachments: Caustic Scrubber Spill.pdf

Gentlemen,

Attached, please find a C-141 for a caustic spill that occurred at our Lovington facility today. Bottom Hole samples for TPH and pH will be forwarded as soon as we get them. If you have any questions, please call me at 575-746-5281.

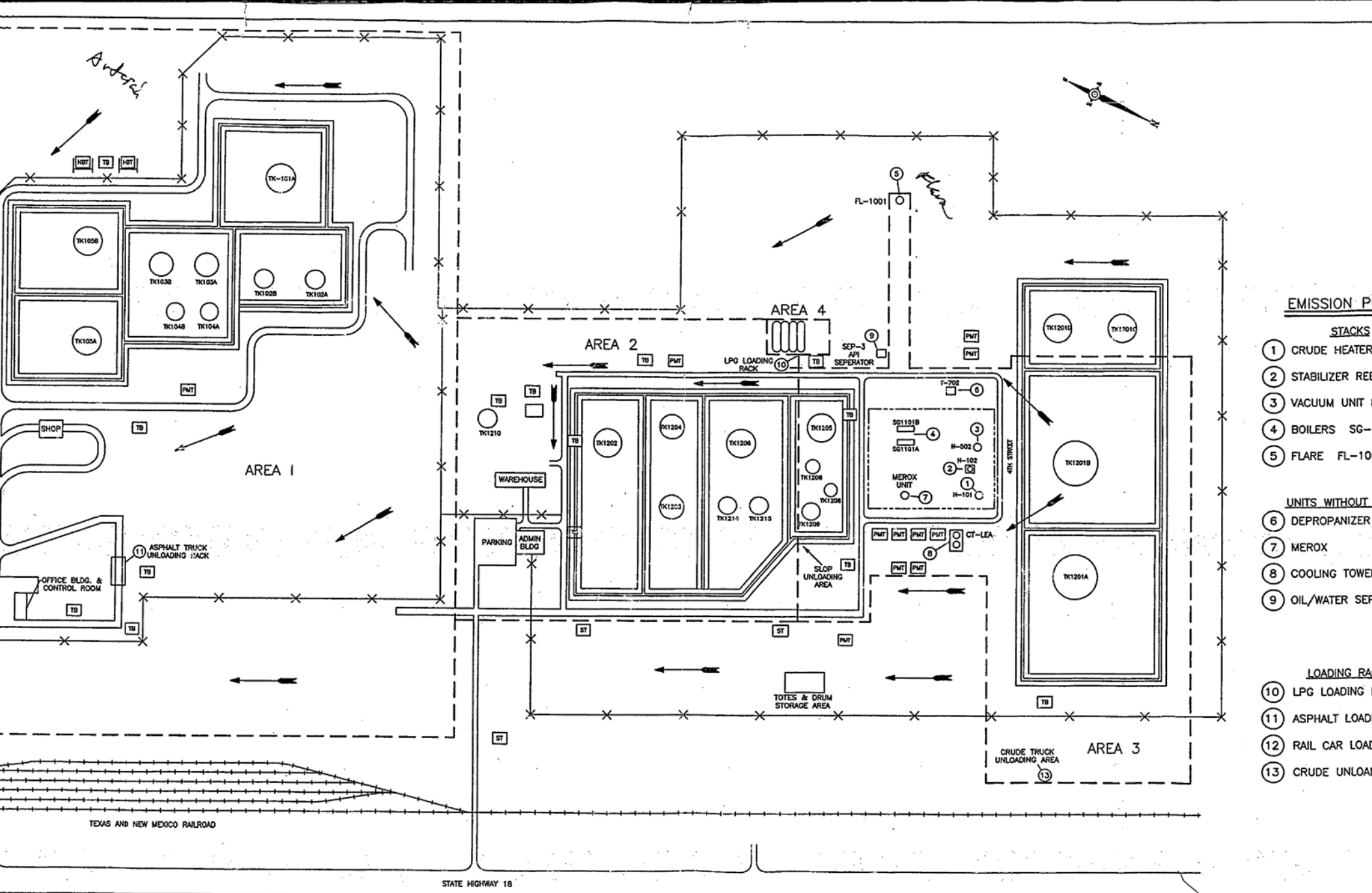
Darrell Moore
Environmental Manager for Water and Waste
Navajo Refining Company, L.P.
P.O. Box 159
Artesia, NM 88211-0159
Darrell.moore@navajo-refining.com
phone: 505.746.5281
cell: 505.703.5058
fax: 505.746.5451


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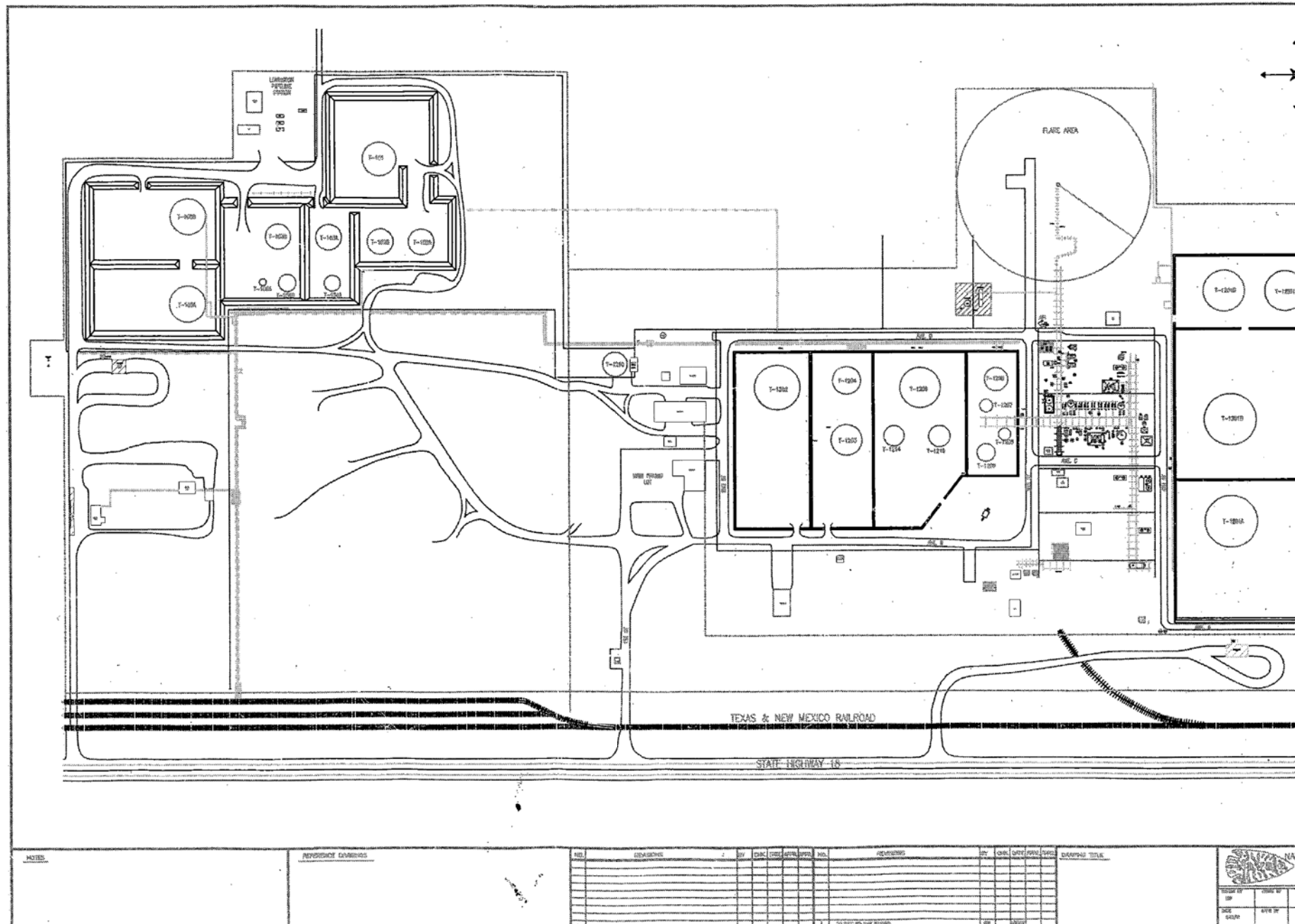
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7/10/2008



AREA BOUNDARY LIMITS	REFERENCE DRAWINGS	NO.	REVISIONS	BY	CHK.	DATE	APPR.	APPR.	NO.	REVISIONS	BY	CHK.	DATE	APPR.	APPR.	DRAWING TITLE		
																	FACILITY SITE & DRAINAGE DIAGRAM LOVINGTON, N.M.	



OLD D-703 FDN

AVENUE - L

BBSHIPOT

BUNDLE
CLEAN
SLAB

LPS-6795

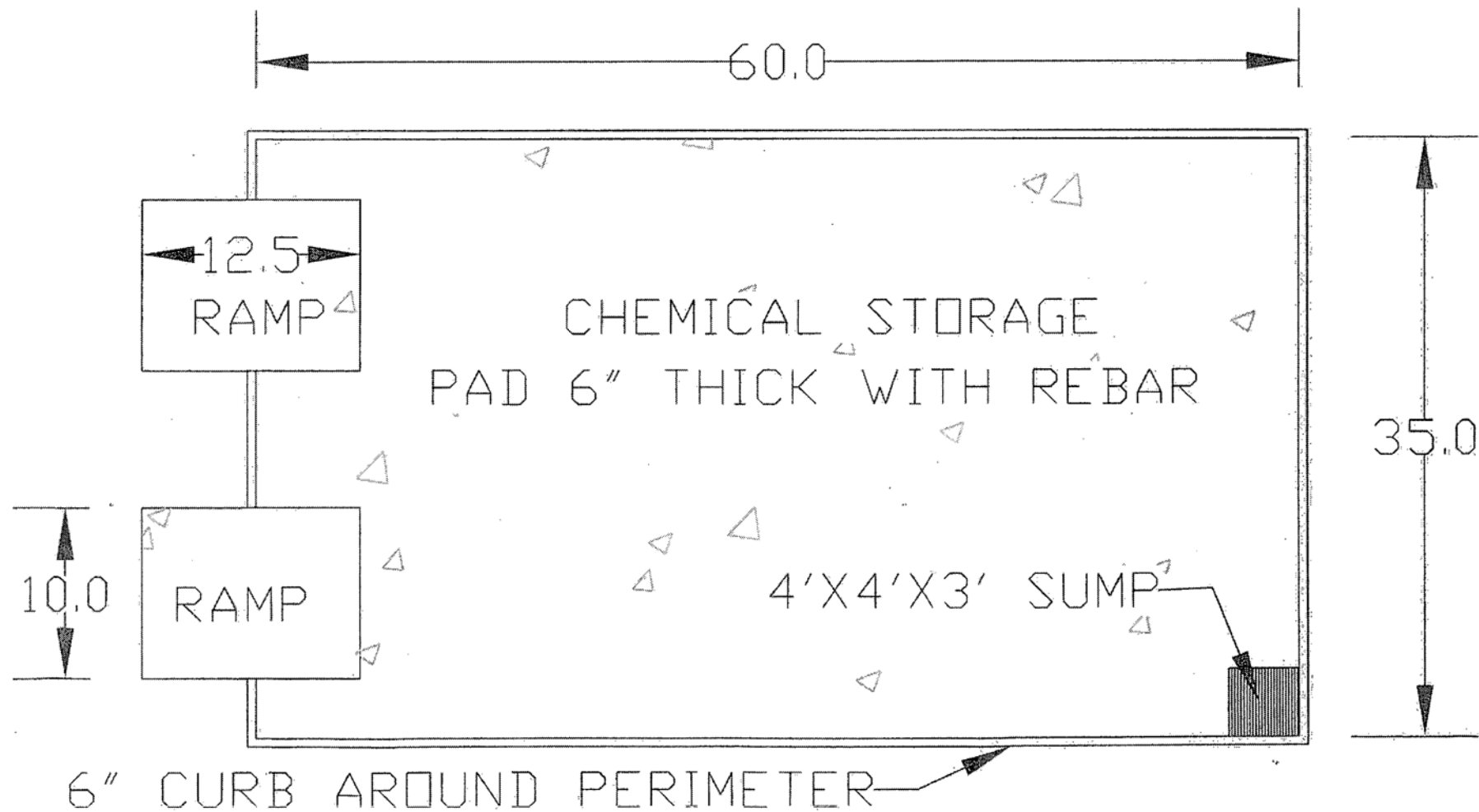


DRAWN BY:	DATE:	SCALE:
		NONE

SEWER LINE PLOT PLAN
LEA REFINING CO.
LOXINGTON

7-5

AREA ONE



AVAJO REFINING COMPANY
MOVINGTON REFINERY
SEWER TESTING

Note: Notify Darrell Moore so he can contact OCD's District Office and Santa Fe Office to witness testing (72 hrs notice required)

WG #	LINE, BOX OR HUB #	TEST MEDIUM	TEST DATE	TEST METHOD	TESTED BY	TEST PASS/FAIL	COMMENTS / REPAIR METHOD
LOT PLAN	PSB#01 TO LPS#8809	WATER	5/23/2005	HYDRO	RODRIGO, LIRA	PASS	
LOT PLAN	PSB#01 TO PSB#02 TO LPS#8812 TO LML#8800	WATER	5/26/2005	HYDRO	RODRIGO, LIRA	PASS	
LOT PLAN	LML#8800 TO LPS#8813	WATER	6/3/2005	HYDRO	CLEY MONTES	PASS	
LOT PLAN	LML#8804 TO PSB#05	WATER	6/7/2005	HYDRO	CLEY MONTES	PASS	
LOT PLAN	LML#8800 TO LPS#8811 TO LPS#8810	WATER	6/9/2005	HYDRO	CLEY MONTES	FAIL	
LOT PLAN	LML#8800 TO LPS#8811 TO LPS#8810	WATER	6/10/2005	HYDRO	CLEY MONTES	PASS	REPLACED ENTIRE LINE/RETEST
LOT PLAN	PSB#02	WATER	6/24/2005	HYDRO	CLEY MONTES	PASS	
LOT PLAN	PSB#08 TO LML#8801 TO PSB #03	WATER	6/28/2005	HYDRO	CLEY MONTES	PASS	
LOT PLAN	PSB#03 TO LML#8802	WATER	6/30/2005	HYDRO	CLEY MONTES	PASS	
LOT PLAN	LPS#8815 TO PSB#05, 06, 07 TO LPS#8817 TO LPS#8816 TO PSB#08	WATER	7/3/2005	HYDRO	CLEY MONTES	PASS	
LOT PLAN	PSB#03 TO LPS#8818 TO LPS#8819 TO PSB#09 TO PSB#10	WATER	7/8/2005	HYDRO	CLEY MONTES	PASS	
LOT PLAN	LML#8802 TO PSB#04	WATER	7/11/2005	HYDRO	CLEY MONTES	PASS	
LOT PLAN	PSB#04 TO LPS#8820 TO PSB#11 TO LPS#8821 TO PSB#12	WATER	7/13/2005	HYDRO	CLEY MONTES	PASS	
LOT PLAN	LPS#8822 TO LML#8803	WATER	7/15/2005	HYDRO	CLEY MONTES	PASS	
LOT PLAN	LML#8803 TO LPS#8823 TO LPS#8824 TO LPS#8825 TO LPS#8827 TO LPS#8826	WATER	7/19/2005	HYDRO	CLEY MONTES	FAIL	
LOT PLAN	LML#8803 TO LPS#8823 TO LPS#8824 TO LPS#8825 TO LPS#8827 TO LPS#8826	WATER	8/2/2005	HYDRO	CLEY MONTES	PASS	MADE REPAIRS/RETEST
LOT PLAN	LML#8804 TO LPS#8828	WATER	8/8/2005	HYDRO	CLEY MONTES	PASS	
LOT PLAN	LML#8804 TO LPS#8829 TO LPS#8825 TO LPS#8830	WATER	8/11/2005	HYDRO	CLEY MONTES	FAIL	
LOT PLAN	LML#8804 TO LPS#8829 TO LPS#8825 TO LPS#8830	WATER	8/20/2005	HYDRO	CLEY MONTES	PASS	MADE REPAIRS/RETEST
LOT PLAN	LPS#8825 TO LPS#8831	WATER	8/21/2005	HYDRO	CLEY MONTES	FAIL	
LOT PLAN	LPS#8825 TO LPS#8831	WATER	8/29/2005	HYDRO	CLEY MONTES	PASS	MADE REPAIRS/RETEST
LOT PLAN	PSB#14 TO LPS#8833 TO LPS#8832 TO LPS#8834	WATER	10/15/2005	HYDRO	CLEY MONTES	FAIL	
LOT PLAN	PSB#14 TO LPS#8833 TO LPS#8832 TO LPS#8834	WATER	10/19/2005	HYDRO	CLEY MONTES	PASS	MADE REPAIRS/RETEST
LOT PLAN	LML#8805 TO LPS#8838 TO LPS#8839 TO LPS#8840	WATER	10/20/2005	HYDRO	CLEY MONTES	PASS	
LOT PLAN	LML#8807 TO LPS#8791 TO LPS#8792	WATER	10/24/2005	HYDRO	CLEY MONTES	FAIL	
LOT PLAN	LML#8807 TO LPS#8791 TO LPS#8792	WATER	10/30/2005	HYDRO	CLEY MONTES	PASS	MADE REPAIRS/RETEST
LOT PLAN	LML#8806 TO LPS#8843	WATER	11/10/2005	HYDRO	CLEY MONTES	PASS	
LOT PLAN	LML#8806 TO LPS#8847	WATER	11/17/2005	HYDRO	CLEY MONTES	PASS	
LOT PLAN	PSB#17 TO LPS#8848 TO LPS#8849	WATER	11/21/2005	HYDRO	CLEY MONTES	PASS	
LOT PLAN	LML#8807 TO LPS#8850 TO LPS#8790	WATER	11/28/2005	HYDRO	CLEY MONTES	FAIL	
LOT PLAN	LML#8807 TO LPS#8850 TO LPS#8790	WATER	12/10/2005	HYDRO	CLEY MONTES	PASS	MADE REPAIRS/RETEST
LOT PLAN	LML#8807 TO LPS#8993	WATER	12/14/2005	HYDRO	CLEY MONTES	FAIL	
LOT PLAN	LML#8807 TO LPS#8993	WATER	12/20/2005	HYDRO	CLEY MONTES	PASS	MADE REPAIRS/RETEST
LOT PLAN	LPS#8839 TO LPS#8841	WATER	12/28/2005	HYDRO	CLEY MONTES	PASS	
LOT PLAN	LML#8805 TO LPS#8838	WATER	1/6/2006	HYDRO	CLEY MONTES	PASS	
LOT PLAN	PSB#04 TO LML#8803 TO PSB#13 TO PSB#04 TO PSB#114 TO LML#8805 TO PSB#15	WATER	1/10/2006	HYDRO	CLEY MONTES	FAIL	
LOT PLAN	PSB#04 TO LML#8803 TO PSB#13 TO PSB#04 TO PSB#114 TO LML#8805 TO PSB#15	WATER	1/13/2006	HYDRO	CLEY MONTES	PASS	MADE REPAIRS/RETEST

[illegible]

NAVAJO REFINING COMPANY
LOVINGTON REFINERY
LISTING OF ALL SUMPS

Dec. 3, 2007

[illegible]



SEWER LINES, BOXES & HUBS
TEST RECORD

REVISED 2/23/2007

LOUINGTON

TESTING INFORMATION

NW CORNER OF MAIN BUILDING

UNIT NUMBER

OLD A/C CONDENSATE SUMP

DRAWING NUMBER

LINE, BOX OR HUB NUMBER

83 SUMP 14

TEST MEDIUM:

WATER

TESTED STARTED AT

10:00 AM

TEST TERMINATED AT

12:00 AM

TEST PASS OR FAIL

FAIL

REPAIRS MADE OR COMMENTS:

NEED TO BE REPAIR FROM THE BOTTOM FLOOR.

TEST ACCEPTANCE

TESTING COMPLETED AND ACCEPTED BY:

TEST REPRESENTATIVE:

GEY MONTE GILES ENG.

DATE: 11-21-07

OCD REPRESENTATIVE:

CONTACTED BUT NOT PRESENT

DATE:

Note: Notify Darrell Moore so he can contact OCD's District Office & Santa Fe Office to witness testing (72 hrs notice required)

Note: Notify Darrell Moore of any test that fails.

COPIES TO: ENVIRONMENTAL & MAINTENANCE DEPT.

E:\DATA\MAINTEN\123DATA\sewerdoc\WK4



SEWER LINES, BOXES & HUBS
TEST RECORD

REVISED 2/23/2007

LOUINATON

TESTING INFORMATION

UNIT NUMBER BUNDLE CLEANING PAD
DRAWING NUMBER #
LINE, BOX OR HUB NUMBER 83 SUMP 07
TEST MEDIUM: WATER
TESTED STARTED AT 9:45 A.M.
TEST TERMINATED AT 1:45 P.M.
TEST PASS OR FAIL PASS

REPAIRS MADE OR COMMENTS:

BUNDLE CLEANING PAD FIBER GLASS SUMP PASS TEST.

TEST ACCEPTANCE

TESTING COMPLETED AND ACCEPTED BY:

TEST REPRESENTATIVE: LEY MONTEZ HILES INC. DATE: 11-21-07

OCD REPRESENTATIVE: CONTACTED BUT NOT PRESENT. DATE: _____

Note: Notify Darrell Moore so he can contact OCD's District Office & Santa Fe Office to witness testing (72 hrs notice required)
Note: Notify Darrell Moore of any test that fails.

COPIES TO: ENVIRONMENTAL & MAINTENANCE DEPT.

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SEWER LINES, BOXES & HUBS
TEST RECORD

REVISED 2/23/2007

LOUINGTON

TESTING INFORMATION

UNIT NUMBER NOW-HAZ-PAD
DRAWING NUMBER _____
LINE, BOX OR HUB NUMBER 83 SUMP 06
TEST MEDIUM: WATER
TESTED STARTED AT 9:30 A.M.
TEST TERMINATED AT 1:30 P.M.
TEST PASS OR FAIL PASS

REPAIRS MADE OR COMMENTS:

NOW-HAZ PAD SUMP BOX IS GOOD.

TEST ACCEPTANCE

TESTING COMPLETED AND ACCEPTED BY:

TEST REPRESENTATIVE: CEY MONTES FILES INC. DATE: 11-21-07

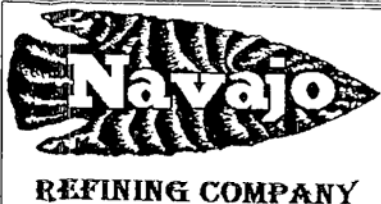
OCD REPRESENTATIVE: CONTACTED BUT NOT PRESENT DATE: _____

Note: Notify Darrell Moore so he can contact OCD's District Office & Santa Fe Office to witness testing (72 hrs notice required)

Note: Notify Darrell Moore of any test that fails.

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SEWER LINES, BOXES & HUBS
TEST RECORD

REVISED 2/23/2007

LOVINGTON
TESTING INFORMATION

UNIT NUMBER

SOUTH OF
CAUSTIC TANKS 400 & 401

DRAWING NUMBER

LINE, BOX OR HUB NUMBER

83 SUMP 0.5

TEST MEDIUM:

WATER

TESTED STARTED AT

9:00 A.M.

TEST TERMINATED AT

1:00 P.M.

TEST PASS OR FAIL

PASS

REPAIRS MADE OR COMMENTS:

SUMP BOX SOUTH OF CAUSTIC TANKS OF 400 & 401 IS GOOD.

TEST ACCEPTANCE

TESTING COMPLETED AND ACCEPTED BY:

TEST REPRESENTATIVE:

CLEY MONTES GILES INC.

DATE: 11-21-07

OCD REPRESENTATIVE:

CONTACTED BUT NOT PRESENT.

DATE:

Note: Notify Darrell Moore so he can contact OCD's District Office & Santa Fe Office to witness testing (72 hrs notice required)
Note: Notify Darrell Moore of any test that fails.

COPIES TO: ENVIRONMENTAL & MAINTENANCE DEPT.

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SEWER LINES, BOXES & HUBS
TEST RECORD

REVISED 2/23/2007

TESTING INFORMATION

UNIT NUMBER

DRAWING NUMBER

LINE, BOX OR HUB NUMBER

TEST MEDIUM:

TESTED STARTED AT

TEST TERMINATED AT

TEST PASS OR FAIL

(LOUNGETON)
NAPHA SUMP NORTH OF CONTROL ROOM

SUMP # 83 SUMP 04

WATER

9:00 A.M.

1:00 P.M.

PASS

REPAIRS MADE OR COMMENTS:

NAPHA SUMP NORTH OF CONTROL ROOM IS 100% GOOD

TEST ACCEPTANCE

TESTING COMPLETED AND ACCEPTED BY:

TEST REPRESENTATIVE:

GUY MONTES GILES INC.

DATE: 11-21-07

OCD REPRESENTATIVE:

CONTACTED BUT NOT PRESENT

DATE:

Note: Notify Darrell Moore so he can contact OCD's District Office & Santa Fe Office to witness testing (72 hrs notice required)
Note: Notify Darrell Moore of any test that fails.

COPIES TO: ENVIRONMENTAL & MAINTENANCE DEPT.

E:\DATA\MAINTEN\123DATA\sewerdoc.WK4



REFINING COMPANY, LLC

2008 MAY 21 PM 3 19
(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

May 20, 2008

Wayne Price
Environmental Bureau Chief
New Mexico Energy, Minerals and Natural Resources Department
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, NM 87505

Certified Mail/Return Receipt
7002 0510 0002 6870 5838

**RE: Alternate Storage Tank Containment Proposal
Navajo Refining Company, L.L.C.**

Dear Wayne:

This letter is a follow-up to our meeting with Carl Chavez on May 8, 2008 concerning the renewal of Discharge Permits GW-028 for the Artesia Refinery and GW-014 for the Lovington Refinery. During the meeting we discussed OCD's expected inclusion of permit conditions requiring Navajo to install liners under the tanks and throughout the bermed areas at the refineries and to complete the retrofit by the end of the permit term, now expected to be 3 years.

As we discussed, Navajo has serious questions about OCD's authority to require those measures as part of a discharge permit issued under the Water Quality Act and believes that it is appropriately addressing OCD's concerns through the implementation of operational measures. The Water Quality Act, NMSA 1978, §74-6-5 (2005) and the WQCC regulations, 20.6.2 NMAC, only authorize OCD to place reasonable conditions in a discharge permit related to the discharge for which the permit is sought. *See Phelps Dodge Tyrone v. New Mexico Water Quality Control Commission*, 2006-NMCA-115, 140 N.M. 464, 470, 143 P3d 502, 509. Navajo is unaware of any authority to the contrary and requests that you advise us on the legal and technical bases for the condition.

Based on our review, Navajo believes the proposed conditions to be unreasonable. Navajo expects that the conditions will require an expenditure in excess of 25 Million dollars to install the required liners, plus the loss of revenue during the facility down time to retrofit the tanks and berms. The risks associated with potential releases from the tanks do not justify the enormous expenses associated with the installation of liners under the tanks and throughout the bermed areas.

Moreover, Navajo believes that it is unreasonable to complete the retrofit within the next 3 years. While the OCD could issue the permit for a term of 5 years, 20.6.2.3109.H NMAC, even that term is insufficient for Navajo to complete the required retrofits.

During our recent meetings, you stated that the OCD would consider alternatives to a proposed requirement that Navajo Refining Company line the areas underneath our existing product storage tanks and the "bermed" areas surrounding the tanks at the Artesia and Lovington refinery sites. As an alternative to the installation of liners, Navajo proposes that the following measures should be included as options in any OCD order.

I.A. Installation of Leak Detection and Use of Tracer Testing—Navajo has contacted Praxair Services, Inc. to provide a proposal for the installation of leak detection probes underneath each

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NEW MEXICO • ARIZONA • WEST TEXAS • NORTHERN MEXICO

tank at Artesia and Lovington. Praxair's process utilizes a proprietary "tracer" that is injected into the product stored within each tank. Within 24 hours, the probes are sampled and analyzed using gas chromatography, which will detect the "tracer" if a leak exists. This approach is currently being used in various refineries and refined product terminals. Praxair has agreed to present this approach in more detail to the OCD in Santa Fe at your request. If a leak is detected, Navajo will promptly remove the tank from service, clean, inspect and repair according to API 653 standards. If approved by the OCD, Navajo would retrofit all tanks at the Artesia and Lovington Refineries over a period of at least 10 years. As tanks are retrofitted, initial testing would be conducted and then tested at a rate of 20% of the tanks each year for 5 years. We would prioritize the installation to begin the installation on the higher priority tanks, as OCD has suggested.

-- or --

1.B Another alternative would be to retrofit each tank by constructing a double bottom in each tank with leak detection "tell-tales" inserted between the floors and spaced around each tank. This would involve taking the tank out of service, isolating and cleaning for entry, then welding in the new floor on top of the existing floor with a space between the floors. Each tank would then have to be filled with fresh water for hydrotesting, and then discharged to ground upon approval from the OCD. If approved, Navajo would retrofit all tanks at the Artesia and Lovington Refineries over a period of at least 10 years. These improvements would be done during our API 653 inspections described in Item 2.

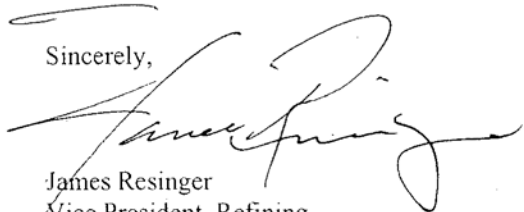
2. API 653 Inspections—Navajo currently conducts API 653 inspections on its tanks at the recommended 10-year intervals. The tank is emptied, isolated, entered and cleaned to conduct a complete internal inspection by certified inspectors. Navajo proposes to continue to conduct API 653 inspections on our tanks at 10 year intervals. Any problems discovered during those inspections will be addressed promptly.

3. Electronic Tank Level Indicators--Navajo has recently installed electronic tank level indication, complete with High and High High level alarms, on all the storage tanks. Signals from these indicators are sent to a control room and are monitored on a 24 hour 7 day a week basis. Through computer monitoring, an audible alarm immediately brings the high level to the operator's attention, identifying the exact location of the problem. This allows the operator to take immediate action to prevent an overflow condition. In addition, every tank level is physically checked and compared with the electronic level device on a weekly basis to ensure its accuracy. Any noted deviation results in the electronic level device being fully calibrated. Navajo responds rapidly to overflow situations and measures are taken to remove any free liquid and remediate contaminated soil before groundwater can be impacted.

Navajo feels that with the installation of the Praxair Leak Detection Technology, or installing double floors within the tanks, the tank inspection program and the steps taken to minimize overflow situations we will have systems in place to quickly identify leaks and greatly reduce the impact of leaks to ground water at these locations.

Please contact me at 575-746-5497 if you have questions or wish to discuss.

Sincerely,



James Resinger
Vice President, Refining

Electronic cc: Navajo: DGM, JEL
Holly: Gary Fuller, David Jelmini, Dave Lamp

cc: Carl Chaves
New Mexico Energy, Minerals and Natural Resources Department
Oil Conservation Division
1220 South St Francis Dr., Santa Fe, NM 87505

Environmental File: environmental\$ on 'nmartnas02' (M:) Artesia Discharge Permits –
OCD Alternate Proposal Discharge Permit (4) - Clean

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources
Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Revised June 10, 2003

Submit Original
Plus 1 Copy
to Santa Fe
1 Copy to Appropriate
District Office

**DISCHARGE PLAN APPLICATION FOR SERVICE COMPANIES, GAS PLANTS,
REFINERIES, COMPRESSOR, GEOTHERMAL FACILITIES
AND CRUDE OIL PUMP STATIONS**

(Refer to the OCD Guidelines for assistance in completing the application)

☐ New ☒ Renewal ☐ Modification

1. Type: Oil Refinery

2. Operator: Navajo Refining Company

Address: PO Box 159 Artesia, NM 88211

Contact Person: Darrell Moore Phone: 505-746-5281

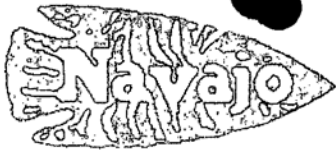
3. Location: _____/4 _____/4 Section 36 Township 16s Range 36e
Submit large scale topographic map showing exact location.

4. Attach the name, telephone number and address of the landowner of the facility site.
5. Attach the description of the facility with a diagram indicating location of fences, pits, dikes and tanks on the facility.
6. Attach a description of all materials stored or used at the facility.
7. Attach a description of present sources of effluent and waste solids. Average quality and daily volume of waste water must be included.
8. Attach a description of current liquid and solid waste collection/treatment/disposal procedures.
9. Attach a description of proposed modifications to existing collection/treatment/disposal systems.
10. Attach a routine inspection and maintenance plan to ensure permit compliance.
11. Attach a contingency plan for reporting and clean-up of spills or releases.
12. Attach geological/hydrological information for the facility. Depth to and quality of ground water must be included.
13. Attach a facility closure plan, and other information as is necessary to demonstrate compliance with any other OCD rules, regulations and/or orders.
14. CERTIFICATION: I hereby certify that the information submitted with this application is true and correct to the best of my knowledge and belief.

Name: Darrell Moore Title: Env. Mgr. for Water & Waste

Signature: *Darrell Moore* Date: 6/27/06

E-mail Address: darrell.moore@navajo-refining.com



REFINING COMPANY, L.P.

GW-14

FAX

AUG 30 2006

FAX

(505) 746-5283 DIV. ORDERS
(505) 746-5481 TRUCKING
(505) 746-5458 PERSONNEL

501 EAST MAIN STREET • P. O. BOX 159
ARTESIA, NEW MEXICO 88210-0159
Oil Conservation Division
1220 S. St. Francis Drive
August 28, 2006 Santa Fe, NM 87505

(505) 746-5419 ACCOUNTING
(505) 746-5451 EXEC/MKTG
(505) 746-5421 ENGINEERING
(505) 746-5480 PIPELINE

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 Permit Fees, Artesia and Lovington facilities

Dear Carl

Enclosed, please find two \$100 checks for the filing fees for our discharge permits for our facilities at Artesia and Lovington. These fees cover GW-14 and GW-28.

If you have any questions, please call me at 505-746-5281.

Sincerely,
NAVAJO REFINING COMPANY

Darrell Moore
Environmental Manager for Water and Waste

Encl.

Description	FUND	CES	DFA ORG	DFA ORG	ED ORG	ED ACCT	AMOUNT	
1 CY Reimbursement Project Tax	064	01						1
5 Gross Receipt Tax	084	01		2329	900000	2329134		2
3 Air Quality Title V	092	13	1300	1696	900000	4169134		3
4 PRP Prepayments	248	14	1400	9696	900000	4969014		4
2 Climax Chemical Co.	248	14	1400	9696	900000	4969016		5
8 Circle K Reimbursements	248	14	1400	9696	900000	4969248		6
7 Hazardous Waste Permits	339	27	2700	1696	900000	4169027		7
8 Hazardous Waste Annual Generator Fees	339	27	2700	1696	900000	4169339		8
10 Water Quality - Oil Conservation Division	341	29		2329	900000	2329029	200.00	10
11 Water Quality - GW Discharge Permit	341	29	2900	1696	900000	4169029		11
12 Air Quality Permits	631	31	2500	1696	900000	4169031		12
13 Payments under Protest	651	33		2919	900000	2919033		13
14 Xerox Copies	652	34		2349	900000	2348001		*14
15 Ground Water Penalties	652	34		2349	900000	2348002		15
16 Witness Fees	652	34		2349	900000	2439003		16
17 Air Quality Penalties	652	34		2349	900000	2349004		17
18 OSHA Penalties	652	34		2349	900000	2349005		18
19 Prior Year Reimbursement	652	34		2349	900000	2349006		19
20 Surface Water Quality Certification	652	34		2349	900000	2349009		20
21 Jury Duty	652	34		2349	900000	2349012		21
22 CY Reimbursements (i.e. telephone)	652	34		2349	900000	2349014		22
23 UST Owner's List	783	24	2500	9696	900000	4969201		*23
24 Hazardous Waste Notifiers List	783	24	2500	9696	900000	4969202		*24
25 UST Maps	783	24	2500	9696	900000	4969203		*25
26 UST Owner's Update	783	24	2500	9696	900000	4969205		*26
28 Hazardous Waste Regulations	783	24	2500	9696	900000	4969207		*28
29 Radiologic Tech. Regulations	783	24	2500	9696	900000	4969208		*29
30 Superfund CERLIS List	783	24	2500	9696	900000	4969211		*30
31 Solid Waste Permit Fees	783	24	2500	9696	900000	4969213		31
32 Smoking School	783	24	2500	9696	900000	4969214		32
33 SWQB - NPS Publications	783	24	2500	9696	900000	4969222		*33
34 Radiation Licensing Regulation	783	24	2500	9696	900000	4969228		*34
35 Sale of Equipment	783	24	2500	9696	900000	4969301		*35
36 Sale of Automobile	783	24	2500	9696	900000	4969302		*36
37 Lost Recoveries	783	24	2500	9696	900000	4969814		**37
38 Lost Repayments	783	24	2500	9696	900000	4969815		**38
39 Surface Water Publication	783	24	2500	9696	900000	4969801		39
40 Exxon Reese Drive Ruidoso - CAF	783	24	2500	9696	900000	4969242		40
41 Emerg. Hazardous Waste Penalties NOV	957	32	9600	1696	900000	4164032		41
42 Radiologic Tech. Certification	987	05	0500	1696	900000	4169005		42
44 Ust Permit Fees	988	20	3100	1696	900000	4169020		44
45 UST Tank Installers Fees	989	20	3100	1696	900000	4169021		45
46 Food Permit Fees	991	26	2600	1696	900000	4169026		46
43 Other								43

Gross Receipt Tax Required

Site Name & Project Code Required

TOTAL

200.00

Contact Person:

Wagner Price

Phone:

476-3490

Date:

8/31/06

Received in ASD By:

Date:

RT #:

ST #:

ACKNOWLEDGEMENT OF RECEIPT
OF CHECK/CASH

I hereby acknowledge receipt of check No. [REDACTED] dated 8/28/06

or cash received on _____ in the amount of \$ 100⁰⁰

from NAVAJO Refining Co

for GW-14

Submitted by: Lawrence Romero Date: 8/31/06

Submitted to ASD by: Debbie Pinos Date: 8/31/06

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 _____

NAVAJO REFINING COMPANY

501 EAST MAIN STREET

P O BOX 159

ARTESIA, NM 88211-0159

(505) 748-3311

GUARANTY BANK
DALLAS, TEXAS
88-7066/3149

CHECK
DATE: 06/28/06

The SUM of One Hundred Dollars and 00 cents

PAY EXACTLY

*****100.00

VOID AFTER 180 DAYS

PAY
TO THE
ORDER
OF
NM WATER QUALITY MANAGEMENT FU
%OIL CONSERVATION DIVISION
2040 SOUTH PACHECO
SANTA FE, NM 87505

\$25,000.00 OR MORE REQUIRES 2 MANUAL SIGNATURES

GW-14

Y ◊ 501 EAST MAIN STREET ◊ P O BOX 159 ◊ ARTESIA ◊ NM 8

BER	AMOUNT	DISCOUNT	AMOUNT PAID	
A	8,400.00	0.00	8,400.00	DISC
DATE: 08/05/03			TOTAL:	8,400.00

ANY 501 EAST MAIN STREET P O BOX 159 ARTESIA NM 8821

BER	AMOUNT	DISCOUNT	AMOUNT D	
306	100.00	0.00	100.00	DIS
DATE: 06/28/06			TOTAL:	100.00

ACKNOWLEDGEMENT OF RECEIPT
OF CHECK/CASH

I hereby acknowledge receipt of check No. [REDACTED] dated 3/12/03,
or cash received on _____ in the amount of \$ 1,700.00
from Key Energy Services
for Carbhad Trucking Yard GW-278
(Facility Name)
Submitted by: [Signature] Date: 3/12/03 (DP No.)
Submitted to ASD by: _____ Date: _____
Received in ASD by: _____ Date: _____
Filing Fee _____ New Facility _____ Renewal ☒
Modification _____ Other _____ (specify)

Organization Code 521.07 Applicable FY 2001

To be deposited in the Water Quality Management Fund.

Full Payment ☒ or Annual Increment _____

THE FACE OF THIS DOCUMENT IS PRINTED BLUE. THE BACK CONTAINS A SIMULATED WATERMARK.

Key **KEY ENERGY SERVICES, INC.** PNC BANK, NATIONAL ASSOCIATION
Central Processing Payment Center
5 Dosta Drive, Suite 4400
Midland, Texas 79705
(916) 574-7920
JEANETTE, PA. 8-9/430

Check Date: 3/12/2003 No. [REDACTED]

\$ 1,700.00
DOLLAR * * * * * ONE COMMA SEVEN ZERO ZERO PERIOD ZERO ZERO

PAY One Thousand Seven Hundred Dollars and No Cent

TO THE ORDER OF NM ENRGY MRLS. & NAT RESC DEPT
OIL CONSERVATION DIVISION
1220 SOUTH ST. FRANCIS DRIVE
SANTA FE NM 87504

AUTHORIZED SIGNATURE IF OVER \$10,000.00 [Signature] MP

Company : KEY ENERGY SERVICES, INC.

CHECK NO. [REDACTED]

INVOICE NO.	INVOICE DATE	GROSS	DISCOUNT	NET AMOUNT
100 411 DISCHARGE PL Message : CARLSBAD LOCATION	3/12/2003	1,700.00	.00	1,700.00
TOTALS		1,700.00	.00	1,700.00

Doc-u-Menter/ps®

ATTACHMENT TO THE DISCHARGE PLAN GW-014 APPROVAL
Navajo Refining Company L.P., Lea Refinery
DISCHARGE PLAN APPROVAL CONDITIONS
October 31, 2002

1. Payment of Discharge Plan Fees: The \$100.00 filing fee has been received by the OCD. There is a required flat fee of \$ 8400.00 for Oil Refineries. The fee may be paid in a single payment due at the time of approval, or in equal annual installments over the duration of the discharge plan, with the first payment due upon receipt of this approval.
2. Commitments: Navajo Refining Company L.P. will abide by all commitments submitted in the discharge plan renewal application dated August 21, 2001 including attachments, subsequent information dated March 15, 2002 and an addendum dated May 31, 2002 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: 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 December 15, 2002 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 annually by December 31 of each year.
9. Underground Process/Wastewater Lines: All underground process/wastewater pipelines must be tested to demonstrate their mechanical integrity no later than December 15, 2002 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 by December 31, 2002.
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. A record of inspection will be retained on site for a period of five years.
12. Spill Reporting: All spills/releases shall be reported pursuant to OCD Rule 116. and WQCC 1203. to the OCD Hobbs District Office.
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 plan will be approved by OCD on a case-by-case basis.

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 plan, and existing process knowledge of the waste stream does not change without notification to the Oil Conservation Division. The following waste is hereby approved:

1. Solid Waste (Trash/Refuse).
 2. Calcium Silica
-
14. OCD Inspections: Additional requirements may be placed on the facility based upon results from OCD inspections.
 15. Storm Water Plan: Navajo Refining Company L.P. shall maintain stormwater runoff controls. 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 Navajo shall notify the OCD within 24 hours, modify the plan within 15 days and submit for OCD approval. Navajo shall also take immediate corrective actions pursuant to Item 12 of these conditions.
 16. 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.
 17. 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.
 18. Vadose Zone and Water Pollution: The previously submitted investigation(s) and remediation plans were submitted pursuant to the discharge plan and all future discoveries of contamination will be addressed through the discharge plan process.

19. **Certification:** Navajo Refining Company L.P. by the officer whose signature appears below, accepts this permit and agrees to comply with all terms and conditions contained herein. Navajo Refining Company L.P. 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: Navajo Refining Company L.P.

PHILLIP L. YOUNGBLOW
Company Representative- print name

 Date 6/25/03
Company Representative- Sign

Title DIRECTOR OF ENVIRONMENTAL AFFAIRS

ACKNOWLEDGEMENT OF RECEIPT
OF CHECK/CASH

I hereby acknowledge receipt of check No. [REDACTED] dated 08/05/03
or cash received on _____ in the amount of \$ 8,400⁰⁰
from NAVAJO REFINING CO.
for LOVINGTON(LEA) REFINERY GW-14
Submitted by: WAYNE PRICE (Family Name) Date: 9/29/03 (DP No.)
Submitted to ASD by: [Signature] Date: '
Received in ASD by: _____ Date: _____
Filing Fee _____ New Facility _____ Renewal ☒
Modification _____ Other _____ (Specify)
Organization Code 521.07 Applicable FY 2004

To be deposited in the Water Quality Management Fund.
Full Payment ☒ or Annual Increment _____

THIS CHECK CLEARS THROUGH POSITIVE PAY
NAVAJO REFINING COMPANY

501 EAST MAIN STREET

P O BOX 159

ARTESIA, NM 88211-0159

(505) 748-3311

GUARANTY BANK
DALLAS, TEXAS
88-7066/3149

CHECK
DATE: 08/05/03

PAY EXACTLY

****8,400.00

VOID AFTER 180 DAYS

PAY
TO THE
ORDER
OF
NM WATER QUALITY MANAGEMENT FU
%OIL CONSERVATION DIVISION
2040 SOUTH PACHECO
SANTA FE, NM 87505

Matthew P. Clifton

25,000.00 OR MORE REQUIRES 2 MANUAL SIGNATURES

THE FACE OF T

BACKGROUND ON WHITE PAPER AND HAS A TRUE WATERMARK



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON

Governor

Betty Rivera
Cabinet Secretary

Lori Wrotenbery

Director

Oil Conservation Division

October 31, 2002

CERTIFIED MAIL

RETURN RECEIPT NO. 5357 7126

Mr. Darrell Moore
Environmental Manager for Water and Waste
Navajo Refining Company L.P.
P.O. Box 159
Artesia, New Mexico 88211-0159

RE: Discharge Plan GW-014
Lea Refinery
Lea County, New Mexico

Dear Mr. Moore:

The groundwater discharge plan renewal, GW-014, for the Navajo Refining Company L.P. (Navajo) Lea Refinery located in the SW/4 of Section 31, Township 16 South, Range 37 East; the SE/4 of Section 36, Township 16 South, Range 36 East; the NW/4 of Section 6, Township 17 South, Range 37 East; and the NE/4 of Section 1, Township 17 South, Range 36 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 for the Southern Union Refining Company on April 25, 1984, renewed and approved for Navajo Refining Company on October 30, 1991 with an expiration date of October 30, 1996. The discharge plan renewal application dated August 21, 2001 including attachments, subsequent information dated March 15, 2002 and an addendum dated May 31, 2002 submitted pursuant to Section 3106 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 is renewed pursuant to Section 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 Navajo Refining Company L.P. of responsibility should operations result in pollution of surface water, ground water or the environment. Nor does it relieve Navajo Refining Company L.P. of its responsibility to comply with any other governmental authority's rules and regulations. 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.

Mr. Darrell Moore
October 31, 2002
Page 2

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., Navajo Refining Company L.P. is 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 October 30, 2006** and an application for renewal should be submitted in ample time before that date. Pursuant to Section 3106.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.

The discharge plan application for the Navajo Refining Company L.P., Lea Refinery 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 \$100.00 plus flat fee of \$ 8400.00 for Oil Refineries. The OCD has not received the \$ 8400.00 flat fee. The flat fee 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 (505-476-3487) or E-mail WPRICE@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 Hobbs Office

ATTACHMENT TO THE DISCHARGE PLAN GW-014 APPROVAL
Navajo Refining Company L.P., Lea Refinery
DISCHARGE PLAN APPROVAL CONDITIONS
October 31, 2002

1. Payment of Discharge Plan Fees: The \$100.00 filing fee has been received by the OCD. There is a required flat fee of \$ 8400.00 for Oil Refineries. The fee may be paid in a single payment due at the time of approval, or in equal annual installments over the duration of the discharge plan, with the first payment due upon receipt of this approval.
2. Commitments: Navajo Refining Company L.P. will abide by all commitments submitted in the discharge plan renewal application dated August 21, 2001 including attachments, subsequent information dated March 15, 2002 and an addendum dated May 31, 2002 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: 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 December 15, 2002 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 annually by December 31 of each year.
9. Underground Process/Wastewater Lines: All underground process/wastewater pipelines must be tested to demonstrate their mechanical integrity no later than December 15, 2002 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 by December 31, 2002.
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. A record of inspection will be retained on site for a period of five years.
12. Spill Reporting: All spills/releases shall be reported pursuant to OCD Rule 116. and WQCC 1203. to the OCD Hobbs District Office.
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 plan will be approved by OCD on a case-by-case basis.

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 plan, and existing process knowledge of the waste stream does not change without notification to the Oil Conservation Division. The following waste is hereby approved:

1. Solid Waste (Trash/Refuse).
 2. Calcium Silica
-
14. OCD Inspections: Additional requirements may be placed on the facility based upon results from OCD inspections.
 15. Storm Water Plan: Navajo Refining Company L.P. shall maintain stormwater runoff controls. 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 Navajo shall notify the OCD within 24 hours, modify the plan within 15 days and submit for OCD approval. Navajo shall also take immediate corrective actions pursuant to Item 12 of these conditions.
 16. 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.
 17. 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.
 18. Vadose Zone and Water Pollution: The previously submitted investigation(s) and remediation plans were submitted pursuant to the discharge plan and all future discoveries of contamination will be addressed through the discharge plan process.

Mr. Darrell Moore
October 31, 2002
Page 6

19. **Certification:** **Navajo Refining Company L.P.** by the officer whose signature appears below, accepts this permit and agrees to comply with all terms and conditions contained herein. **Navajo Refining Company L.P.** 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: **Navajo Refining Company L.P.**

Company Representative- print name

Company Representative- Sign

Title



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

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

November 13, 1996

CERTIFIED MAIL
RETURN RECEIPT NO. P-288-258-871

Mr. Phillip Youngblood
Navajo Refining Company
P. O. Drawer 159
Artesia, New Mexico 88211-0159

**RE: Discharge Plan GW-014
Lovington Refinery
Eddy County, New Mexico**

Dear Mr. Youngblood:

The groundwater discharge plan renewal, GW-014, for the Navajo Refining Company (Navajo) Lovington Refinery located in the SW/4 of Section 31, Township 16 South, Range 37 East; the SE/4 of Section 36, Township 16 South, Range 36 East; the NW/4 of Section 6, Township 17 South, Range 37 East; and the NE/4 of Section 1, Township 17 South, Range 36 East NMPM, Lea County, New Mexico, **is hereby approved** under the conditions contained in the enclosed attachment. The discharge plan consists of the original discharge plan as approved October 30, 1991, and the discharge plan renewal application dated June 27, 1996. 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 five working days of receipt of this letter.**

The discharge plan was submitted pursuant to Section 3106 of the New Mexico Water Quality Control Commission (WQCC) Regulations. It is approved pursuant to Section 3109.A. Please note Sections 3109.E and 3109.F., which provide for possible future amendments or modifications of the plan. Please be advised that approval of this plan does not relieve Navajo of liability should operations result in pollution of surface water, ground water, or the environment.

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

Mr. Philip Youngblood
November 13, 1996
Page 2

Please note that Section 3104 of the regulations require "When a facility has been approved, discharges must be consistent with the terms and conditions of the plan." Pursuant to Section 3107.C. Navajo is 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.

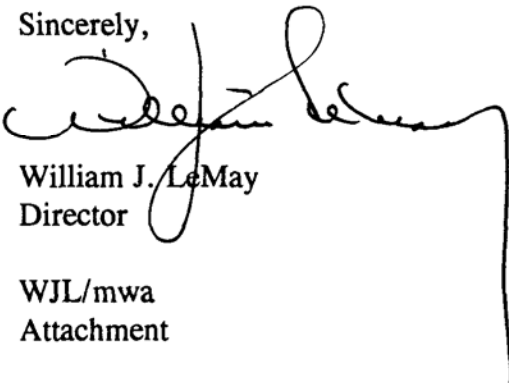
Pursuant to Section 3109.G.4., this plan is for a period of five years. This approval will expire on October 21, 2001, and Navajo should submit an application in ample time before this date. Note that under Section 3106.F. of the regulations, if a discharger submits a discharge plan renewal application 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 renewal application for the Navajo Refining Company Artesia Refinery is subject to WQCC Regulation 3114. Every billable facility submitting a discharge plan will be assessed a fee equal to the filing fee of \$50 plus one half of the flat fee or \$3,910 for refineries. The OCD has not received the \$50 filing fee or the \$3,910 flat fee. The \$50 filing fee is due upon receipt of this approval. The flat fee of \$3,910 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: **NMED-Water Quality Management** and addressed to the OCD Santa Fe Office.

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,



William J. LeMay
Director

WJL/mwa
Attachment

xc: OCD Hobbs Office

ATTACHMENT TO THE DISCHARGE PLAN GW-014 RENEWAL
NAVAJO REFINING COMPANY
LOVINGTON REFINERY
DISCHARGE PLAN APPROVAL CONDITIONS
(November 13, 1996)

1. Payment of Discharge Plan Fees: The \$50 filing fee is due upon receipt of this approval. The \$3,910 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. Navajo Commitments: Navajo will abide by all commitments submitted in the discharge plan application dated June 19, 1996.
3. Drum Storage: All drums containing materials other than fresh water must be stored on an impermeable pad with curbing. All empty drums will be stored on their sides with the bungs in and lined up on a horizontal plane. Chemicals in other containers such as sacks or buckets will also be stored on an impermeable pad and curb type containment. A plan and schedule will be provided to the OCD by February 14, 1997 for properly storing all drums which do not meet OCD requirements.
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. A plan and schedule will be provided to the OCD by February 14, 1997 for properly containing all process areas which do not meet OCD requirements.
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. A plan and schedule will be provided to the OCD by February 14, 1997 for properly containing all above ground tanks which do not meet OCD requirements.
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. A plan and schedule will be provided to the OCD by February 14, 1997 for properly containing all above ground saddle tanks which do not meet OCD requirements.

7. Labeling: All tanks, drums and containers should be clearly labeled to identify their contents and other emergency information necessary if the tank were to rupture, spill, or ignite. A plan and schedule will be provided to the OCD by February 14, 1997 for properly labeling all tanks, drums and containers which do not meet OCD requirements.
8. 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 demonstrate integrity on an annual basis. Integrity tests include pressure testing to 3 pounds per square inch above normal operating pressure and/or visual inspection of cleaned out tanks and/or sumps. The OCD will be notified at least 72 hours prior to all testing so that an OCD representative may witness the testing. A plan and schedule will be provided to the OCD by February 14, 1997 for properly containing, repairing and/or replacing all below grade tanks, sumps, and pits which do not meet OCD requirements.
9. Underground Process/Wastewater Lines: All underground process/wastewater pipelines must be tested to demonstrate their mechanical integrity at present and then every 5 years there after, or prior to discharge plan renewal. 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 so that an OCD representative may witness the testing.
10. Class V Wells: Leach fields and other wastewater disposal systems at OCD regulated facilities which inject fluid other than domestic waste sewage below the surface are considered Class V injection wells under the EPA UIC program. All class V wells will be closed unless, it can be demonstrated that protectable groundwater will not be impacted in the reasonably foreseeable future. Class V wells must be closed through the Santa Fe Office. The OCD allows industry to submit closure plans which are protective of human health, environment and groundwater as defined by the WQCC, and are cost effective.
11. Housekeeping: All systems designed for spill collection/prevention should be inspected to ensure proper operation and to prevent overtopping or system failure.

Any non-exempt contaminated soils that are collected at the facility will be tested for hazardous constituents, and after receiving OCD approval, will be disposed of at an OCD approved site.

12. Spill Reporting: All spills/releases shall be reported pursuant to OCD Rule 116 and WQCC 1203 to the OCD Hobbs District Office.
13. 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.

14. 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.
15. Certification: Navajo, by the officer whose signature appears below, accepts this permit and agrees to comply with all terms and conditions contained herein. Navajo 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.

Accepted:

NAVAJO REFINING COMPANY

by _____
Title

Price, Wayne

From: darrell [darrell@navajo-
Sent: Tuesday, August 21, 2001 5:07 PM
To: Price, Wayne
Subject: discharge plan for Lea Refining

Dear Wayne,

Navajo will be applying for renewal of the Discharge Plan GW-014 for our Lea Refining facility. I will submit the \$100 filing fee by the end of this week.

Thank you for your attention to this matter.

Darrell Moore
Navajo Refining Co.

8/25/01

ACKNOWLEDGEMENT OF RECEIPT
OF CHECK/CASH

I hereby acknowledge receipt of check No. [REDACTED] dated 9/18/01
or cash received on _____ in the amount of \$ 100⁰⁰
from NAVAJO REFINING CO.

for LEA REFINERY GW-014

Submitted by: WAYNE PRICE (Family Name) . Data: 10/09/01 (DP No.)

Submitted to ASD by: W A Data: 10/09/01

Received in ASD by: _____ Data: _____

Filing Fee ☒ New Facility _____ Renewal _____

Modification _____ Other _____

(Signature)

Organization Code 521.07 Applicable FY 2002

To be deposited in the Water Quality Management Fund.

Full Payment _____ or Annual Increment _____

THIS CHECK CLEARS THROUGH POSITIVE PAY
NAVAJO REFINING COMPANY
501 EAST MAIN STREET
P O BOX 159
ARTESIA, NM 88211-0159
(505) 748-3311



Bank of America Customer Connection
Bank of America, N.A.
Atlanta, Dekalb County, Georgia

64-1278
611

CHECK
DATE: 09/18/01

The SUM of One Hundred Dollars and 00 cents

PAY EXACTLY
*****100.00

VOID AFTER 180 DAYS

PAY
TO THE
ORDER
OF

NM ENERGY MINERALS & NATURAL
RESOURCES/OIL CONSERVATION D
1220 SOUTH ST FRANCIS
SANTA FE, NM 875055472

Matthew P. Clifton
PRESIDENT

OR MORE REQUIRES 2 MANUAL SIGNATURES

GW-14



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

February 12, 1998

CERTIFIED MAIL
RETURN RECEIPT NO. P-288-259-016

Mr. Darrell Moore
Navajo Refining Company
P. O. Drawer 159
Artesia, New Mexico 88211-0159

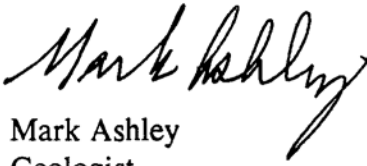
RE: Discharge Plan GW-014
Lovington Refinery
Lea County, New Mexico

Dear Mr. Moore:

The New Mexico Oil Conservation Division has received Navajo Refining Company's (Navajo) request dated January 21, 1998 for an extension for repairing sewers at the Lovington refinery. Pursuant to Water Quality Control Commission Regulations, and for good cause shown, an extension to December 31, 1998 for completion of repairing is hereby approved.

Please be advised this extension does not relieve Navajo of liability should their operation result in pollution of surface waters, ground waters or the environment.

Sincerely,


Mark Ashley
Geologist

xc: OCD Hobbs Office



**NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT**

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

August 21, 1997

CERTIFIED MAIL
RETURN RECEIPT NO. P-288-258-963

Mr. Darrell Moore
Navajo Refining Company
P. O. Drawer 159
Artesia, New Mexico 88211-0159

**RE: Discharge Plans GW-014
Lovington Refinery
Lea County, New Mexico**

Dear Mr. Moore:

The New Mexico Oil Conservation Division has received Navajo Refining Company's (Navajo) request dated August 11, 1997 for an extension for testing and repairing process waste water lines at the Lovington refinery. Pursuant to Water Quality Control Commission Regulations, and for good cause shown, an extension to January 1, 1998 for completion of testing and July 31, 1998 for completion of repairing is hereby approved.

Please be advised this extension does not relieve Navajo of liability should their operation result in pollution of surface waters, ground waters or the environment.

Sincerely,

A handwritten signature in black ink, appearing to read "Mark Ashley".

Mark Ashley
Geologist

xc: OCD Hobbs Office



**NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT**

**OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131**

February 17, 1997

CERTIFIED MAIL

RETURN RECEIPT NO. P-288-258-904

Mr. Phillip Youngblood
Navajo Refining Company
P. O. Drawer 159
Artesia, New Mexico 88211-0159

**RE: Discharge Plans GW-028 and GW-014
Artesia and Lovington Refineries
Eddy and Lea County, New Mexico**

Dear Mr. Youngblood:

The New Mexico Oil Conservation Division has received Navajo Refining Company's (Navajo) request dated February 7, 1997 for an extension to submit the required information as part of Navajo's discharge plan renewal for the Artesia and Lovington refineries. Pursuant to Water Quality Control Commission Regulations, and for good cause shown, an extension to May 16, 1997 is hereby approved.

Please be advised this extension does not relieve Navajo of liability should their operation result in pollution of surface waters, ground waters or the environment.

Sincerely,

A handwritten signature in dark ink, appearing to read "Mark Ashley".

Mark Ashley
Geologist

xc: OCD Artesia Office
OCD Hobbs Office

ACKNOWLEDGEMENT OF RECEIPT
OF CHECK/CASH

I hereby acknowledge receipt of check No. [REDACTED] dated 11/22/96.

or cash received on _____ in the amount of \$ 7976.00

from Navajo Refining

for Artesia 4010.00 GW-028

Livingston 3960.00 GW-014

Submitted by: _____ Date: _____

Submitted to ASD by: [Signature] Date: 1-24-97

Received in ASD by: _____ Date: _____

Filing Fee ☒ New Facility _____ Renewal ☒

Modification _____ Other _____

Organization Code 521.07 Applicable FY 97

To be deposited in the Water Quality Management Fund.

Full Payment ☒ or Annual Increment _____

NAVAJO REFINING COMPANY

501 EAST MAIN ST

P O BOX 159

ARTESIA NM 88211-0159

NationsBank of Texas N.A.
Wichita Falls, TX 76301

CHECK
DATE: 11/22/96

PAY EXACTLY

\$7,970.00

*****Seven Thousand Nine Hundred Seventy and no/100*****

PAY NMED - Water Quality Management
TO THE % NMOCD
ORDER 2040 S. Pacheco
OF Santa Fe, New Mexico 87505

[Signature]

[Signature]
\$2,500.00 OR MORE REQUIRES COUNTER SIGNATURE

NAVAJO REFINING COMPANY - 501 EAST MAIN ST - P O BOX 159 - ARTESIA NM 88211-0159

DATE	INVOICE NUMBER	A. UNT	DISCOUNT	AMOUNT . J	REMARKS
11/22/96		\$7,970.00		\$7,970.00	
Discharge Permit & Filing Fee for Artesia Refinery					\$3,960.00
Discharge Permit & Filing Fee for Lovington Refinery					3,960.00
Minor Modification Filing Fee for Artesia Refinery					50.00
TOTAL:				\$7,970.00	

VENDOR: 84-6114
ACCOUNT NO.:

DATE: 11/22/96

TOTAL:

\$7,970.00



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

97 JAN 4 PM 6 52

December 18, 1996

CERTIFIED MAIL
RETURN RECEIPT NO. P-288-258-882

Mr. Phillip Youngblood
Navajo Refining Company
P. O. Drawer 159
Artesia, New Mexico 88211-0159

RE: Discharge Plan GW-014
Permit Condition Amendment
Lovington Refinery
Lea County, New Mexico

Dear Mr. Youngblood:

Pursuant to the request received from Navajo Refining Company (Navajo), permit condition 8 has been amended. Enclosed are two copies of the conditions of approval with the amended condition. Please sign and return one copy to the New Mexico Oil Conservation Division (OCD) Santa Fe Office within 10 working days of receipt of this letter.

Please be advised that the amendment of this plan does not relieve Navajo of liability should operations result in pollution of surface water, ground water, or the environment.

The OCD hopes that this has clarified your concern, and we appreciate your input into this process.

Sincerely,

Roger C. Anderson
Environmental Bureau Chief

RCA/mwa

xc: OCD Hobbs Office

ATTACHMENT TO THE DISCHARGE PLAN GW-014 RENEWAL
NAVAJO REFINING COMPANY
LOVINGTON REFINERY
DISCHARGE PLAN APPROVAL CONDITIONS (AMENDED)
(December 18, 1996)

1. Payment of Discharge Plan Fees: The \$50 filing fee is due upon receipt of this approval. The \$3,910 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. Navajo Commitments: Navajo will abide by all commitments submitted in the discharge plan application dated June 19, 1996.
3. Drum Storage: All drums containing materials other than fresh water must be stored on an impermeable pad with curbing. All empty drums will be stored on their sides with the bungs in and lined up on a horizontal plane. Chemicals in other containers such as sacks or buckets will also be stored on an impermeable pad and curb type containment. A plan and schedule will be provided to the OCD by February 14, 1997 for properly storing all drums which do not meet OCD requirements.
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. A plan and schedule will be provided to the OCD by February 14, 1997 for properly containing all process areas which do not meet OCD requirements.
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. A plan and schedule will be provided to the OCD by February 14, 1997 for properly containing all above ground tanks which do not meet OCD requirements.
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. A plan and schedule will be provided to the OCD by February 14, 1997 for properly containing all above ground saddle tanks which do not meet OCD requirements.

7. Labeling: All tanks, drums and containers should be clearly labeled to identify their contents and other emergency information necessary if the tank were to rupture, spill, or ignite. A plan and schedule will be provided to the OCD by February 14, 1997 for properly labeling all tanks, drums and containers which do not meet OCD requirements.
8. 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 demonstrate integrity on an annual basis. Integrity tests include 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 so that an OCD representative may witness the testing. A plan and schedule will be provided to the OCD by February 14, 1997 for properly containing, repairing and/or replacing all below grade tanks, sumps, and pits which do not meet OCD requirements.
9. Underground Process/Wastewater Lines: All underground process/wastewater pipelines must be tested to demonstrate their mechanical integrity at present and then every 5 years there after, or prior to discharge plan renewal. 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 so that an OCD representative may witness the testing.
10. Class V Wells: Leach fields and other wastewater disposal systems at OCD regulated facilities which inject fluid other than domestic waste sewage below the surface are considered Class V injection wells under the EPA UIC program. All class V wells will be closed unless, it can be demonstrated that protectable groundwater will not be impacted in the reasonably foreseeable future. Class V wells must be closed through the Santa Fe Office. The OCD allows industry to submit closure plans which are protective of human health, environment and groundwater as defined by the WQCC, and are cost effective.
11. Housekeeping: All systems designed for spill collection/prevention should be inspected to ensure proper operation and to prevent overtopping or system failure.

Any non-exempt contaminated soils that are collected at the facility will be tested for hazardous constituents, and after receiving OCD approval, will be disposed of at an OCD approved site.

12. Product and Waste Disposal:

All recovered product, waste filters or treatment system waste products will be recycled and/or disposed of at an OCD approved facility or in an OCD approved manner. Commercial solid waste from Navajo's offices, warehouses and lunch rooms, which

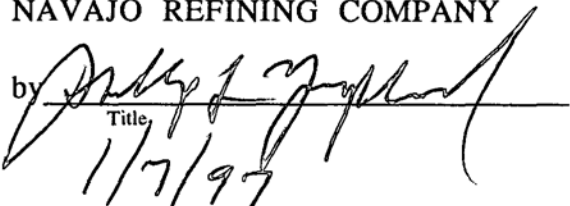
include but is not limited to paper trash, packaging materials, and food scraps along with construction and demolition debris, which include but is not limited to steel, glass, brick, concrete, roofing materials, pipe, wallboard, lumber, rocks, soil, trees and other vegetative matter is approved for disposal at a municipal solid waste facility servicing the area. The disposal of these commercial solid wastes, construction and demolition debris as defined in 20 NMAC 9.1.105.O and T shall not result in a violation of 20 NMAC 9.1.107.C or any other applicable section of the New Mexico solid waste regulations or the New Mexico Oil Conservation Division regulations.

13. Spill Reporting: All spills/releases shall be reported pursuant to OCD Rule 116 and WQCC 1203 to the OCD Hobbs District Office.
14. 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.
15. 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.
16. Certification: Navajo, by the officer whose signature appears below, accepts this permit and agrees to comply with all terms and conditions contained herein. Navajo 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.

Accepted:

NAVAJO REFINING COMPANY

by


Title
1/7/97

OIL CONSERVATION DIVISION

October 20, 1995

CERTIFIED MAIL

RETURN RECEIPT NO. Z-765-962-782

Mr. David Griffin
Navajo Refining Company
P. O. Drawer 159
Artesia, New Mexico 88211-0159

**RE: Discharge Plan GW-014 Renewal
Lea Refinery
Lea County, New Mexico**

Dear Mr. Griffin:

On October 30, 1991, the groundwater discharge plan, GW-014, for the Lea Refinery located in the SW/4 of Section 31, Township 16 South, Range 37 East, and the SE/4 of Section 36, Township 16 South, Range 36 East, and the NW/4 of Section 6, Township 17 South, Range 37 East, and the NE/4 of Section 1, Township 17 South, Range 36 East, NMPM, Lea County, New Mexico, was approved by the Director of the New Mexico Oil Conservation Division (OCD). This discharge plan was required and submitted pursuant to Water Quality Control Commission (WQCC) regulations and was approved for a period of five years. The approval will expire on October 30, 1996.

If your facility continues to have potential or actual effluent or leachate discharges and you wish to continue operation, you must renew your discharge plan. The OCD is reviewing discharge plan submittals and renewals carefully and the review time can extend for several months. Please indicate whether you have made, or intend to make, any changes in your system, and if so, please include these modifications in your application for renewal.

To assist you in preparation of your application, I have enclosed an application form and a copy of the OCD's Guidelines for the Preparation of Ground Water Discharge Plans at Oil Refineries and a copy of the WQCC regulations. Please submit the original and one copy to the OCD Santa Fe Office and one copy to the OCD Hobbs District Office. Note that the completed and signed application form must be submitted with your discharge plan renewal request.

Mr. David Griffin
October 20, 1995
Page 2

The discharge plan renewal application for the Lea Refinery is subject to WQCC Regulation 3-114. Every billable facility submitting a discharge plan for renewal will be assessed a fee equal to the filing fee of \$50 plus a flat fee of \$3,910.00 for oil refineries.

The \$50 filing fee is to be submitted with the discharge plan renewal application and is nonrefundable. The flat fee for an approved discharge plan renewal may be paid in a single payment due at the time of approval, or in equal annual installments over the duration of the discharge plan.

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

If you no longer have any actual or potential discharges and a discharge plan is not needed, please notify this office. If you have any questions, please do not hesitate to contact Mark Ashley at (505) 827-7155.

Sincerely,



Roger C. Anderson
Environmental Bureau Chief

xc: OCD Hobbs Office

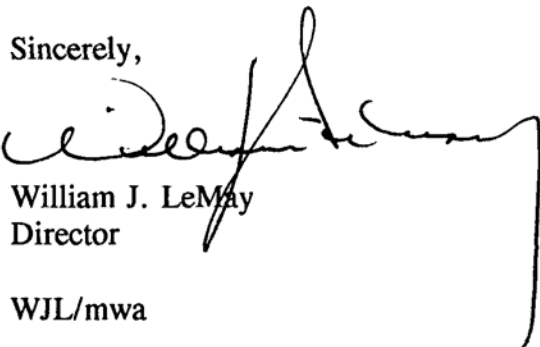
Mr. Darrell Moore
January 12, 1995
Page 2

Please note that Section 3-104 of the regulations require "When a facility 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.

The discharge plan modification for the Navajo Refining Company Lea Refinery is subject to WQCC Regulation 3-114.B.1.(b).3 discharge plan modification fee. Every billable facility submitting a discharge plan modification will be assessed a fee equal to the filing fee of fifty (50) dollars plus the flat rate of thirty-nine hundred and ten dollars (\$3910) for refineries. The New Mexico Oil Conservation Division (OCD) considers this modification to be minor in nature, therefore the flat fee has been waived. As of this date (January 12, 1995) the OCD has not received your fifty (50) dollar filing fee which will be due upon receipt of this letter.

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,



William J. LeMay
Director

WJL/mwa

xc: OCD Hobbs Office



State of New Mexico
ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT
Santa Fe, New Mexico 87505



January 12, 1995

CERTIFIED MAIL
RETURN RECEIPT NO. Z-765-962-794

Mr. Darrell Moore
Navajo Refining Company
P. O. Drawer 159
Artesia, New Mexico 88211-0159

**RE: Discharge Plan GW-14 Modification
Lea Refinery
Lea County, New Mexico**

Dear Mr. Moore:

The discharge plan modification GW-14 for the Navajo Refining Company Lea Refinery located in the SW/4 of Section 31, Township 16 South, Range 37 East, the SE/4 of Section 36, Township 16 South, Range 36 East, the NW/4 of Section 6, Township 17 South, Range 37 East, and the NE/4 of Section 1, Township 17 South, Range 36 East, NMPM, Lea County, New Mexico, **is hereby approved**. The discharge plan modification consists of the modification request submitted by Navajo Refining Company dated January 3, 1995, and analytical results for the reverse osmosis reject water dated July 25, 1994.

The discharge plan modification was submitted pursuant to Sections 3-106 and 3-107.C of the New Mexico Water Quality Control Commission (WQCC) Regulations. Based on the information provided in the modification request and in the approved discharge plan, it is approved pursuant to Sections 3-109 and 5-101.A. Please be advised 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.

VILLAGRA BUILDING - 408 Gallateo

Forestry and Resources Conservation Division
P.O. Box 1948 87504-1948
827-5830

Park and Recreation Division
P.O. Box 1147 87504-1147
827-7465

2040 South Pacheco

Office of the Secretary
827-5950

Administrative Services
827-5925

Energy Conservation & Management
827-5900

Mining and Minerals
827-5970

Oil Conservation
827-7131

ACKNOWLEDGEMENT OF RECEIPT
OF CHECK/CASH

I hereby acknowledge receipt of check No. [REDACTED] dated 1-24-95,

or cash received on _____ in the amount of \$ 50.00

from NAVAJO REFINING CO

for (GW-14) ARTESIA REFINERY

Submitted by: _____ Date: _____ (DP No.)

Submitted to ASD by: CHRIS EUSTICE Date: 2-15-95

Received in ASD by: Carlon F. [Signature] Date: 2/15/95

Filing Fee ☒ New Facility ☐ Renewal ☐

Modification ☐ Other ☐ (specify)

Organization Code 521.07 Applicable FY 95

To be deposited in the Water Quality Management Fund.

Full Payment ☐ or Annual Increment ☐

NAVAJO REFINING COMPANY
501 EAST MAIN STREET
P O BOX 159
ARTESIA, NM 88211-0159

NationsBank
Wichita Falls, TX 76301

CHECK
DATE: 01/24/95

The SUM of Fifty Dollars and 00 cents

PAY EXACTLY

*****50.00

THE
DER
NEW MEXICO OIL
CONSERVATION DIVISION
2040 SOUTH PACHECO
SANTA FE, NM 87505

\$2,500.00 OR MORE REQUIRES COUNTER SIGNATURE