

GW - 36

**PERMITS,
RENEWALS,
& MODS**



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



BRUCE KING
GOVERNOR

ANITA LOCKWOOD
CABINET SECRETARY

April 13, 1993

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

CERTIFIED MAIL
RETURN RECEIPT NO.P-667-241-977

Mr. Mohammad Merchant
Penrock Oil Corporation
P. O. Box 5970
Hobbs, New Mexico 88240

**RE: Discharge Plan GW-36 Renewal
Penrock Oil Corporation
State "E" Tract 18 Wells No. 21 & No. 22**

Dear Mr. Merchant:

On December 15, 1986, the ground water discharge plan, GW-36 for the Penrock Oil Corporation (formerly Apollo Oil Company), State "E" Tract 18 Wells No. 21 and No. 22, Class 1 effluent (non-hazardous) injection wells and associated surface facilities located in the NE/4 of Section 2, Township 17 South, Range 36 East, NMPM, Lea County, New Mexico, was approved by the Director of the 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 seven years. The approval will expire on December 15, 1993.

The approved discharge plan contained conditions to be met prior to injection of non-hazardous industrial effluent. To date these conditions have not been met. Although the discharge plan is still in effect, authorization to inject fluids permitted under the Class 1 classification is not effective until such conditions are met. If you plan to accept non-hazardous industrial wastes not permitted under your OCD Class 2 SWD permit then you must renew your discharge plan. Prior to renewing the discharge plan the OCD will require that all remedial operations be completed on both wells.

Please note that the discharge plan renewal and any associated requirements do not effect your Class 2 SWD permit.

Mr. Mohammad Merchant
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If you no longer wish to permit the wells as Class 1 injection wells to dispose of industrial effluent then a discharge plan renewal is not needed, please notify this office. If you have any questions, please do not hesitate to contact Kathy Brown at (505) 827-5884.

Sincerely,



Roger C. Anderson
Environmental Bureau Chief

RCA/kmb

xc: Jerry Sexton, OCD Hobbs Office



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September 8, 1993

CERTIFIED MAIL
RETURN RECEIPT NO.P-667-242-014

Mr. M.Y. (Merch) Merchant
President & Chief Executive Officer
Penroc Oil Corporation
P. O. Box 5970
Hobbs, New Mexico 88241-5970

**RE: TERMINATION OF DISCHARGE PLAN GW-36
PENROC OIL CORPORATION
STATE "E" TRACT 18 WELLS NO. 21 & NO. 22**

Dear Mr. Merchant:

On April 13, 1993, the New Mexico Oil Conservation Division (OCD) notified Penroc Oil Corporation (formerly Apollo Oil Company) that the discharge plan (GW-36) for the State "E" Tract 18 No. 21 and No. 22 Class I effluent (non-hazardous) injection wells will expire on December 15, 1993. The original discharge plan was approved pursuant to conditions which to date have not been met. Prior to renewal of the discharge plan the OCD required that Penroc complete all remedial operations on both wells.

The OCD has received Penroc's April 22, 1993 letter stating that you have never injected any fluids other than those allowed under your Class II permit, and you do not plan to pursue a Class I permit classification.

Effective on this date, September 8, 1993, the discharge plan GW-36 for the State "E" Tract 18 No. 21 and No. 22, Class I injection wells and associated surface facilities located in the NE/4 of Section 2, Township 17 South, Range 36 East, NMPM, Lea County, New Mexico, is hereby terminated.

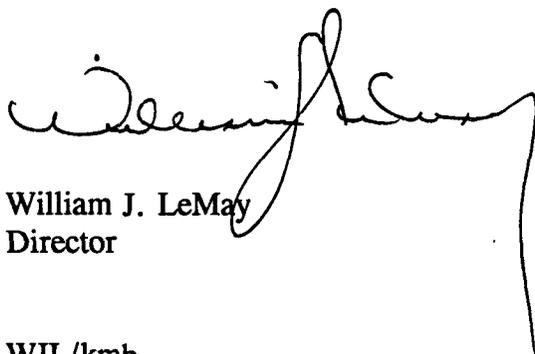
Termination of the discharge plan does not effect your OCD Class II SWD permit and any conditions required by that permit. Please note that pursuant to the USEPA and the State of

Mr. M. Y. Merchant
September 8, 1993
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New Mexico rules and regulations the only fluids eligible for injection into Class II disposal wells are exploration and production (E&P) waste exempted under Section 3001 (B) (2) (A) of the Resource Conservation and Recovery Act (RCRA).

If Penroc decides to pursue a Class I discharge plan in the future it will be necessary to file a new application pursuant to the Water Quality Control Commission Regulations, Part 5. If you have any questions, please do not hesitate to contact Kathy Brown at (505) 827-5884.

Sincerely,



William J. LeMay
Director

WJL/kmb

xc: David Catanach, OCD UIC Director
Jerry Sexton, OCD Hobbs Office