

BW - 8

**PERMITS,
RENEWALS,
& MODS**

Affidavit of Publication

State of New Mexico,
County of Lea.

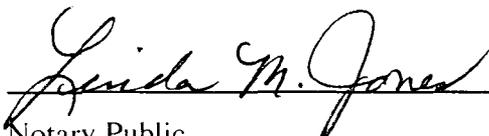
I, KENNETH NORRIS
GENERAL MANAGER
of the Hobbs News-Sun, a
newspaper published at Hobbs, New
Mexico, do solemnly swear that the
clipping attached hereto was
published in the regular and entire
issue of said newspaper, and not a
supplement thereof for a period

of 1 issue(s).

Beginning with the issue dated
October 11, 2009
and ending with the issue dated
October 11, 2009


GENERAL MANAGER

Sworn and subscribed to before me
this 12th day of
October, 2009


Notary Public

My commission expires
June 16, 2013

(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 NOTICE OCTOBER 11, 2009 NOTICE OF PUBLICATION

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

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

(BW-8) Salty Dog, Inc., PO Box 2724 Lubbock Texas 79408 has submitted an application for renewal of the discharge plan for their brine station located in Section 5, Township 19 South, Range 36 East, NMPM, Lea County, NM. Groundwater pumped from the regional aquifer is injected into the subsurface at a depth of approximately 1,871 feet thereby solution mining salt. The extracted brine has an approximate dissolved solids concentration of 350,000 mg/l. The brine is stored in above-ground tanks for use by the oil and gas industry. Groundwater most likely to be affected by a spill or leak is at a depth of approximately 70 feet with a total dissolved solids concentration of 400 mg/l. The plan addresses how spills and leaks will be managed in order to protect fresh water.

(BW-25) Basic Energy Services, LP, PO Box 10460, Midland, Texas 79702 has submitted an application for renewal of the discharge plan for the brine station located in Section 20, Township 25 South, Range 37 East, NMPM, Lea County, east of Jal, NM. Fresh water from the city is injected into the subsurface at a depth of approximately 1,100 feet thereby solution mining salt. The extracted brine has an approximate dissolved solids concentration of 350,000 mg/l. The brine is stored in above-ground tanks for use by the oil and gas industry. Groundwater most likely to be affected by a spill or leak is at a depth of approximately 40 feet with a total dissolved solids concentration of 875 mg/l. The plan addresses how spills and leaks will be managed in order to protect fresh water.

The OCD has determined that the applications are administratively complete and is preparing draft permits. The OCD will accept comments and statements of interest regarding these applications and create facility-specific mailing lists 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 of the Oil Conservation Division at the address given above. The applications may be viewed at the above address between 8:00 a.m. and 4:00 p.m., Monday through Friday, or at the OCD web site <http://www.emnrd.state.nm.us/ocd/>. Persons interested in obtaining a copy of either application may contact the OCD at the address 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 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 hearings are held, the Director will approve or disapprove the proposed permits based on information available, including all comments received. If public hearings are held, the director will approve or disapprove the proposed permits based on information in each application and information submitted at the hearings.

Para obtener mas información sobre esta solicitud en español, sírvase comunicarse por favor: New Mexico Energy, Minerals and Natural Resources Department (Dépto. Del Energía, Minería y Recursos Naturales de Nuevo México), Oil Conservation Division (Dépto. 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 7th day of October, 2009.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

SEAL
#25303

Mark Fesmire, Director

67105100 00040284

LEONARD LOWE
OIL CONSERVATION
1220 S. ST. FRANCIS DR.
SANTA FE, NM 87505

LEGAL NOTICE
OCTOBER 11, 2009
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 7th day of October, 2009.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

Mark Fesmire, Director

SEAL
#25303

Advertising Receipt

Hobbs Daily News-Sun

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

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

OIL CONSERVATION
LEONARD LOWE
1220 S. ST. FRANCIS DR.
SANTA FE , NM 87505

Cust #: 67105100
Ad #: 00040284
Phone: (505)476-3492
Date: 10/09/2009
Ad taker: C2 **Salesperson:**

Sort Line: #25303

Classification 673

Description	Start	Stop	Ins.	Cost/Day	Total
07 07 Daily News-Sun	10/11/2009	10/11/2009	1	130.41	130.41

Ad Text:

LEGAL NOTICE
OCTOBER 11, 2009
NOTICE OF PUBLICATION

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

Notice is hereby given pursuant to New Mexico Water Quality Control Commission Regulations (20.6.2.3106 NMAC), the following discharge permit applications have been submitted to the Director of the New Mexico Oil Conservation Division (OCD), 1220 S. Saint Francis Drive,

Payment Reference:

Total: 130.41
Tax: 8.72
Net: 139.13
Prepaid: 0.00
Total Due: 139.13



New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson

Governor
Joanna Prukop
Cabinet Secretary

Mark Fesmire
Director
Oil Conservation Division



October 7, 2009

Mr. James Millett
Salty Dog, Inc.
PO Box 2724
Lubbock, Texas 79408

**Re: Discharge Plan Renewal Associated with a Brine Well (BW-8)
Brine Supply Well No. 1 (API 30-025-26307)
Unit J, Section 5, Township 19 South, Range 36 East
Lea County, New Mexico**

Mr. Millett,

The Oil Conservation Division (OCD) has received Salty Dog's request dated April 20, 2009 and initial filing fee to renew BW-8 for the brine facility located in the NW/4 of the SE/4 of Section 5, Township 19 South, Range 36 East NMPM west of Hobbs, New Mexico in Lea County. The initial submittal provided the required information in order for OCD to deem the application "administratively" complete.

Therefore, the Water Quality Control Commission (WQCC) regulation's public notice requirements of 20.6.2.3108 NMAC must be satisfied and demonstrated to the OCD. The OCD will provide independent public notice pursuant to the WQCC requirements of 20.6.2.3108 E. NMAC to determine if there is any public interest.

The brine well was completed in May of 1979. The original discharge permit for the brine well was issued on December 18, 1982. It is a permit condition for all brine wells that monthly injection and production be documented and reported to the OCD. OCD has no water injection information whatsoever for this facility and only has brine production data for the 3rd quarter of 1987 and from the 1st quarter of 1996 through the 2nd quarter of 1999. This represents less than 15% of the well's operational life to date. Providing this information should not have been a difficult requirement as these figures would normally be compiled as part of business operations. Many brine well operators have been lax in reporting injection and production information and OCD has not compelled operators when such data has not been provided. This will no longer be the case. OCD requires Salty Dog to provide OCD with water injection and brine production data for the entire life of the well before November 20, 2009. Salty Dog must also explain how it obtained this information. Failure to provide this information will result in an immediate determination of non-compliance, disapproval of the renewal application, possible suspension of all permits for this and other operations, and termination of brine production from this facility

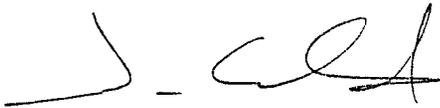


BW-8: Salty Dog, Inc.
October 7, 2009
Page 2

until the required information is received. In the future, Salty Dog shall submit monthly injection and production data to the OCD on a quarterly basis without exception.

If there are any questions regarding this matter, please do not hesitate to contact me by phone at (505) 476-3465 or email at jim.griswold@state.nm.us. Please refer to permit BW-8 in all future communication. On behalf of the OCD, I wish to thank you and your staff for your continued cooperation during the review process.

Respectfully,

A handwritten signature in black ink, appearing to read 'J. Griswold', written over a horizontal line.

Jim Griswold
Senior Hydrologist

JG/jg
cc: OCD District I Office, Hobbs

ACKNOWLEDGEMENT OF RECEIPT
OF CHECK/CASH

I hereby acknowledge receipt of check No: _____ dated 9/15/09

or cash received on _____ in the amount of \$ 100⁰⁰

from Salty Dog

for BW-8

Submitted by: LAWRENCE ROMERO Date: 9/25/09

Submitted to ASD by: Lawrence Romero Date: 9/25/09

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 _____

Salty Dog INC.
PO BOX 2724
Lubbock, Texas 79408
April 20, 2009

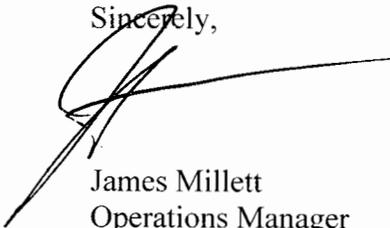
RECEIVED
2009 APR 21 AM 7 58

Jim Griswold
Hydrologist
NMOCD
1220 Saint Francis Drive
Santa Fe, NM 87505

Dear Mr. Griswold:

- Enclosed you will find the Renewal Application for Salty Dog BW-008. Sorry for the delay I was waiting on the information from Daniel B Stephens which as of today still has not come. If you have any question s please do not hesitate to call.

Sincerely,

A handwritten signature in black ink, appearing to read 'James Millett', with a long horizontal stroke extending to the right.

James Millett
Operations Manager
806-241-7405

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 Department
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 BRINE EXTRACTION FACILITIES
(Refer to the OCD Guidelines for assistance in completing the application)

New Renewal

I. Facility Name: Salty Dog, Inc. Brine Station BW-008

II. Operator: Salty Dog Inc.

Address: PO Box 2724 Lubbock, TX 79408

Contact Person: James Millett Phone: 8062417405

III. Location: NE /4 /4 Section 5 Township 19S Range 36E
Submit large scale topographic map showing exact location.

IV. Attach the name and address of the landowner of the facility site.

V. Attach a description of the types and quantities of fluids at the facility.

VI. Attach a description of all fluid transfer and storage and fluid and solid disposal facilities.

VII. Attach a description of underground facilities (i.e. brine extraction well).

VIII. Attach a contingency plan for reporting and clean-up of spills or releases.

IX. Attach geological/hydrological evidence demonstrating that brine extraction operations will not adversely impact fresh water.

X. Attach such other information as is necessary to demonstrate compliance with any other OCD rules, regulations and/or orders.

XI. CERTIFICATION:

I hereby 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.

Name: James Millett

Title: Operations Manager

Signature: 

Date: 4-20-09

E-mail Address: james@pabservicesinc.com

IV. Snyder Ranches Inc.

PO Box 2158

Hobbs, NM 882414

V. Salty Dog produces and sells both fresh water and brine. The fresh water is contained in two 1000 bbl. Tanks. The brine pumped from the well approximately .5 miles to the storage facility. The brine is held here for purchase by trucking companies. There are never any trucks up around the well head.

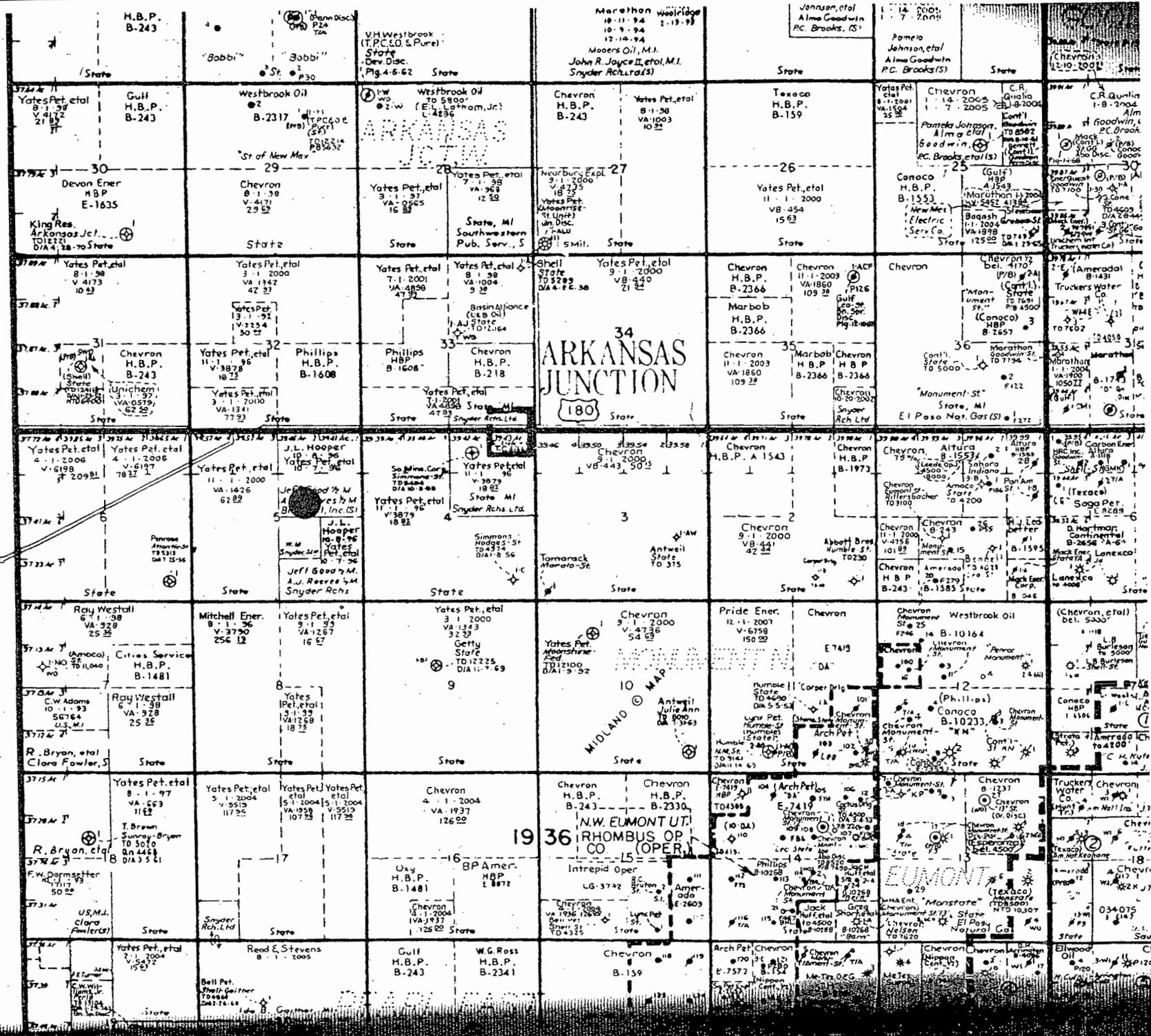
VI. The fluids, both fresh and brine, are transferred to and from the brine well in through 3" black poly pipe that is 3/8" thick, buried to a depth of 18". This line is inspected daily for leak when the entire facility is inspected.

VII. See Attached bore sketch.

VIII.

Salty Dog Emergency Action Plan

1. Should an accidental release occur the following actions will take place
 - a. Call James Millett at 806-241-7405
 - b. Call Terry Wallace at 5753938353
 - c. Hire Vacuum Trucks from Zia Transports INC
 - d. Notify the Oil Conservation Division
 - e. Manager will arrive on site and determine further action necessary.
- IX. A water sample report will be provided to the OCD within 30 days of this submission from Daniel B. Stephens.
- X. Salty Dog INC. is committed to complying with all OCD rules. We will be leveling our site and installing tanks on a concrete loading pad. Salty Dog will also continue to provide quarterly production reports.



ARKANSAS JUNCTION
180

MIDLAND MAP

19 36 RHOOMBUS O.P. CO. (OPER.)

EUMONT

To Carlsbad

T
19
S

Map showing various lease blocks and well locations in Arkansas. Key features include:

- Lease Blocks:** Numerous blocks are labeled with company names and lease numbers, such as Yates Petroleum (e.g., 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36), Chevron (e.g., 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36), Phillips (e.g., 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36), and others.
- Well Locations:** Well locations are marked with symbols and names, including 'Bobbie', 'Bobbie 2', 'Bobbie 3', 'Bobbie 4', 'Bobbie 5', 'Bobbie 6', 'Bobbie 7', 'Bobbie 8', 'Bobbie 9', 'Bobbie 10', 'Bobbie 11', 'Bobbie 12', 'Bobbie 13', 'Bobbie 14', 'Bobbie 15', 'Bobbie 16', 'Bobbie 17', 'Bobbie 18', 'Bobbie 19', 'Bobbie 20', 'Bobbie 21', 'Bobbie 22', 'Bobbie 23', 'Bobbie 24', 'Bobbie 25', 'Bobbie 26', 'Bobbie 27', 'Bobbie 28', 'Bobbie 29', 'Bobbie 30', 'Bobbie 31', 'Bobbie 32', 'Bobbie 33', 'Bobbie 34', 'Bobbie 35', 'Bobbie 36', 'Bobbie 37', 'Bobbie 38', 'Bobbie 39', 'Bobbie 40', 'Bobbie 41', 'Bobbie 42', 'Bobbie 43', 'Bobbie 44', 'Bobbie 45', 'Bobbie 46', 'Bobbie 47', 'Bobbie 48', 'Bobbie 49', 'Bobbie 50', 'Bobbie 51', 'Bobbie 52', 'Bobbie 53', 'Bobbie 54', 'Bobbie 55', 'Bobbie 56', 'Bobbie 57', 'Bobbie 58', 'Bobbie 59', 'Bobbie 60', 'Bobbie 61', 'Bobbie 62', 'Bobbie 63', 'Bobbie 64', 'Bobbie 65', 'Bobbie 66', 'Bobbie 67', 'Bobbie 68', 'Bobbie 69', 'Bobbie 70', 'Bobbie 71', 'Bobbie 72', 'Bobbie 73', 'Bobbie 74', 'Bobbie 75', 'Bobbie 76', 'Bobbie 77', 'Bobbie 78', 'Bobbie 79', 'Bobbie 80', 'Bobbie 81', 'Bobbie 82', 'Bobbie 83', 'Bobbie 84', 'Bobbie 85', 'Bobbie 86', 'Bobbie 87', 'Bobbie 88', 'Bobbie 89', 'Bobbie 90', 'Bobbie 91', 'Bobbie 92', 'Bobbie 93', 'Bobbie 94', 'Bobbie 95', 'Bobbie 96', 'Bobbie 97', 'Bobbie 98', 'Bobbie 99', 'Bobbie 100'.
- Geographic Features:** The map shows state boundaries, major roads (I-49, I-55), and cities like Carlsbad and Eumont.
- Other Labels:** 'ARKANSAS JUNCTION', 'MIDLAND MAP', '19 36 RHOOMBUS O.P. CO. (OPER.)', and 'EUMONT' are prominent labels on the map.

6/03/2004 09:28:14 LEA COUNTY ASSESSOR Year 2004 FAYE
 0042066 Dist 160 NonRend% 0 0 Centrl
 SNYDER RANCHES LTD FinCo 4989 Land 119147 Txbl
 33282 Impr 0 Exmpt
 0 P.P.

357441 Full

IV

PO BOX 2158 0 M.H. 119147 Net
 HOBBS NM 88241 319170 Livstk \$4035.72

Pos to() Print=Y
 Property Description Code Value Desc Quantity Rate Taxable

SECTION-26 TOWNSHIP-18S RANGE-35E
 200.00 AC BEING W2SE4, E2SW4,
 NW4NW4

4 000 420 660 004
 SECTION-33 TOWNSHIP-18S RANGE-36E
 160.00 AC BEING SE4

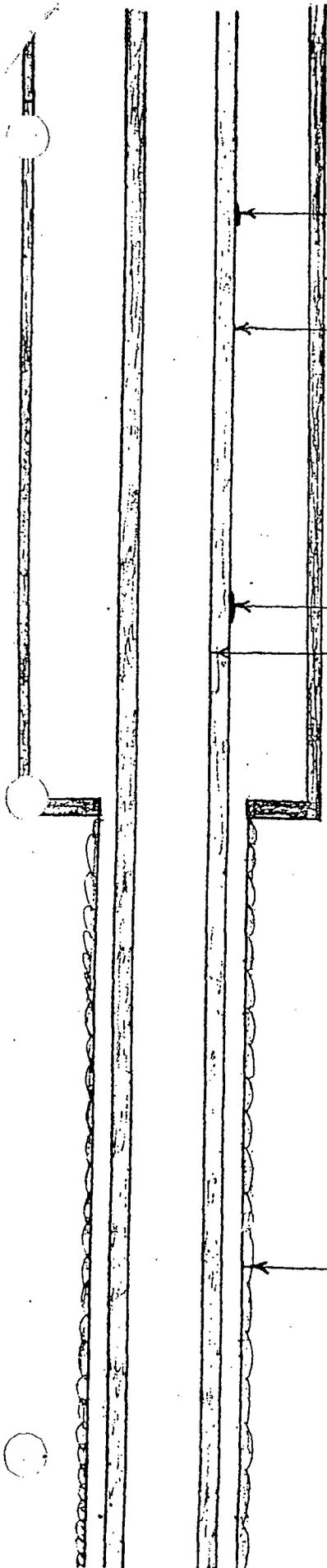
4 000 420 660 005
 SECTION-04 TOWNSHIP-19S RANGE-36E
 139.14 AC LOC LOT 2, S2NE4
 S2 LOT 1

4 000 420 660 001
 SECTION-05 TOWNSHIP-19S RANGE-36E
 160.00 AC LOC SE4

More...

F3=Cancel F4=Prompt() F6=Change Years F12=Return

WELL BORE SKETCH



Hole at 60'

Hole Size 12 1/4"

CASING:

Size 8 5/8" Weight 24# & 32# Grade J-55

Set at 1877' with 850 Sacks Cement

Circulate 200 Sacks to Surface

Hole at 250'

CASING LINER:

Size 5 1/2" Weight 15.50 # Grade J-55

Set at 1829' with 275 Sacks Cement

Circulate 10 bbls Sacks to Surface

TUBING:

Size 2 7/8" Weight 6.5# Grade J-55

Number of Joints 82 Set at 2534'

Bottom arrangement: Open ended with notched collar

Hole Size 6 1/4"

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 daily 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 four (4) days, beginning with the issue of March 26, 2009 and ending with the issue of April 16, 2009.

And that the cost of publishing said notice is the sum of \$207.79 which sum has been (Paid) as Court Costs.

Joyce Clemens

Subscribed and sworn to before me this 16th day of April 2009

Debbie Schilling

Debbie Schilling
Notary Public, Lea County, New Mexico
My Commission Expires June 22, 2010

sells approximately 800 bbls. Of brine per day from an approved brine extraction well. Groundwater at this area is found at approximately 60 ft. and has chloride concentration that ranges from 75 milligrams per liter to 800 milligrams per liter and a total dissolved solids concentration that ranges from 500 milligrams per liter to 1500 milligrams per liter. The facility location is underlain by alluvial sediment and the Ogallala formation. The permit application addresses all phases of this operation.

Any interested person may obtain information from the Oil Conservation Division and may submit written comments to the Director of the Oil Conservation Division at the address given above. The application may be viewed at the above address or the Hobbs District Office at 1625 N. French Drive, Hobbs, NM, between 8:00 am and 4:00pm, Monday thru Friday, Prior to ruling on any proposed application, the Director of the Oil Conservation Division shall allow at least thirty (30) days after the date of publication of the notice, during which comments may be submitted and public hearing may be requested in by any interested person. Request for public hearing shall set forth the reasons why a hearing shall be held. A hearing will be held if the director determines that there is significant public interest.

Published in the Lovington Leader March 26, April 2, 9, and 16, 2009.

LEGAL NOTICE Public Notice

Notice is hereby given that pursuant to the New Mexico Oil Conservation Division Regulations, the following application has been submitted for a discharge renewal to the Director of the Oil Conservation Division, P.O. Box 6429, 1220 South Saint Francis Drive, Santa Fe, NM 87505, (505) 476-3440.

The applicant, Salty Dog, Inc., PO Box 2724, Lubbock, TX 79408, has applied for a renewal to its existing discharge permit, BW-008. The facility is located approximately 12 miles West of Hobbs, New Mexico on Hwy. 62-180 in the NE 1/4 of Section 5, Township 19 S., Range 36 E., Lea Co., New Mexico. The Facility produces and

Price, Wayne

From: Price, Wayne
Sent: Friday, October 15, 2004 10:27 AM
To: Piter Bergstein (E-mail); Eddie Seay (E-mail); Inge, Richard
Cc: Johnson, Larry; Sheeley, Paul
Subject: Salty Dog Brine well Draft Permit BW-008

RECEIVED

OCT 15 2004

Dear Gentlemen:

OIL CONSERVATION DIVISION

Please find enclosed the draft permit for your review. If you have comments please provide within 15 days. This draft permit and public notice is being posted on the OCD web site. OCD will wait 30 days for public comments and then will issue final permit for your signature. I am also dropping a copy in the us mail.



BW08APP_oct 04 PN_6_22_04.doc
DRAFT.DOC

Sincerely:

Wayne Price
New Mexico Oil Conservation Division
1220 S. Saint Francis Drive
Santa Fe, NM 87505
505-476-3487
fax: 505-476-3462
E-mail: WPRICE@state.nm.us

DRAFT

October 14, 2004

CERTIFIED MAIL
RETURN RECEIPT NO.

Mr. Piter Bergstein
Salty Dog Inc.
P.O. Box 2724
Lubbock, Texas 79408

Re: Salty Dog Inc. Water Station
Discharge Plan BW-008 Renewal Application

Dear Mr. Bergstein:

The groundwater discharge plan renewal application for the Salty Dog Inc. Water Station BW-008 operated by Salty Dog Inc. located in Section 5, Township 19 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 on December 18, 1982 and subsequently renewed on April 18, 1989, April 20, 1995 and February 17, 2000 with an expiration date of April 18, 2004. The discharge plan renewal application, including attachments, dated June 04, 2004 submitted pursuant to Section 5101.B.3. of the New Mexico Water Quality Control Commission (WQCC) Regulations also includes all earlier applications and all conditions later placed on those approvals. The discharge plan renewal application was submitted pursuant to Section 20.6.2.5101 of the New Mexico Water Quality Control Commission (WQCC) Regulations. The discharge plan is renewed pursuant to Section 5101 and 3109.C. Please note Section 3109.G., which provides for possible future amendment of the plan. Please be advised that approval of this plan does not relieve Salty Dog Inc. of liability should operations result in pollution of surface or ground waters, or the environment.

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

Mr. Piter Bergstein
October 14, 2004
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., Salty Dog Inc. 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 April 18, 2009** and an application for renewal should be submitted in ample time before that date. Pursuant to Section 5101.F. of the regulations, if a discharger submits a discharge plan renewal application at least 120 days before the discharge plan expires and is in compliance with the approved plan, then the existing discharge plan will not expire until the application for renewal has been approved or disapproved. It should be noted that all discharge plan facilities will be required to submit plans for, or the results of, an underground drainage testing program as a requirement for discharge plan renewal.

The discharge plan application for the Salty Dog Inc. Water Station is subject to the WQCC Regulation 3114. Every billable facility submitting a discharge plan will be assessed a fee equal to the filing fee of \$100.00 plus a renewal fee of \$1700.00 for brine stations. The OCD has not received the \$1700.00 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
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505.**

If you have any questions, please contact Wayne Price of my staff at (505-476-3487) or E-mail 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 BW-008 APPROVAL
Salty Dog Inc. Water Station (BW-008)
API # 30-025-26307-00-00
DISCHARGE PLAN APPROVAL CONDITIONS
October 14, 2004

1. Payment of Discharge Plan Fees: The \$100.00 filing fee has been received by OCD. The \$1700.00 flat fee shall be submitted upon receipt of this approval. The required flat fee may be paid in a single payment due at the time of approval, or in equal annual installments over the duration of the plan, with the first payment due upon receipt of this approval.
2. Commitments: Salty Dog Inc. will abide by all commitments submitted in the discharge plan renewal application dated June 04, 2004 and these conditions for approval.
3. Brine Storage Pond Inspection: Leaks shall be reported pursuant to Item 20. (Spill Reporting) of these conditions. A minimum freeboard of three feet will be maintained in the pond so that no overtopping of brine occurs. Any repairs or modifications to the pond liner must receive prior OCD approval. If the pond liner is replaced or a new pond is constructed, a double synthetic liner with leak detection will be incorporated into the design.

Leak Detection Monitor Well: The leak detection monitor well for the single-lined brine storage pond must be inspected for fluids weekly. Records will be maintained to include quantity of fluid measured, conductivity and chlorides of fluid, date of inspection, and name of inspector. Any fluids found must be reported to the NMOCD Santa Fe office and the appropriate District office within 48 hours of discovery and in the quarterly report.

The pond shall be inspected weekly and records maintained. These records shall be reported in the quarterly report.

4. Production Method: Fresh water will be injected down the casing and brine shall be recovered up the tubing. Reverse flow will be allowed only once a month for up to 24 hours for clean out. Records of reverse flow shall be maintained and reported in the quarterly report.
5. Maximum Injection Pressure: The maximum operating injection and/or test pressure at the well head will be such that the fracture pressure of the injection formation will not be exceeded and will not cause new fractures or propagate existing fractures or cause damage to the system. Injection pressures shall be monitored weekly and records maintained and reported in the quarterly report.

6. Mechanical Integrity Testing: Conduct an annual open to formation pressure test by pressuring up the formation with fluids to one and one-half times the normal operating pressure or 300 psig whichever is greater for four hours. However, no operator may exceed surface injection or test pressures that may cause formation fracturing (see item 5 above) or system failures. Systems requiring test pressures less than 300 psig or methods that use testing media other than fluids, i.e. gas, must be approved by OCD prior to testing. Brine supply wells operating with isolation packers will have to pressure test both the cavern formation and casing/tubing annuals.

At least once every five years and during well work-overs the cavern formation will be isolated from the casing/tubing annuals and the casing pressure tested at 300 psig for 30 minutes. All pressure tests must be witnessed by OCD.

Operators shall maintain a chronologic list going back 5 years of all pressure test to include the type (i.e. open to formation, casing test only, etc), date, pass/fail criteria, copy of pressure chart, and any other pertinent information.

Records shall be maintained and reported in the quarterly report.

7. Capacity/Cavity Configuration and Subsidence Survey: The operator shall provide information on the size and extent of the solution cavern and geologic/engineering data demonstrating that continued brine extraction will not cause surface subsidence, collapse or damage to property, or become a threat to public health and the environment. This information shall be supplied in a report due on the first day of September of each year. OCD may require the operator to perform additional well surveys, test, and install subsidence monitoring in order to demonstrate the integrity of the system. If the operator cannot demonstrate the integrity of the system to the satisfaction of the Division then the operator may be required to shut-down, close the site and properly plug and abandoned the well.
8. Production/Injection Volumes: The volumes of fluids injected (fresh water) and produced (brine) will be recorded monthly and submitted in the quarterly report.
9. Analysis of Injection Fluid and Brine: Provide an analysis of the injection fluid and brine water quarterly. Analysis will be for General Chemistry (Method 40 CFR 136.3) using EPA methods. Records shall be maintained and reported in the quarterly report.

10. Drum Storage: All drums containing materials other than fresh water must be stored on an impermeable pad with curbing. All empty drums should be stored on their sides with the bungs in place and lined up on a horizontal plane. Chemicals in other containers such as sacks or buckets must also be stored on an impermeable pad with curbing.
11. Process Areas: All process and maintenance areas which show evidence that leaks and spills are reaching the ground surface must be either paved and curbed or have some type of spill collection device incorporated into the design.

Salty Dog shall install an impermeable pad and curb at the Brine loading/unloading area. Plans for this system shall be submitted to OCD for approval within 30 days of final approval of this permit. Final installation shall be no later than 90 days from final approval of this permit.

12. Above Ground Tanks: All above ground tanks which contain fluids other than fresh water must be bermed to contain a volume of one-third more than the total volume of the largest tank or of all interconnected tanks. All new facilities or modifications to existing facilities must place the tank on an impermeable type pad within the berm.
13. Above Ground Saddle Tanks: Above ground saddle tanks must have impermeable pad and curb type containment unless they contain fresh water or fluids that are gases at atmospheric temperature and pressure.
14. Labeling: All tanks, drums, and other containers should be clearly labeled to identify their contents and other emergency information necessary if the tank were to rupture, spill, or ignite.
15. Below Grade Ponds/Pits/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 below grade tanks, sumps and pits must be tested annually, except systems that have secondary containment with leak detection. These systems with leak detection shall have a weekly inspection of the leak detection to determine if the primary containment is leaking. Results of tests and inspections shall be maintained at the facility covered by this discharge permit and available for NMOCD inspection. Any system found to be leaking shall be reported pursuant to Item # 20. Permit holders may propose various methods for testing such as pressure testing to 3 pounds per square inch above normal operating pressure and/or visual inspection of cleaned out tanks and/or sumps, or other OCD approved methods. The OCD will be notified at least 72 hours prior to all testing.

Records shall be maintained and reported in the quarterly report.

16. Underground Process/Wastewater Lines: All underground process/wastewater pipelines must be approved by the OCD prior to installation and must be tested to demonstrate their mechanical integrity every five (5) years. Results of such tests shall be maintained at the facility covered by this discharge plan and available for NMOCD inspection. Permit holders may propose various methods for testing such as pressure testing to 3 pounds per square inch above normal operating pressure or other means acceptable to the OCD. The OCD will be notified at least 72 hours prior to all testing.

Records shall be maintained and reported in the quarterly report.

17. Class V Wells: No Class V wells that inject non-hazardous industrial wastes or a mixture of industrial wastes and domestic wastes will be approved for construction and/or operation unless it can be demonstrated that groundwater will not be impacted in the reasonably foreseeable future. Leach fields and other wastewater disposal systems at OCD regulated facilities, which inject non-hazardous fluid into or above an underground source of drinking water are considered Class V injection wells under the EPA UIC program. Class V wells that inject domestic waste only must be permitted by the New Mexico Environment Department.
18. Well Work Over Operations: API # 30-025-26307-00-00 OCD approval will be obtained from the Director prior to performing remedial work, pressure test or any other Work over. Approval will be requested on OCD Form C-103 "Sundry Notices and Reports on Wells" (OCD Rule 1103.A.) with appropriate copies sent to the OCD Environmental Bureau and District Office.
19. Housekeeping: All systems designed for spill collection/prevention will be inspected to ensure proper operation and to prevent overtopping, leakage, spillage or system failure. Records shall be maintained showing who inspected the facility, date of inspection and problems found. Problems found shall be corrected within 48 hours and noted. The results shall be reported in the quarterly report.
20. Spill Reporting: All spills/releases shall be reported pursuant to OCD Rule 116. and WQCC 1203. to the OCD Hobbs District Office and Santa Fe Office. A summary of all leaks and spills shall be reported in the quarterly report.
21. Waste Disposal: All wastes will be disposed of at an OCD approved facility. Only oilfield exempt wastes shall be disposed of down Class II injection wells. Non-exempt oilfield wastes that are non-hazardous may be disposed of at an OCD approved facility upon proper waste

Mr. Piter Bergstein

October 14, 2004

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determination per 40 CFR Part 261. Any waste stream that is not listed in the discharge 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, and existing process knowledge of the waste stream does not change without notification to the Oil Conservation Division

A summary of all waste disposed of shall be reported in the quarterly report.

22. Transfer of Discharge Plan: The OCD will be notified prior to any transfer of ownership, control, or possession of a facility with an approved discharge plan. A written commitment to comply with the terms and conditions of the previously approved discharge plan must be submitted by the purchaser and approved by the OCD prior to transfer.
23. Closure: The OCD will be notified when operations of the facility are discontinued for a period in excess of six months. Prior to closure of the facility a closure plan will be submitted for approval by the Director. Closure and waste disposal will be in accordance with the statutes, rules and regulations in effect at the time of closure.
24. OCD Inspections: Additional requirements may be placed on the facility based upon results from OCD inspections.
25. Vadose Zone and Water Pollution: The previously submitted investigation(s) and remediation plans were submitted pursuant to the discharge permit and all future discoveries of contamination will be addressed through the discharge permit. Salty Dog shall abide by all previous and future requirements issued by OCD. Failure to comply will result in civil penalties.
 - A. Groundwater Report: A Quarterly report will be submitted to the OCD by the first day of January, April, July, and October of each year. All monitoring wells, water wells and recovery wells shall be sampled and analyzed for General Chemistry using EPA approved methods. After four quarters, a request may be made to reduce the sampling to contaminants of concern that exceed the New Mexico groundwater standards. The groundwater reports shall contain the following information:
 - i. A description of the monitoring and remediation activities, which occurred during the quarter including conclusions and recommendations for addressing existing and newly discovered contamination.

- ii. A chronologic summary table listing all laboratory analytic results of all monitoring and recovery points for contaminants of concern. Copies of the most recent laboratory analytical data sheets shall also be submitted.
- iii. A water table potentiometric elevation map using the water table elevation of the ground water in all wells. This map shall show well locations, pertinent site features, and the direction and magnitude of the hydraulic gradient using elevation contour lines.
- iv. Plots of water table elevation vs. time for each ground water monitoring point.
- v. A map showing all pertinent features such as brine well area, brine pond area, buildings, playa lakes, location of numbered fresh water wells, all monitor and recovery wells and isopleth lines for contaminants of concern.
- vi. The volume of liquid recovered in the recovery wells during each quarter and the total recovered to date.
- vii. Electronic filing: OCD would like to encourage reporting in an acceptable electronic format.

B. Additional Requirements:

- i. Salty Dog shall notify the OCD Santa Fe and local district office at least 2 weeks in advance of all scheduled activities such that the OCD has the opportunity to witness the events and split samples.
- ii. Salty Dog shall submit an investigation and remediation plan for OCD approval within 15 days of the discovery of the exceedance of a WQCC standard in any down gradient monitor well or fresh water well where contaminant concentrations did not exceed WQCC standards during the preceding monitoring event.
- iii. Salty Dog shall investigate the vadose zone and groundwater contamination around the Brine Pond and loading/unloading area. The result shall be reported in the quarterly reports with conclusions and recommendations for remediation.

- iii. Salty Dog shall continue the groundwater remediation at the Brine Well area. Additional groundwater recovery wells shall be installed where contaminant concentrations exceed the groundwater standards. This recovery system shall be installed no later than 30 days after final approval of this permit.
26. Storm Water: Stormwater runoff controls shall be maintained. As a result of operations, if any water contaminant that exceeds the WQCC standards listed in 20 NMAC 6.2.3101 is discharged in any stormwater run-off, then immediate actions shall be taken to mitigate the effects of the run-off, notify the OCD within 24 hours, and modify the discharge to include a formal stormwater run-off containment and submit for OCD approval within 15 days.
27. Quarterly Report: A Quarterly report will be submitted to the OCD by the first day of January, April, July, and October of each year. The report shall contain the following information:
- A. All information as required in condition # 25 above and sub-items.
 - B. Summary of all leaks, spills and releases and corrective actions taken.
 - C. A Summary of all well activity, work-over, pressure test.
 - D. Each permit condition shall be addressed in the quarterly report.
28. Certification: **Salty Dog Inc.** by the officer whose signature appears below, accepts this permit and agrees to comply with all terms and conditions contained herein. **Salty Dog Inc.** 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: **Salty Dog Inc.**

PIETER BERGSTEIN
Company Representative- print name

 Date 10/26/04
Company Representative- Sign

Title PRESIDENT

Mr. Piter Bergstein
October 14, 2004
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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, the following discharge permit application(s) has been submitted to the Director of the Oil Conservation Division, 1220 S. Saint Francis Drive, Santa Fe, New Mexico 87505, Telephone (505) 476-3440:

(BW-08) - Salty Dog Inc., Pieter Bergstein, President, P.O. Box 2724, Lubbock, Texas 79408 has submitted an application for the renewal of a discharge plan for the Arkansas Junction Brine Station, located in Section 5, Township 19 South, Range 36 East, NMPM, Lea County, New Mexico. Approximately 90 gallons per minute of brine water with a TDS of approximately 300,000 mg/l is produced from a Class III Brine Well and stored in a lined pond for use in the oil industry. Groundwater most likely to be affected by a spill, leak, or accidental discharge to the surface is at a depth of approximately 75 feet with a total dissolved solids concentration of 400 mg/l. The discharge plan addresses how spills, leaks, and other accidental discharges to the surface will be managed including groundwater monitoring and remediation at the site.

Any interested person may obtain further information from the Oil Conservation Division and may submit written comments to the Director of the Oil Conservation Division at the address given above. The discharge permit application and draft discharge permit may be viewed at the above address between 8:00 a.m. and 4:00 p.m., Monday through Friday. The draft discharge permit may also be viewed at OCD's web site <http://www.emnrd.state.nm.us/ocd/>. Prior to ruling on any proposed discharge permit or its modification, the Director of the Oil Conservation Division shall allow at least thirty (30) days after the date of publication of this notice during which comments may be submitted and a public hearing may be requested by any interested person. 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 there is significant public interest.

If no public hearing is held, the Director will approve or disapprove the proposed permit based on information available. If a public hearing is held, the director will approve or disapprove the proposed permit based on information in the permit and information submitted at the hearing.

GIVEN under the Seal of New Mexico Oil Conservation Commission at Santa Fe, New Mexico, on this 10th day of October 2004.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

SEAL

Mark Fesmire, Director

Price, Wayne

From: Price, Wayne
Sent: Friday, October 15, 2004 10:27 AM
To: Piter Bergstein (E-mail); Eddie Seay (E-mail); Inge, Richard
Cc: Johnson, Larry; Sheeley, Paul
Subject: Salty Dog Brine well Draft Permit BW-008

Dear Gentlemen:

Please find enclosed the draft permit for your review. If you have comments please provide within 15 days. This draft permit and public notice is being posted on the OCD web site. OCD will wait 30 days for public comments and then will issue final permit for your signature. I am also dropping a copy in the us mail.



BW08APP_oct 04 PN_6_22_04.doc
DRAFT.DOC

Sincerely:

Wayne Price
New Mexico Oil Conservation Division
1220 S. Saint Francis Drive
Santa Fe, NM 87505
505-476-3487
fax: 505-476-3462
E-mail: WPRICE@state.nm.us

DRAFT

October 14, 2004

CERTIFIED MAIL
RETURN RECEIPT NO.

Mr. Piter Bergstein
Salty Dog Inc.
P.O. Box 2724
Lubbock, Texas 79408

Re: Salty Dog Inc. Water Station
Discharge Plan BW-008 Renewal Application

Dear Mr. Bergstein:

The groundwater discharge plan renewal application for the Salty Dog Inc. Water Station BW-008 operated by Salty Dog Inc. located in Section 5, Township 19 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 on December 18, 1982 and subsequently renewed on April 18, 1989, April 20, 1995 and February 17, 2000 with an expiration date of April 18, 2004. The discharge plan renewal application, including attachments, dated June 04, 2004 submitted pursuant to Section 5101.B.3. of the New Mexico Water Quality Control Commission (WQCC) Regulations also includes all earlier applications and all conditions later placed on those approvals. The discharge plan renewal application was submitted pursuant to Section 20.6.2.5101 of the New Mexico Water Quality Control Commission (WQCC) Regulations. The discharge plan is renewed pursuant to Section 5101 and 3109.C. Please note Section 3109.G., which provides for possible future amendment of the plan. Please be advised that approval of this plan does not relieve Salty Dog Inc. of liability should operations result in pollution of surface or ground waters, or the environment.

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

Mr. Piter Bergstein
October 14, 2004
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., Salty Dog Inc. 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 April 18, 2009** and an application for renewal should be submitted in ample time before that date. Pursuant to Section 5101.F. of the regulations, if a discharger submits a discharge plan renewal application at least 120 days before the discharge plan expires and is in compliance with the approved plan, then the existing discharge plan will not expire until the application for renewal has been approved or disapproved. It should be noted that all discharge plan facilities will be required to submit plans for, or the results of, an underground drainage testing program as a requirement for discharge plan renewal.

The discharge plan application for the Salty Dog Inc. Water Station is subject to the WQCC Regulation 3114. Every billable facility submitting a discharge plan will be assessed a fee equal to the filing fee of \$100.00 plus a renewal fee of \$1700.00 for brine stations. The OCD has not received the \$1700.00 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
1220 South Saint Francis Drive
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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
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Attachment-1
xc: OCD Hobbs Office

ATTACHMENT TO THE DISCHARGE PLAN BW-008 APPROVAL
Salty Dog Inc. Water Station (BW-008)
API # 30-025-26307-00-00
DISCHARGE PLAN APPROVAL CONDITIONS
October 14, 2004

1. Payment of Discharge Plan Fees: The \$100.00 filing fee has been received by OCD. The \$1700.00 flat fee shall be submitted upon receipt of this approval. The required flat fee may be paid in a single payment due at the time of approval, or in equal annual installments over the duration of the plan, with the first payment due upon receipt of this approval.
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3. Brine Storage Pond Inspection: Leaks shall be reported pursuant to Item 20. (Spill Reporting) of these conditions. A minimum freeboard of three feet will be maintained in the pond so that no overtopping of brine occurs. Any repairs or modifications to the pond liner must receive prior OCD approval. If the pond liner is replaced or a new pond is constructed, a double synthetic liner with leak detection will be incorporated into the design.

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The pond shall be inspected weekly and records maintained. These records shall be reported in the quarterly report.

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5. Maximum Injection Pressure: The maximum operating injection and/or test pressure at the well head will be such that the fracture pressure of the injection formation will not be exceeded and will not cause new fractures or propagate existing fractures or cause damage to the system. Injection pressures shall be monitored weekly and records maintained and reported in the quarterly report.

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24. OCD Inspections: Additional requirements may be placed on the facility based upon results from OCD inspections.
25. Vadose Zone and Water Pollution: The previously submitted investigation(s) and remediation plans were submitted pursuant to the discharge permit and all future discoveries of contamination will be addressed through the discharge permit. Salty Dog shall abide by all previous and future requirements issued by OCD. Failure to comply will result in civil penalties.
 - A. Groundwater Report: A Quarterly report will be submitted to the OCD by the first day of January, April, July, and October of each year. All monitoring wells, water wells and recovery wells shall be sampled and analyzed for General Chemistry using EPA approved methods. After four quarters, a request may be made to reduce the sampling to contaminants of concern that exceed the New Mexico groundwater standards. The groundwater reports shall contain the following information:
 - i. A description of the monitoring and remediation activities, which occurred during the quarter including conclusions and recommendations for addressing existing and newly discovered contamination.

- ii. A chronologic summary table listing all laboratory analytic results of all monitoring and recovery points for contaminants of concern. Copies of the most recent laboratory analytical data sheets shall also be submitted.
- iii. A water table potentiometric elevation map using the water table elevation of the ground water in all wells. This map shall show well locations, pertinent site features, and the direction and magnitude of the hydraulic gradient using elevation contour lines.
- iv. Plots of water table elevation vs. time for each ground water monitoring point.
- v. A map showing all pertinent features such as brine well area, brine pond area, buildings, playa lakes, location of numbered fresh water wells, all monitor and recovery wells and isopleth lines for contaminants of concern.
- vi. The volume of liquid recovered in the recovery wells during each quarter and the total recovered to date.
- vii. Electronic filing: OCD would like to encourage reporting in an acceptable electronic format.

B. Additional Requirements:

- i. Salty Dog shall notify the OCD Santa Fe and local district office at least 2 weeks in advance of all scheduled activities such that the OCD has the opportunity to witness the events and split samples.
- ii. Salty Dog shall submit an investigation and remediation plan for OCD approval within 15 days of the discovery of the exceedance of a WQCC standard in any down gradient monitor well or fresh water well where contaminant concentrations did not exceed WQCC standards during the preceding monitoring event.
- iii. Salty Dog shall investigate the vadose zone and groundwater contamination around the Brine Pond and loading/unloading area. The result shall be reported in the quarterly reports with conclusions and recommendations for remediation.

- iii. Salty Dog shall continue the groundwater remediation at the Brine Well area. Additional groundwater recovery wells shall be installed where contaminant concentrations exceed the groundwater standards. This recovery system shall be installed no later than 30 days after final approval of this permit.
26. Storm Water : Stormwater runoff controls shall be maintained. As a result of operations, if any water contaminant that exceeds the WQCC standards listed in 20 NMAC 6.2.3101 is discharged in any stormwater run-off, then immediate actions shall be taken to mitigate the effects of the run-off, notify the OCD within 24 hours, and modify the discharge to include a formal stormwater run-off containment and submit for OCD approval within 15 days.
27. Quarterly Report: A Quarterly report will be submitted to the OCD by the first day of January, April, July, and October of each year. The report shall contain the following information:
- A. All information as required in condition # 25 above and sub-items.
 - B. Summary of all leaks, spills and releases and corrective actions taken.
 - C. A Summary of all well activity, work-over, pressure test.
 - D. Each permit condition shall be addressed in the quarterly report.
28. Certification: **Salty Dog Inc.** by the officer whose signature appears below, accepts this permit and agrees to comply with all terms and conditions contained herein. **Salty Dog Inc.** 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: **Salty Dog Inc.**

Company Representative- print name

Company Representative- Sign

Title

Mr. Piter Bergstein
October 14, 2004
Page 10

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, the following discharge permit application(s) has been submitted to the Director of the Oil Conservation Division, 1220 S. Saint Francis Drive, Santa Fe, New Mexico 87505, Telephone (505) 476-3440:

(BW-08) - Salty Dog Inc., Pieter Bergstein, President, P.O. Box 2724, Lubbock, Texas 79408 has submitted an application for the renewal of a discharge plan for the Arkansas Junction Brine Station, located in Section 5, Township 19 South, Range 36 East, NMPM, Lea County, New Mexico. Approximately 90 gallons per minute of brine water with a TDS of approximately 300,000 mg/l is produced from a Class III Brine Well and stored in a lined pond for use in the oil industry. Groundwater most likely to be affected by a spill, leak, or accidental discharge to the surface is at a depth of approximately 75 feet with a total dissolved solids concentration of 400 mg/l. The discharge plan addresses how spills, leaks, and other accidental discharges to the surface will be managed including groundwater monitoring and remediation at the site.

Any interested person may obtain further information from the Oil Conservation Division and may submit written comments to the Director of the Oil Conservation Division at the address given above. The discharge permit application and draft discharge permit may be viewed at the above address between 8:00 a.m. and 4:00 p.m., Monday through Friday. The draft discharge permit may also be viewed at OCD's web site <http://www.emnrd.state.nm.us/oed/>. Prior to ruling on any proposed discharge permit or its modification, the Director of the Oil Conservation Division shall allow at least thirty (30) days after the date of publication of this notice during which comments may be submitted and a public hearing may be requested by any interested person. 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 there is significant public interest.

If no public hearing is held, the Director will approve or disapprove the proposed permit based on information available. If a public hearing is held, the director will approve or disapprove the proposed permit based on information in the permit and information submitted at the hearing.

GIVEN under the Seal of New Mexico Oil Conservation Commission at Santa Fe, New Mexico, on this 10th day of October 2004.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

SEAL

Mark Fesmire, Director

June 4, 2004

NMOCD Environmental
ATTN: Wayne Price
Box 6429
1220 S. Saint Francis Drive
Santa Fe, NM 87504

RE: Salty Dog, Inc.
BW-008

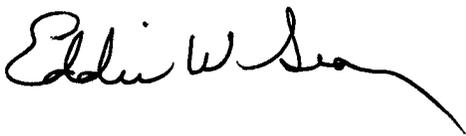
Mr. Price:

Find within brine renewal application and \$100.00 application fee.

I have already done the Public Notice and posted a notice on location in both Spanish and English. Within the permit are copies.

If you have any question, please call.

Thanks,

A handwritten signature in black ink, appearing to read "Eddie W. Seay". The signature is fluid and cursive, with a long, sweeping underline that extends to the right.

Eddie W. Seay, Agent
Eddie Seay Consulting
601 W. Illinois
Hobbs, NM 88242
(505)392-2236

ACKNOWLEDGEMENT OF RECEIPT
OF CHECK/CASH

I hereby acknowledge receipt of check No. 4330 dated 6-7-04
or cash received on _____ in the amount of \$ 100

from ED SEAY

for SALTY DOG BW-008

Submitted by: (Family Name) W PRICE Date: (Date) 6/22/04

Submitted to ASD by: _____ Date: "

Received in ASD by: _____ Date: _____

Filing Fee New Facility _____ Renewal _____

Modification _____ Other _____

Organization Code 521.07 Applicable FY 2004

To be deposited in the Water Quality Management Fund.

Full Payment _____ or Annual Increment _____

RECEIVED
FFR 2 R 2000
Environmental Bureau
Oil Conservation Division

ATTACHMENT TO THE DISCHARGE PLAN BW-008 APPROVAL
Salty Dog Inc. Water Station (BW-008)
DISCHARGE PLAN APPROVAL CONDITIONS
February 17, 2000

1. Payment of Discharge Plan Fees: The \$50.00 filing fee has been received by OCD. The \$690.00 flat fee shall be submitted upon receipt of this approval. The required flat fee may be paid in a single payment due at the time of approval, or in equal annual installments over the duration of the plan, with the first payment due upon receipt of this approval.
2. Commitments: Salty Dog Inc. will abide by all commitments submitted in the discharge plan renewal application dated September 1, 1999, supplemental information received on January 03, 2000, February 10 and February 17, 2000 and these conditions for approval.
3. Brine Storage Pond Inspection: Leaks shall be reported pursuant to Item 21. (Spill Reporting) of these conditions.
4. Brine Storage Pond: A minimum freeboard will be maintained in the pond so that no overtopping of brine occurs. Any repairs or modifications to the pond liner must receive prior OCD approval. If the pond liner is replaced or a new pond is constructed, a double synthetic liner with leak detection will be incorporated into the design.

Leak Detection Monitor Well: The leak detection monitor well for the single-lined brine storage pond must be inspected for fluids monthly. Records will be maintained to include quantity of fluid measured, conductivity and chlorides of fluid, date of inspection, and name of inspector. Any fluids found must be reported to the NMOCD Santa Fe office and the appropriate District office within 48 hours of discovery.
5. Production Method: Fresh water will be injected down the casing and brine shall be recovered up the tubing. Reverse flow will be allowed only once a month for up to 24 hours for clean out.
6. Maximum Injection Pressure: The maximum operating injection and/or test pressure at the well head will be such that the fracture pressure of the injection formation will not be exceeded.

Mr. Piter Bergstein

January 17, 2000

Page 4

7. Mechanical Integrity Testing: Salty Dog Inc. will conduct an annual open hole cavern pressure test equal to one and one-half times the normal operating pressure (not to exceed formation fracture pressure) or 300 psi, whichever is greater, for four hours. At least once every five years and during well work overs the cavern formation will be isolated from the casing/tubing annulars and the casing pressure tested at 300 psig for 30 minutes. All pressure test must be witnessed by OCD.

8. Capacity and Cavity Configuration: A test will be conducted to determine the size and configuration of the mined cavity prior to discharge plan renewal (April 18, 2004). The method and time of testing will be approved by the OCD prior to performing the test.

Salty Dog Inc. will provide to the OCD the calculated size of the cavity and demonstrate the stability of the salt formation cavity from collapse and/or subsidence. Please include this information in the first annual report due on April 01, 2000.

9. Production/Injection Volumes: The volumes of fluids injected (fresh water) and produced (brine) will be recorded monthly and submitted to the OCD Santa Fe Office in an annual report due on the first day of April of each year.

10. Analysis of Injection Fluid and Brine: Provide an analysis of the injection fluid and brine with each annual report. Analysis will be for General Chemistry (Method 40 CFR 136.3) using EPA methods.

11. 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.

12. 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.

13. 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.

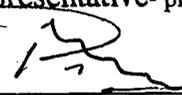
14. Above Ground Saddle Tanks: Above ground saddle tanks must have impermeable pad and curb type containment unless they contain fresh water or fluids that are gases at atmospheric temperature and pressure.

15. 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.
16. 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 **March 01, 2000** and every year from tested date, thereafter. Permittees may propose various methods for testing such as pressure testing to 3 pounds per square inch above normal operating pressure and/or visual inspection of cleaned out tanks and/or sumps, or other OCD approved methods. The OCD will be notified at least 72 hours prior to all testing. The test results will be submitted to OCD in the annual report due on April 01, of each year.
17. Underground Process/Wastewater Lines: All underground process/wastewater pipelines must be tested to demonstrate their mechanical integrity no later than **March 01, 2000** and every 5 years, from tested date, thereafter. Permittees may propose various methods for testing such as pressure testing to 3 pounds per square inch above normal operating pressure or other means acceptable to the OCD. The OCD will be notified at least 72 hours prior to all testing. The test results will be submitted to OCD in the annual report due on April 01, 2000.
18. 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.
19. Well Work Over Operations: OCD approval will be obtained from the Director prior to performing remedial work, pressure test or any other Work over. Approval will be requested on OCD Form C-103 "Sundry Notices and Reports on Wells" (OCD Rule 1103.A.) with appropriate copies sent to the OCD Hobbs District Office.
20. Housekeeping: All systems designed for spill collection/prevention, and leak detection will be inspected daily to ensure proper operation and to prevent overtopping or system failure.

21. Spill Reporting: All spills/releases shall be reported pursuant to OCD Rule 116. and WQCC 1203. to the OCD Hobbs District Office.
22. 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.
23. 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.
24. 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.
25. OCD Inspections: Additional requirements may be placed on the facility based upon results from OCD inspections.
26. Groundwater Contamination: Salty Dog Inc. shall submit a plan for NMOCD approval to investigate the groundwater contamination caused by the recent brine well casing leak. The plan shall be submitted by **March 17, 2000.**
27. Certification: **Salty Dog Inc.** by the officer whose signature appears below, accepts this permit and agrees to comply with all terms and conditions contained herein. **Salty Dog Inc.** 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: **Salty Dog Inc.**

PIETER BERGSTEIN
Company Representative- print name


Company Representative- Sign

Date 2/25/00

Title President



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

February 17, 2000

CERTIFIED MAIL
RETURN RECEIPT NO. P 410 425 208

Mr. Piter Bergstein
Salty Dog Inc.
P.O. Box 2724
Lubbock, Texas 79408

Re: Salty Dog Inc. Water Station
Discharge Plan BW-008 Renewal Application

Dear Mr. Bergstein:

The groundwater discharge plan renewal application for the Salty Dog Inc. Water Station BW-008 operated by Salty Dog Inc. located in Section 5, Township 19 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 ten working days of receipt of this letter.**

The original discharge plan was approved on December 18, 1982 and subsequently renewed on April 18, 1989 and April 20, 1995 with an expiration date of April 18, 1999. The discharge plan renewal application, including attachments, dated September 1, 1999, and supplemental information received on January 03, 2000, February 10 and February 17, 2000 submitted pursuant to Section 5101.B.3. of the New Mexico Water Quality Control Commission (WQCC) Regulations also includes all earlier applications and all conditions later placed on those approvals. The discharge plan renewal application was submitted pursuant to Section 5101.B.3. of the New Mexico Water Quality Control Commission (WQCC) Regulations. The discharge plan is renewed pursuant to Section 5101.A. and 3109.C. Please note Section 3109.G., which provides for possible future amendment of the plan. Please be advised that approval of this plan does not relieve Salty Dog Inc. of liability should operations result in pollution of surface or ground waters, or the environment.

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

Mr. Piter Bergstein

02/18/00

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., Salty Dog Inc. 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 April 18, 2004** and an application for renewal should be submitted in ample time before that date. Pursuant to Section 5101.F. of the regulations, if a discharger submits a discharge plan renewal application at least 120 days before the discharge plan expires and is in compliance with the approved plan, then the existing discharge plan will not expire until the application for renewal has been approved or disapproved. It should be noted that all discharge plan facilities will be required to submit plans for, or the results of, an underground drainage testing program as a requirement for discharge plan renewal.

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

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

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

Sincerely,



Roger C. Anderson
Environmental Bureau Chief

RCA/lwp

Attachment-1

xc: OCD Hobbs Office

ATTACHMENT TO THE DISCHARGE PLAN BW-008 APPROVAL
Salty Dog Inc. Water Station (BW-008)
DISCHARGE PLAN APPROVAL CONDITIONS
February 17, 2000

1. Payment of Discharge Plan Fees: The \$50.00 filing fee has been received by OCD. The \$690.00 flat fee shall be submitted upon receipt of this approval. The required flat fee may be paid in a single payment due at the time of approval, or in equal annual installments over the duration of the plan, with the first payment due upon receipt of this approval.
2. Commitments: Salty Dog Inc. will abide by all commitments submitted in the discharge plan renewal application dated September 1, 1999, supplemental information received on January 03, 2000, February 10 and February 17, 2000 and these conditions for approval.
3. Brine Storage Pond Inspection: Leaks shall be reported pursuant to Item 21. (Spill Reporting) of these conditions.
4. Brine Storage Pond: A minimum freeboard will be maintained in the pond so that no overtopping of brine occurs. Any repairs or modifications to the pond liner must receive prior OCD approval. If the pond liner is replaced or a new pond is constructed, a double synthetic liner with leak detection will be incorporated into the design.

Leak Detection Monitor Well: The leak detection monitor well for the single-lined brine storage pond must be inspected for fluids monthly. Records will be maintained to include quantity of fluid measured, conductivity and chlorides of fluid, date of inspection, and name of inspector. Any fluids found must be reported to the NMOCD Santa Fe office and the appropriate District office within 48 hours of discovery.
5. Production Method: Fresh water will be injected down the casing and brine shall be recovered up the tubing. Reverse flow will be allowed only once a month for up to 24 hours for clean out.
6. Maximum Injection Pressure: The maximum operating injection and/or test pressure at the well head will be such that the fracture pressure of the injection formation will not be exceeded.

21. Spill Reporting: All spills/releases shall be reported pursuant to OCD Rule 116. and WQCC 1203. to the OCD Hobbs District Office.
22. 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.
23. 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.
24. 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.
25. OCD Inspections: Additional requirements may be placed on the facility based upon results from OCD inspections.
26. Groundwater Contamination: Salty Dog Inc. shall submit a plan for NMOCD approval to investigate the groundwater contamination caused by the recent brine well casing leak. The plan shall be submitted by **March 17, 2000.**
27. Certification: **Salty Dog Inc.** by the officer whose signature appears below, accepts this permit and agrees to comply with all terms and conditions contained herein. **Salty Dog Inc.** 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: **Salty Dog Inc.**

Company Representative- print name

Date _____
Company Representative- Sign

Title _____

ACKNOWLEDGEMENT OF RECEIPT
OF CHECK/CASH

I hereby acknowledge receipt of check No. 1055 dated 2/25/00,
or cash received on _____ in the amount of \$ 690⁰⁰
from SALTY DOG INC.

for SALTY DOG WATER STATION BW-008
(Facility Name)

Submitted by: WAYNE EPRICE Date: 2/28/00
(OP No.)

Submitted to ASD by: [Signature] Date: 11

Received in ASD by: _____ Date: _____

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

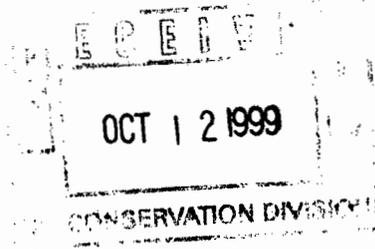
Organization Code 521.07 Applicable FY 2000

To be deposited in the Water Quality Management Fund.

Full Payment or Annual Increment _____

P.O. Box 2724
Lubbock, TX 79408
Ph: (806) 741-1080
Fax: (806) 741-1301

PAB
SERVICES INC.



October 5, 1999

N.M.O.C.D
Attn. Wayne Price
2040 Pacheco Street
Santa Fe, NM 87505

RE: Salty Dog Inc. Brine Station
Section 5, Township 19 South, Range
36E Lea County

Dear Mr. Price,

We would like to request permission for a temporary permit to produce Brine in order to have sufficient inventory to perform the mechanical integrity test set for October 26 at 11:00am.

Hope you consider this requests as reasonable.

Sincerely,

Pieter Bergstein

APPROVED BY
WAYNE PRICE - OCD
10/18/99
[Signature]

TERRY WALLACE
505-373-8352
373-1533 fax



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

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

April 20, 1995

CERTIFIED MAIL
RETURN RECEIPT NO. Z-765-962-837

Mr. Jack Clark
Salty Dog, Inc.
P.O. Box 1438
Hobbs, NM 88240

Re: Discharge Plan BW-008
Salty Dog, Inc. Water Station
Lea County, New Mexico

Dear Mr. Clark:

The groundwater discharge plan renewal, BW-008, for the Salty Dog, Inc. Salty Dog Water Station, located in Section 5, Township 19 South, Range 36 East, NMPM, Lea County, New Mexico, **is hereby approved** under the conditions contained in the enclosed attachment. The original application was approved on December 18, 1982 with an expiration date of December 18, 1987. It was subsequently renewed on April 18, 1989 with an expiration date of April 18, 1994. The discharge plan consists of the renewal application dated May 11, 1994 and the additional information received April 19, 1995.

The discharge plan renewal was submitted pursuant to section 3-106 of the Water Quality Control Commission Regulations. It is approved pursuant to section 3-109.A. Please note Section 3-109.F., which provides for possible future amendment of the plan. Please be advised that approval of this plan does not relieve you of your liability should your operation result in actual pollution of surface or ground waters or the environment which may be actionable under other laws and/or 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. Jack Clark
April 20, 1995
Page 2

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

Pursuant to Section 3-109.G.4., this approval is for a period of five years. This approval will expire April 18, 1999, and an application for renewal should be submitted in ample time before that date.

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

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

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

Sincerely,

 *William J. LeMay*
Acting Director

for. William J. LeMay
Director

WJL/mwa
Attachments

xc: Eddie Seay, Peak Consulting Services, Hobbs, NM
Jerry Sexton, OCD Hobbs Office
Wayne Price, OCD Hobbs Office

injection volumes.

10. Mechanical Integrity Testing: A mechanical integrity test will be conducted on the well annually. A pressure equal to one and one-half of the normal operating pressure will be maintained for four hours. The OCD will be notified at least 72 hours prior to the test so that the OCD may witness the test.
11. Cavity Configuration: A test will be conducted to determine the size and configuration of the mined cavity prior to discharge plan renewal (April 18, 1999). The method and time of testing will be approved by the OCD prior to performing the test.
12. Production/Injection Volumes: The volumes of fluids injected (fresh water) and produced (brine) will be recorded monthly and submitted to the OCD Santa Fe Office quarterly.
13. Well Workover Operations: OCD approval will be obtained from the director prior to performing remedial work or any other workover. Approval will be requested on OCD Form C-103 "Sundry Notices and Reports on Wells" (OCD Rule 1103-A) with appropriate copies sent to the OCD Hobbs District office.
14. Closure: The OCD will be notified when operations of the facility is discontinued for a period in excess of six months. Prior to closure of the facility a closure plan will be submitted for approval by the director. Closure and waste disposal will be in accordance with the statutes, rules and regulations in effect at the time of closure.

PS Form **3800**, March 1993



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

Z 765 962 837

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

ATTACHMENT TO THE DISCHARGE PLAN BW-008 APPROVAL
SALTY DOG, INC.
SALTY DOG, INC, WATER STATION
DISCHARGE PLAN REQUIREMENTS
(April 20, 1995)

1. The fifty (50) dollar filing fee and the six hundred and ninety dollar (\$690.00) flat fee shall be submitted on receipt of this approval. The required flat fee may be paid in a single payment or in equal installments over the expected duration of the discharge plan. Installment payments shall be remitted yearly, with the first installment due on the date of the discharge plan approval and subsequent installments due on this date of each calendar year.
2. Brine Transfer Lines: All Below-grade brine transfer lines will be tested for integrity once every five years.
3. Sump Construction: All new or rebuilt sumps and below-grade tanks will be approved by the OCD prior to installation and will incorporate secondary synthetic containment and leak detection in their designs. All leak detection systems will be inspected weekly and the OCD Santa Fe office will be notified immediately upon discovery of fluids in any leak detection system.
4. Drum Storage: All chemical and lubrication drums shall be stored on pad and curb type containment.
5. Tank Berming: All tanks that contain materials other than fresh water will be bermed to contain one and one-third times the capacity of the tank.
6. Spill Containment: All brine storage and transfer will be managed in such a manner to keep brine off of the ground surface. Any brine spilled onto the ground surface will be cleaned up upon discovery.
7. Spill Reporting: All spills and/or leaks shall be reported to the OCD Santa Fe and Hobbs offices pursuant to WQCC Rule 1-203 and OCD Rule 116.
8. Production Method: Fresh water shall be injected down the tubing of the injection well and brine shall be recovered up the tubing of the recovery well. Reverse flow will be allowed once a month for up to 24 hours for clean out.
9. Maximum Injection Pressure: The maximum operating injection pressure at the well head will be such that the fracture pressure of the injection formation (Salado) will not be exceeded. Prior to initiating injection Salty Dog, Inc. Salty Dog Water Station shall supply and obtain approval for the maximum and average injection pressures and