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**GENERAL
CORRESPONDENCE**

YEAR(S):

2003 – 2006



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

COPY

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

March 27, 2006

Mr. Joe R. Williams
Hydro Pure Technology, Inc.
P.O. Box 1621
Aztec, NM 87410

RE: Application for Waste Management Facility Modification
Dated March 23, 2006 for the Hydro Pure Facility Located
In Unit Letter H, Section 5, Township 30 North, Range 11 West
NMPM San Juan County New Mexico

Dear Mr. Williams:

The New Mexico Oil Conservation Division (NMOCD) has reviewed the application shown above. The NMOCD finds that no permit currently exists for this facility. A letter dated October 2, 2003 from NMOCD to Hydro Pure stated that, at that time, the NMOCD had determined that Hydro Pure should follow the OCD Pollution Prevention Best Management Practices Manual. After consultation with Mr. Denny Foust of the NMOCD Aztec office, the NMOCD has determined that Hydro Pure is following these recommended practices. Therefore, it is now determined that a permit is not required for the Hydro Pure facility shown above.

The application shown above is being returned to you with the understanding that Hydro Pure will continue to operate in the exemplary manner in which it has in the past. Please keep Mr. Foust informed of the activities at the facility. The NMOCD reserves the right to inspect the facility periodically and to require a permit in the future if it is deemed necessary.

This letter does not relieve Hydro Pure of liability should its operations result in harm to public health or the environment. Nor does it relieve Hydro Pure of its responsibility to comply with the rules and regulations of any other local, state or federal governmental agency.

If you have any questions, contact me at (505) 476-3492 or ed.martin@state.nm.us

NEW MEXICO OIL CONSERVATION DIVISION

Edwin E. Martin
Environmental Bureau

Copy: NMOCD, Aztec

2006 DEC 28 AM 10 06

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

Form C-137
Revised Jan 10, 2003
COPY
Submit Original Plus 1
Copy to Santa Fe
1 Copy Appropriate
District Office

APPLICATION FOR WASTE MANAGEMENT FACILITY

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

☒ Commercial ☐ Centralized

1. Type: ☐ Evaporation ☐ Injection ☐ Other
☐ Solids/Landfarm ☒ Treating Plant

2. Operator: Hydro Pure Technology Inc.

Address: Post Office Box 1621, Aztec, NM 87410

Contact Person: Joe R. Williams, Phone: 505-334-1765

3. Location: SW ¼, NE ¼, Section 5, Township 30N, Range 11W, NMPM

Submit large scale topographic map showing exact location

4. Is this a modification of an existing facility? ☒ Yes ☐ No

5. Attach the name and address of the landowner of the facility site and landowners of record within one mile of the site.

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

7. Attach designs prepared in accordance with Division guidelines for the construction/installation of the following: pits or ponds, leak-detection systems, aerations systems, enhanced evaporation (spray) systems, waste treating systems, security systems, and landfarm facilities.

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

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

10. Attach a closure plan.

11. Attach geological/hydrological evidence demonstrating that disposal of oil field wastes will not adversely impact groundwater. Depth to and quality of ground water must be included.

12. Attach proof that the notice requirements of OCD Rule 711 have been met.

13. Attach a contingency plan in the event of a release of H₂S.

14. Attach such other information as necessary to demonstrate compliance with any other OCD rules, regulations and orders.

15. CERTIFICATION

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

Name: Joe R. Williams

Title: President

Signature: _____

Date: March 23, 2006

E-mail address: j_williams@hydropuretechnology.biz

COPY

New Mexico Oil Conservation Division

Attachment-Application for Modification to Existing Waste Management Facility

Hydro Pure Technology, Inc.

711 North Light Plant Road, Aztec, NM 97410

Narrative

Hydro Pure Technology wishes to modify its existing permit to enhance oil separation components within the guidelines of its approved permit.

The permit modification requested will not change any aspect of the closed loop system as permitted. The change in permit parameters is for a change in section 7 of the original permit narrative as follows:

Original verbiage:

"A 600 gallon waste oil tank will be located in the feed water containment in its own containment."

New verbiage:

"Two 210 barrel, two 250 barrel and one 600 gallon waste oil tanks will be located in the feed water containment in their own containment."

This change is requested due to the increased volumes of produced water with compressor lube oil present. We need to have additional tankage to allow for increased dwell time for separation of these oils from the produced water.

No changes to any other permitted procedures are requested.

No changes in site plan are necessary to implement this change.

No change in truck traffic ingresses or egresses is anticipated.

Increased capacity for spill containment will be a part of the facility upgrade. This system shall utilize a 25'X90'X36" tall zero ground disturbance containment ring system including, galvanized OSHA approved crossover stair assembly with 45 mil thickness, spec PP-R liner material. This containment system meets SPCC requirements and accommodates regional storm water levels with a nominal net capacity of 4" in the ground.

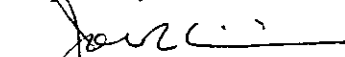
Change in process format will be the addition of a 250,000 btu/hour waste oil fired heater to maintain temperature during dwell and separation procedures. This unit will be contained within the feed water containment in its own containment.

Lube oil separated from produced water will be stored in one of the 250 barrel tanks until removal by an approved waste oil recycler.

Produced water separated from the oil will be disposed of in an approved class II facility per instructions from NMOCD Aztec Office.

Logs of volumes for each component will be maintained as well as records of disposal on site for reporting purposes.

Respectfully submitted,



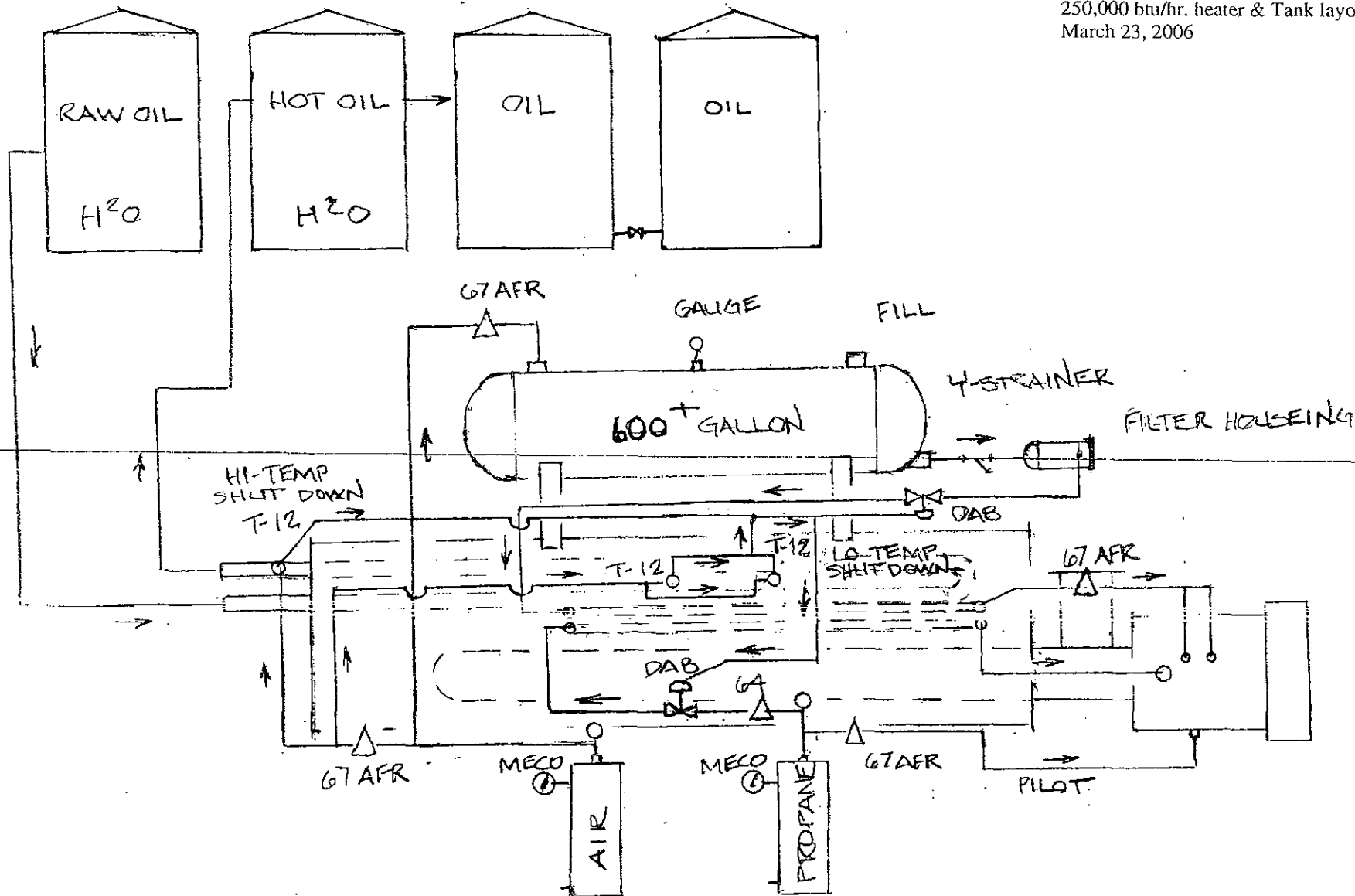
Joe R. Williams

President

Hydro Pure Technology, Inc.

March 23, 2006

Hydro Pure Technology, Inc.
Proposed water/oil modifications
250,000 btu/hr. heater & Tank layout
March 23, 2006



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NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

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BILL RICHARDSON

Governor
Joanna Prukop
Cabinet Secretary

October 2, 2003

Lori Wrotenbery
Director
Oil Conservation Division

Mr. Joe R. Williams
Hydropure Technology, Inc.
P.O. Box 3660
Durango, CO 81302

Re: Hydropure Technology, Inc
Rule 711, Application for Commercial Surface Waste Management Facility
Produced Water and Non-exempt Oilfield Wastewater Treatment Facility
SW/4 NE/4 Section 5, T 30 N, R 11 W, NMPM
San Juan County, NM

Dear Mr. Williams,

The New Mexico Oil Conservation Division (OCD) has received Hydropure Technology, Inc.'s (Hydropure) application for waste management facility dated July 29, 2003. The OCD has reviewed this application, the proposed treatment method, facility construction and waste disposal. The OCD has also reviewed NMAC 19.15.9.711.A

As stated in the application, this facility would be treating produced water (Fruitland Formation), pipeline hydrostatic test water, and storm water pumped from oil and gas field containments. This water would be a mixture of oilfield exempt wastewater and non-exempt wastewater. Therefore it would be regulated by the OCD. However, the proposed facility does not appear to be managing any wastes on the ground in pits, ponds, below grade tanks or land application units and thus would not be regulated under Rule 711. Instead, the facility would fall under the Water Quality Control Commission Regulations (WQCC, Title 20 Chapter 6, Part 2, Subpart III, 3101-3114 inclusive). The OCD issues Discharge Permits under these regulations.

The OCD understands that Hydropure proposes to send its reverse osmosis reject water to either the Aztec POTW or to the Key Energy's Class I injection well disposal facility, and any water filters or oil filters would be sent to the San Juan Regional landfill. Hydropure has also committed to developing a spill prevention and control plan for the facility. Based on the proposed construction and waste management practices, the OCD finds that the proposed produced water and non-exempt oilfield wastewater treatment facility would be subject to the WQCC rules and regulations. A determination will be made upon an OCD site inspection as to if the facility will require a discharge plan. However, at this time the OCD recommends that Hydropure commit to following the OCD Pollution Prevention Best Management Practices

COPY

Manual. This Manual can be found under Publications on the OCD web site at <http://www.emnrd.state.nm.us/oed/>.

Please be advised this letter does not relieve Hydropure of liability should your operation result in pollution of surface water, groundwater, or the environment, nor does it relieve Hydropure of responsibility for compliance with other federal, state or local laws and/or regulations.

The facility is subject to periodic inspections by the OCD. The conditions of this letter will be reviewed by the OCD no later than five (5) years from the date of this approval.

Sincerely,



Roger C. Anderson
Environmental Bureau Chief

RCA/mjk

xc: Aztec OCD Office

District I
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Revised June 10, 2003
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APPLICATION FOR WASTE MANAGEMENT FACILITY

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

☒ Commercial

☐ Centralized

1. Type: ☐ Evaporation ☐ Injection ☐ Other
☐ Solids/Landfarm ☒ Treating Plant

2. Operator: Hydropure Technology, Inc.

Address: Corporate: PO Box 3660; Durango, CO 81301; Physical: 711 N Light Plant Rd.; Aztec, NM 87410

Contact Person: Joe Williams Phone: 970-259-3934

3. Location: SW 1/4; NE 1/4 Section 5 Township 30 N Range 11 W NMPM

Submit large scale topographic map showing exact location – See attached Figures 1 & 2

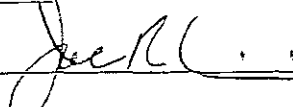
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6. Attach description of the facility with a diagram indicating location of fences, pits, dikes, and tanks on the facility.
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13. Attach a contingency plan in the event of a release of H₂S.
14. Attach such other information as necessary to demonstrate compliance with any other OCD rules, regulations and orders.

15. CERTIFICATION

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

Name: Joe Williams

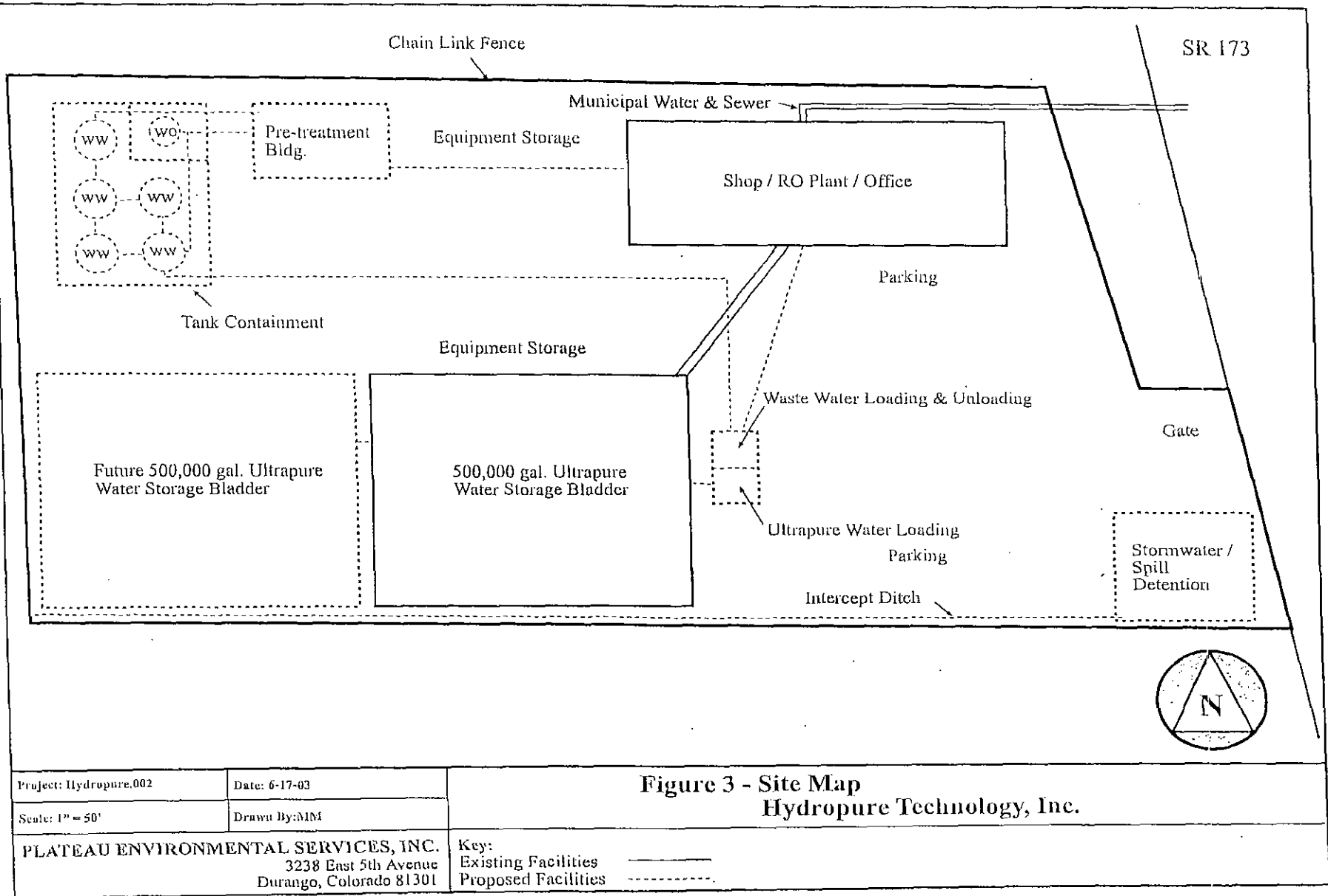
Title: President

Signature: 

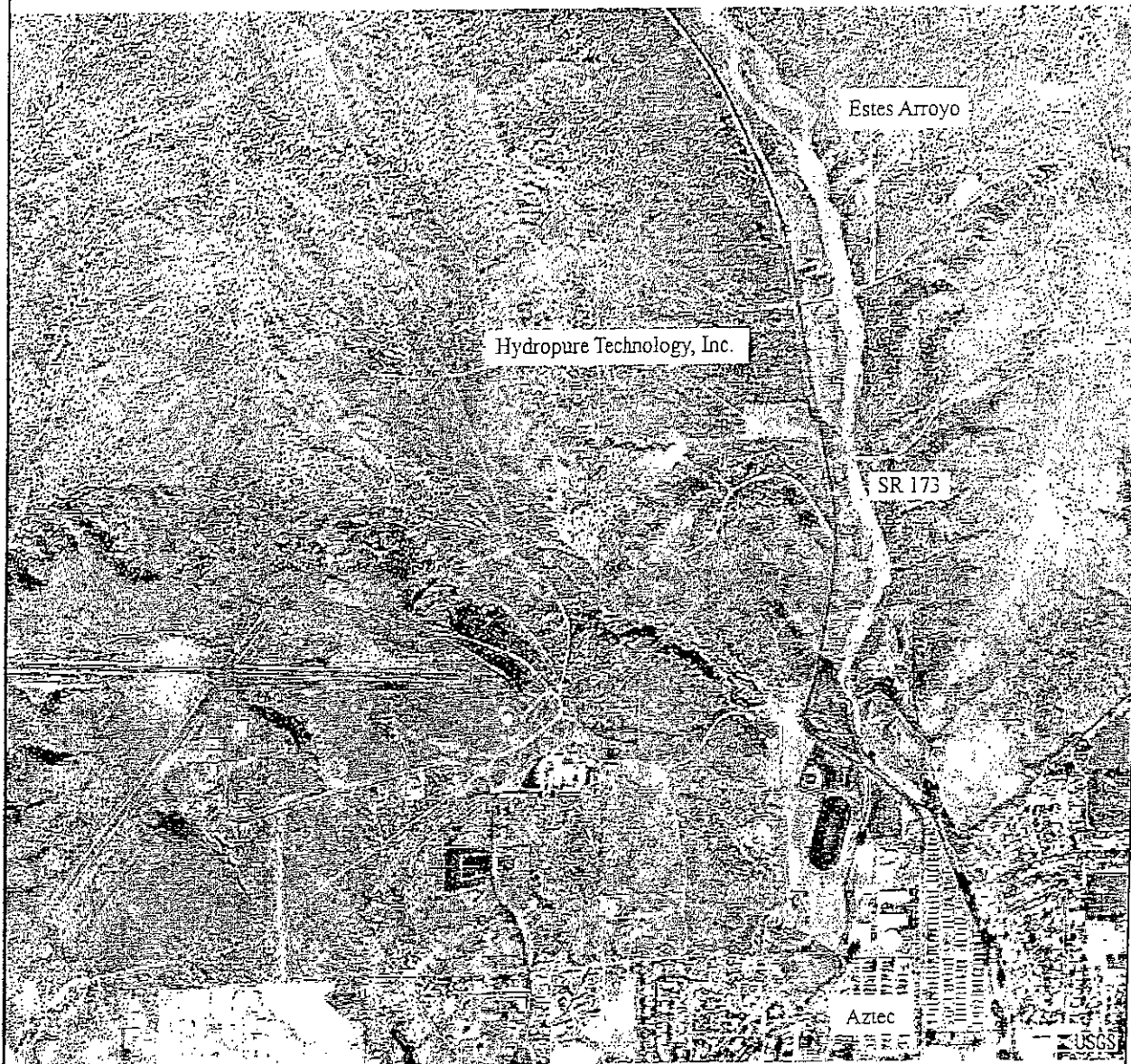
Date: 7/21/03

E-mail Address: J_Williams@HydropureTechnology.biz

COPY



COPY



Source: USGS Aerial Photo; September, 1997

Scale: Not to scale

Date: 6-17-03

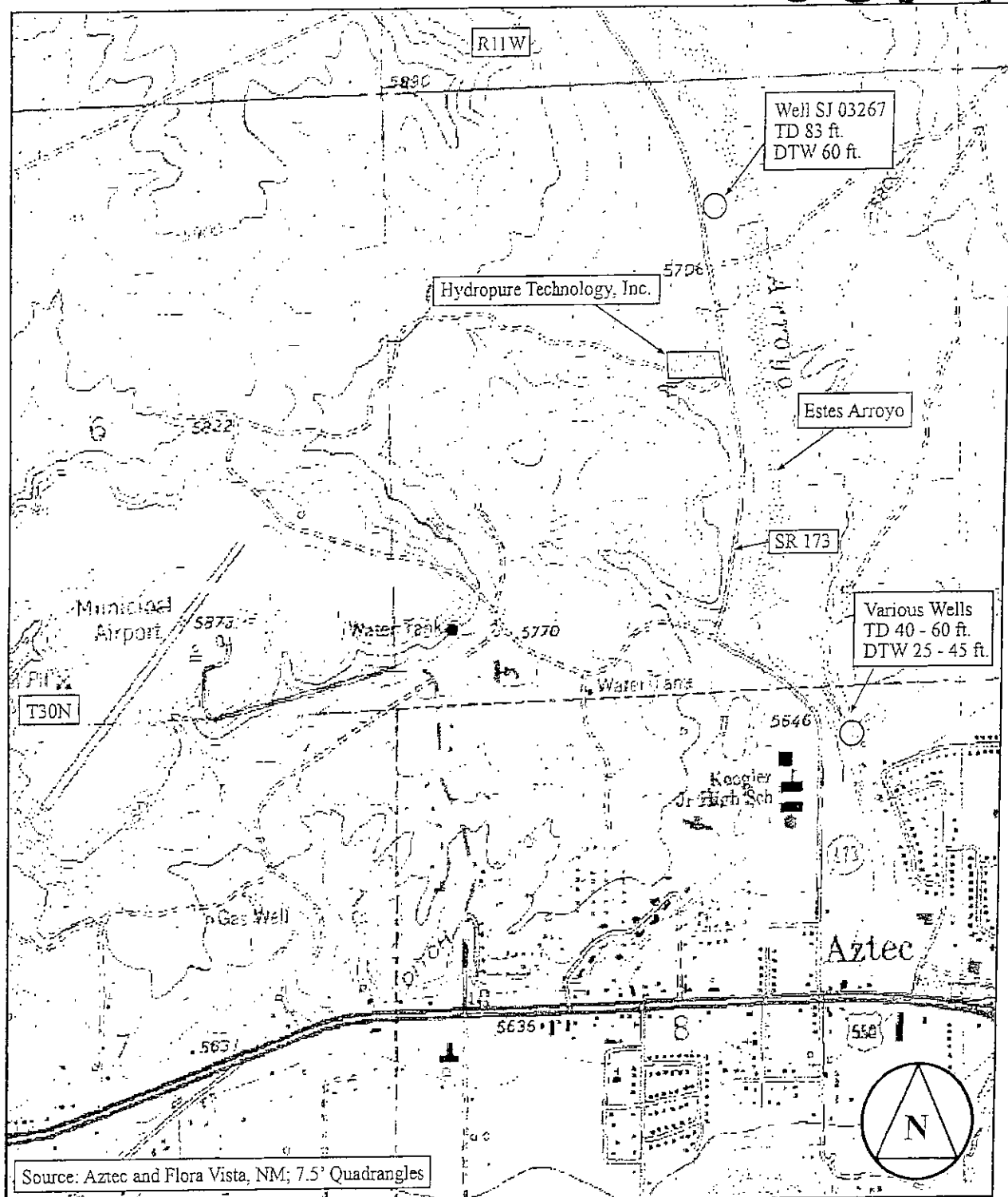
Prepared By: MM

Job: Hydropure.002

Plateau Environmental Services, Inc.
3238 East 5th Avenue
Durango, Colorado 81301

Figure 2 - Aerial Photograph
Hydropure Technology, Inc.
711 N Power Plant Rd. (SR 173)
Aztec, NM

COPY



Scale: Not to scale	Date: 6-17-03
Prepared By: MM	Job: Hydropure.002
Plateau Environmental Services, Inc. 3238 East 5th Avenue Durango, Colorado 81301	

Figure 1 - Location Map
Hydropure Technology, Inc.
711 N Power Plant Rd. (SR 173)
Aztec, NM

Jones, Brad A., EMNRD

From: Price, Wayne, EMNRD
Sent: Tuesday, January 02, 2007 11:10 AM
To: Jones, Brad A., EMNRD
Subject: FW: Hydro Pure Technology Inc. notice of sending of requested information for the oil, water separation system

Selling the product would be OK!

Wayne Price-Senior Environmental Engr.
Oil Conservation Division
1220 S. Saint Francis
Santa Fe, NM 87505
E-mail wayne.price@state.nm.us
Tele: 505-476-3487
Fax: 505-4763462

From: Joe Williams [mailto:j_williams@hydropuretechnology.biz]
Sent: Fri 12/22/2006 1:31 PM
To: Jones, Brad A., EMNRD
Cc: Price, Wayne, EMNRD
Subject: Hydro Pure Technology Inc. notice of sending of requested information for the oil, water separation system

Hi Brad,

I am sorry that I did not get these requested documents off to you as quickly as promised.

I am sending you today by UPS: **Tracking number 1Z F47 26R 37 1000 192 1**, the requested documents for your use in placing us within your permit system.

Brad, I want to thank you and Wayne Price in advance for your help here. We wish to be in compliance with your directives and your input is valued.

Another question for Wayne, would it be possible to take the oil product we intend to separate from the water and sell it to Navajo Refinery as you mentioned?

Thanks again, I look forward to hearing from you.

Joe