GW - 312

GENERAL CORRESPONDENCE

YEAR(S):

2004 - 1998

ChevronTexaco
Mid-Continent Business Unit
11111 South Wilcrest
Houston, Texas 77099
Tel (281) 561-4991
Fax (281) 561-3702
KEWJ@chevrontexaco.com

Kenneth W. Jackson
Regulatory Specialist

ChevronTexaco

January 12, 2004

New Mexico Oil Conservation Division
Attn: Roger C. Anderson
1220 South St.
Santa Fe, New Mexico 87505

Dear Mr. Anderson:

Please find enclosed an original and one copy of the executed attachment to the Buckeye CO_2 Gas Processing Plant Discharge Permit GW-312. Also, enclosed is a check for the $4,000.00 flat fee as required by WQC regulations.

If you have any questions or need any additional information, please feel to call me at (281) 561-4991 or contact me at the address shown above.

Yours truly,
ChevronTexaco

Kenneth W. Jackson

ACKNOWLEDGEMENT OF RECEIPT OF CHECK/CASH

I hereby acknowledge receipt of check No. [redacted] dated 3/2/05

or cash received on _____ in the amount of $ 4000.00

from CHEVRON - ~~TEXACO~~ USA

for BUCKEYE CO_2 PLANT GW-312

(Facility Name) (DP No.)

Submitted by: ~~[illegible]~~ WAYNE PRICE Date: 3/11/05

Submitted to ASD by: [signature] Date: "

Received in ASD by: _____ Date: _____

Filing Fee ____ New Facility ____ Renewal X

Modification ____ Other _____ (specify)

Organization Code 521.07 Applicable FY 2004

To be deposited in the Water Quality Management Fund.

Full Payment X or Annual Increment ____

Chevron

Chevron U.S.A. Production Company
A Division of Chevron U.S.A. Inc.
11111 South Wilcrest, Houston, TX 77099

No. [redacted]

93-516
929

March 2 05

Pay to order of
Water Quality Management Fund
% Oil Conservation Division
1220 South Saint Francis Drive
Santa Fe, NM 87505

$ 4,000.00

Not Valid For More Than $

FOUR THOUSAND AND 00/100**********

Wells Fargo Bank Montana, N.A.
404 West Broadway, Lewistown, MT 59457

Carolyn Greene

Two Signatures Required. $10,000.00 and over.

CK-254 (8-00)

[redacted]

Inquiries regarding this check should be addressed to:

Chevron U.S.A. Production Company, A Division of Chevron U.S.A. Inc.
11111 South Wilcrest, Houston, TX 77099

No. [redacted]

Date	Description	Amount	Discount	Total
	CHECK # ==> 405 719 DATE ==> 03/02/05 AMOUNT ==> 4,000.00 CHARGE TO ==> UC500G01Y PURPOSE ==> Groundwater Discharge Permit Renewel Fee REMARKS ==> Payment for Groundwater Discharge Permit Renewel Fee Charge code UC500G01Y G/L Code 7590800 Company Code 0064			

Please Detach Before Depositing Check

CK-254 (8-00)

THE SANTA FE
NEW MEXICAN
Founded 1849

RECEIVED
NOV 01 2004
OIL CONSERVATION DIVISION

NM OIL CONSERVATION DIV.
1220 ST. FRANCIS DR
Attn: Wayne Price
SANTA FE NM 87505

ALTERNATE ACCOUNT: 56689
AD NUMBER: 00092783 ACCOUNT: 00002212
LEGAL NO: 75143 P.O. #: 05-199-050185
144 LINES 1 TIME(S) 98.56
AFFIDAVIT: 5.50
TAX: 6.96
TOTAL: 111.02

AFFIDAVIT OF PUBLICATION

STATE OF NEW MEXICO
COUNTY OF SANTA FE

I, B. Perner, being first duly sworn declare and say that I am Legal Advertising Representative of THE SANTA FE NEW MEXICAN, a daily newspaper published in the English language, and having a general circulation in the Counties of Santa Fe and Los Alamos, State of New Mexico and being a newspaper duly qualified to publish legal notices and advertisements under the provisions of Chapter 167 on Session Laws of 1937; that the publication # 75143 a copy of which is hereto attached was published in said newspaper 1 day(s) between 10/27/2004 and 10/27/2004 and that the notice was published in the newspaper proper and not in any supplement; the first date of publication being on the 27th day of October, 2004 and that the undersigned has personal knowledge of the matter and things set forth in this affidavit.

/S/ B Perner
LEGAL ADVERTISEMENT REPRESENTATIVE

Subscribed and sworn to before me on this 27th day of October, 2004

Notary Laura R. Harding

Commission Expires: 11/23/07

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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:

(GW-312) - Texaco Exploration and Production, Inc., Jesse Navarrette (505-396-4916 x136) HRC 60, Box 425, Lovington, NM 88260 has submitted an application for a discharge plan for its Buckeye CO2 Gas Processing Plant located in Section 36, township 17 South, Range 34 East, NMPM, Lea County, New Mexico. Approximately 5400 gallons per day of oil and gas production process water will be recycled off-site into class II injection wells for enhanced oil recovery for the Vacuum Glorietta West Unit Waterflood System. Ground water most likely to be affected by any accidental discharge is at a depth of approximately 120 feet and has a total dissolved solids content of approximately 360 mg/l. The discharge plan addresses how solid waste, spills, leaks, and other accidental discharges to the surface will be managed

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 19th day of October 2004.

STATE OF
NEW MEXICO
OIL CONSERVATION
DIVISION

S E A L

Mark Fesmire,
Director

Legal #75143
Pub. October 27, 2004

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 19th day of October 2004.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

S E A L

Mark Fesmire, Director

DRAFT

October 19, 2004

CERTIFIED MAIL
RETURN RECEIPT NO.

Jesse Navarrette
Chevron/Texaco U.S.A. Inc.
HCR 60, Box 425
Lovington, New Mexico 88260

RE: Buckeye CO2 Gas Processing Plant
Discharge Plan GW-312

Dear Mr. Jesse Navarrette:

The ground water discharge plan GW-312 for the Chevron/Texaco U.S.A. Inc. Buckeye CO2 Gas Processing Plant located in the Southeast Quarter of Section 36, Township 17 South, Range 34 East, NMPM, Lea County, New Mexico, is hereby approved under the conditions contained in the enclosed attachment. The discharge plan consists of the application dated January 15, 1999, and the attached discharge plan approval conditions. 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 10 working days of receipt of this letter.

The discharge plan was submitted pursuant to Section 3106 of the New Mexico Water Quality Control Commission (WQCC) Regulations. It is approved pursuant to Section 3109.A. Please note Sections 3109.E and 3109.F, which provide for possible future amendments or modifications of the plan. Please be advised that approval of this plan does not relieve Chevron/Texaco U.S.A. Inc. of liability should operations result in pollution of surface water, ground water, or the environment.

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

Please note that Section 3104 of the regulations provides: "When a facility has been approved, discharges must be consistent with the terms and conditions of the plan." Pursuant to Section 3107.C., Chevron/Texaco U.S.A. 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.G.4., this plan is for a period of five years. This approval will expire on April 19, 2009 and Chevron/Texaco U.S.A. Inc. should submit an application in ample time before this date. Note that under Section 3106.F. of the regulations, if a discharger submits a discharge plan renewal application at least 120 days before the discharge plan expires and is in compliance with the approved plan, then the existing discharge plan will not expire until the application for renewal has been approved or disapproved. It should be noted that all discharge plan facilities will be required to submit the results of an underground drainage testing program as a requirement for discharge plan renewal.

The discharge plan application for the Chevron/Texaco U.S.A., Inc. facility is subject to WQCC Regulation 3114 discharge plan fees. Every billable facility submitting a discharge plan will be assessed a fee equal to the filing fee of $100 plus a flat fee of $4000.00 for Gas Processing Plants. The OCD has received the filing 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.

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 GW-312
Chevron/Texaco U.S.A. Inc. Buckeye CO2 Gas Processing Plant
located in SE/4 Sec 36-Ts17S-R34E
Lea County, New Mexico
DISCHARGE PLAN APPROVAL CONDITIONS
(October 19, 2004)

1. Payment of Discharge Plan Fees: The $100.00 filing fee has been submitted, please submit the $4000.00 required flat fee, which 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: Chevron/Texaco U.S.A. Inc. will abide by all commitments submitted in the discharge plan application dated August 26, 2004 and all previous submittals.

3. Waste Disposal: All wastes will be disposed of at an OCD approved facility. Only oilfield exempt wastes shall be disposed of down Class II injection wells. Non-exempt oilfield wastes that are non-hazardous may be disposed of at an OCD approved facility upon proper waste determination per 40 CFR Part 261. Any waste stream that is not listed in the discharge 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

4. Drum Storage: All drums containing materials other than fresh water must be stored on an impermeable pad with curbing. All empty drums will be stored on their sides with the bungs in and lined up on a horizontal plane. Chemicals in other containers such as sacks or buckets will also be stored on an impermeable pad and curb type containment.

5. 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.

6. 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 tanks or existing tanks that undergo a major modification, as determined by the Division, must be placed within an impermeable bermed enclosure.

7. 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.

8. Labeling: All tanks, drums and containers will be clearly labeled to identify their contents and other emergency notification information.

9. Below Grade Tanks/Sumps: All below grade tanks, sumps, and pits must be approved by the OCD prior to installation or upon modification and must incorporate secondary containment and leak-detection into the design. All pre-existing sumps and below-grade tanks must demonstrate integrity on an annual basis. Integrity tests include pressure testing to 3 pounds per square inch above normal operating pressure and/or visual inspection of cleaned out tanks and/or sumps, or other OCD approved methods. The OCD will be notified at least 72 hours prior to all testing.

10. Underground Process/Wastewater Lines: All underground process/wastewater pipelines must be tested to demonstrate their mechanical integrity at present and then every 5 years thereafter, or prior to discharge plan renewal. Permittees may propose various methods for testing such as pressure testing to 3 pounds per square inch above normal operating pressure or other means acceptable to the OCD. The OCD will be notified at least 72 hours prior to all testing.

11. Class V Wells: 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. All Class V wells that inject non-hazardous industrial wastes or a mixture of industrial wastes and domestic wastes will be closed unless it can be demonstrated that groundwater will not be impacted in the reasonably foreseeable future. Closure of Class V wells must be in accordance with a plan approved by the Division's Santa Fe Office. The OCD allows industry to submit closure plans which are protective of human health, the environment and groundwater as defined by the WQCC, and are cost effective. Class V wells that inject domestic waste only must be permitted by the New Mexico Environment Department.

12. Housekeeping: All systems designed for spill collection/prevention will be inspected weekly and after each storm event to ensure proper operation and to prevent overtopping or system failure. A record of inspections will be retained on site for a period of five years.

13. Spill Reporting: All spills/releases will be reported pursuant to OCD Rule 116 and WQCC 1203 to the OCD Hobbs District Office.

14. Transfer of Discharge Plan: The OCD will be notified prior to any transfer of ownership, control, or possession of a facility with an approved discharge plan. A written commitment to comply with the terms and conditions of the previously approved discharge plan must be submitted by the purchaser and approved by the OCD prior to transfer.

15. Closure: The OCD will be notified when operations of the facility are discontinued for a period in excess of six months. Prior to closure of the facility a closure plan will be submitted for approval by the Director. Closure and waste disposal will be in accordance with the statutes, rules and regulations in effect at the time of closure.

16. Certification: Chevron/Texaco U.S.A. Inc. by the officer whose signature appears below, accepts this permit and agrees to comply with all terms and conditions contained herein and further acknowledges that these conditions and requirements of this permit may be changed administratively by the Division for good cause shown as necessary to protect fresh water, human health and the environment.

Accepted:

Chevron/Texaco U.S.A. Inc.

Print Name:_____

Signature: _____

Title: _____

Date:_____

ACKNOWLEDGEMENT OF RECEIPT
OF CHECK/CASH

I hereby acknowledge receipt of check No. [redacted] dated 8/27/04

or cash received on _____ in the amount of $ 100.00

from CHEVRON TEXACO

for CO2 PLANT (BUCKEYE) GW-312

(Facility Name) (DP No.)

Submitted by: DAYNE PRICE Date: 9/3/04

Submitted to ASD by: [signature] Date: "

Received in ASD by: _____ Date: _____

Filing Fee X New Facility ____ Renewal ____

Modification ____ Other _____

(specify)

Organization Code 521.07 Applicable FY 2004

To be deposited in the Water Quality Management Fund.

Full Payment ____ or Annual Increment ____

ChevronTexaco

ChevronTexaco Expl. & Prod. Co.
A Division of Chevron U.S.A., Inc.
P.O. Box 9084
Concord, CA 94524

NO. [redacted]

08/27/2004

PAY TO ORDER OF

STATE OF NEW MEXICO
OIL CONSERVATION DIV
1220 SOUTH ST FRANCIS DR
SANTA FE, NM 87505

$100.00

NOT VALID AFTER 1 YEAR

One hundred and 00/100 Dollars

Mark A. Humphrey
AUTHORIZED SIGNATURE

WELLS FARGO BANK MONTANA, N.A.

[redacted]

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

State of New Mexico
Energy Minerals and Natural Resources

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

RECEIVED
SEP 01 2004
OIL CONSERVATION DIVISION

Revised June 10, 2003

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

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

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

GW-312

☐ New ☒ Renewal ☐ Modification

1. Type: CO2 Plant

2. Operator: Chevron U.S.A. Inc./Buckeye Plant

Address: HCR 60, Box 425, Lovington, NM 88260

Contact Person: Jesse Navarrette Phone: (505) 396-4916 Ext. 136

3. Location: _____/4 _____/4 Section 36 Township 17 south Range 34 east
Submit large scale topographic map showing exact location.

4. Attach the name, telephone number and address of the landowner of the facility site.
No change to original plan for questions 4 through 13.

5. Attach the description of the facility with a diagram indicating location of fences, pits, dikes and tanks on the facility.

6. Attach a description of all materials stored or used at the facility.

7. Attach a description of present sources of effluent and waste solids. Average quality and daily volume of waste water must be included.

8. Attach a description of current liquid and solid waste collection/treatment/disposal procedures.

9. Attach a description of proposed modifications to existing collection/treatment/disposal systems.

10. Attach a routine inspection and maintenance plan to ensure permit compliance.

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

12. Attach geological/hydrological information for the facility. Depth to and quality of ground water must be included.

13. Attach a facility closure plan, and other information as is necessary to demonstrate compliance with any other OCD rules, regulations and/or orders.

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

Name: JESSE NAVARRETTE Title: PLANT SUPERVISOR

Signature: Jesse S. Navarrette Date: AUGUST 26, 2004

E-mail Address: JESSENAVARRETTE@CHEVRONTEXACO.COM

Environmental Facility Inspection

Facility Name	BUCKEYE C02 PLANT	Time Out	2:30	Time In	4:00	Hrs
Inspector	Wayne Price	Dt Mod 8/20/2004	Purpose	Normal Routine Activity	
Inspection Date	08/19/2004	Inspect No.	cLWP0423353064	Type	Field Inspection

Violations / Documentation

Addtional Violation Notes

List Violations or Indicate Compliance

Specific Violation
No Violations Identified - All O.K.

Documentation Acquired: ☐ Samples ☐ Statements ☐ Sketch ☐ Video ☐ Photos

Compliance Items (Checked Items Denote Non-Compliance)

Write Compliance Based on this Inspection

☐ Drums ☐ Process ☐ AG Tanks ☐ AG Saddle Tk ☐ Labeling ☐ Tanks/Sumps ☐ Permits

☐ UG Lines ☐ WD Practice ☐ Class V ☐ Housekeepin ☐ Spill Rpt ☐ Potential ENV ☐ Wtr Wells

Describe Remedial Action Required

excellent housekeeping Facility has one main double wall sump with leak detection, operators check sump 4/day.

Use [SHIFT] + [F2] to Expand any Notes or Comment Field

ACKNOWLEDGEMENT OF RECEIPT
OF CHECK/CASH

I hereby acknowledge receipt of check No. [redacted] dated 4-28-99,

or cash received on _____ in the amount of $ 3,385.00

from TEXACO INC.

for TEXACO BUCKEYE CO_2 PLANT GW-312
(Facility Name) (DP No.)

Submitted by: Wayne Price Date: 5/12/99

Submitted to ASD by: [signature] Date: 5/12/99

Received in ASD by: _____ Date: _____

Filing Fee ✓ New Facility ✓ Renewal ___

Modification ___ Other _____
(specify)

Organization Code 521.07 Applicable FY 99

To be deposited in the Water Quality Management Fund.

Full Payment ✓ or Annual Increment ___

$50.00 + 3335.00 = 3385.00

TEXACO INC.
BELLAIRE, TEXAS 77402-0430

TEXACO

CHASE MANHATTAN BANK
6040 TARBELL ROAD
SYRACUSE, NEW YORK 13206

50-937
213

CHECK NO. [redacted]

DATE	AMOUNT
04-28-99	$******3,385.00

PAY TO THE ORDER OF

NEW MEXICO ENERGY MINERALS & NATURAL
RESIURCES DEPARTMENT
P O BOX 6429
SANTA FE
NM 87502-6429

VALID ON GREEN BACKGROUND ONLY
TEXACO INC.
HOUSTON VOUCHER ACCOUNT

[redacted]

TEXACO

P.O. BOX 430
BELLAIRE, TEXAS 77402-0430

REMITTANCE STATEMENT

PAYMENT IDENTIFICATION		SUB NUMBER	NET AMOUNT
TEXACO EXPLORATION & PRODUCTION INC.			
G139042799	058	00294	3,385.00
DIRECT INQUIRIES TO BEVERLY J FLOCK	X 642		
PHONE: 915-366-8801			

SEQ 00008

GW-312

PLEASE DIRECT ANY QUESTIONS CONCERNING THIS PAYMENT TO THE INDIVIDUAL WHO INITIATED THIS TRANSACTION OR CALL CUSTOMER SERVICE NUMBER 713-432-3489

REFER TO YOUR INVOICE NUMBER AND TO OUR DATE AND CHECK NO.

DATE CHECK NO.	VENDOR NO.	TOTAL NET AMOUNT
04-28-99 [redacted]	8500005650001	3,385.00

FOLD AND TEAR ALONG PERFORATION

OCD ENVIRONMENTAL BUREAU

SITE INSPECTION SHEET

DATE: 6/18/99 **Time:** 1pm - 3pm

FACILITY NAME: TEXACO CO_2 BUCKEYE PLANT

Type of Facility: Refinery ☐ Gas Plant ☑ Compressor St. ☐ Brine St. ☐ OilField Service Co. ☐
Surface Waste Mgt. Facility ☐ E&P Site ☐ Other ☐ + CO_2 RECOVERY

Discharge Plan: No ☐ Yes ☑ DP# GW-312

PHYSICAL LOCATION: ≈ 2-3 miles SOUTH of BUCKEYE NM

Legal: QRT___ QRT___ Sec 36 TS 17S R 34E

OWNER/OPERATOR (NAME) TEXACO E+P

Contact Person: OSCAR QUIROZ **Tele:#** 915 366 8801 x 675

MAILING ADDRESS: 501 S LOOP 338 EAST **State** TX **ZIP** 79762

OCD INSPECTORS: PRICE + FORD [signature]

1. **Drum Storage:** All drums containing materials other than fresh water must be stored on an impermeable pad with curbing. All empty drums will be stored on their sides with the bungs in and lined up on a horizontal plane. Chemicals in other containers such as sacks or buckets will also be stored on an impermeable pad and curb type containment.

OK

2. **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.

OK

3. **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 tanks or existing tanks that undergo a major modification, as determined by the Division, must be placed within an impermeable bermed enclosure.

OK + TEXACO TO PLACE PLUGS IN SEC. CONTAINMENT DRAIN VALVE — (BULK STORAGE AREA) WEST SIDE OF PLANT.

4. **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.

OK

5. **Labeling:** All tanks, drums and containers will be clearly labeled to identify their contents and other emergency notification information.

OK

6. **Below Grade Tanks/Sumps:** All below grade tanks, sumps, and pits must be approved by the OCD prior to installation or upon modification and must incorporate secondary containment and leak-detection into the design. All pre-existing sumps and below-grade tanks must demonstrate integrity on an annual basis. Integrity tests include pressure testing to 3 pounds per square inch above normal operating pressure and/or visual inspection of cleaned out tanks and/or sumps, or other OCD approved methods. The OCD will be notified at least 72 hours prior to all testing.

OK

7. **Underground Process/Wastewater Lines:** All underground process/wastewater pipelines must be tested to demonstrate their mechanical integrity at present and then every 5 years thereafter, or prior to discharge plan renewal. The permittee 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.

OK

8. **Onsite/Offsite Waste Disposal and Storage Practices:** Are all wastes properly characterized and disposed of correctly? Does the facility have an EPA hazardous waste number? _____ Yes _____ No

ARE ALL WASTE CHARACTERIZED AND DISPOSED OF PROPERLY? YES ☑ NO ☐ IF NO DETAIL BELOW.

9. **Class V Wells:** 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. All Class V wells that inject non-hazardous industrial wastes or a mixture of industrial wastes and domestic wastes will be closed unless it can be demonstrated that groundwater will not be impacted in the reasonably foreseeable future. Closure of Class V wells must be in accordance with a plan approved by the Division's Santa Fe Office. The OCD allows industry to submit closure plans which are protective of human health, the environment and groundwater as defined by the WQCC, and are cost effective. Class V wells that inject domestic waste only must be permitted by the New Mexico Environment Department.

ANY CLASS V WELLS **NO** ☑ **YES** ☐ IF YES DESCRIBE BELOW !

10. Housekeeping: All systems designed for spill collection/prevention will be inspected weekly and after each storm event to ensure proper operation and to prevent overtopping or system failure. A record of inspections will be retained on site for a period of five years.

EXCELLANT

11. Spill Reporting: All spills/releases will be reported pursuant to OCD Rule 116 and WQCC 1203 to the proper OCD District Office.

NO SPILLS — OK

12. Does the facility have any other potential environmental concerns/issues?

NONE OBSERVED

13. Does the facility have any other environmental permits - i.e. SPCC, Stormwater Plan, etc.?

UNKNOWN — DID NOT CHECK

14. ANY WATER WELLS ON SITE ? **NO** ☑ **YES** ☐ **IF YES, HOW IS IT BEING USED ?**

FRESH MAKE-UP WATER COMES FROM TEXACO GAS PLANT

Miscellaneous Comments:

Number of Photos taken at this site: 5 - O:\ENVR..\PIC_CAM~~00013~~\PIC00013

attachments-

NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

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

April 19, 1999

CALLED 6/2/99
CONDITIONS & FEE
LEFT MESSAGE!
LMP

CERTIFIED MAIL
RETURN RECEIPT NO. P 288 259 114

Oscar Quiroz
Texaco Exploration and Production, Inc.
501 South Loop 338 East
Odessa, Texas 79762

RE: Buckeye CO2 Gas Processing Plant
Discharge Plan GW-312

Dear Mr. Quiroz:

The ground water discharge plan GW-312 for the Texaco Exploration and Production, Inc. (TEPI) Buckeye CO2 Gas Processing Plant located in the Southeast Quarter of Section 36, Township 17 South, Range 34 East, NMPM, Lea County, New Mexico, **is hereby approved under the conditions contained in the enclosed attachment.** The discharge plan consists of the application dated January 15, 1999, and the attached discharge plan approval conditions. 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 10 working days of receipt of this letter.**

The discharge plan was submitted pursuant to Section 3106 of the New Mexico Water Quality Control Commission (WQCC) Regulations. It is approved pursuant to Section 3109.A. Please note Sections 3109.E and 3109.F, which provide for possible future amendments or modifications of the plan. Please be advised that approval of this plan does not relieve Texaco Exploration and Production, Inc. of liability should operations result in pollution of surface water, ground water, or the environment.

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

Please note that Section 3104 of the regulations provides: "When a facility has been approved, discharges must be consistent with the terms and conditions of the plan." Pursuant to Section 3107.C., Texaco Exploration and Production, 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.G.4., this plan is for a period of five years. **This approval will expire on April 19, 2004** and Texaco Exploration and Production, Inc. should submit an application in ample time before this date. Note that under Section 3106.F. of the regulations, if a discharger submits a discharge plan renewal application at least 120 days before the discharge plan expires and is in compliance with the approved plan, then the existing discharge plan will not expire until the application for renewal has been approved or disapproved. It should be noted that all discharge plan facilities will be required to submit the results of an underground drainage testing program as a requirement for discharge plan renewal.

The discharge plan application for the Texaco Exploration and Production, Inc.facility is subject to WQCC Regulation 3114 discharge plan fees. Every billable facility submitting a discharge plan will be assessed a fee equal to the filing fee of $50 plus a flat fee of **$3335.00 for Gas Processing Plants.** The OCD has not received the filing fee as of this date. 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.

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 Anderson
Environmental Bureau Chief

RA/lwp
Attachment-1

xc: OCD Hobbs Office

ATTACHMENT TO THE DISCHARGE PLAN GW-312
Texaco Exploration and Production, Inc. Buckeye CO2 Gas Processing Plant
located in SE/4 Sec 36-Ts17S-R34E
Lea County, New Mexico
DISCHARGE PLAN APPROVAL CONDITIONS
(April 19, 1999)

1. Payment of Discharge Plan Fees: The $50.00 filing fee has not been submitted, please submit along with the **$3335** required flat fee, which 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: **Texaco Exploration and Production, Inc.** will abide by all commitments submitted in the discharge plan application dated January 15, 1999.

3. 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 characterization per 40 CFR Part 261.

4. Drum Storage: All drums containing materials other than fresh water must be stored on an impermeable pad with curbing. All empty drums will be stored on their sides with the bungs in and lined up on a horizontal plane. Chemicals in other containers such as sacks or buckets will also be stored on an impermeable pad and curb type containment.

5. 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.

6. 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 tanks or existing tanks that undergo a major modification, as determined by the Division, must be placed within an impermeable bermed enclosure.

7. 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.

8. Labeling: All tanks, drums and containers will be clearly labeled to identify their contents and other emergency notification information.

9. Below Grade Tanks/Sumps: All below grade tanks, sumps, and pits must be approved by the OCD prior to installation or upon modification and must incorporate secondary containment and leak-detection into the design. All pre-existing sumps and below-grade tanks must demonstrate integrity on an annual basis. Integrity tests include pressure testing to 3 pounds per square inch above normal operating pressure and/or visual inspection of cleaned out tanks and/or sumps, or other OCD approved methods. The OCD will be notified at least 72 hours prior to all testing.

10. Underground Process/Wastewater Lines: All underground process/wastewater pipelines must be tested to demonstrate their mechanical integrity at present and then every 5 years thereafter, or prior to discharge plan renewal. Permittees may propose various methods for testing such as pressure testing to 3 pounds per square inch above normal operating pressure or other means acceptable to the OCD. The OCD will be notified at least 72 hours prior to all testing.

11. Class V Wells: 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. All Class V wells that inject non-hazardous industrial wastes or a mixture of industrial wastes and domestic wastes will be closed unless it can be demonstrated that groundwater will not be impacted in the reasonably foreseeable future. Closure of Class V wells must be in accordance with a plan approved by the Division's Santa Fe Office. The OCD allows industry to submit closure plans which are protective of human health, the environment and groundwater as defined by the WQCC, and are cost effective. Class V wells that inject domestic waste only must be permitted by the New Mexico Environment Department.

12. Housekeeping: All systems designed for spill collection/prevention will be inspected weekly and after each storm event to ensure proper operation and to prevent overtopping or system failure. A record of inspections will be retained on site for a period of five years.

13. Spill Reporting: All spills/releases will be reported pursuant to OCD Rule 116 and WQCC 1203 to the OCD **Hobbs** District Office.

14. Transfer of Discharge Plan: The OCD will be notified prior to any transfer of ownership, control, or possession of a facility with an approved discharge plan. A written commitment to comply with the terms and conditions of the previously approved discharge plan must be submitted by the purchaser and approved by the OCD prior to transfer.

15. Closure: The OCD will be notified when operations of the facility are discontinued for a period in excess of six months. Prior to closure of the facility a closure plan will be submitted for approval by the Director. Closure and waste disposal will be in accordance with the statutes, rules and regulations in effect at the time of closure.

16. Certification: **Texaco Exploration and Production, Inc.** by the officer whose signature appears below, accepts this permit and agrees to comply with all terms and conditions contained herein and further acknowledges that these conditions and requirements of this permit may be changed administratively by the Division for good cause shown as necessary to protect fresh water, human health and the environment.

Accepted:

Texaco Exploration and Production, Inc.

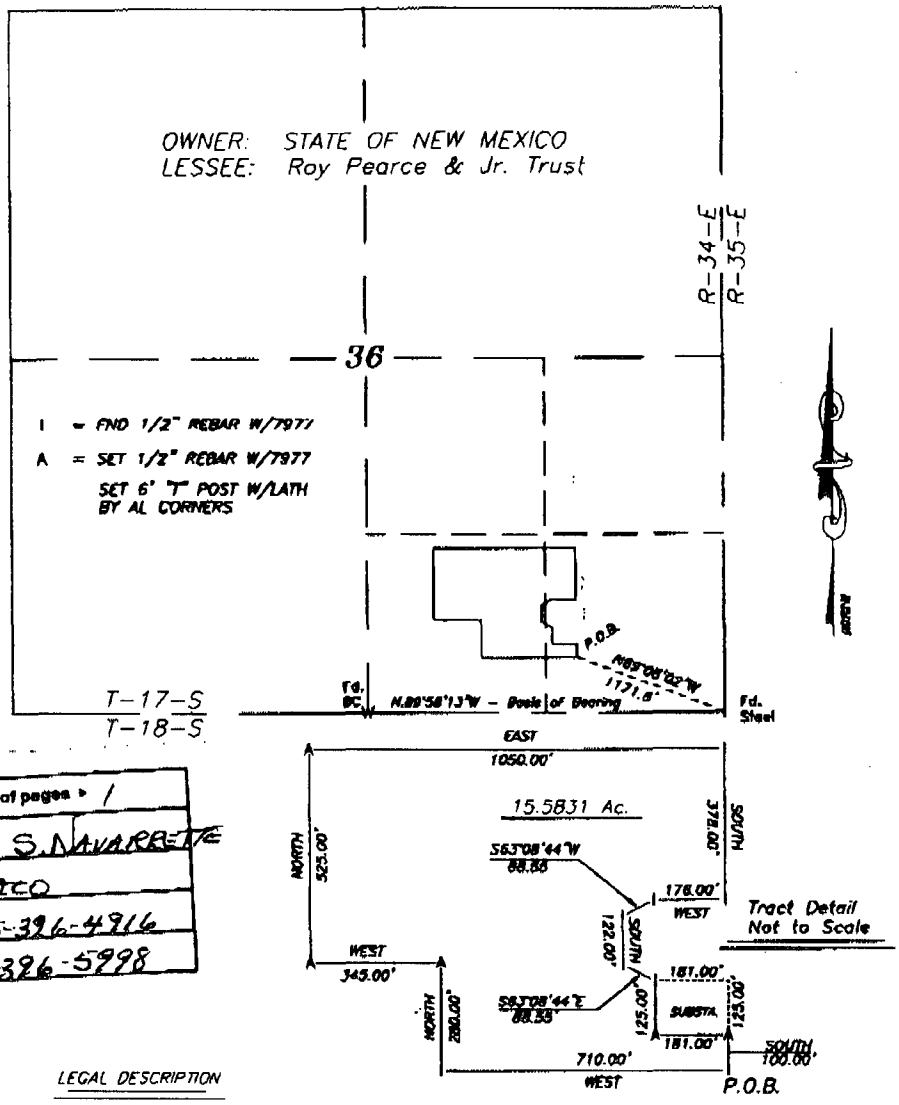
Print Name:_____

Signature: _____

Title: _____

Date:_____

SECTION 36, TOWNSHIP 17 SOUTH, RANGE 34 EAST, N.M.P.M., LEA COUNTY, NEW MEXICO.



RECEIVED
APR 0 5 1999
Environmental Bureau
Oil Conservation Division

Post-it™ brand fax transmittal memo 7671 | # of pages ▸ 1

To WAYNE PRICE	From JESSE S. NAVARRETE
Co. STATE OF NM	Co. TEXACO
Dept. OCD	Phone # 505-396-4916
Fax # 505-827-8177	Fax # 505-396-5998

LEGAL DESCRIPTION

A tract of land located in the Southeast quarter (SE/4) of Section 36, Township 17 South, Range 34 East, NMPM, Lea County, New Mexico and being more particularly described as follows:

Beginning at a point being N.69°06'02"W., 1171.6 feet from the Southeast corner of said Section 36, Thence West, 710.00 feet; Thence North, 280.00 feet; Thence West, 345.00 feet; Thence North, 525.00 feet; Thence East, 1050.00 feet; Thence South., 378.00 feet; Thence West, 176.00 feet; Thence S.63°08'44"W., 88.55 feet; Thence South, 122.00 feet; Thence S.63°08'44"E., 88.55 feet; Thence South, 125.00 feet; Thence East, 181.00 feet; Thence South 100.00 feet to the point of beginning. Said tract contains 15.5831 acres more or less and allocated by forties as follows:

SW/4 SE/4	12.9393 acres
SE/4 SE/4	2.6438 acres

1000 0 1000 2000 FEET

I HEREBY CERTIFY THAT THIS PLAT WAS PREPARED FROM FIELD NOTES OF AN ACTUAL SURVEY AND MEETS OR EXCEEDS ALL REQUIREMENTS FOR LAND SURVEYS AS SPECIFIED BY THIS STATE.

GARY L. JONES N.M. P.S. No. 7977
TEXAS P.L.S. No. 5074

BASIN SURVEYS P.O. BOX 1786-HOBBS, NEW MEXICO

TEXACO E & P, INC.

BUCKEYE PLANT SITE

A TRACT OF LAND LOCATED IN THE SE/4 OF SECTION 36, TOWNSHIP 17 SOUTH, RANGE 34 EAST, N.M.P.M., LEA COUNTY, NEW MEXICO.

W.O. Number: 7495	Drawn By: K. GOAD		
Date: 08-21-97	Disk: KJG #27 - TEX7495A.DWG	Survey Date: 08-15-97	Sheet 1 of 1 Sheets

Buckeye 36 \ Buckeye m.p. \ Tex7495A.dwg

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The Lovington Daily **LEADER**

The Oldest Newspaper In Lea County... ...Serving Since 1909

DRAWER 1717 LOVINGTON, NM 88260

Statement of Account For

Oil Conservation Division
2040 South Pacheco St.
Santa Fe, NM 87505

Month of February 19 99

DISPLAY ADVERTISING:		
_____ inches @ _____		
CLASSIFIED ADVERTISING:		
_____ words @ _____		
_____ inches @ _____		
OTHER CHARGES:		
Legal Notice		
Notice of Publication GW-312		
Ad Ran February 2, 1999		
Total	48	40
Tax	2	96
Total this month	51	36
Previous Balance		
PLEASE PAY THIS AMOUNT		

FEB 10 1999

OK Wayne Price

Affidavit of Publication

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

Joyce Clemens being first duly sworn on oath deposes and says that he is Adv. Director of THE LOVINGTON DAILY 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

Notice of Publication GW-312

was published in a regular and entire issue of THE LOVINGTON DAILY LEADER and not in any supplement thereof, for One(1) Day

beginning with the issue of February 2, 19 99

and ending with the issue of February 2, 19 99

And that the cost of publishing said notice is the sum of $ 51.36

which sum has been (Paid) as Court Costs

Joyce Clemens

Subscribed and sworn to before me this February 2, 19 99 day of

Debbie Schilling

Notary Public, Lea County, New Mexico

My Commission Expires June 22, 2002

LEGAL NOTICE
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 plan application has been submitted to the Director of the Oil Conservation Division, 2040 South Pacheco, Santa Fe, New Mexico 87505, Telephone (505)

(GW-312) Texaco Exploration and Production, Inc., Oscar Rodriguez, 501 South Loop 338 East, Odessa, Texas 79726 has submitted an application for a discharge plan for its Buckeye CO2 Gas Processing Plant located in Section 36, Township 17 South, Range 34 East, NMPM, Lea County, New Mexico. Approximately 5400 gallons per day of oil and gas production process water will be recycled off-site into class II injection wells for enhanced oil recovery for the Vacuum Glorietta West Unit Waterflood System. Ground water most likely to be affected by an accidental discharge is at a depth of approximately 120 feet and has a total dissolved solids content of approximately 360 mg/l. The discharge plan addresses how solid waste, spills, leaks, and other accidental discharges to the surface will be managed.

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 plan application may be viewed at the above address between 8:00 a.m. and 4:00 p.m., Monday through Friday. Prior to ruling on any proposed discharge plan 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 to him 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 plan based on information available. If a public hearing is held, the director will approve or disapprove the proposed plan based on information in the plan and information submitted at the hearing.

GIVEN under the Seal of New Mexico Oil Conservation Commission at Santa Fe, New Mexico, on this 29th day of January 1999.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION
LORI WROTENBERY, Director

SEAL

Published in the Lovington Daily Leader February 2, 1999.

Affidavit of Publication

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

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That the notice which is hereto attached, entitled Notice of Publication GW-312

~~was published~~ xxxxxx in the ~~County of Lea~~ ~~Gazette~~ was published in a regular and entire issue of THE LOVINGTON DAILY LEADER and not in any supplement thereof, ~~once each week on the same day of the week~~, for One(1) Day ~~consecutive weeks~~ beginning with the issue of February 2, 19 99 and ending with the issue of February 2, 19 99

And that the cost of publishing said notice is the sum of $ 51.36 which sum has been (paid) ~~charged~~ as Court Costs

Joyce Clemens

Subscribed and sworn to before me this February 2, 19 99 day of

Debbie Schilling

Notary Public, Lea County, New Mexico

My Commission Expires June 22, ~~19~~ 2002

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STATE OF NEW MEXICO
OIL CONSERVATION DIVISION
LORI WROTENBERY, Director
SEAL

Published in the Lovington Daily Leader February 2, 1999.

Affidavit of Publication

STATE OF NEW MEXICO)
) ss.
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STATE OF NEW MEXICO
OIL CONSERVATION DIVISION
LORI WROTENBERY, Director

SEAL

Published in the Lovington Daily Leader February 2, 1999.

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The Lovington Daily LEADER

The Oldest Newspaper In Lea County... ...Serving Since 1909

DRAWER 1717 LOVINGTON, NM 88260

Statement of Account For

Oil Conservation Division
2040 South Pacheco St.
Santa Fe, NM 87505

Month of February 19 99

DISPLAY ADVERTISING:		
_____ inches @ _____		
CLASSIFIED ADVERTISING:		
_____ words @ _____		
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Legal Notice		
Notice of Publication GW-312		
Ad Ran February 2, 1999		
Total	48	40
Tax	2	96
Total this month	51	36
Previous Balance		
PLEASE PAY THIS AMOUNT		

RECEIVED FEB 10 1999

OK Wayne Price

The Santa Fe New Mexican

Since 1849. We Read You.

RECEIVED
MAR 18 1999
OIL CONSERVATION DIVISION

NM OCD
ATTN: LUPE SHERMAN
2040 S. PACHECO ST.
SANTA FE, NM 87505

OK Wan Pre 3/26/99

AD NUMBER: 67615 ACCOUNT: 56689
LEGAL NO: 64819 P.O.#: 99199000357
169 LINES 1 time(s) at $ 67.64
AFFIDAVITS: 5.25
TAX: 4.56
TOTAL: 77.45

AFFIDAVIT OF PUBLICATION

NOTICE OF PUBLICATION

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

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(GW-312) - Texaco Exploration and Production, Inc., Oscar Quiroz, 501 South Loop 338 East, Odessa, Texas 79762 has submitted an application for a discharge plan for its Buckeye C02 Gas Processing Plant located in Section 36, township 17 South, Range 34 East, NMPM, Lea County, New Mexico. Approximately 5400 gallons per day of oil and gas production process water will be recycled off-site into class II injection wells for enhanced oil recovery for the Vacuum Glorieta West Unit Waterflood System. Ground water most likely to be affected by any accidental discharge is at a depth of approximately 120 feet and has a total dissolved solids content or approximately 360 mg/l. The discharge plan addresses how solid waste, spills, leaks, and other accidental discharges to the surface will be managed.

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

GIVEN under the Seal of New Mexico Oil Conservation Commission at Santa Fe, New Mexico, on this 29th day of January 1999.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

LORI WROTENBERY, Director

Legal #64819
Pub. February 4, 1999

STATE OF NEW MEXICO
COUNTY OF SANTA FE
I, B Perner being first duly sworn declare and say that I am Legal Advertising Representative of THE SANTE FE NEW MEXICAN, a daily newspaper published in the English language, and having a general circulation in the Counties of Santa Fe and Los Alamos, State of New Mexico and being a Newspaper duly qualified to publish legal notices and advertisements under the provisions of Chapter 167 on Session Laws of 1937; that the publication #64819 a copy of which is hereto attached was published in said newspaper 1 day(s) between 02/04/1999 and 02/04/1999 and that the notice was published in the newspaper proper and not in any supplement; the first publication being on the 4 day of February, 1999 and that the undersigned has personal knowledge of the matter and things set forth in this affidavit.

/S/ Betsy Perner
LEGAL ADVERTISEMENT REPRESENTATIVE

Subscribed and sworn to before me on this 4 day of February A.D., 1999

Notary B Mathie

Commission Expires 3-13-2001

OFFICIAL SEAL
B MATHIE
NOTARY PUBLIC
STATE OF NEW MEXICO
My Commission Expires

NOTICE OF PUBLICATION

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

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STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

Roger Anderson

SEAL

for LORI WROTENBERY, Director

January 15, 1999

Mr. Roger Anderson
Bureau Chief – Environmental
New Mexico Oil Conservation Division
2040 S. Pacheco
Santa Fe, NM 87505

Dear Mr. Anderson,

Enclosed is Texaco Exploration & Production Inc.s' Buckeye CO2 Plant Groundwater Discharge Plan.

The Buckeye Gas Plant was merged with assets from Dynegy Inc., but Texaco retained the CO2 plant. At that time we should have begun work on a revised discharge plan. Thank You for the 120 extension day extension we requested.

If you have any questions, please contact Mr. Oscar Quiroz at 915-366-8801 X675.

Sincerely,

432-

Bryan A. Tucker
Complex Manager

Anderson, Roger

To: Quiroz, Oscar S
Subject: RE: Texaco's Buckeye Plant
Importance: High

Mr. Oscar Quiroz
Texaco Inc.

RE: Extension to Discharge
Buckeye Plant
Lea County, New Mexico

Dear Mr. Sinclair:

The New Mexico Oil Conservation Division has received the request (via E- Mail) dated December 8, 1998 from Texaco for an extension to discharge without an approved discharge plan for 120 days.

Pursuant to Water Quality Control Commission (WQCC) Regulations 3106.B, and for good cause shown, an 120 extension to discharge without an approved discharge plan for the Texaco facility located in Lea County, New Mexico **is hereby approved.**

Please be advised this extension does not relieve Texaco of liability should the operation of the facility result in pollution of surface waters, ground waters or the environment.

Sincerely,

Roger C Anderson
Environmental Bureau Chief

From: Quiroz, Oscar S[SMTP:quiroos@texaco.com]
Sent: Tuesday, December 08, 1998 6:42 AM
To: Anderson, Roger
Subject: Texaco's Buckeye Plant

Mr. Anderson,

Preliminary steps for startup have been underway for sometime, at the Buckeye Plant. Lastweek we requested 120 days for submittal of our Groundwater Discharge Plan. We are awaiting your response for plant startup. Please call or E-mail me with your verbal or written approval so that I may forward this message to the plant supervisor and startup can begin.

Oscar Quiroz
915/366 8801 X675
email: quiroos@texaco.com

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Environmental Bureau
Oil Conservation Division

December 2, 1998

Mr. Roger Anderson
Bureau Chief – Environmental
New Mexico Oil Conservation Division
2040 S. Pacheco
Santa Fe, NM 87505

Dear Mr. Anderson,

Texaco Exploration & Production Inc.s' Buckeye CO2 Plant would like to request a 120 day extension on the requirement for having an approved Groundwater Discharge Plan prior to startup. We anticipate "official startup" to occur during the week of December 7th.

Texaco's Buckeye Gas Plant had an approved discharge plan. We began constructing the CO2 project as an "add on" to the Buckeye Gas Plant. On July 1, 1998, the Buckeye Gas Plant was merged with assets from Dynegy Inc., but Texaco retained the CO2 plant. At that time we should have begun work on a revised discharge plan.

We appreciate you bringing this to our attention. We are completing the Groundwater Discharge plan and will be submitting it to your office shortly. We appreciate your advice and assistance on this matter. If you have any questions, please contact Mr. Oscar Quiroz at 915-366-8801 X675.

Sincerely,

Bryan A. Tucker
Complex Manager

Oscar Quiroz
PSM/RMP Coordinator
Headlee-Bradford
Gas Complex
Gas Plants BU

Texaco Exploration and Production Inc
501 South Loop 338 East
Odessa TX 79762
915 363 8041
915 363 0274 FAX
915 368 4733 Home

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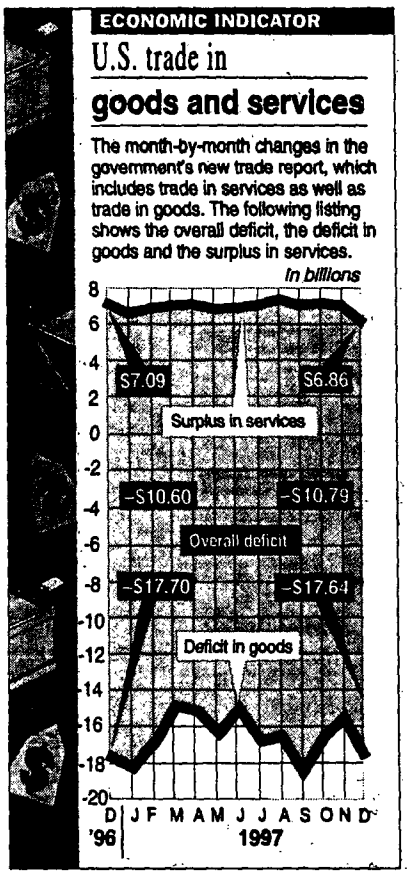

Source: U.S. Dept. of Commerce AP

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s. Tokyo's Nikkei stock average

Texaco gets $469,335 tax break from Lea County

The Associated Press

HOBBS, N.M. — Texaco has won a $469,335 tax break from Lea County as an inducement for a costly CO2 gas injection system that would save millions of barrels of water and extend the life of its oil field.

With the words "We'll go in business with you," Commission Chairman Ken Batson signaled the approval of the tax abatement Wednesday for Texaco, Lea County's largest oil-industry employer and one of the world's largest energy companies.

Texaco came to the commission asking a five-year, 50-percent tax break on the estimated value of its $22.8 million Buckeye CO2 Gas Processing Plant east of here. The county commissioners approved the deal, which averages out to $93,867 per year between 1999 and 2003, netting Texaco a $469,335 savings.

Texaco sought the break because it plans to use CO2 injection instead of water injection to stimulate oil production. The gas injection is expensive but saves water, and it's estimated it could extend the oil field's life by 20 years.

Texaco said it appropriated $26.5 million to construct the CO2 facility over a three-year period and expects to employ about 100 Lea County construction workers during that period. But it said it has projected unspecified losses during the first four years of CO2 operation.

Most of those revenues — about $10.4 million — would come from taxes on the additional oil and gas production that Texaco expects to net from the field with CO2 injection.

Texaco said the proposal also would:

- Create 100 construction jobs over the next three years in addition to a projected seven permanent positions once the plant is fully operational.
- Conserve an estimated 130 million barrels of fresh water plus generate an additional 130 million barrels of salt water that would be raised from the field via CO2 injection. The salt water could then be used for water flooding elsewhere.

Based on a projection that the plant would hold its value for the next 10 years, Texaco estimated a tax levy of $187,734 per year. Instead, under the 50 percent ad-valorem tax break approved Wednesday, Texaco would pay $93,867 a year for five years, beginning in September 1999, Pollock said.

Feds to continue to reduce small producers' royalties

The Associated Press

ROSWELL, N.M. — The Interior Department on Thursday agreed to continue a policy of reducing royalty rates for small, independent oil and gas produc-

Secretary Bruce Babbitt, said the program has meant the difference between keeping stripper wells in production or seeing them abandoned. Stripper wells produce less than 15 barrels a day.