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NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Jennifer A. Salisbury
Cabinet Secretary

Lori Wrotenbery
Director
Oil Conservation Division

October 11, 2000

CERTIFIED MAIL
RETURN RECEIPT NO. 7099-3220-0000-5051-1279

Mr. Tankard Floyd
Trigon Sheehan
126 Rock Point Drive
Suite B
Durango, CO 81301

**Re: Hydrostatic Test Water Discharge
Devon Energy Corporation La Jara Loop Pipeline
Rio Arriba County, New Mexico**

Dear Mr. Floyd:

The New Mexico Oil Conservation Division (OCD) has received the Trigon Sheehan letter dated October 3, 2000 on behalf of Devon Energy Corporation (Devon). The letter requests authorization to discharge approximately 28,600 gallons of wastewater from the hydrostatic test of 9,479 feet of 8" new pipeline on the La Jara Loop in Rio Arriba County, New Mexico. The proposed location for the test is in the S1/2 and SW1/4 of NW1/4 Section 29, T31N, R6W and the S1/2 of NE/4 Section 30, T31N, R6W Rio Arriba County, New Mexico.

Based on the information provided in the request, the hydrostatic test water discharge is hereby approved subject to the following conditions:

1. The test water (28,600 gallons) will be discharged into storage tanks and then disposed of at the Devon La Jara central delivery point by Phillips produced water gathering injection system. The storage tanks are located in the NE1/4 Section 29, T31N, R6W Rio Arriba County, New Mexico;
2. The test water to be used is produced water;
3. The liquids will not be allowed to reach the ground surface; and
4. Written permission of landowners (Bureau of Land Management and Bureau of Reclamation) must be obtained.

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Pursuant to WQCC Regulation 3-106.B, this approval will allow EPFS to discharge without an approved discharge plan for a period not to exceed 120 days. If the site is to be used for more than one test discharge, formal reapplication must be made. If the discharge exceeds 120 days, a formal discharge plan must be submitted for review.

Please be advised that this approval does not relieve Devon of liability should their operation result in pollution of surface water, ground water, or the environment. In addition, OCD approval does not relieve Devon of responsibility for compliance with other federal, state or local regulations.

If there are any questions, please call Martyne Kieling at (505) 827-7153.

Sincerely,

A handwritten signature in black ink, appearing to read "Roger C. Anderson". The signature is fluid and cursive, with a long horizontal stroke at the end.

Roger C. Anderson
Environmental Bureau Chief

RCA/mjk

xc: Aztec OCD District