



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

REGION IX

75 Hawthorne Street
San Francisco, CA 94105-3901

Mr. Stephen B. Etsitty, Executive Director
Navajo Nation Environmental Protection Agency
P.O. Box 339
Window Rock, AZ 86515

RCVD SEP 10 '10

OIL CONS. DIV.
DIST. 3

**RE: Aquifer Exemption Application for portion of Entrada Formation
surrounding the Dugan Production Corporation West Bisti SWD #1 injection
well in San Juan County, New Mexico (API # 30-045-33828)**

Dear Mr. Etsitty,

ME
EPA has reviewed the Navajo Nation Environmental Protection Agency Underground Injection Control Program's July 26, 2010 proposal to designate a portion of the Entrada Formation as an exempted aquifer, pursuant to a request from Dugan Production Corporation (Dugan). Based on the aquifer exemption application submitted by Dugan, and the information you provided, EPA approves the proposed aquifer exemption, as described below.

Dugan has a permit to operate an existing Class II Underground Injection Control (UIC) well (West Bisti SWD #1) in the Entrada Formation. However, based on a Total Dissolved Solids Analysis of the formation at this well location, the EPA determined that the Entrada Formation in this area is an underground source of drinking water (USDW). Since this portion of the Entrada Formation is a USDW, Dugan requested an aquifer exemption to allow injection into the West Bisti SWD #1 well.

In compliance with provisions of the Safe Drinking Water Act, as amended, (42 USC 300f-300j-9, commonly known as the SDWA) and attendant regulations incorporated by the U.S. Environmental Protection Agency under Title 40 of the Code of Federal Regulations (CFR), EPA hereby approves an exemption of the aquifer located within the following administrative boundaries of the Entrada Formation:

T26N-R13W, NMPM (New Mexico Prime Meridian)
W ½ W ½ Section 36 (part)
NE ¼ Section 35 (most)
SE ¼ Section 35 (most)
NW ¼ Section 35 (part)
SW ¼ Section 35 (part)
S ½ S ½ S ½ Section 26 (part)

The aquifer we are exempting is the portion of the Entrada Formation that is found within a one-half (1/2) mile circular radius centered at the surface wellbore location of the Dugan West Bisti SWD #1 injection well and is located below the overlying, confining Todilto Limestone and anhydrite layer and above the underlying confining Chinle shale and silt layer. The depth of the exempted aquifer in this area is approximately 6,878 to 7,064 feet below ground surface.

EPA finds that the portion of the Entrada Formation delineated above meets the exemption criteria in 40 CFR § 146.4(a) and (c):

- a) It does not currently serve as a source of drinking water; and
- c) The total dissolved solids content of the ground water is more than 3,000 and less than 10,000 milligrams/liter (mg/l) and it is not reasonably expected to supply a public water system.

With this approval, we are hereby revising the Navajo Nation EPA's UIC Class II Primacy program to reflect this additional exempted aquifer.

Signed this 3rd day of September, 2010.


Alexis Strauss
Director, Water Division

cc: Yolanda Barney, NNEPA
Mr. William E. Freeman, NNEPA
Kurt Fagrelus, Dugan
David J. Mankiewicz, U.S. BLM
Bertha Spencer, U.S. BIA
Charlie Perrin, NMOCD
✓ Steve Hayden, NMOCD
Sheila D. Jones, Holland & Hart
Dellinger, Phil, USEPA Region 6