

UIC-1 - 8-3

**Application for
PERMITS,
RENEWALS, &
MODS**



REFINING COMPANY, L.P.

FAX

(505) 746-5283 DIV. ORDERS
(505) 746-5481 TRUCKING
(505) 746-5458 PERSONNEL

501 EAST MAIN STREET • P. O. BOX 159
ARTESIA, NEW MEXICO 88211-0159
TELEPHONE (505) 748-3311

FAX

(505) 746-5419 ACCOUNTING
(505) 746-5451 EXEC/MKTG
(505) 746-5421 ENGINEERING
(505) 746-5480 PIPELINE

September 19, 2007

FedEx Overnight Delivery

Wayne Price
Environmental Bureau Chief
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, NM 87505

Re: Navajo Refining Company, L.L.C., Class 1 Injection Well Discharge Permit WDW-3
UICCL-1-008-3 (I-008)

Dear Mr. Price:

Enclosed pursuant to your August 13, 2007 letter to Darrell Moore are (1) the signed copy of the above-referenced discharge permit for Navajo Refining Company, LLC ("Navajo") and (2) the permit fee in the amount of \$4,500.00.

Navajo has agreed to sign the conditions listed in the permit based on your statements during our August 28, 2007 phone conversation that the conditions in the permit only apply to equipment at the site of the injection well covered by the permit (WDW-3), not the Artesia Refinery.

We strongly support your suggestion that we schedule a meeting with you and your staff to review the draft Navajo Refinery Discharge Permit that is currently in the renewal process to discuss certain conditions that may be included in the refinery permit which need further clarification and to address any concerns we may have prior to issuance of the final permit.

As we discussed, Navajo is concerned that the permit conditions, including conditions to retrofit storage tanks to include impermeable containment under all tanks and "bermed" areas, have not been thoroughly evaluated or discussed with Navajo prior to imposition. Navajo continues to believe that such evaluation and discussion prior to finalizing these conditions is necessary and appropriate.

Please contact me at 505-746-5490 if you have any questions.

Sincerely,

Johnny Lackey
Environmental Manager

Cc (w/enclosure):
Electronic cc (w/o enclosure):
Environmental Files:

JER
DGM, PLY
REF.ART.07-4.A.02
(WDW-3 Discharge Permit)



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

August 13, 2007

Mr. Darrell Moore
Environmental Manager for Water and Waste
Navajo Refining Company
501 East Main Street, P.O. Drawer 159
Artesia, New Mexico 88211-0159

Re: **Approval of Class I Injection Well Discharge Permit WDW-3 UICCL1-008-3 (I-008)**
Class I Non-Hazardous Oil Field Waste Disposal Well
WDW-3, API No. 30-015-26575
790 FSL and 2250 FWL UL: N Section 1, T 18 S, R 27 E
Eddy County, New Mexico

Dear Mr. Moore:

Pursuant to all applicable parts of the Water Quality Control Commission (WQCC) Regulations 20.6.2 NMAC and more specifically 20.6.2.3104 - 20.6.2.3999 discharge permit, and 20.6.2.5000-.5299 Underground Injection Control, the Oil Conservation Division (OCD), the applicant is hereby authorized to utilize its Navajo Refining Company Class I WDW-3 Waste Disposal Well (API No. 30-015-26575) located 790 feet from the South line and 2250 feet from the West line in the SE/4, SW/4 of Section 1, Township 18 South, and Range 27 East, NMPM, Eddy County, New Mexico, under the conditions specified in the enclosed **Attachment To The Class I Injection Well Discharge Permit**.

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 30 working days of receipt of this letter-including permit fees.**

Please be advised that approval of this permit does not relieve the Navajo Refining Company of responsibility should operations result in pollution of surface water, ground water or the environment. Nor does approval of the permit relieve the Navajo Refining Company of its responsibility to comply with any other applicable governmental authority's rules and regulations.

If you have any questions, please contact Carl Chavez of my staff at (505-476-3491) or E-mail address: carlj.chavez@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 permit review.

Sincerely,


Wayne Price
Environmental Bureau Chief

LWP/cc
Attachments-1
xc: OCD District Office

ATTACHMENT TO THE DISCHARGE PERMIT
Navajo Refining Company WDW-3 Class I Waste Disposal Well UICCL1-008-3 (I-008)
DISCHARGE PERMIT APPROVAL CONDITIONS

August 13, 2007

Please remit a check for \$4,500.00 made payable to Water Quality Management Fund:

Water Quality Management Fund
C/o: Oil Conservation Division
1220 S. Saint Francis Drive
Santa Fe, New Mexico 87505

- 1. Payment of Discharge Plan Fees:** All discharge permits are subject to WQCC Regulations. Every billable facility that submits a discharge permit application will be assessed a filing fee of \$100.00, plus a renewal flat fee (*see* WQCC Regulation 20.6.2.3114 NMAC). The Oil Conservation Division ("OCD") has received the required \$100.00 filing fee and the Navajo Refining Company still owes the required \$4500.00 permit fee. The total fee amount due is \$4500 for the Class I Well.
- 2. Permit Expiration and Renewal Conditions and Penalties:** Pursuant to WQCC Regulation 20.6.2.3109.H.4 NMAC, this permit is valid for a period of five years. **The permit will expire on June 1, 2012** and an application for renewal should be submitted no later than 120 days before that expiration date. Pursuant to WQCC Regulation 20.6.2.3106.F NMAC, if a discharger submits a discharge permit renewal application at least 120 days before the discharge permit expires and is in compliance with the approved permit, then the existing discharge permit will not expire until the application for renewal has been approved or disapproved. *Expired permits are a violation of the Water Quality Act (Chapter 74, Article 6, NMSA 1978) and civil penalties may be assessed accordingly.*
- 3. Permit Terms and Conditions:** Pursuant to WQCC Regulation 20.6.2.3104 NMAC, when a permit has been issued, the Navajo Refining Company must ensure that all discharges shall be consistent with the terms and conditions of the permit. In addition, all facilities shall abide by the applicable rules and regulations administered by the OCD pursuant to the Oil and Gas Act, NMSA 1978, Sections 70-2-1 through 70-2-38. All injection operations related to oil and natural gas production in New Mexico are regulated under the provisions of the Oil and Gas Act, NMSA 1978, Sections 70-2-1 *et seq.* and the Water Quality Act, NMSA 1978, Sections 74-6-1 *et seq.* These Acts delegate authority for enforcement of their provisions relating to oil and natural gas drilling, production, processing, and transportation to the Oil Conservation Division (OCD) of the New Mexico Energy, Minerals and Natural Resources Department, and to the Oil Conservation Commission (OCC) and the Water Quality Control Commission (WQCC). To carry out its authority, the OCC has promulgated rules (19 NMAC) and numerous orders. Navajo Refining Company shall comply with WQCC Regulations 20.6.2 *et seq.* NMAC relating to Class I Waste Disposal Wells.
- 4. Navajo Refining Company Commitments:** The Navajo Refining Company shall abide by all commitments submitted in its June 28, 2006 Application for Permit to Drill, Re-enter, Deepen, Plug back or Add a Zone API No. 30-015-26575" including subsequent attachments and amendments; letters and conditions herein for approval. Permit applications that reference previously approved plans on file with the division shall

be incorporated in this permit and the Navajo Refining Company shall abide by all previous commitments of such plans and these conditions for approval.

5. Modifications: WQCC Regulation 20.6.2.3107.C, 20.6.2.3109 and 20.6.2.5101.I NMAC addresses possible future modifications of a permit. The Navajo Refining Company (discharger) shall notify the OCD of any facility expansion, production increase or process modification that would result in any significant modification in the discharge of water contaminants. The Division Director may require a permit modification if any water quality standard specified at 20.6.2.3103 NMAC is or will be exceeded, or if a toxic pollutants as defined in WQCC Regulation 20.6.2.7 NMAC is present in ground water at any place of withdrawal for present or reasonably foreseeable future use, or that the Water Quality Standards for Interstate and Intrastate streams as specified in 20.6.4 NMAC are being or may be violated in surface water in New Mexico.

6. Waste Disposal and Storage: Navajo Refining Company shall dispose of all other non-injected wastes at an OCD-approved facility. Only oil field RCRA-exempt wastes may be disposed of by injection in a Class I well. RCRA non-hazardous, exempt and non-exempt oil field wastes may be disposed of at an OCD-approved facility upon proper waste determination pursuant to 40 CFR Part 261. Any waste stream that is not listed in the discharge permit application must be approved by the OCD on a case-by-case basis.

A. OCD Rule 712 Waste: Pursuant to OCD Rule 712 (19.15.9.712 NMAC) disposal of certain non-domestic waste without notification to the OCD is allowed at NMED permitted solid waste facilities if the waste stream has been identified in the discharge permit and existing process knowledge of the waste stream does not change.

B. Waste Storage: The Navajo Refining Company shall store all waste in an impermeable bermed area, except waste generated during emergency response operations for up to 72 hours. All waste storage areas shall be identified in the discharge permit application. Any waste storage area not identified in the permit shall be approved on a case-by-case basis only. The Navajo Refining Company shall not store oil field waste on-site for more than 180 days unless approved by the OCD.

7. Drum Storage: The Navajo Refining Company must store all drums, including empty drums, containing materials other than fresh water on an impermeable pad with curbing. The Navajo Refining Company must store empty drums on their sides with the bungs in place and lined up on a horizontal plane. The Navajo Refining Company must store chemicals in other containers, such as tote tanks, sacks, or buckets on an impermeable pad with curbing.

8. Process, Maintenance and Yard Areas: The Navajo Refining Company shall either pave and curb or have some type of spill collection device incorporated into the design at all process, maintenance, and yard areas which show evidence that water contaminants from releases, leaks and spills have reached the ground surface.

9. Above Ground Tanks: The Navajo Refining Company shall ensure that all aboveground tanks have impermeable secondary containment (e.g., liners and berms), which will contain a volume of at least one-third greater than the total volume of the largest tank or all interconnected tanks. The Navajo Refining Company shall retrofit all existing tanks before discharge permit renewal. Tanks that contain fresh water or fluids that are gases at atmospheric temperature and pressure are exempt from this condition.

10. Labeling: The Navajo Refining Company shall clearly label all tanks, drums, and containers to identify their contents and other emergency notification information. The Navajo Refining Company may use a tank code numbering system, which is incorporated into their emergency response plans.

11. Below-Grade Tanks/Sumps and Pits/Ponds.

A. All below-grade tanks and sumps must be approved by the OCD prior to installation and must incorporate secondary containment with leak detection into the design. The Navajo Refining Company shall retrofit all existing systems without secondary containment and leak detection before discharge permit renewal. All existing below-grade tanks and sumps without secondary containment and leak detection must be tested annually or as specified herein. Systems that have secondary containment with leak detection shall have a monthly inspection of the leak detection system to determine if the primary containment is leaking. Small sumps or depressions in secondary containment systems used to facilitate fluid removal are exempt from these requirements if fluids are removed within 72 hours.

B. All pits and ponds, including modifications and retrofits, shall be designed by a certified registered professional engineer and approved by the OCD prior to installation. In general, all pits or ponds shall have approved hydrologic and geologic reports, location, foundation, liners, and secondary containment with leak detection, monitoring and closure plans. All pits or ponds shall be designed, constructed and operated so as to contain liquids and solids in a manner that will protect fresh water, public health, safety and the environment for the foreseeable future. The Navajo Refining Company shall retrofit all existing systems without secondary containment and leak detection before discharge permit renewal.

C. The Navajo Refining Company shall ensure that all exposed pits, including lined pits and open top tanks (8 feet in diameter or larger) shall be fenced, screened, netted, or otherwise rendered non-hazardous to wildlife, including migratory birds.

D. The Navajo Refining Company shall maintain the results of tests and inspections at the facility covered by this discharge permit and available for OCD inspection. The Navajo Refining Company shall report the discovery of any system which is found to be leaking or has lost integrity to the OCD within 15 days. The Navajo Refining Company may propose various methods for testing such as pressure testing to 3 pounds per square inch greater than normal operating pressure and/or visual inspection of cleaned tanks and/or sumps, or other OCD-approved methods. The Navajo Refining Company shall notify the OCD at least 72 hours prior to all testing.

12. Underground Process/Wastewater Lines:

A. The Navajo Refining Company shall test all underground process/wastewater pipelines at least once every five (5) years to demonstrate their mechanical integrity, except lines containing fresh water or fluids that are gases at atmospheric temperature and pressure. Pressure rated pipe shall be tested by pressuring up to one and one-half times the normal operating pressure, if possible, or for atmospheric drain systems, to 3 pounds per square inch greater than normal operating pressure, and pressure held for a minimum of 30 minutes with no more than a 1% loss/gain in pressure. The Navajo Refining Company may use other methods for testing if approved by the OCD.

B. Navajo Refining Company shall maintain underground process and wastewater pipeline schematic diagrams or plans showing all drains, vents, risers, valves, underground piping, pipe type, rating, size, and approximate location. All new underground piping must be approved by the OCD prior to installation. The Navajo Refining Company shall report any leaks or loss of integrity to the OCD within 15 days of discovery.

Navajo Refining Company shall maintain the results of all tests at the facility covered by this discharge permit and they shall be available for OCD inspection. The Navajo Refining Company shall notify the OCD at least 72 hours prior to all testing.

13. Class V Wells: The Navajo Refining Company shall close all Class V wells (e.g., septic systems, leach fields, dry wells, etc.) that inject non-hazardous industrial wastes or a mixture of industrial wastes and domestic wastes unless it can be demonstrated that ground water will not be impacted in the reasonably foreseeable future. Leach fields and other wastewater disposal systems at OCD-regulated facilities that inject non-hazardous fluid into or above an underground source of drinking water are considered Class V Waste Disposal Wells under the EPA UIC program. Class V wells that inject domestic waste only, must be permitted by the New Mexico Environment Department (NMED).

14. Housekeeping: The Navajo Refining Company shall inspect all systems designed for spill collection/prevention and leak detection at least monthly to ensure proper operation and to prevent over topping or system failure. All spill collection and/or secondary containment devices shall be emptied of fluids within 72 hours of discovery. The Navajo Refining Company shall maintain all records at the facility and available for OCD inspection.

15. Spill Reporting: The Navajo Refining Company shall report all unauthorized discharges, spills, leaks and releases and conduct corrective action pursuant to WQCC Regulation 20.5.12.1203 NMAC and OCD Rule 116 (19.15.3.116 NMAC). The Navajo Refining Company shall notify both the OCD District Office and the Santa Fe Office within 24 hours and file a written report within 15 days.

16. OCD Inspections: The OCD may place additional requirements on the facility and modify the permit conditions based on well emergencies, OCD inspections, and/or quarterly reporting information.

17. Storm Water: The Navajo Refining Company shall implement and maintain run-on and runoff plans and controls. The Navajo Refining Company shall not discharge any water contaminant that exceeds the WQCC standards specified in 20.6.2.3101 NMAC or 20.6.4 NMAC (Water Quality Standards for Interstate and Intrastate Streams) including any oil sheen in any stormwater run-off. The Navajo Refining Company shall notify the OCD within 24 hours of discovery of any releases and shall take immediate corrective action(s) to stop the discharge.

18. Unauthorized Discharges: The Navajo Refining Company shall not allow or cause water pollution, discharge or release of any water contaminant that exceeds the WQCC standards listed in 20.6.2.3101 NMAC or 20.6.4 NMAC (Water Quality Standards for Interstate and Intrastate Streams) unless specifically listed in the permit application approved herein.

An unauthorized discharge is a violation of this permit.

19. Vadose Zone and Water Pollution: The Navajo Refining Company shall address any contamination through the discharge permit process or pursuant to WQCC 20.6.2.4000-.4116 NMAC (Prevention and Abatement of Water Pollution). The OCD may require the Navajo Refining Company to modify its permit for investigation, remediation, abatement, and monitoring requirements for any vadose zone or water pollution. Failure to perform any required investigation, remediation, abatement and submit subsequent reports will be a violation of the permit.

20. Additional Site Specific Conditions: The Navajo Refining Company shall notify the OCD within 24 hours after having knowledge of ground water pollution complaints or well problems within a 1-mile radius of WDW-3.

21. Class I Injection Well(s) Construction Conditions.

All wells, except those municipal wells injection of non-corrosive wastes, shall inject fluids through tubing with a packer set immediately above the injection zone.

A. Construction: The tubing and packer shall be designed and maintained for the duration of expected service.

B. Logs or tests required for the following situations:

a. For surface casing intended to protect underground sources of drinking water:

- i. Resistivity, spontaneous potential, and caliper logs before the casing is installed; and
- ii. A cement bond, temperature, or density log after the casing is set and cemented.

b. For intermediate and long strings of casing intended to facilitate injection:

- i. Resistivity, spontaneous potential, porosity, and gamma ray logs before the casing is installed.
- ii. Fracture finder logs; and
- iii. A cement bond, temperature, or density log after the casing is set and cemented.
- iv. At a minimum, the following information concerning the injection formation shall be determined or calculated for new Class I wells:
 1. Fluid pressure;
 2. Temperature;
 3. Fracture pressure;
 4. Other physical and chemical characteristics of the injection matrix; and
 5. Physical and chemical characteristics of the formation fluids.

22. Class I Injection Well(s) Identification, Operation, Monitoring, Bonding and Reporting.

A. Well Identification: API # 30-015-26575

B. Well Work Over Operations: OCD approval will be obtained prior to performing remedial work, pressure test or any other work. Approval will be requested on OCD Form C-103 "Sundry Notices and Reports on Wells" (OCD Rule 1103.A) with appropriate copies sent to the OCD Environmental Bureau and District Office.

- C. Injection Formation, Interval & Waste: Injected refinery exempt/non-exempt non-hazardous wastes will be injected into the Lower-Wolfcamp Formation at the interval 7650 ft to 8450 ft and 8450 ft to 8620 ft. Tubing shall be surrounded by surface casing set to a depth protective of fresh ground water (< 10,000 ppm TDS). The owner/operator shall take all steps necessary to ensure that the injected waste enters only the above specified injection interval and is not permitted to escape to other formations or onto the surface. The operator shall provide written notice of the date of commencement of injection to the Santa Fe Office of the Division.
- D. Well Injection Pressure Limits: The wellhead injection pressure on the well shall be limited to no more than 1530 psig. In addition, the injection well or system shall be equipped with a pressure limiting device in workable condition, which shall, at all times, limit surface injection pressure to the maximum allowable pressure for this well. The maximum operating surface injection and/or test pressure measured at the wellhead shall not exceed 1530 psig unless otherwise approved by the OCD. The pressure-limiting device shall monthly be demonstrated and reported quarterly to the OCD. Navajo Refining Company shall take all steps necessary to ensure that the injected water enters only the proposed injection interval and is not permitted to escape to other formations or onto the ground surface. Any pressure that causes new fractures or propagation in existing fractures or causes damage to the system shall be reported to OCD within 24 hours of discovery.

The Director of the OCD may authorize an increase in injection pressure upon demonstration by the operator of said well that such higher pressure will not result in migration of the injected fluid from the injection formation. Such demonstration shall consist of a valid step-rate test run in accordance with and acceptable to the OCD.

E. Mechanical Integrity Testing (MIT):

The owner/operator shall complete an annual casing-tubing annulus pressure test from the surface to the approved injection depth and below the depth of fresh ground water (< 10,000 ppm TDS) to assess casing and tubing integrity. The MIT shall consist of a 30-minute test at a minimum pressure from 300 to 500 psig measured at the surface. A Bradenhead test(s) shall also be performed annually along with the casing-tubing annulus test. A Bradenhead test(s) shall be performed in all annular spaces including surface casing if not cemented.

The owner/operator shall complete an annual pressure fall-off test to monitor the pressure buildup in the injection zone. The well shall be shut down for a period sufficient to conduct the test and shall be submitted to the OCD in the annual report (see Section 22K (11)).

All well testing shall be performed annually or shall also be performed whenever the tubing is pulled or the packer reseated or when the injection formation will be isolated from the casing/tubing annulus.

The operator shall notify the supervisor of the Santa Fe Office of the Division of the date, time and time of the installation of disposal equipment and of any MIT so that it may be inspected and witnessed.

1. General Requirements:

- a. If the testing requires a packer then casing-tubing annulus must be loaded with inert fluid 24 hours prior to testing.
- b. Have manpower and equipment available for pressure test. Wellhead shall be prepared for test and all valves and gauges should be in good working order.
- c. Pumps, tanks, external lines etc. must be isolated from the wellhead during test.
- d. A continuous recording pressure device with a maximum 4-hour clock shall be installed on the casing-tubing annulus. The pressure range shall not be greater than 500 psig. The operator must provide proof that the pressure-recording device has been calibrated within the past 6 months.
- e. A minimum of one pressure gauge shall be installed on the casing/tubing annulus.
- f. OCD must witness the beginning of test (putting chart on) and ending of test (removing chart). At the end of test, the operator may be required to bleed-off well pressure to demonstrate recorder and gauge response.
- g. The Operator shall supply the following information on the pressure chart that the inspector will file in the well records:
 1. Company Name, Well Name, API #, Legal Location.
 2. Test Procedure with "Pass/Fail" designation.
 3. Testing Media: Water, Gas, Oil, Etc.
 4. Date, time started and ending.
 5. Name (printed) and signature of company representative and OCD Inspector

2. Test Acceptance:

The OCD will use the following criteria in determining if a well has passed the Mechanical Integrity Test:

- a. Passes if Zero Bleed-Off during the test.
- b. Passes if Final Test Pressure is within $\pm 10\%$ of Starting Pressure, if approved by the OCD inspector.
- c. Fails if any Final Test Pressure is greater than $\pm 10\%$ of Starting Pressure. Operators must investigate for leaks and demonstrate that mechanical integrity of the well(s) by ensuring there are no leaks in the tubing, casing, or packer, and injected/produced fluids are confined within the piping and/or injection zones. Wells shall not resume operations until approved by OCD.

Note: OCD recognizes that different operations, well designs, formation characteristics and field conditions may cause variations in the above procedures. If the operator wishes to make or discuss anticipate changes, please notify the OCD for approval. All operators are responsible to notify OCD of any procedure that may cause harm to the well system or formation. Please be advised that OCD approval does not relieve any operator of liability should operations result in pollution of surface water, groundwater, or the environment.

- d. When the MIT is not witnessed by an OCD Representative and fails, the owner/operator shall notify the OCD within 24 hours after having knowledge of well MIT failure.
- F. Loss of Mechanical Integrity: The operator shall report within 24 hours of discovery any failure of the casing, tubing or packer, or movement of fluids outside of the injection zone. The operator shall cease operations until proper repairs are made and receive OCD approval to re-start injection operations. In addition, any associated fresh ground water monitor wells, which exhibit anomalous static water levels, detection of elevated general chemistry constituents, public health issues, etc. shall be immediately reported to the OCD.
- G. Injection Record Volumes and Pressures: The owner/operator shall submit quarterly reports of its disposal, operation and well workovers provided herein. The minimum, maximum, average flow waste injection volumes (including total volumes) and annular pressures of waste (oil field exempt/non-exempt non-hazardous waste) injected will be recorded monthly and submitted to the OCD Santa Fe Office on a quarterly basis.

The casing-tubing annulus shall contain fluid and be equipped with a pressure gauge or an approved leak detection device in order to determine leakage in the casing, tubing, or packer. Due to pressure fluctuations observed at Navajo's other two nearby Class I Injection Wells, WDW-3 shall be equipped with an expansion tank under constant 100 psig pressure connected to the casing-annulus and maintained under constant pressure. The expansion tank shall initially be filled half-full (250 gallon expansion tank) with an approved fluid to establish an equilibrium volume and fluid level. Weekly monitoring of fluid levels in the expansion tank coupled with documented additions/removals of fluids into or out of the expansion tank is required to maintain the equilibrium volume. Any loss or gain of fluids in the expansion tank shall be recorded, and if significant, reported to the OCD within 24 hours of discovery. The owner/operator shall provide the following information on a quarterly basis: weekly expansion tank volume readings shall be provided in a table in the cover letter of each quarterly report. Navajo shall monitor, record and note any fluid volume additions or removals from the expansion tank on a quarterly basis. In addition, any well activity (i.e., plugging, changing injection intervals, etc.) shall be conducted in accordance with all applicable New Mexico Oil Conservation Division regulations.

- H. Analysis of Injected Waste: Provide an analytical data or test results summary of the injection waste water with each annual report. The analytical testing shall be conducted on a quarterly basis with any exceedence reported to the OCD within 24 hours after having knowledge of an exceedence(s). Records shall be maintained at Navajo for the life of the well. The required analytical test methods are:
 - a. Aromatic and halogenated volatile hydrocarbon scan by EPA Method 8260C GC/MS. Semi-volatile Organics GC/MS EPA Method 8270B including 1 and 2-methylnaphthalene.
 - b. General water chemistry (Method 40 CFR 136.3) to include calcium, potassium, magnesium, sodium, bicarbonate, carbonate, chloride, sulfate, total dissolved solids (TDS), pH, and conductivity.

- c. Heavy metals using the ICP scan (EPA Method 6010) and Arsenic and Mercury using atomic absorption (EPA Methods 7060 and 7470).
- d. EPA RCRA Characteristics for Ignitability, Corrosivity and Reactivity (40 CFR part 261 Subpart C Sections 261.21 – 261.23, July 1, 1992).

I. Area of Review (AOR): The operator shall report within 24 hours of discovery of any new wells, conduits, or any other device that penetrates or may penetrate the injection zone within a 1-mile radius from the Class I Well. Documentation of new wells shall be added to the existing AOR information in the well file within 30 days of the discovery.

J. Bonding or Financial Assurance: The operator shall maintain at a minimum, a one well plugging bond in the amount of \$95,000 or the actual amount required to plug/abandon the well pursuant to OCD and WQCC rules and regulations. If warranted, OCD may require additional financial assurance to ensure adequate funding to plug and abandon the well or for any corrective actions.

K. Annual Report: All operators shall submit an annual report due on January 31 of each year. The report shall include the following information:

1. Cover sheet marked as "Annual Class I Well Report, name of operator, permit #, API# of well(s), date of report, and person submitting report.
2. Brief summary of Class I Well(s) operations including description and reason for any remedial or major work on the well with a copy of OCD Form C-103.
3. Production volumes as required above in 22.G. including a running total should be carried over to each year. The maximum and average injection pressure.
4. A copy of the chemical analysis as required above in 22.H.
5. A copy of any mechanical integrity test chart, including the type of test, i.e. duration, gauge pressure, etc.
6. Brief explanation describing deviations from normal production methods.
7. A copy of any expansion tank monitoring pressure, fluid removals/additions, well problems, drinking water impacts, leaks and spills reports.
8. If applicable, results of any groundwater monitoring.
9. An Area of Review (AOR) update summary.
10. Sign-off requirements pursuant to WQCC Subsection G 20.6.2.5101.
11. A summary with interpretation of MITs, Fall-Off Tests, etc., with conclusion(s) and recommendation(s).
12. Annual facility training.

23. **Transfer of Discharge Permit**: Pursuant to WQCC 20.6.2.5101.H the Navajo Refining Company and any new owner/operator shall provide written notice of any transfer of the permit in accordance with WQCC 20.6.2.3104 (Discharge Permit Required), 20.6.2.3111 (Transfer of Discharge Permit), 20.6.2.5101 (Discharge Permit and Other Requirements for Class I Non-Hazardous Waste Waste Disposal Wells, and Class III Wells). Both parties shall sign the notice 30 days prior to any transfer of ownership, control or possession of a Class I Well with an approved discharge permit. In addition, the purchaser shall include a written commitment to comply with the terms and conditions of the previously approved discharge permit. OCD will not transfer Class I Well operations until: correspondence between the transferor and transferee is submitted along with a signed

certification of acceptance by the transferee, and proper bonding or financial assurance is in place and approved by the division. OCD reserves the right to require a major modification of the permit during the transfer process.

24. Training: All personnel associated with operations at the Navajo Class I disposal well shall have appropriate training in accepting, processing, and disposing of Class I non exempt non-hazardous refinery waste to insure proper disposal. Provide training documentation in annual report under Section 22K(12).

25. Closure: The Navajo Refining Company shall notify the OCD when operations of the facility are to be discontinued for a period in excess of six months. Prior to closure of the facility, the operator shall submit for OCD approval, a closure plan including a completed C-103 form for plugging and abandonment of the well(s). Closure and waste disposal shall be in accordance with the statutes, rules and regulations in effect at the time of closure.

26. Certification: Navajo Refining Company, by the officer whose signature appears below, accepts this permit and agrees to comply with all submitted commitments, including these terms and conditions contained here. **Navajo Refining Company** further acknowledges that the OCD may, for good cause shown, as necessary to protect fresh water, public health, safety, and the environment, change the conditions and requirements of this permit administratively.

Conditions accepted by: "I certify under penalty of law that I have personally examined and am familiar with the information submitted in this document and all attachments and that, based on my inquiry of those individuals immediately responsible for obtaining the information, I believe that the information is true, accurate, and complete. I am aware that there are significant penalties for submitting false information including the possibility of fine and imprisonment."

Navajo Refining Company- print name above

JAMES RESINGER
Company Representative- print name

[Signature]
Company Representative- signature

Title VP - NAVAJO REFINERY

Date: 9/18/07



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

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Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

August 23, 2007

Mr. Ed Rios
Refinery Manager
Western Refining (Giant Refining Company) Ciniza Refinery
Interstate I-40, Exit 39
Jamestown, New Mexico 87347

**RE: DISCHARGE PERMIT (GW-032)
GIANT REFINING COMPANY- CINIZA REFINERY**

Dear Mr. Rios:

Pursuant to Water Quality Control Commission (WQCC) Regulations (20.6.2.3000 - 20.6.2.3114 NMAC), the Oil Conservation Division (OCD) hereby approves the discharge permit for the Western Refining (**Giant Refining Company**), **Ciniza Refinery** (GW-032) located in Section 28, Township 15 North, Range 15 West, NMPM, McKinley County, New Mexico, under the conditions specified in the enclosed **Attachment To The Discharge Permit**. 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 30 calendar days of receipt of this letter including permit fees.**

Please be advised that approval of this permit does not relieve the owner/operator of responsibility if operations result in pollution of surface water, ground water or the environment. Nor does approval of the permit relieve the owner/operator of its responsibility to comply with any other applicable governmental authority's rules and regulations.

If you have any questions, please contact Carl Chavez of my staff at (505-476-3491) or E-mail: carlj.chavez@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 permit review.

Sincerely,

Wayne Price

Environmental Bureau Chief

LWP/cc

Attachments-1

xc: OCD District Office

**ATTACHMENT TO THE DISCHARGE PERMIT
GIANT REFINING COMPANY- CINIZA REFINERY (GW-032)
DISCHARGE PERMIT APPROVAL CONDITIONS**

August 23, 2007

Please remit a check for \$8,400.00 made payable to Water Quality Management Fund:

**Water Quality Management Fund
C/o: Oil Conservation Division
1220 S. Saint Francis Drive
Santa Fe, New Mexico 87505**

- 1. Payment of Discharge Plan Fees:** All discharge permits are subject to WQCC Regulations. Every billable facility that submits a discharge permit application will be assessed a filing fee of \$100.00, plus a renewal flat fee (*see* WQCC Regulation 20.6.2.3114 NMAC). The Oil Conservation Division ("OCD") has received the required \$100.00 filing fee. However, the owner/operator still owes the required \$8,400.00 renewal permit fee for a refinery.
- 2. Permit Expiration, Renewal Conditions and Penalties:** Pursuant to WQCC Regulations (20.6.2.3109.H.4 NMAC), this permit is valid for a period of five years. **The permit will expire on August 1, 2011** and an application for renewal shall be submitted no later than 120 days before that expiration date. Pursuant to WQCC Regulation 20.6.2.3106.F NMAC, if a discharger submits a discharge permit renewal application at least 120 days before the discharge permit expires and is in compliance with the approved permit, then the existing discharge permit will not expire until the application for renewal has been approved or disapproved. *Expired permits are a violation of the Water Quality Act {Chapter 74, Article 6, and NMSA 1978} and civil penalties may be assessed accordingly.*
- 3. Permit Terms and Conditions:** Pursuant to WQCC Regulation 20.6.2.3104 NMAC, when a permit has been issued, the owner/operator must ensure that all discharges shall be consistent with the terms and conditions of the permit. In addition, all facilities shall abide by the applicable rules and regulations administered by the OCD pursuant to the Oil and Gas Act, Sections 70-2-1 through 70-2-38 NMSA 1978.
- 4. Owner/Operator Commitments:** The owner/operator shall abide by all commitments submitted in its January 20, 2007, discharge plan renewal application, including attachments and subsequent amendments and these conditions for approval. Permit applications that reference previously approved plans on file with the division shall be incorporated in this permit and the owner/operator shall abide by all previous commitments of such plans and these conditions for approval.
- 5. Modifications:** WQCC Regulations 20.6.2.3107.C and 20.6.2.3109 NMAC addresses possible future modifications of a permit. The owner/operator shall notify the OCD of any facility expansion, production increase or process modification that would result in any

significant modification in the discharge, or potential of discharge, of water contaminants. The Division Director may require a permit modification if any water quality standard specified at 20.6.2.3103 NMAC is being or will be exceeded, or if a toxic pollutant as defined in WQCC Regulation 20.6.2.7 NMAC is present in ground water at any place of withdrawal for present or reasonably foreseeable future use, or that the Water Quality Standards for Interstate and Intrastate streams as specified in 20.6.4 NMAC are being or may be violated in surface water in New Mexico.

6. Waste Disposal and Storage: The owner/operator shall dispose of all oil field exempt and non-exempt non-hazardous wastes at an OCD-approved facility. RCRA non-hazardous, exempt or non-exempt oil field wastes regulated by the OCD may be disposed of at an OCD-approved facility upon proper waste determination pursuant to 40 CFR Part 261. Any waste stream that is not listed in the discharge permit application must be approved by the OCD on a case-by-case basis.

A. OCD Rule 712 Waste: Pursuant to OCD Rule 712 (19.15.9.712 NMAC) disposal of certain non-domestic waste without notification to the OCD is allowed at NMED permitted solid waste facilities if the waste stream has been identified in the discharge permit and existing process knowledge of the waste stream does not change.

B. Waste Storage: The owner/operator shall store all waste in an impermeable bermed area, except waste generated during emergency response operations for up to 72 hours. All waste storage areas shall be identified in the discharge permit application. Any waste storage area not identified in the permit shall be approved on a case-by-case basis only. The owner/operator shall not store oil field waste on-site for more than 180 days unless approved by the OCD.

7. Drum Storage: The owner/operator shall store all drums, including empty drums, containing materials other than fresh water on an impermeable pad with curbing. The owner/operator shall store empty drums on their sides with the bungs in place and lined up on a horizontal plane. The owner/operator must store chemicals in other containers, such as tote tanks, sacks, or buckets on an impermeable pad with curbing.

8. Process, Maintenance and Yard Areas: The owner/operator shall either pave and curb or have some type of spill collection device incorporated into the design at all process, maintenance, and yard areas that show evidence that water contaminants from releases, leaks and spills have reached the ground surface.

9. Above Ground Tanks: The owner/operator shall ensure that all aboveground tanks have impermeable secondary containment (e.g., liners and berms), which will contain a volume of at least one-third greater than the total volume of the largest tank, and if interconnected tanks are present, the total volume of all interconnected tanks. The owner/operator shall retrofit all existing secondary containment(s) before this discharge plan permit expires. The owner/operator may propose an alternate plan or schedule to accomplish the above to the Division for approval by October 17, 2007. Tanks that contain fresh water or fluids that are gases at atmospheric temperature and pressure are exempt from this condition.

10. Labeling: The owner/operator shall clearly label all tanks, drums, and containers to identify their contents and other emergency notification information. The owner/operator may use a tank code numbering system, which is incorporated into their emergency response plans.

11. Below-Grade Tanks/Sumps and Lagoons/Pits/Ponds.

A. All below-grade tanks and sumps must be approved by the OCD prior to installation and must incorporate secondary containment with leak detection into design. The owner/operator shall retrofit all existing systems without secondary containment and leak detection before discharge permit renewal or by August 1, 2011. All existing below-grade tanks and sumps without secondary containment and leak detection must be tested annually or as specified herein. Systems that have secondary containment with leak detection shall have a monthly inspection of the leak detection system to determine if the primary containment is leaking. Small sumps or depressions in secondary containment systems used to facilitate fluid removal are exempt from these requirements if fluids are removed within 72 hours.

B. Aeration lagoons shall be designed, constructed and operated so as to contain liquids and solids in a manner that will protect fresh water, public health, safety and the environment for the foreseeable future.

C. All pits and ponds, including modifications and retrofits, shall be designed by a certified registered professional engineer and approved by the OCD prior to installation. In general, all pits or ponds shall have approved hydrologic and geologic reports, location, foundation, liners, and secondary containment with leak detection, monitoring and closure plans. All pits or ponds shall be designed, constructed and operated so as to contain liquids and solids in a manner that will protect fresh water, public health, safety and the environment for the foreseeable future.

D. The owner/operator shall ensure that all exposed pits, including lined pits and open top tanks (8 feet in diameter or larger) shall be fenced, screened, netted, or otherwise rendered non-hazardous to wildlife, including migratory birds. Where netting is not feasible, routine witnessing and/or discovery of dead wildlife and migratory birds shall be reported to the appropriate wildlife agency with notification to the OCD in order to assess and enact measures to prevent the above from reoccurring.

E The owner/operator shall maintain the results of tests and inspections at the facility covered by this discharge permit and available for OCD inspection upon request. The owner/operator shall report the discovery of any system which is found to be leaking or has lost integrity to the OCD within 15 working days. The owner/operator may propose various methods for testing such as pressure testing to 3 pounds per square inch greater than normal operating pressure and/or visual inspection of cleaned tanks and/or sumps, or other OCD-approved methods. The owner/operator shall notify the OCD at least 72 hours prior to all testing.

12. Underground Process/Wastewater Lines:

A. The owner/operator shall test all underground process/wastewater pipelines at least once every five (5) years to demonstrate their mechanical integrity, except lines containing fresh water or fluids that are gases at atmospheric temperature and pressure. Pressure rated pipe shall be tested by pressuring up to one and one-half times the normal operating pressure, if possible, or for atmospheric drain systems, to 3 pounds per square inch greater than normal operating pressure, and pressure held for a minimum of 30 minutes with no more than a 1% loss/gain in pressure. The owner/operator may use other methods for testing if approved by the OCD. The owner/operator shall report any leaks or loss of integrity to the OCD within 15 calendar days of discovery. The owner/operator shall maintain the results of all tests at the facility covered by this discharge permit and they shall be available for OCD inspection upon request. The owner/operator shall notify the OCD at least 72 hours prior to all testing.

B. The owner/operator shall maintain underground process and wastewater pipeline schematic diagrams or plans showing all drains, vents, risers, valves, underground piping, pipe type, rating, size, and approximate location. All new underground piping must be approved by the OCD prior to installation.

13. Class V Wells: The owner/operator shall close all Class V wells (*e.g.*, septic systems, leach fields, dry wells, etc.) that inject non-hazardous industrial wastes or a mixture of industrial wastes and domestic wastes unless it can be demonstrated that ground water will not be impacted in the reasonably foreseeable future. Leach fields and other wastewater disposal systems at OCD-regulated facilities that inject non-hazardous fluid into or above an underground source of drinking water are considered Class V injection wells under the EPA UIC program. Class V wells that inject domestic waste only, must be permitted by the New Mexico Environment Department (NMED).

14. Housekeeping: The owner/operator shall inspect all systems designed for spill collection/prevention and leak detection at least monthly to ensure proper operation and to prevent over topping or system failure. All spill collection and/or secondary containment devices shall be emptied of fluids within 72 hours of discovery. The owner/operator shall maintain all records at the facility and available for OCD inspection.

15. Spill Reporting: The owner/operator shall report all unauthorized discharges, spills, leaks and releases and conduct corrective action pursuant to WQCC Regulation 20.5.12.1203 NMAC and OCD Rule 116 (19.15.3.116 NMAC). The owner/operator shall notify both the OCD District Office and the Santa Fe Office within 24 hours and file a written report within 15 working days.

16. OCD Inspections: The OCD may place additional requirements on the facility and modify the permit conditions as needed based on OCD inspections. Subsequent to C-141 releases to the treatment system, the following monitoring is required until further notice:

Giant Ciniza Refinery Sampling Schedule Resulting from historical New API Separator Spills

Sampling Location	Sampling Frequency	Analytical Suite	Comments and Additional Parameters
Effluent from AL-2 to EP-1	Quarterly ²	EPA Methods: 8260, 8015B (include C ₆ -C ₁₀ and C ₁₀ -C ₃₆ carbon ranges), 6010 WQCC Metals (totals)	Sampling frequency will be modified as needed.
Effluent from Old API separator (storm water separator effluent) ¹	Monthly flow rate measurements to New API Separator only	Collect monthly flow rate readings from the Old API to the New API Separator.	If effluent is re-routed to any other location than the New API Separator, NMED/OCD must be contacted to determine whether additional sampling and analysis is required.
<p>*Note: ¹ This requirement will end when the Old API Separator is decommissioned. ² Sampling may be conducted in coordination with the Item 19 Table below.</p> <p>Quarterly sampling must begin in June. All data must be submitted to NMED/OCD on a quarterly basis no later than 30 days after receipt of the final laboratory report.</p>			

Additional Site Specific Conditions:

A. Old API Separator (OAPIS): In accordance with Item 17 (Storm Water) below, an engineering design to decommission and replace the OAPIS storm water drainage system shall be submitted with a more efficient treatment system by December 31, 2007. This unit is located proximal to and below a flare stack and presents a fire hazard.

B. Leaky New API Separator (NAPIS): This leaky unit shall be repaired by December 31, 2007 so as to contain liquid waste in a manner that will protect fresh water, public health, safety and the environment for the foreseeable future. This treatment system shall have secondary containment with leak detection.

C. Treatment System Study and Design: A activated sludge wastewater treatment study and design shall be completed by December 31, 2007 to determine the maximum and operational waste loading capacity and efficiency of the treatment system under variable flow rate conditions. The study shall evaluate the economics of an activated sludge treatment system. Flow meters shall be permanently installed at all locations necessary to record flow rates through the treatment system along with BOD, COD and Phenol monitoring of influent into aeration lagoons (ALS) 1 and 2 and EP-1.

Treatment System Monitoring:

1. Flow meters at all influent lines into the treatment system shall be monitored weekly or as often as needed to determine the maximum wastewater treatment capacity based on pollutant loading under variable flow rate conditions.
2. Grab samples for BOD (Method 405.1), COD (Method 410.1) and Phenol (Method 8270) shall be collected at a minimum monthly or more frequently for the first 6 months and quarterly or more frequently thereafter of influent into Aeration Lagoons 1 and 2 and EP-1. Grab samples for VOC, BOD, COD,

Chlorides (300.1), DRO, GRO, MTBE, pH and Phenol shall be monitored monthly at Evaporation Pond 1 for 12 months or by December 31, 2008 and quarterly thereafter to assess chemicals of concern.

D. Aeration Lagoons: Air blower(s) failure in the lagoons lasting longer than 24 hours shall be reported to the OCD. An engineering design and construction plan with a schedule for implementation for replacement of the existing aeration lagoons (AL) 1 and 2 at a minimum shall be submitted to investigate, decommission, and replace ALs 1 and 2 of the treatment system with a more efficient containment system by June 6, 2008. The engineering design and construction at AL2 or immediately upstream from EP 1 shall include an oil trap to prevent oil flow into EP1 and the rest of the treatment pond network. An alternative to the above may be considered by the Division if submitted by this date.

E. Evaporation Ponds: An engineering design and construction plan with a schedule for implementation for a single lined evaporation pond (EP-1) with leak detection system at a minimum or alternative plan through testing to show the new treatment design eliminates the need for a liner shall be submitted to investigate, decommission, and replace the existing EP-1 evaporation pond with a more efficient containment system by June 6, 2008. EPs shall meet the no-liner requirements of RCRA § 264.221(b).

F. Temporary Landfarms: A closure plan for any temporary landfarm(s) or land treatment area(s) shall be submitted to the OCD by December 31, 2007.

17. Storm Water: The owner/operator shall implement and maintain run-on and run-off plans and controls. The owner/operator shall separate or isolate contact (refinery process) from non-contact (storm water) drainage and/or effluent lines and areas at the plant. The owner/operator shall not discharge any water contaminant that exceeds the WQCC standards specified in 20.6.2.3101 NMAC or 20.6.4 NMAC (Water Quality Standards for Interstate and Intrastate Streams) including any oil sheen in any stormwater run-off. The owner/operator shall notify the OCD within 24 hours of discovery of any contaminated storm water releases and shall take immediate corrective action(s) to remediate and prevent the discharge from migrating off-property.

18. Unauthorized Discharges: The owner/operator shall not allow or cause water pollution, discharge or release of any water contaminant that exceeds the WQCC standards listed in 20.6.2.3101 NMAC and 20.6.4 NMAC (Water Quality Standards for Interstate and Intrastate Streams) unless specifically listed in the permit application and approved herein. **Any unauthorized discharge is a violation of this permit.**

19. Surface Water / Ground Water / Vadose Zone Monitoring/ Remediation/ Abatement:

The owner/operator shall address any contamination through the discharge permit process or pursuant to WQCC 20.6.2.4000 - 4116 NMAC (Prevention and Abatement of Water Pollution). The OCD may require the owner/operator to modify its permit for investigation, remediation, abatement, and monitoring requirements for any vadose zone or water pollution. Failure to perform any required investigation, remediation, abatement and submit subsequent reports shall be a violation of the permit.

The owner/operator shall sample, analyze and report water contamination to the OCD and NMED-Hazardous Waste Bureau in accordance with the Resource Conservation and Recovery Act (RCRA) and Environmental Protection Agency sampling and analytical test. Permanent and/or temporary monitoring changes must be approved in writing by the OCD.

Location	Frequency	Measurement ⁴ / Analysis
BW-1-A ³	Annual	General chemistry / VOC / SVOC / MTBE / WQCC Metals
BW-1-B ³	Annual	General chemistry / VOC / SVOC / MTBE / WQCC Metals
BW-1-C ³	Annual	General chemistry / VOC / SVOC / MTBE / WQCC Metals
BW-2-A ³	Annual	General chemistry / VOC / SVOC / MTBE / WQCC Metals
BW-2-B ³	Annual	General chemistry / VOC / SVOC / MTBE / WQCC Metals
BW-2-C ³	Annual	General chemistry / VOC / SVOC / MTBE / WQCC Metals
BW-3-A ³	Annual	General chemistry / VOC / SVOC / MTBE / WQCC Metals
BW-3-B ³	Annual	General chemistry / VOC / SVOC / MTBE / WQCC Metals
BW-3-C ³	Annual	General chemistry / VOC / SVOC / MTBE / WQCC Metals
GWM-1 ¹	Quarterly Annual	Q: Water level measurement A: General chemistry / VOC / SVOC / MTBE / WQCC Metals
GWM-2 ^{1,9}	Quarterly	Check for water (indication of aeration basin leakage)
GWM-3 ^{1,9}	Quarterly	Check for water (indication of aeration basin leakage)
MW-1	Annual	General chemistry / RCRA list constituents ⁵
MW-4	Annual	General chemistry / RCRA list constituents ⁵ Modified skinner list metals & organics
MW-5	Annual	General chemistry / RCRA list constituents ⁵ Modified skinner list metals & organics
NAPIS-1 ⁹	Quarterly	Check for water (indication of NAPIS leakage)
NAPIS-2 ⁹	Quarterly	Check for water (indication of NAPIS leakage)
NAPIS-3D ⁹	Quarterly	Check for water (indication of NAPIS leakage)
OW-1	Quarterly	Visual check for artesian flow conditions
OW-10	Quarterly	Level measurement of the Sonsela Aquifer water table
OW-11	Annual	General chemistry / VOC / MTBE / SVOC / WQCC Metals
OW-12	Annual	VOC / MTBE
OW-13 ²	Annual	VOC / MTBE

Location	Frequency	Measurement ⁴ / Analysis
OW-14	Semi Annual	VOC / MTBE
OW-13 ²	Annual	VOC / MTBE
OW-14	Semi Annual	VOC / MTBE
OW-29	Annual	VOC / MTBE
OW-30	Annual	VOC / MTBE
PW-2	2008, then every 3 ~ thereafter	VOC / SVOC / WQCC Metals / Cyanide / Nitrates
PW-3	Every 3 years starting with 2008	VOC / SVOC / WQCC Metals / Cyanide / Nitrates
PW-4	Every 3 years starting with 2007	VOC / SVOC / WQCC Metals / Cyanide / Nitrates
RW-1	Annual	Measurement of product layer thickness, if present
RW-2	Annual	Measurement of product layer thickness, if present
RW-5	Annual	Measurement of product layer thickness, if present
RW-6	Annual	Measurement of product layer thickness, if present
SMW-2	Annual	General Chemistry / RCRA list constituents ⁵ Modified skinner list metals & organics
SMW-4	Annual	General Chemistry / RCRA list constituents ⁵ Modified skinner list metals and organics
Effluent from Pilot Gas Station to the Aeration Lagoon	Quarterly	VOC / DRO extended / GRO / BOD / COD / WQCC Metals
Effluent from the new API separator	Quarterly	General Chemistry / VOC / SVOC including Phenol / DRO extended / GRO / WQCC Metals
Pond 1 Inlet (EP1-IN) ⁶	Semi Annual	General Chemistry / VOC / SVOC / DRO extended / GRO / Phenol / WQCC Metals
Pond 2 Inlet (EP2-IN) ⁷	Annual	VOC / MTBE / DRO extended / GRO / BOD / COD / TDS
Boiler Water inlet to EP-2	Semi Annual	General Chemistry
Evaporation Ponds 1 through 8 ^{10, 11}	Quarterly (first year & annually thereafter)	General Chemistry / VOC / WQCC Metals / BOD / COD / E. coli Bacteria
NE OCD Landfarm ⁸	--	See Item 21 "Refinery Landfarm(s)" below.

- 1 Wells installed down gradient from the aeration basins.
- 2 When OW-14 is cleaned up, the monitoring at OW-13 shall be discontinued.
- 3 These are the wells installed at the northwest corner boundary of the refinery. BW-1 -A, BW-1-B, and BW-3-A were dry at the time of drilling.
- 4 Water table depth shall be measured at each well annually.
- 5 Frequency of sampling shall be per RCRA post closure schedule.
- 6 Sample is taken at the inlet to Pond 1 from Aeration Lagoon 2.
- 7 Sample is taken at the inlet to Pond 2 from Pond 1.
- 8 See "Refinery Landfarm(s)" sampling requirements in Item 21 below.
9. If fluid is present, record static water level and sample well, maintain record, and report to OCD and NMED within 24 hours of detection. If water is present, a sample shall be collected and analyzed for BTEX, MTBE, GRO and DRO extended, and General Chemistry.
10. Sample using the State of New Mexico approved analytical methods as required by 20.6.4.14 NMAC, as amended through February 16, 2006 (use Methods: 9221-E and 9221-F, until EPA approves 40 CFR 136 methods (Colilert, Colilert-18, m-ColiBlue24, membrane filter method)). Parameters are subject to change.
11. Sampling to be conducted in coordination with "Pond 1 Inlet" and "pond 2 Inlet" within the table above.

20. Inspection and Reporting:

Perimeter inspections of the refinery property shall be conducted on bimonthly basis and as needed. The inspections shall focus on hydrocarbon staining or any release that could result in contamination leaving the property boundary. Owner/operator shall maintain an inspection checklist and record that shall be completed and signed by the environmental employee conducting the inspection. Completed inspection sheets shall be maintained on site and made available at the request of an OCD Representative.

A. Annual Groundwater Report: An annual report will be submitted to the OCD and NMED by September 01 of each year. The annual reports shall contain:

1. A description of the monitoring and remediation activities, which occurred during the year including conclusions and recommendations.
2. Summary tables listing laboratory analytic results of all water quality sampling for each monitoring point and plots of concentration vs. time for contaminants of concern from each monitoring point. Any WQCC constituent found to exceed the groundwater standard shall be highlighted and noted in the annual report. Copies of the most recent year's laboratory analytical data sheets shall also be submitted.
3. An annual water table (piezometric) or potentiometric elevation map using the water table elevation of the ground water in all refinery monitor wells. A corrected water table elevation shall be determined for all wells containing phase-separated hydrocarbons. This map shall show well locations, pertinent site features, and the direction and magnitude of the hydraulic gradient.
4. Plots of water table elevation vs. time for each ground water monitoring point.
5. An annual product thickness map based on the thickness of free phase product on ground water in all refinery recovery wells. This map shall include isopleths or iso-concentration lines for products and contaminants of concern.
6. The volume of product recovered in the recovery wells during each quarter and the total recovered to date.
7. Electronic filing: Owner/operator may file this report in an acceptable electronic format; however, in addition, a hard copy must be submitted to the OCD and NMED.

B. Additional Requirements:

1. Owner/operator shall notify the OCD Santa Fe and the local district offices at least 2 weeks in advance of all scheduled activities such that the OCD has the opportunity to witness the events and split samples. For large facilities, *i.e.*, refineries, an annual notification will suffice.
2. Owner/operator shall notify the OCD within 15 days of the discovery of separated-phase hydrocarbons or the exceedance of WQCC Standards in any down gradient monitor well where separate-phase hydrocarbons were not present or where contaminant concentrations did not exceed WQCC standards during the preceding monitoring event.

21. Refinery Landfarm(s):

A. Land Treatment: The owner/operator shall replace the former discharge plan Item 17: "Refinery Land Farms" provision with this Item "Refinery Landfarms" of this discharge plan permit. The owner/operator shall submit a closure plan within 3 months of the new permit for landfarming, if it wishes not to landfarm. If the owner/operator wishes to continue landfarming, it shall implement or comply with the following permit conditions applicable to landfarming soils contaminated with predominantly petroleum hydrocarbons generated on-site.

B. Waste Acceptance:

(1) Only refinery RCRA non-hazardous waste or exempt soils predominantly contaminated by petroleum hydrocarbons that are capable of being remediated shall be placed in the landfarm.

(2) All waste placed in the landfarm(s) shall be sufficiently free of liquid content to pass the paint filter test and shall not have a chloride concentration exceeding 500 mg/kg.

(3) Records shall be maintained and made available for inspection. OCD form C-138 or equivalent form approved by the division shall be used to verify waste generated and acceptance.

C. Operation and Waste Treatment.

(1) The operator shall berm each cell to prevent run-on and run-off of rainwater.

(2) The operator shall disk all contaminated soils in eight inch or less lifts or approximately 1000 cubic yards per acre per eight-inch lift within 72 hours of receipt.

(3) The operator shall ensure that soils are disked biweekly.

(4) The operator may add fresh water, as necessary, to enhance bioremediation and to control blowing dust.

(5) The application of microbes for the purposes of enhancing bioremediation requires prior division approval.

(6) Pooling of liquids in the landfarm is prohibited. Freestanding water shall be removed within 24 hours.

(7) The operator shall maintain records of the facility's treatment activities in a form readily accessible for division inspection.

(8) Prior to adding an additional lift the treatment zone standards as shown in 21.D below shall be met and documented.

(9) The maximum thickness of treated soils in a landfarm cell shall not exceed two feet or approximately 3000 cubic yards per acre. When that thickness is reached, the operator shall not place additional waste in the landfarm cell.

D. Treatment zone monitoring. The operator shall conduct treatment zone monitoring to ensure that prior to adding an additional lift the TPH concentration of each lift, as determined by EPA SW-846 method 8015M or EPA method 418.1 or other EPA method approved by the division, does not exceed 2500 mg/kg and that the chloride concentration, as

determined by EPA method 300.1, does not exceed 500 mg/kg. The operator shall collect and analyze at least one composite soil sample, consisting of four discrete samples, from the treatment zone at least semi-annually using the methods specified for TPH and Chlorides shown above.

E. Vadose zone monitoring.

(a) Sampling. The operator shall monitor the vadose zone beneath the treatment zone in each landfarm cell. The operator shall take the vadose zone samples from soils between three and four feet below the cell's original ground surface.

(b) Semi-annual monitoring program. The operator shall collect and analyze a minimum of four randomly selected, independent samples from the vadose zone at least semi-annually using the methods specified above for TPH, BTEX and chlorides and shall compare each result to the higher of the practical quantitation limit (PQL) or the background soil concentrations to determine whether a release has occurred.

(c) Five year monitoring program. The operator shall collect and analyze a minimum of four randomly selected, independent samples from the vadose zone, using the methods specified in Item F below for the constituents listed in Subsections A and B of 20.6.2.3103 NMAC at least every five years and shall compare each result to the higher of the PQL or the background soil concentrations to determine whether a release has occurred.

(d) Record keeping. The operator shall maintain a copy of the monitoring reports in a form readily accessible for division inspection.

(e) Release response. If vadose zone sampling results show that the concentrations of TPH, BTEX or chlorides exceed the higher of the PQL or the background soil concentrations, then the operator shall notify the division's environmental bureau of the exceedance, and shall immediately collect and analyze a minimum of four randomly selected, independent samples for TPH, BTEX, chlorides and the constituents listed in Item F5 below i.e. Subsections A and B of 20.6.2.3103 NMAC. The operator shall submit the results of the re-sampling event and a response action plan for the division's approval within 45 days of the initial notification. The response action plan shall address changes in the landfarm's operation to prevent further contamination and, if necessary, a plan for remediating existing contamination, or removal of contamination.

F. Closure Performance Standards. After the operator has filled a landfarm cell to the maximum thickness of two feet or approximately 3000 cubic yards per acre, the operator shall continue treatment until the contaminated soil has been remediated to the higher of the background concentrations or the following closure performance standards. The operator shall demonstrate compliance with the closure performance standards by collecting and analyzing a minimum of one composite soil sample, consisting of four discrete samples.

(1) Benzene, as determined by EPA SW-846 Method 8021B or 8260B, shall not exceed 0.2 mg/kg.

(2) Total BTEX, as determined by EPA SW-846 Method 8021B or 8260B, shall not exceed 50 mg/kg.

(3) The gasoline range organics (GRO) and diesel range organics (DRO) combined fraction, as determined by EPA SW-846 Method 8015M, shall not exceed 500

mg/kg. The total extractable petroleum hydrocarbon (TPH) fractions, as determined by EPA Method 418.1 or other EPA method approved by the division, shall not exceed 2,500 mg/kg.

(4) Chlorides, as determined by EPA method 300.1, shall not exceed 500 mg/kg.

(5) The concentration of constituents listed in Subsections A and B of 20.6.2.3103 NMAC shall be determined by EPA SW-846 methods 6010B or 6020 or other methods approved by the division. If the concentration of those constituents exceed the PQL or background concentration, the operator may either perform a site specific risk assessment using EPA approved methods and propose closure performance standards based upon individual site conditions that protect fresh water, public health, safety and the environment, which shall be subject to division approval or remove the soils to an approved OCD facility.

Closure Constituents			
(i)	Arsenic (As)	(xix)	1,1,2-trichloroethylene (TCE)
(ii)	Barium (Ba)	(xx)	methylene chloride
(iii)	Cadmium (Cd)	(xxi)	chloroform
(iv)	Chromium (Cr)	(xxii)	1,1-dichloroethane
(v)	Cyanide (CN)	(xxiii)	ethylene dibromide (EDB)
(vi)	Fluoride (F)	(xxiv)	1,1,1-trichloroethane
(vii)	Lead (Pb)	(xxv)	1,1,2-trichloroethane
(viii)	Total Mercury (Hg)	(xxvi)	1,1,2,2-tetrachloroethane
(ix)	Nitrate (NO ₃ as N)	(xxvii)	vinyl chloride
(x)	Selenium (Se)	(xxviii)	PAHs: total naphthalene plus monomethylnaphthalenes
(xi)	Silver (Ag)	(xxix)	benzo-a-pyrene
(xii)	Uranium (U)	(xxx)	Copper (Cu)
(xiii)	Radioactivity: Combined Radium-226 and Radium-228	(xxxi)	Iron (Fe)
(xiv)	Polychlorinated biphenyls (PCBs)	(xxxii)	Manganese (Mn)
(xv)	Carbon Tetrachloride	(xxxiii)	Phenols
(xvi)	1,2-dichloroethane (EDC)	(xxxiv)	Sulfate (SO ₄)
(xvii)	1,1-dichloroethylene (1,1-DCE)	(xxxv)	Zinc (Zn)
(xviii)	1,1,2,2-tetrachloroethylene (PCE)		

(6) Disposition of treated soils.

(a) If the operator achieves the closure performance standards specified above, then the operator may either leave the treated soils in place or, with prior division approval, dispose or reuse of the treated soils in an alternative manner.

(b) If the operator cannot achieve the closure performance standards specified in above within five years or as extended by the division, then the operator shall

remove contaminated soils from the landfarm cell and properly dispose of it at a division-permitted landfill or reuse or recycle it in a manner approved by the division.

22. Aeration Lagoons: Aeration Lagoons 1 and 2 shall comply with Item 16D (Additional Site Specific Conditions) requirements above.

23. Evaporation Ponds: Evaporation Ponds 1 and 2 shall comply with Item 16E (Additional Site Specific Conditions) requirements above. The owner/operator shall demonstrate that all wastewater or process water discharged to the evaporation ponds meets the definition of EPA RCRA Non-hazardous. A minimum freeboard of three feet shall be maintained in the ponds so that no overtopping of wastewater occurs. The owner/operator shall receive prior OCD approval for any major repairs or modifications to the ponds or leak detection systems, except under emergency conditions. Any exceedance of the freeboard or any leaks or releases shall be reported pursuant to Item 15 (Spill Reporting) above of these conditions.

A. Evaporation Pond Inspections: Evaporation Ponds shall be inspected a minimum of three times per week and after any major storm event or malfunction of the treatment system. Weekly records shall be maintained for all flow rates from all flow meters, fluid levels, freeboard, seepage, flow channels, pipes, valves, and dike integrity.

B. Evaporation Spray System(s):

1. Individual sprinklers (atomizers) in the spray system will be oriented to direct the fluid spray so that no direct spray or windblown draft will leave the confines of the pond.

2. The spray system will not be operated when wind conditions will allow spray or salt precipitates to drift outside the confines of the pond.

C. Evaporation Pond(s) Water Quality and Quantity Monitoring: Surface water shall be observed, sampled and analyzed in accordance with Item 19 (Surface Water/ Ground Water/ Vadose Zone Monitoring/ Remediation/ Abatement) above. In addition, all wastewater from the refinery or other sources entering the ponds shall be metered and records maintained and reported in an annual report to be submitted on the 1st day of September 1 of each year.

D. Temporary storage ponds: Any ponds that were previously approved shall be identified and Owner/operator shall submit a closure plan for OCD approval by September 01, 2008.

24. Wastewater from Pilot Travel Center and Truck Stop Facility: In order for OCD to allow wastewater from the Pilot Travel Center and Truck Stop Facility to continue to be disposed of at the Giant Ciniza Refinery, Owner/operator shall incorporate the following conditions and controls into the discharge plan permit:

A. The by-pass line, or any other by-pass means, whether by pipe, surface/sub-surface flow shall be disconnected, plugged and/or prevented from flowing directly into any evaporation pond before treatment by December 31, 2007. A new dual primary separation device with

secondary containment and leak detection shall be installed to catch solid debris and provide oil water separation. The OCD will consider the construction of an above ground treatment system that will address this issue by the above date.

B. A new emergency holding system with secondary containment and leak detection shall be installed to contain a minimum of 48 hours of wastewater generated from the Travel Center for emergency upsets. The OCD will consider the construction of an above ground treatment system that will address this issue by December 31, 2007.

C. All wastewater received from the Pilot Travel Center and Truck Stop shall be EPA RCRA Non-Hazardous as defined in 40 CFR part 261 and shall not contain phase separated hydrocarbons or solids.

D. Owner/operator shall design, implement and maintain a sampling and metering station on the incoming line. At a minimum, weekly flow rates from flow meters shall be recorded to assist with the treatability study and future evaluations of the treatment system. Grab samples shall be collected quarterly and analyzed for Hazardous Characteristics (TCLP) by EPA Method 1311, COD by EPA Method 410.1 and BOD by Method 405.1. All emergency up-sets or an exceedance of RCRA Standards shall be reported to OCD within 24 hours and immediate corrective actions taken.

E. A biohazard or bio-safety "expert" consultant shall be retained to develop a Biohazard operation and maintenance plan for the waste treatment facility and evaporation ponds. The plan shall describe methods and procedures to identify all possible bio-hazards, treatment, proper handling and disposal, protection for workers, visitors, public and wildlife. The comprehensive plan shall be submitted to the OCD and the New Mexico Health Department by June 30, 2008.

25. Annual Report: On an annual basis due September 01, Giant shall submit a formal report to the OCD similar to the Resource Conservation and Recovery Act (RCRA) New Mexico Environment Department- Hazardous Waste Bureau requirement(s) on the past year's activities. The report will include the following at a minimum:

- A. A summary of all major refinery activities or events.
- B. Results of all sampling and monitoring events.
- C. Summary of all waste and wastewater disposed of, sold, or treated on-site, including a refinery wastewater balance sheet including a mass balance of the evaporation pond rates.
- D. Summary of the sump and underground wastewater lines tested.
- E. Summary of all leaks, spills and releases and corrective actions taken.
- F. Summary of discovery of new groundwater contamination. This should include recommendations for investigation and remediation.
- G. Summary and Copies of all EPA/NMED RCRA activity.

26. Transfer of Discharge Permit (WQCC 20.6.2.3111 NMAC): Prior to any transfer of ownership, control, or possession (whether by lease, conveyance or otherwise) of a facility with a discharge permit, the transferor shall notify the transferee in writing of the existence of the discharge permit, and shall deliver or send by certified mail to the department a copy of such written notification, together with a certification or other proof that such notification has in fact been received by the transferee. Upon receipt of such notification, the transferee shall have the duty to inquire into all of the provisions and requirements contained in such discharge permit, and the transferee shall be charged with notice of all such provisions and requirements as they appear of record in the department's file or files concerning such discharge permit. The transferee (new owner/operator) shall sign and return an original copy of these permit conditions and provide a written commitment to comply with the terms and conditions of the previously approved discharge permit.

27. Closure Plan and Financial Assurance: Pursuant to 20.6.2.3107 NMAC an owner/operator shall notify the OCD when any operations of the facility are to be discontinued for a period in excess of six months. Prior to closure, or as a condition of this permit, or request from the OCD, the operator will submit an approved closure plan, or modify an existing plan, and/or provide adequate financial assurance.

Please submit a closure plan and financial assurance cost estimate for the unlined wastewater and/or evaporation/temporary ponds by December 31, 2007. The plan shall address how any remaining water contaminants will be monitored and abated to ensure the protection of public health and safety, fresh water, and the environment in the foreseeable future.

28. Certification: Giant Refining Company, by the officer, whose signature appears below, accepts this permit and agrees to comply with all submitted commitments, including these terms and conditions contained herein. Giant Refining Company further acknowledges that the OCD may, for good cause shown, as necessary to protect fresh water, public health, safety, and the environment, change the conditions and requirements of this permit administratively.

Conditions accepted by: "I certify under penalty of law that I have personally examined and am familiar with the information submitted in this document and all attachments and that, based on my inquiry of those individuals immediately responsible for obtaining the information, I believe that the information is true, accurate, and complete. I am aware that there are significant penalties for submitting false information including the possibility of fine and imprisonment."

Giant Refining Company
Company Name- print name above
ED RIOS
Company Representative- print name above
[Signature]
Company Representative- Signature
Title Refining Manager
Date: Sept 21, 2007

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

Form C-101
May 27, 2004

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

Submit to appropriate District Office

☐ AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

¹ Operator Name and Address NAVAJO RENING COMPANY		OGRID Number API Number 30-015-26575	
Property Code	Property Name WDW		Well No. 3
Proposed Pool 1 NAVAJO INJECTION; PERMO-PENN		Proposed Pool 2	

Surface Location

UL or lot no.	Section 1	Township 18S	Range 27E	Lot Idn	Feet from the 2250 FWL	North/South line	Feet from the 750 FSL	East/West line	County EDDY
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⁸ Proposed Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
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Additional Well Information

¹¹ Work Type Code E	¹² Well Type Code 1	¹³ Cable/Rotary R	¹⁴ Lease Type Code	¹⁵ Ground Level Elevation 3609
¹⁶ Multiple NO	¹⁷ Proposed Depth 9051'	¹⁸ Formation CANYON	¹⁹ Contractor	²⁰ Spud Date
Depth to Groundwater UNKNOWN		Distance from nearest fresh water well 1.25 MILES TO 18 28 7 330		Distance from nearest surface water 10 MILES
Pit: Liner: Synthetic <input type="checkbox"/> mils thick Clay <input type="checkbox"/> Pit Volume: bbls Drilling Method: Closed-Loop System <input type="checkbox"/> Fresh Water <input type="checkbox"/> Brine <input checked="" type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input type="checkbox"/>				

Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
17-1/2"	13 3/8"	54.50#	400'	425 - CIRC	
12-1/4"	9 5/8"	36#	2604'	1025 - CIRC	
8-3/4"	7"	26# and 29#	9450'	1350 - CIRC	

²² Describe the proposed program. If this application is to DEEPEN or PLUG BACK, give the data on the present productive zone and proposed new productive zone.

Describe the blowout prevention program, if any. Use additional sheets if necessary.

ORIGINAL WELL NAME WAS CHALK BLUFF FEDERAL COM. NO. 1

WELL WILL BE PLUGGED BACK AND COMPLETED AS A CLASS I INJECTION WELL AS FOLLOWS:

DRILL OUT BRIDGE PLUG AT 7010' AND CLEAN OUT TO 7208';

INJECTION-TEST PERFORATIONS AT 7050'-7102', 7262'-7278' TO PLAN SQUEEZE CEMENT JOB;

DRILL OUT BRIDGE PLUGS AT 7208' AND 7294'. CLEAN OUT HOLE THROUGH PERFS AT 7304'-7314';

SQUEEZE-CEMENT PERFORATIONS AT 7050'-7102', 7262'-7278', AND 7304'-7314';

DRILL OUT BRIDGE PLUG AT 7600' AND CLEAN OUT TO TOP OF LINER AT 9051';

RUN CBLVDL AND CALIPER FROM 9051' TO SURFACE;

PERFORATE 8540'-8620' AND 7660'-8450';

RUN INJECTIVITY TEST, AND ACIDIZE IF NECESSARY;

RUN INJECTION/FALLOFF TEST;

RUN DIFFERENTIAL TEMPERATURE SURVEY;

RUN RADIOACTIVE TRACER SURVEY;

INSTALL INJECTION TUBING AND PACKER TO APPROX. 7600'; AND

INSTALL WELL ANNULUS MONITORING EQUIPMENT, AND PREPARE FOR WELL INJECTION.

²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify that the drilling pit will be constructed according to NMOCD guidelines ☐, a general permit ☐, or an (attached) alternative OCD-approved plan ☐.

OIL CONSERVATION DIVISION

Approved by:

Wayne Price

Printed name:

Darrell Moore

Title:

Title: *Env. Mgr. for Water & Waste*

Approval Date:

8/11/06

Expiration Date:

8/11/07

E-mail Address: *darrell.moore@navajo-reining.com*

Date: *6/29/06*

Phone: *505-746-5281*

Conditions of Approval Attached ☒

*DISTRICT OFFICE MUST
APPROVE CASING
PROGRAM.*

District I

1625 N. French Dr., Hobbs, NM 88240

District II

1301 W. Grand Avenue, Artesia, NM 88210

District III

J Rio Brazos Rd., Aztec, NM 87410

District IV

1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico

Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe, NM 87505

Form C-102

Revised June 10, 2003

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30 - 015 -26575		² Pool Code	³ Pool Name Navajo Injection; Permo-Penn
⁴ Property Code	⁵ Property Name WDW		⁶ Well Number 3
⁷ OGRID No.	⁸ Operator Name Navajo Refining Company		⁹ Elevation 3609' GL; 3625' KB

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	1	18S	27E		790	South	2250	West	Eddy

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

¹² Dedicated Acres	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

	¹⁷ OPERATOR CERTIFICATION		
	I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.		
	Signature <i>Darrell Moore</i>		
	Printed Name <i>Darrell Moore</i>		
	Title and E-mail Address <i>Env. Mgr. for Water Waste</i>		
	Date <i>darrell@navajo-refining.com</i>		
	<i>9/17/03</i>		
	¹⁸ SURVEYOR CERTIFICATION		
	I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.		
	Date of Survey		
	Signature and Seal of Professional Surveyor:		
	Certificate Number		

REENTRY PROCEDURE

NAVAJO REFINING COMPANY'S WDW-3 (PROPOSED)

790' FSL and 2250' FWL, Section 1, T18S, R27E
Eddy County, New Mexico
Chalk Bluff Federal Com. No. 1, API No. 30-015-26575

All depths are in feet below well's original kelly bushing height (RKB) of 16 feet above ground level. The original KB elevation is 3625 feet above mean sea level. The ground level elevation is 3609 feet above mean sea level.

Tops of Geologic Formations (from RKB)

The base of the lowermost USDW is at 420 feet.

San Andres	1976 feet	Lower Wolfcamp	7303 feet
Yeso	4030 feet	Cisco	7650 feet
Abo	5380 feet	Canyon	8390 feet
Wolfcamp	6745 feet	Strawn	8894 feet

Depth of Plugs

7010 feet in 7-inch casing above perforations 7050 feet to 7102 feet
7208 feet in 7-inch casing above perforations 7262 feet to 7278 feet
7294 feet in 7-inch casing above perforations 7304 feet to 7314 feet
7600 feet in 7-inch casing above perforations 7676 feet to 7678 and
7826 feet to 7830 feet
9800 feet in 4-1/2-inch liner above perforations 9861 feet to 9967 feet

Anticipated Formation Pressure

The expected bottom-hole pressure is 3448 pounds per square inch absolute (psia) at 9000 feet, for a gradient of 0.383 pounds per square inch (psi) per foot, or an equivalent


mud weight of 7.36 pounds per gallon (ppg). The bottom-hole pressure was determined from the pressure measured in Navajo's WDW-2, or 2813 psia, at 7570 feet. Navajo's WDW-2 is completed in the same interval proposed for WDW-3 and is located in 12-T18S-R27E, 3200 feet southwest of proposed WDW-3. The average specific gravity of the fluid in the Cisco and Canyon Formations is expected to be 1.025, which is the specific gravity of the fluid swabbed from WDW-2 in June 1999 from the interval between 7826 feet and 8399 feet. The expected bottom-hole pressure at 9000 feet in proposed WDW-3 is calculated below:

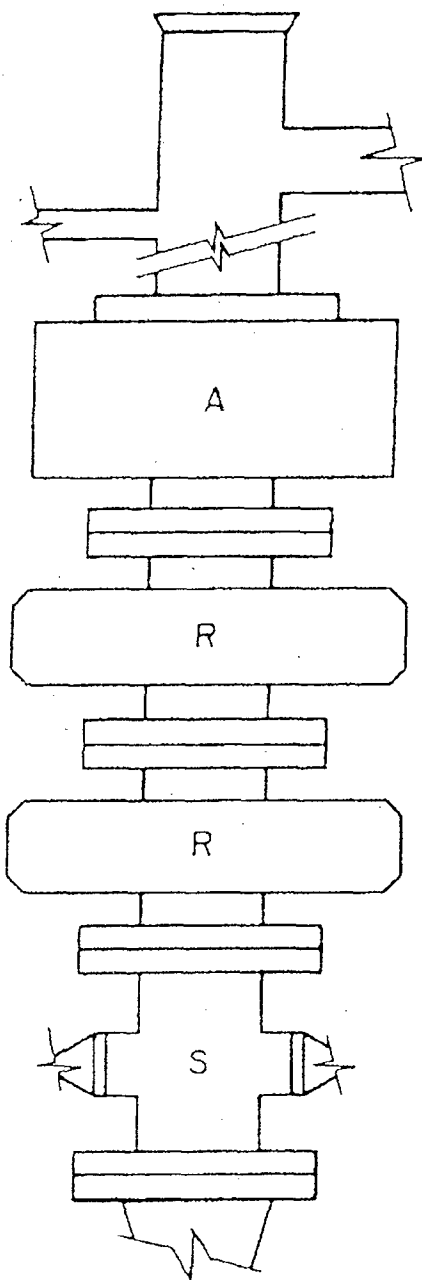
$$\begin{aligned}\text{BHP (9000 feet)} &= 2813 \text{ psia} + (9000 \text{ feet} - 7570 \text{ feet}) \times 0.433 \text{ psi/ft} \times 1.025 \\ &= 3448 \text{ psia}\end{aligned}$$

Reentry Procedure

1. Level location to accommodate a workover rig, pump, tanks, and ancillary equipment. Build a small working pit approximately 30 feet square and 3 feet deep with a plastic lining. Move in the rig, tank, shale shaker, and work string.
2. Install a 7-1/16-inch, 3000-psi double hydraulic blowout preventer (BOP) and a 7-1/16-inch, 3000-psi annular BOP (see Exhibit A for schematic). Pressure test the BOP stack and casing to 1500 psi for 30 minutes. Pick up a 6-1/8-inch bit, and sufficient 4-3/4-inch drill collars to drill out the cement plugs, on a 2-7/8-inch work string. Mix a tank of 8.5-ppg sodium chloride brine water for circulating fluid.
3. Run the bit to 7000 feet and circulate the wellbore fluid out of the casing into a frac tank for disposal. Drill out the cast iron bridge plug (CIBP), cement at 7010 feet, and clean out to the CIBP at 7208 feet. Circulate the hole clean and pump into the perforations from 7050 feet to 7102 feet to establish a rate and pressure for a pending squeeze cement job.
4. Drill out the CIBP at 7208 feet and clean out past the perforations from 7262 feet to 7278 feet and drill out the third CIBP at 7294 feet. Clean out below the perforations from 7304 feet to 7314 feet. Run a second injection test for injection rate and pressure comparison.

5. Pull the bit and run a retrievable squeeze packer on the work string. Set the packer at 7150 feet and test for communication between the perforations. Squeeze the perforations from 7262 feet to 7278 feet and 7304 feet to 7314 feet with approximately 100 sacks of neat cement (actual squeeze cement volume to be determined by the injection rate established previously), attempting to reach 1500 psi to 2000 psi squeeze pressure. Release the packer and reverse out any excess cement, then re-test the perforations to the squeeze pressure.
6. Re-set the packer at 6900 feet and squeeze the perforations from 7050 feet to 7102 feet as before.
7. Lay down the squeeze packer and drill out the cement to the CIBP at 7600 feet. Conduct a pressure test to 500 psi for 12 hours to confirm the squeeze cement will contain the annular fluid pressure required during injection operations.
8. Drill out the CIBP at 7600 feet and circulate to the top of the liner at 9051 feet. Circulate the casing clean with 8.5-ppg brine water. Pull the bit and lay down the drill collars.
9. Run a cement bond log with variable density (CBL/VDL) from the liner top to the surface, followed by a baseline multi-finger caliper log from the liner top to the surface.
10. Perforate the intervals 8540 feet to 8620 feet and 7660 feet to 8450 feet with 2 JSPF, using hollow steel carrier perforating guns.
11. Run the work string and retrievable packer to 7600 feet. Swab, or backflow, the perforated interval to recover a representative sample of the formation water for laboratory analysis. Monitor the recovered fluid for hydrogen sulfide.
12. Conduct a short injectivity test with 8.5-ppg brine water to determine the need for stimulation. If required, stimulate the perforations with acid (type and amount to be determined from injectivity results), followed by 500 barrels of 8.5-ppg brine water.

- 
13. Pull the work string and lay it down. Run a surface readout pressure gauge, with memory backup, to 7600 feet. Conduct an injection test down the casing at 420 gallons per minute for 12 hours (7200 barrels). Shut the well in and record the pressure falloff for a minimum of 12 hours.
 14. Pull the gauges and run a differential temperature survey from surface to 9100 feet. Run a radioactive tracer survey to demonstrate mechanical integrity.
 15. Run a tubing conveyed injection packer on 4-1/2-inch, 11.60 lb/ft, K-55, LT&C, 8rd injection tubing. Set the packer at approximately 7600 feet. Fill the annular space with 8.5-ppg brine water containing oxygen scavenger and corrosion inhibitor. Land the injection tubing in the wellhead and install the upper section.
 16. Pressure test the annulus as required by New Mexico regulations.
 17. Install well annulus monitoring equipment and prepare the well for injection.



A = ANNULAR BLOWOUT PREVENTER
7-1/16", 3000 psi working pressure

R = RAM TYPE BLOWOUT PREVENTER
7-1/16", 3000 psi working pressure

S = DRILLING SPOOL WITH SIDE OUTLETS
7-1/16", 3000 psi working pressure

Manual Choke Manifold 2", 3000 psi working pressure

SUBSURFACE

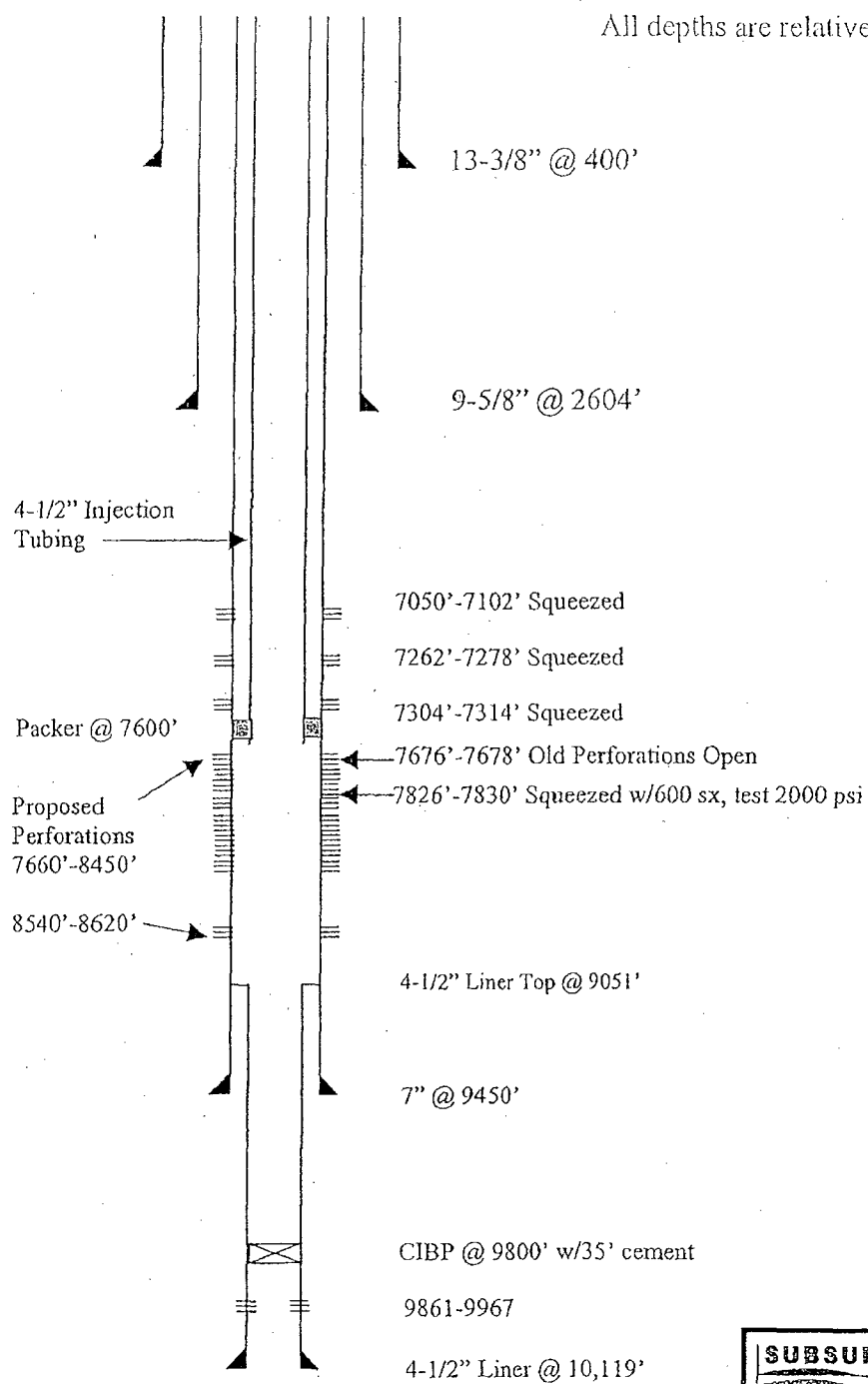
HOUSTON, TX
SOUTH BEND, IN
BATON ROUGE, LA

Exhibit A
Blowout Preventer Minimum
Requirements

DATED: 07/24/03	APPROVED BY:	JOB NO. 60d549r
DRAWN BY: JDB	CHECKED BY:	SCALE: N/A

Source: API RP 53, Recommended Practices
for Blowout Prevention Equipment Systems

All depths are relative to kelly bushing



Not to Scale

SUBSURFACE

HOUSTON, TX
SOUTH BEND, IN
BATON ROUGE, LA

Navajo Refining Company
Proposed WDW-3
orig. Chalk Bluff Federal Com 1

DATED: 07/24/03	APPROVED BY:	JOB NO. 6095497
DRAWN BY: JDB	CHECKED BY:	SCALE: N/A

SURFACE USE PLAN

NAVAJO REFINING COMPANY
PROPOSED WDW-3
790' FSL, 2250' FWL, 1-T 18S-R27E
EDDY COUNTY, NEW MEXICO

1. Existing Roads: Existing roads that lead to the proposed drillsite are shown on Exhibit A.
2. Access Roads To Be Constructed: No new access road is proposed.
3. Location of Existing Wells: Existing wells within one mile of proposed WDW-3 are shown on Exhibit B.
4. Location of Proposed Facilities If Well Is Completed: The well will be shut in after completion and testing.
5. Location and Type of Water Supply: Water for reentry, testing, and completion operations will be purchased from a commercial water hauler.
6. Source of Construction Materials: No construction materials will be required.
7. Methods of Handling Waste Disposal:
 - A. Drill cuttings will be disposed of in the drilling pits.
 - B. Drilling fluids will be allowed to evaporate in the drilling pits until the pits are dry.
 - C. Water produced during tests will be disposed of in the drilling pits.
 - D. Trash, waste paper, garbage, and junk will be buried in a trash pit and covered with a minimum of 24 inches of dirt. All waste material will be contained to prevent scattering by the wind.
 - E. All trash and debris will be buried or removed from the wellsite after finishing drilling and/or completion operations.

8. Ancillary Facilities: None anticipated.

9. Wellsite Layout:

- A. The existing well pad will be leveled to accommodate a workover rig, pump, tanks, and ancillary equipment.
- B. Existing topsoil to a depth of 6 inches will be lifted and stockpiled at the uphill end of the well pad. The stockpiled topsoil will be located uphill to avoid mixing with subsurface materials.
- C. The well pad will be surfaced with material found in place.
- D. A small working pit will be constructed to hold drilling fluids and cuttings. The approximate dimensions of the pit will be 30 feet x 30 feet x 3 feet.
- E. The working pit for drilling fluids and cuttings will be lined with .6-mil plastic.

10. Plans for Restoration of Surface:

- A. After completion of drilling and/or completion operations, all equipment and other material not needed for operations will be removed. Pits will be filled and the location cleaned of all trash and junk.
- B. Any unguarded pits containing fluids will be fenced until they are filled.
- C. After abandonment, all equipment, trash, and junk will be removed and the location cleaned.
- D. The stockpiled topsoil will be spread over the surface of the location.

11. Surface Ownership: U.S. Department of Interior, Bureau of Land Management.

12. Archaeological Survey: Navajo Refining Company is conducting an archeological survey. The report of the survey will be submitted by Navajo under separate cover.

13. Operator's Representatives: Representatives responsible for assuring compliance with the approved Surface Use Plan:

Mr. Darrell Moore
Navajo Refining Company
Post Office Box 159
Artesia, New Mexico 88211
505/748-3311

Mr. Jim Bundy
Subsurface Technology, Inc.
7020 Portwest Drive, Suite 100
Houston, Texas 77024
713/880-4640

Exhibits

- A. Topographic Map
- B. Oil and Gas Map

14. Certification:

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drillsite and access route; that I am familiar with the conditions that exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed by Navajo Refining Company and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved.

Date

9/17/03

Signature

Darrell Moore

Name

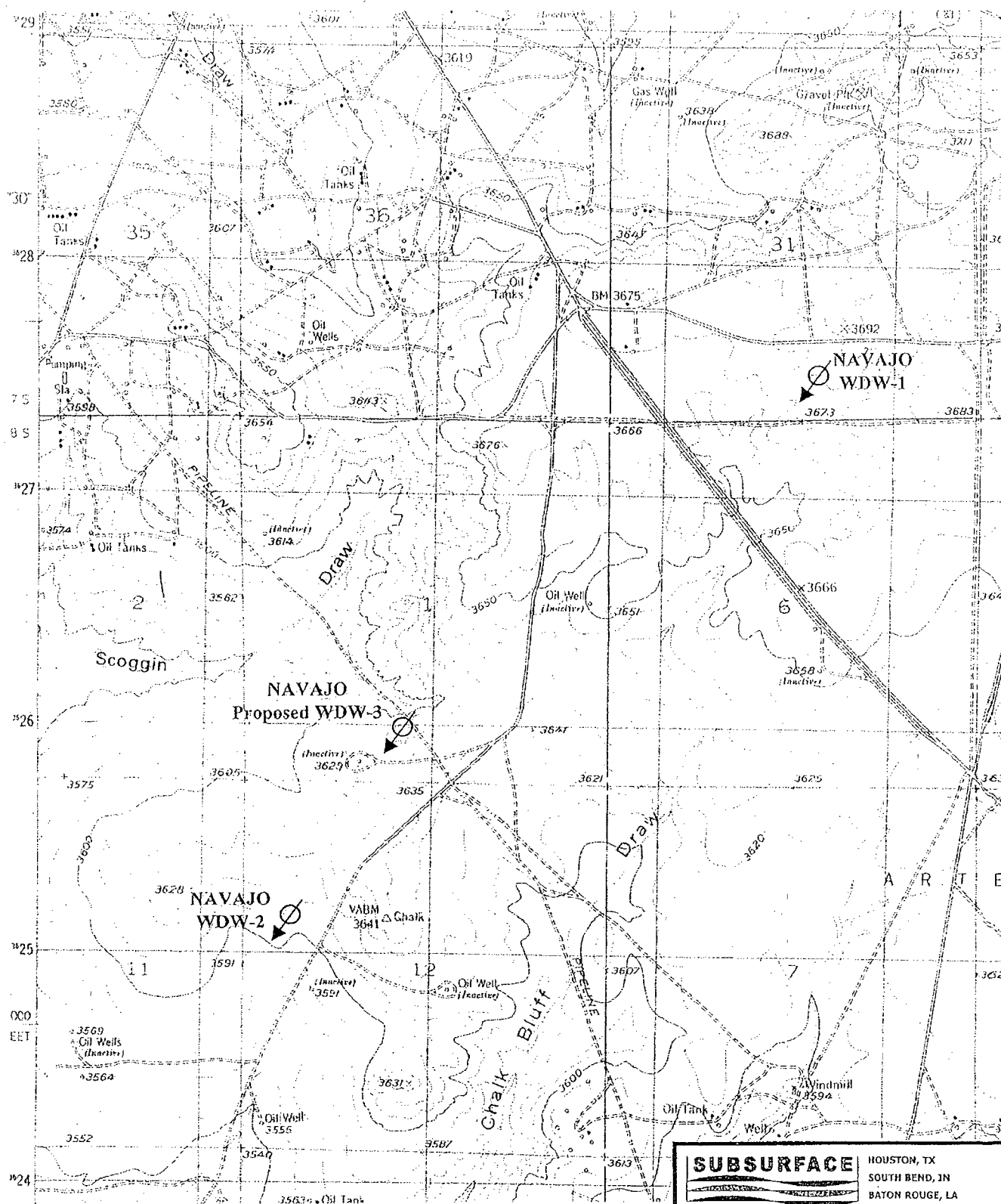
Darrell Moore

Title

Env. Mgr. for Water & Waste

Navajo Refining Company

Company



USGS Topographic Map
Red Lake Quadrangle, Eddy County, NM

Section corners marked with +

SUBSURFACE

HOUSTON, TX
SOUTH BEND, IN
BATON ROUGE, LA

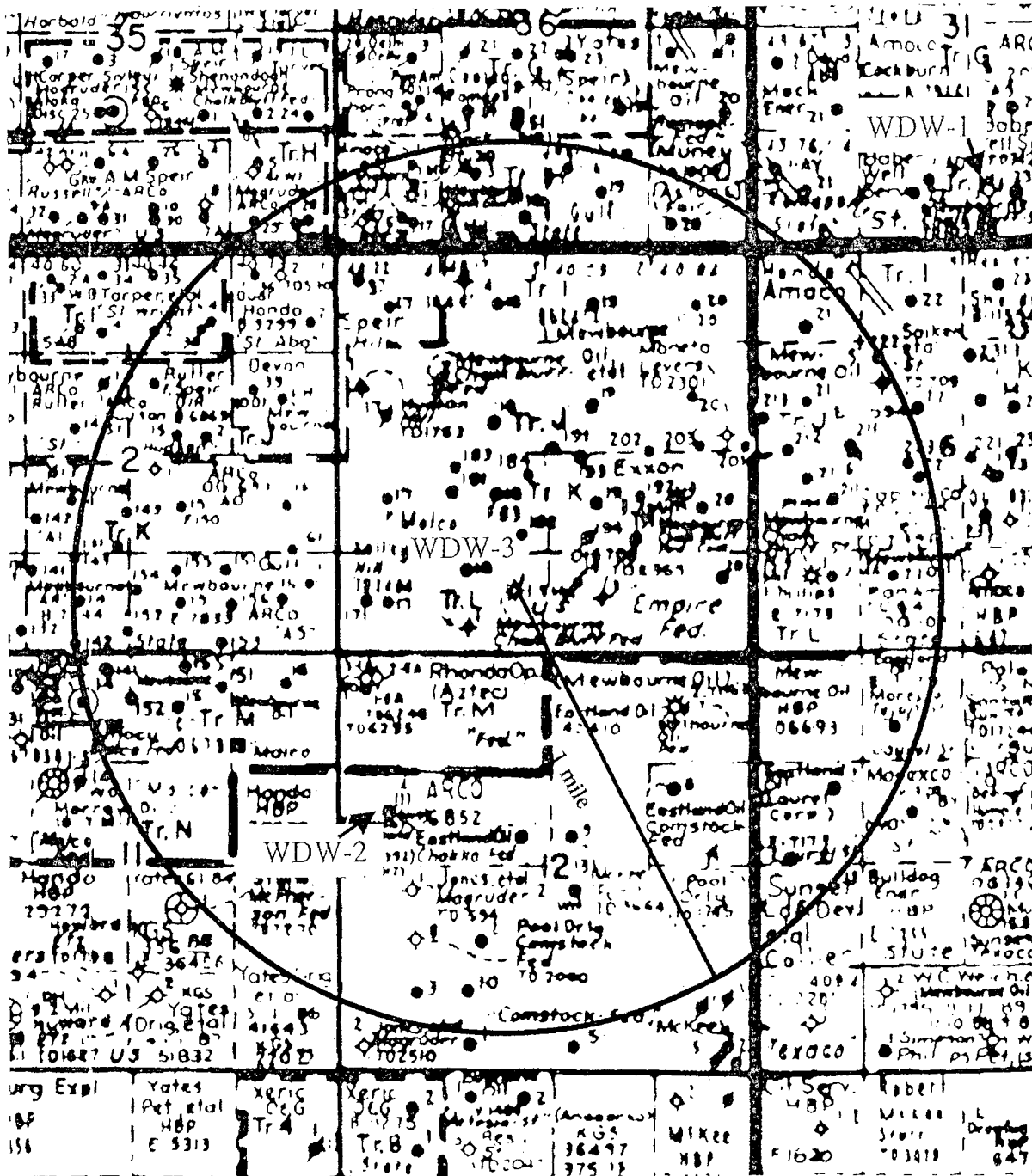
EXHIBIT A
NAVAJO REFINING COMPANY
PROPOSED WDW-3
790' FSL, 2250' FWL 1-18S-27E

DATE: 7/28/03 APPROVED BY: NLN JOB NO: 60D5497

DRAWN BY: CHECKED BY: SCALE: 1"=2000'

T17S - R27E

T17S - R28E



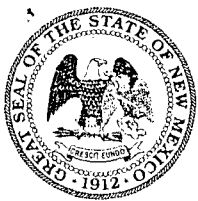
T18S - R27E

EDDY COUNTY, NM

SUBSURFACEHOUSTON, TX
SOUTH BEND, IN
BATON ROUGE, LAEXHIBIT B
WELLS WITHIN 1 MILE OF
NAVAJO REFINING COMPANY
PROPOSED WDW-3

DATED: 7/28/03	APPROVED BY: NLH	JOB NO. 60D5497
DRAWN BY:	CHECKED BY:	SCALE: N/A

Map courtesy of Midland Map Company



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

August 13, 2007

Mr. Darrell Moore
Environmental Manager for Water and Waste
Navajo Refining Company
501 East Main Street, P.O. Drawer 159
Artesia, New Mexico 88211-0159

Re: **Approval of Class I Injection Well Discharge Permit WDW-3 UICCL1-008-3 (I-008)**
Class I Non-Hazardous Oil Field Waste Disposal Well
WDW-3, API No. 30-015-26575
790 FSL and 2250 FWL UL: N Section 1, T 18 S, R 27 E
Eddy County, New Mexico

Dear Mr. Moore:

Pursuant to all applicable parts of the Water Quality Control Commission (WQCC) Regulations 20.6.2 NMAC and more specifically 20.6.2.3104 - 20.6.2.3999 discharge permit, and 20.6.2.5000-.5299 Underground Injection Control, the Oil Conservation Division (OCD), the applicant is hereby authorized to utilize its Navajo Refining Company Class I WDW-3 Waste Disposal Well (API No. 30-015-26575) located 790 feet from the South line and 2250 feet from the West line in the SE/4, SW/4 of Section 1, Township 18 South, and Range 27 East, NMPM, Eddy County, New Mexico, under the conditions specified in the enclosed **Attachment To The Class I Injection Well Discharge Permit**.

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 30 working days of receipt of this letter-including permit fees.**

Please be advised that approval of this permit does not relieve the Navajo Refining Company of responsibility should operations result in pollution of surface water, ground water or the environment. Nor does approval of the permit relieve the Navajo Refining Company of its responsibility to comply with any other applicable governmental authority's rules and regulations.

If you have any questions, please contact Carl Chavez of my staff at (505-476-3491) or E-mail address: carlj.chavez@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 permit review.

Sincerely,


Wayne Price
Environmental Bureau Chief

LWP/cc
Attachments-1
xc: OCD District Office

ATTACHMENT TO THE DISCHARGE PERMIT
Navajo Refining Company WDW-3 Class I Waste Disposal Well UICCL1-008-3 (I-008)
DISCHARGE PERMIT APPROVAL CONDITIONS

August 13, 2007

Please remit a check for \$4,500.00 made payable to Water Quality Management Fund:

Water Quality Management Fund
C/o: Oil Conservation Division
1220 S. Saint Francis Drive
Santa Fe, New Mexico 87505

1. **Payment of Discharge Plan Fees:** All discharge permits are subject to WQCC Regulations. Every billable facility that submits a discharge permit application will be assessed a filing fee of \$100.00, plus a renewal flat fee (*see* WQCC Regulation 20.6.2.3114 NMAC). The Oil Conservation Division ("OCD") has received the required \$100.00 filing fee and the Navajo Refining Company still owes the required \$4500.00 permit fee. The total fee amount due is \$4500 for the Class I Well.
2. **Permit Expiration and Renewal Conditions and Penalties:** Pursuant to WQCC Regulation 20.6.2.3109.H.4 NMAC, this permit is valid for a period of five years. **The permit will expire on June 1, 2012** and an application for renewal should be submitted no later than 120 days before that expiration date. Pursuant to WQCC Regulation 20.6.2.3106.F NMAC, if a discharger submits a discharge permit renewal application at least 120 days before the discharge permit expires and is in compliance with the approved permit, then the existing discharge permit will not expire until the application for renewal has been approved or disapproved. *Expired permits are a violation of the Water Quality Act (Chapter 74, Article 6, NMSA 1978) and civil penalties may be assessed accordingly.*
3. **Permit Terms and Conditions:** Pursuant to WQCC Regulation 20.6.2.3104 NMAC, when a permit has been issued, the Navajo Refining Company must ensure that all discharges shall be consistent with the terms and conditions of the permit. In addition, all facilities shall abide by the applicable rules and regulations administered by the OCD pursuant to the Oil and Gas Act, NMSA 1978, Sections 70-2-1 through 70-2-38. All injection operations related to oil and natural gas production in New Mexico are regulated under the provisions of the Oil and Gas Act, NMSA 1978, Sections 70-2-1 *et seq.* and the Water Quality Act, NMSA 1978, Sections 74-6-1 *et seq.* These Acts delegate authority for enforcement of their provisions relating to oil and natural gas drilling, production, processing, and transportation to the Oil Conservation Division (OCD) of the New Mexico Energy, Minerals and Natural Resources Department, and to the Oil Conservation Commission (OCC) and the Water Quality Control Commission (WQCC). To carry out its authority, the OCC has promulgated rules (19 NMAC) and numerous orders. Navajo Refining Company shall comply with WQCC Regulations 20.6.2 *et seq.* NMAC relating to Class I Waste Disposal Wells.
4. **Navajo Refining Company Commitments:** The Navajo Refining Company shall abide by all commitments submitted in its June 28, 2006 Application for Permit to Drill, Re-enter, Deepen, Plug back or Add a Zone API No. 30-015-26575" including subsequent attachments and amendments; letters and conditions herein for approval. Permit applications that reference previously approved plans on file with the division shall

August 13, 2007

Page 3 of 11

be incorporated in this permit and the Navajo Refining Company shall abide by all previous commitments of such plans and these conditions for approval.

5. Modifications: WQCC Regulation 20.6.2.3107.C, 20.6.2.3109 and 20.6.2.5101.I NMAC addresses possible future modifications of a permit. The Navajo Refining Company (discharger) shall notify the OCD of any facility expansion, production increase or process modification that would result in any significant modification in the discharge of water contaminants. The Division Director may require a permit modification if any water quality standard specified at 20.6.2.3103 NMAC is or will be exceeded, or if a toxic pollutants as defined in WQCC Regulation 20.6.2.7 NMAC is present in ground water at any place of withdrawal for present or reasonably foreseeable future use, or that the Water Quality Standards for Interstate and Intrastate streams as specified in 20.6.4 NMAC are being or may be violated in surface water in New Mexico.

6. Waste Disposal and Storage: Navajo Refining Company shall dispose of all other non-injected wastes at an OCD-approved facility. Only oil field RCRA-exempt wastes may be disposed of by injection in a Class I well. RCRA non-hazardous, exempt and non-exempt oil field wastes may be disposed of at an OCD-approved facility upon proper waste determination pursuant to 40 CFR Part 261. Any waste stream that is not listed in the discharge permit application must be approved by the OCD on a case-by-case basis.

A. OCD Rule 712 Waste: Pursuant to OCD Rule 712 (19.15.9.712 NMAC) disposal of certain non-domestic waste without notification to the OCD is allowed at NMED permitted solid waste facilities if the waste stream has been identified in the discharge permit and existing process knowledge of the waste stream does not change.

B. Waste Storage: The Navajo Refining Company shall store all waste in an impermeable bermed area, except waste generated during emergency response operations for up to 72 hours. All waste storage areas shall be identified in the discharge permit application. Any waste storage area not identified in the permit shall be approved on a case-by-case basis only. The Navajo Refining Company shall not store oil field waste on-site for more than 180 days unless approved by the OCD.

7. Drum Storage: The Navajo Refining Company must store all drums, including empty drums, containing materials other than fresh water on an impermeable pad with curbing. The Navajo Refining Company must store empty drums on their sides with the bungs in place and lined up on a horizontal plane. The Navajo Refining Company must store chemicals in other containers, such as tote tanks, sacks, or buckets on an impermeable pad with curbing.

8. Process, Maintenance and Yard Areas: The Navajo Refining Company shall either pave and curb or have some type of spill collection device incorporated into the design at all process, maintenance, and yard areas which show evidence that water contaminants from releases, leaks and spills have reached the ground surface.

9. Above Ground Tanks: The Navajo Refining Company shall ensure that all aboveground tanks have impermeable secondary containment (e.g., liners and berms), which will contain a volume of at least one-third greater than the total volume of the largest tank or all interconnected tanks. The Navajo Refining Company shall retrofit all existing tanks before discharge permit renewal. Tanks that contain fresh water or fluids that are gases at atmospheric temperature and pressure are exempt from this condition.

10. Labeling: The Navajo Refining Company shall clearly label all tanks, drums, and containers to identify their contents and other emergency notification information. The Navajo Refining Company may use a tank code numbering system, which is incorporated into their emergency response plans.

11. Below-Grade Tanks/Sumps and Pits/Ponds.

A. All below-grade tanks and sumps must be approved by the OCD prior to installation and must incorporate secondary containment with leak detection into the design. The Navajo Refining Company shall retrofit all existing systems without secondary containment and leak detection before discharge permit renewal. All existing below-grade tanks and sumps without secondary containment and leak detection must be tested annually or as specified herein. Systems that have secondary containment with leak detection shall have a monthly inspection of the leak detection system to determine if the primary containment is leaking. Small sumps or depressions in secondary containment systems used to facilitate fluid removal are exempt from these requirements if fluids are removed within 72 hours.

B. All pits and ponds, including modifications and retrofits, shall be designed by a certified registered professional engineer and approved by the OCD prior to installation. In general, all pits or ponds shall have approved hydrologic and geologic reports, location, foundation, liners, and secondary containment with leak detection, monitoring and closure plans. All pits or ponds shall be designed, constructed and operated so as to contain liquids and solids in a manner that will protect fresh water, public health, safety and the environment for the foreseeable future. The Navajo Refining Company shall retrofit all existing systems without secondary containment and leak detection before discharge permit renewal.

C. The Navajo Refining Company shall ensure that all exposed pits, including lined pits and open top tanks (8 feet in diameter or larger) shall be fenced, screened, netted, or otherwise rendered non-hazardous to wildlife, including migratory birds.

D. The Navajo Refining Company shall maintain the results of tests and inspections at the facility covered by this discharge permit and available for OCD inspection. The Navajo Refining Company shall report the discovery of any system which is found to be leaking or has lost integrity to the OCD within 15 days. The Navajo Refining Company may propose various methods for testing such as pressure testing to 3 pounds per square inch greater than normal operating pressure and/or visual inspection of cleaned tanks and/or sumps, or other OCD-approved methods. The Navajo Refining Company shall notify the OCD at least 72 hours prior to all testing.

12. Underground Process/Wastewater Lines:

A. The Navajo Refining Company shall test all underground process/wastewater pipelines at least once every five (5) years to demonstrate their mechanical integrity, except lines containing fresh water or fluids that are gases at atmospheric temperature and pressure. Pressure rated pipe shall be tested by pressuring up to one and one-half times the normal operating pressure, if possible, or for atmospheric drain systems, to 3 pounds per square inch greater than normal operating pressure, and pressure held for a minimum of 30 minutes with no more

than a 1% loss/gain in pressure. The Navajo Refining Company may use other methods for testing if approved by the OCD.

B. Navajo Refining Company shall maintain underground process and wastewater pipeline schematic diagrams or plans showing all drains, vents, risers, valves, underground piping, pipe type, rating, size, and approximate location. All new underground piping must be approved by the OCD prior to installation. The Navajo Refining Company shall report any leaks or loss of integrity to the OCD within 15 days of discovery.

Navajo Refining Company shall maintain the results of all tests at the facility covered by this discharge permit and they shall be available for OCD inspection. The Navajo Refining Company shall notify the OCD at least 72 hours prior to all testing.

13. Class V Wells: The Navajo Refining Company shall close all Class V wells (e.g., septic systems, leach fields, dry wells, etc.) that inject non-hazardous industrial wastes or a mixture of industrial wastes and domestic wastes unless it can be demonstrated that ground water will not be impacted in the reasonably foreseeable future. Leach fields and other wastewater disposal systems at OCD-regulated facilities that inject non-hazardous fluid into or above an underground source of drinking water are considered Class V Waste Disposal Wells under the EPA UIC program. Class V wells that inject domestic waste only, must be permitted by the New Mexico Environment Department (NMED).

14. Housekeeping: The Navajo Refining Company shall inspect all systems designed for spill collection/prevention and leak detection at least monthly to ensure proper operation and to prevent over topping or system failure. All spill collection and/or secondary containment devices shall be emptied of fluids within 72 hours of discovery. The Navajo Refining Company shall maintain all records at the facility and available for OCD inspection.

15. Spill Reporting: The Navajo Refining Company shall report all unauthorized discharges, spills, leaks and releases and conduct corrective action pursuant to WQCC Regulation 20.5.12.1203 NMAC and OCD Rule 116 (19.15.3.116 NMAC). The Navajo Refining Company shall notify both the OCD District Office and the Santa Fe Office within 24 hours and file a written report within 15 days.

16. OCD Inspections: The OCD may place additional requirements on the facility and modify the permit conditions based on well emergencies, OCD inspections, and/or quarterly reporting information.

17. Storm Water: The Navajo Refining Company shall implement and maintain run-on and runoff plans and controls. The Navajo Refining Company shall not discharge any water contaminant that exceeds the WQCC standards specified in 20.6.2.3101 NMAC or 20.6.4 NMAC (Water Quality Standards for Interstate and Intrastate Streams) including any oil sheen in any stormwater run-off. The Navajo Refining Company shall notify the OCD within 24 hours of discovery of any releases and shall take immediate corrective action(s) to stop the discharge.

18. Unauthorized Discharges: The Navajo Refining Company shall not allow or cause water pollution, discharge or release of any water contaminant that exceeds the WQCC standards listed in 20.6.2.3101 NMAC or 20.6.4 NMAC (Water Quality Standards for Interstate and Intrastate Streams) unless specifically listed in the permit application approved herein.

An unauthorized discharge is a violation of this permit.

19. Vadose Zone and Water Pollution: The Navajo Refining Company shall address any contamination through the discharge permit process or pursuant to WQCC 20.6.2.4000-.4116 NMAC (Prevention and Abatement of Water Pollution). The OCD may require the Navajo Refining Company to modify its permit for investigation, remediation, abatement, and monitoring requirements for any vadose zone or water pollution. Failure to perform any required investigation, remediation, abatement and submit subsequent reports will be a violation of the permit.

20. Additional Site Specific Conditions: The Navajo Refining Company shall notify the OCD within 24 hours after having knowledge of ground water pollution complaints or well problems within a 1-mile radius of WDW-3.

21. Class I Injection Well(s) Construction Conditions:

All wells, except those municipal wells injection of non-corrosive wastes, shall inject fluids through tubing with a packer set immediately above the injection zone.

A. Construction: The tubing and packer shall be designed and maintained for the duration of expected service.

B. Logs or tests required for the following situations:

- a. For surface casing intended to protect underground sources of drinking water:
 - i. Resistivity, spontaneous potential, and caliper logs before the casing is installed; and
 - ii. A cement bond, temperature, or density log after the casing is set and cemented.
- b. For intermediate and long strings of casing intended to facilitate injection:
 - i. Resistivity, spontaneous potential, porosity, and gamma ray logs before the casing is installed.
 - ii. Fracture finder logs; and
 - iii. A cement bond, temperature, or density log after the casing is set and cemented.
 - iv. At a minimum, the following information concerning the injection formation shall be determined or calculated for new Class I wells:
 - 1. Fluid pressure;
 - 2. Temperature;
 - 3. Fracture pressure;
 - 4. Other physical and chemical characteristics of the injection matrix; and
 - 5. Physical and chemical characteristics of the formation fluids.

22. Class I Injection Well(s) Identification, Operation, Monitoring, Bonding and Reporting.

A. Well Identification: API # 30-015-26575

B. Well Work Over Operations: OCD approval will be obtained prior to performing remedial work, pressure test or any other work. Approval will be requested on OCD Form C-103 "Sundry Notices and Reports on Wells" (OCD Rule 1103.A) with appropriate copies sent to the OCD Environmental Bureau and District Office.

- C. Injection Formation, Interval & Waste: Injected refinery exempt/non-exempt non-hazardous wastes will be injected into the Lower-Wolfcamp Formation at the interval 7650 ft to 8450 ft and 8450 ft to 8620 ft. Tubing shall be surrounded by surface casing set to a depth protective of fresh ground water (< 10,000 ppm TDS). The owner/operator shall take all steps necessary to ensure that the injected waste enters only the above specified injection interval and is not permitted to escape to other formations or onto the surface. The operator shall provide written notice of the date of commencement of injection to the Santa Fe Office of the Division.
- D. Well Injection Pressure Limits: The wellhead injection pressure on the well shall be limited to no more than 1530 psig. In addition, the injection well or system shall be equipped with a pressure limiting device in workable condition, which shall, at all times, limit surface injection pressure to the maximum allowable pressure for this well. The maximum operating surface injection and/or test pressure measured at the wellhead shall not exceed 1530 psig unless otherwise approved by the OCD. The pressure-limiting device shall monthly be demonstrated and reported quarterly to the OCD. Navajo Refining Company shall take all steps necessary to ensure that the injected water enters only the proposed injection interval and is not permitted to escape to other formations or onto the ground surface. Any pressure that causes new fractures or propagation in existing fractures or causes damage to the system shall be reported to OCD within 24 hours of discovery.

The Director of the OCD may authorize an increase in injection pressure upon demonstration by the operator of said well that such higher pressure will not result in migration of the injected fluid from the injection formation. Such demonstration shall consist of a valid step-rate test run in accordance with and acceptable to the OCD.

E. Mechanical Integrity Testing (MIT):

The owner/operator shall complete an annual casing-tubing annulus pressure test from the surface to the approved injection depth and below the depth of fresh ground water (< 10,000 ppm TDS) to assess casing and tubing integrity. The MIT shall consist of a 30-minute test at a minimum pressure from 300 to 500 psig measured at the surface. A Bradenhead test(s) shall also be performed annually along with the casing-tubing annulus test. A Bradenhead test(s) shall be performed in all annular spaces including surface casing if not cemented.

The owner/operator shall complete an annual pressure fall-off test to monitor the pressure buildup in the injection zone. The well shall be shut down for a period sufficient to conduct the test and shall be submitted to the OCD in the annual report (see Section 22K (11)).

All well testing shall be performed annually or shall also be performed whenever the tubing is pulled or the packer reseated or when the injection formation will be isolated from the casing/tubing annulus.

The operator shall notify the supervisor of the Santa Fe Office of the Division of the date, time and time of the installation of disposal equipment and of any MIT so that it may be inspected and witnessed.

1. General Requirements:

- a. If the testing requires a packer then casing-tubing annulus must be loaded with inert fluid 24 hours prior to testing.
- b. Have manpower and equipment available for pressure test. Wellhead shall be prepared for test and all valves and gauges should be in good working order.
- c. Pumps, tanks, external lines etc. must be isolated from the wellhead during test.
- d. A continuous recording pressure device with a maximum 4-hour clock shall be installed on the casing-tubing annulus. The pressure range shall not be greater than 500 psig. The operator must provide proof that the pressure-recording device has been calibrated within the past 6 months.
- e. A minimum of one pressure gauge shall be installed on the casing/tubing annulus.
- f. OCD must witness the beginning of test (putting chart on) and ending of test (removing chart). At the end of test, the operator may be required to bleed-off well pressure to demonstrate recorder and gauge response.
- g. The Operator shall supply the following information on the pressure chart that the inspector will file in the well records:
 1. Company Name, Well Name, API #, Legal Location.
 2. Test Procedure with "Pass/Fail" designation.
 3. Testing Media: Water, Gas, Oil, Etc.
 4. Date, time started and ending.
 5. Name (printed) and signature of company representative and OCD Inspector

2. Test Acceptance:

The OCD will use the following criteria in determining if a well has passed the Mechanical Integrity Test:

- a. Passes if Zero Bleed-Off during the test.
- b. Passes if Final Test Pressure is within $\pm 10\%$ of Starting Pressure, if approved by the OCD inspector.
- c. Fails if any Final Test Pressure is greater than $\pm 10\%$ of Starting Pressure. Operators must investigate for leaks and demonstrate that mechanical integrity of the well(s) by ensuring there are no leaks in the tubing, casing, or packer, and injected/produced fluids are confined within the piping and/or injection zones. Wells shall not resume operations until approved by OCD.

Note: OCD recognizes that different operations, well designs, formation characteristics and field conditions may cause variations in the above procedures. If the operator wishes to make or discuss anticipate changes, please notify the OCD for approval. All operators are responsible to notify OCD of any procedure that may cause harm to the well system or formation. Please be advised that OCD approval does not relieve any operator of liability should operations result in pollution of surface water, groundwater, or the environment.

- d. When the MIT is not witnessed by an OCD Representative and fails, the owner/operator shall notify the OCD within 24 hours after having knowledge of well MIT failure.

- F. Loss of Mechanical Integrity: The operator shall report within 24 hours of discovery any failure of the casing, tubing or packer, or movement of fluids outside of the injection zone. The operator shall cease operations until proper repairs are made and receive OCD approval to re-start injection operations. In addition, any associated fresh ground water monitor wells, which exhibit anomalous static water levels, detection of elevated general chemistry constituents, public health issues, etc. shall be immediately reported to the OCD.
- G. Injection Record Volumes and Pressures: The owner/operator shall submit quarterly reports of its disposal, operation and well workovers provided herein. The minimum, maximum, average flow waste injection volumes (including total volumes) and annular pressures of waste (oil field exempt/non-exempt non-hazardous waste) injected will be recorded monthly and submitted to the OCD Santa Fe Office on a quarterly basis.

The casing-tubing annulus shall contain fluid and be equipped with a pressure gauge or an approved leak detection device in order to determine leakage in the casing, tubing, or packer. Due to pressure fluctuations observed at Navajo's other two nearby Class I Injection Wells, WDW-3 shall be equipped with an expansion tank under constant 100 psig pressure connected to the casing-annulus and maintained under constant pressure. The expansion tank shall initially be filled half-full (250 gallon expansion tank) with an approved fluid to establish an equilibrium volume and fluid level. Weekly monitoring of fluid levels in the expansion tank coupled with documented additions/removals of fluids into or out of the expansion tank is required to maintain the equilibrium volume. Any loss or gain of fluids in the expansion tank shall be recorded, and if significant, reported to the OCD within 24 hours of discovery. The owner/operator shall provide the following information on a quarterly basis: weekly expansion tank volume readings shall be provided in a table in the cover letter of each quarterly report. Navajo shall monitor, record and note any fluid volume additions or removals from the expansion tank on a quarterly basis. In addition, any well activity (i.e., plugging, changing injection intervals, etc.) shall be conducted in accordance with all applicable New Mexico Oil Conservation Division regulations.

- H. Analysis of Injected Waste: Provide an analytical data or test results summary of the injection waste water with each annual report. The analytical testing shall be conducted on a quarterly basis with any exceedence reported to the OCD within 24 hours after having knowledge of an exceedence(s). Records shall be maintained at Navajo for the life of the well. The required analytical test methods are:
- Aromatic and halogenated volatile hydrocarbon scan by EPA Method 8260C GC/MS. Semi-volatile Organics GC/MS EPA Method 8270B including 1 and 2-methylnaphthalene.
 - General water chemistry (Method 40 CFR 136.3) to include calcium, potassium, magnesium, sodium, bicarbonate, carbonate, chloride, sulfate, total dissolved solids (TDS), pH, and conductivity.

- c. Heavy metals using the ICP scan (EPA Method 6010) and Arsenic and Mercury using atomic absorption (EPA Methods 7060 and 7470).
- d. EPA RCRA Characteristics for Ignitability, Corrosivity and Reactivity (40 CFR part 261 Subpart C Sections 261.21 – 261.23, July 1, 1992).

- I. Area of Review (AOR): The operator shall report within 24 hours of discovery of any new wells, conduits, or any other device that penetrates or may penetrate the injection zone within a 1-mile radius from the Class I Well. Documentation of new wells shall be added to the existing AOR information in the well file within 30 days of the discovery.
- J. Bonding or Financial Assurance: The operator shall maintain at a minimum, a one well plugging bond in the amount of \$95,000 or the actual amount required to plug/abandon the well pursuant to OCD and WQCC rules and regulations. If warranted, OCD may require additional financial assurance to ensure adequate funding to plug and abandon the well or for any corrective actions.
- K. Annual Report: All operators shall submit an annual report due on January 31 of each year. The report shall include the following information:
 - 1. Cover sheet marked as “Annual Class I Well Report, name of operator, permit #, API# of well(s), date of report, and person submitting report.
 - 2. Brief summary of Class I Well(s) operations including description and reason for any remedial or major work on the well with a copy of OCD Form C-103.
 - 3. Production volumes as required above in 22.G. including a running total should be carried over to each year. The maximum and average injection pressure.
 - 4. A copy of the chemical analysis as required above in 22.H.
 - 5. A copy of any mechanical integrity test chart, including the type of test, i.e. duration, gauge pressure, etc.
 - 6. Brief explanation describing deviations from normal production methods.
 - 7. A copy of any expansion tank monitoring pressure, fluid removals/additions, well problems, drinking water impacts, leaks and spills reports.
 - 8. If applicable, results of any groundwater monitoring.
 - 9. An Area of Review (AOR) update summary.
 - 10. Sign-off requirements pursuant to WQCC Subsection G 20.6.2.5101.
 - 11. A summary with interpretation of MITs, Fall-Off Tests, etc., with conclusion(s) and recommendation(s).
 - 12. Annual facility training.

23. Transfer of Discharge Permit: Pursuant to WQCC 20.6.2.5101.H the Navajo Refining Company and any new owner/operator shall provide written notice of any transfer of the permit in accordance with WQCC 20.6.2.3104 (Discharge Permit Required), 20.6.2.3111 (Transfer of Discharge Permit), 20.6.2.5101 (Discharge Permit and Other Requirements for Class I Non-Hazardous Waste Waste Disposal Wells, and Class III Wells). Both parties shall sign the notice 30 days prior to any transfer of ownership, control or possession of a Class I Well with an approved discharge permit. In addition, the purchaser shall include a written commitment to comply with the terms and conditions of the previously approved discharge permit. OCD will not transfer Class I Well operations until: correspondence between the transferor and transferee is submitted along with a signed

certification of acceptance by the transferee, and proper bonding or financial assurance is in place and approved by the division. OCD reserves the right to require a major modification of the permit during the transfer process.

24. Training: All personnel associated with operations at the Navajo Class I disposal well shall have appropriate training in accepting, processing, and disposing of Class I non exempt non-hazardous refinery waste to insure proper disposal. Provide training documentation in annual report under Section 22K(12).

25. Closure: The Navajo Refining Company shall notify the OCD when operations of the facility are to be discontinued for a period in excess of six months. Prior to closure of the facility, the operator shall submit for OCD approval, a closure plan including a completed C-103 form for plugging and abandonment of the well(s). Closure and waste disposal shall be in accordance with the statutes, rules and regulations in effect at the time of closure.

26. Certification: Navajo Refining Company, by the officer whose signature appears below, accepts this permit and agrees to comply with all submitted commitments, including these terms and conditions contained here. **Navajo Refining Company** further acknowledges that the OCD may, for good cause shown, as necessary to protect fresh water, public health, safety, and the environment, change the conditions and requirements of this permit administratively.

Conditions accepted by: "I certify under penalty of law that I have personally examined and am familiar with the information submitted in this document and all attachments and that, based on my inquiry of those individuals immediately responsible for obtaining the information, I believe that the information is true, accurate, and complete. I am aware that there are significant penalties for submitting false information including the possibility of fine and imprisonment."

Navajo Refining Company- print name above

Company Representative- print name

Company Representative- signature

Title _____

Date: _____



RECEIVED

2007 JUL 27 PM 2 52

July 25, 2007

Mr. Wayne Price
New Mexico Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

RE: Proof of Notice for Navajo Refining Company's WDW-3 Discharge Permit UIC-
CLI-008 Modification
Subsurface Project No. 70F5826

Dear Mr. Price:

Navajo Refining Company (Navajo) respectfully submits proof of notice of the above-referenced permit modification as required by the Oil Conservation Division as specified in NMAC 20.6.2.3108 (Attachment D). The notice that Navajo published was approved by the Oil Conservation Division.

Navajo provided notice by each of the following methods:

Per NMAC 20.6.2.3108 B(1): On July 9, 2007, Navajo posted the public notice in English and Spanish on signs measuring 2 feet by 3 feet. The signs were placed at the discharge site and at two locations that are conspicuous to the public: the Navajo refinery in Artesia and on Hilltop Road near its intersection with US Highway 82. Photographs of the signs are included in Attachment A.

Per NMAC 20.6.2.3108 B(2): On June 27, 2007, Navajo mailed written notice to owners of all properties within 1/3 mile from the boundary of the property where WDW-3 is located. All property within 1/3 mile of WDW-3 is federal land. Navajo mailed notification to the Bureau of Land Management (BLM). Attachment B includes the notification letters to the BLM and the certified mail return receipts.

Per NMAC 20.6.2.3108 B(3): WDW-3 is located on federal land. Navajo mailed notification to the Bureau of Land Management as documented in Attachment B.

Per NMAC 20.6.2.3108 B(4): Navajo published notice in the Artesia Daily Press on July 11, 2007. Attachment C contains the display ads and proof of publication.

Mr. Wayne Price
New Mexico Oil Conservation Division

July 25, 2007
Page 2

Please do not hesitate to call me at 713-880-4640 if you have questions.

Sincerely,

Nancy L. Niemann

Nancy L. Niemann
Senior Geologist

NLN/jz

c: Darrell Moore – Navajo Refining Company

Attachments:

Attachment A: Photos of Signs

Photo 1: Sign at WDW-3

Photos 2 and 3: Sign at Hilltop Road Intersection with US Highway 82

Photos 4 – 6: Sign at Navajo Refining in Artesia, NM

Attachment B: Letters to BLM and Certified Return Receipts

Attachment C: Artesia Daily Press Ads With Affidavits of Publication

Attachment D: Text of 20.6.2.3108: Notice Requirements for Discharge Permit
Renewals

Price Let1



ATTACHMENT A
PHOTOS OF SIGNS

1

PUBLIC NOTICE

NOTICE OF DISCHARGE PERMIT REQUEST

Pursuant to the requirements of the New Mexico Water Quality Control Commission/Regulation 20 NMAC 6.2.3105, Navajo Refining Company hereby announces that it is making application to the New Mexico Oil Conservation Division (NMOCD) - Environmental Bureau for a discharge permit to inject waste water from Navajo Refining Company's Artesia plant into an injection well that is called WDW-3 located in Unit N, Section 1, Township 18S, Range 21E, Eddy County, New Mexico or approximately 10 miles east of Artesia on US Hwy 83 from US Hwy 285 and about 3 miles south on Hilltop Road. Previously, WDW-1 and WDW-2 were already permitted, under separate plans. This waste water will originate at Navajo's Artesia, NM refinery which is located at 501 E. Main Street, Artesia, NM and will then be carried through an underground pipeline approximately 12 miles to the above mentioned well site. The waste water will be injected into the Lower Wolfcamp, Cisco, and Canyon Formations located between 7650 feet and 8620 feet (true depth). The injection rate will not exceed 500 gpm at an injection pressure not to exceed 1530 psig.

The generation of waste water from the Artesia Plant is a result of water that is entrained in the crude supply, water used for cooling and heating, water used to remove salts from the crude supply, and boiler blow down. The Artesia Plant's waste water could potentially be put into WDW-3. This waste water will have a total dissolved solids (TDS) content of 7000 parts per million, a pH from 7 to 9, and minor metal concentrations in the area of the well location. Fresh water is at a depth of 80 feet with a TDS of 1,500 to 2,200 parts per million.

Navajo's operation of the affected facilities will comply with all applicable State and Federal regulations.

The owner and operator of the facility is

Navajo Refining Company, L.P.
501 E. Main Street
Artesia, NM 88210

Comments and inquiries may be directed to:

Mr. Jim Resinger, Refinery Manager, (505) 748-3311

Persons interested in obtaining further information, submitting comments, or requesting to be on a facility-specific mailing list for future notices may contact the Environmental Bureau Chief of the New Mexico Oil Conservation Division.

Comments and inquiries on regulations should be directed to:

Director
New Mexico Oil Conservation Division (NMOCD)
1220 So. Saint Francis Drive
Santa Fe, New Mexico 87505
Telephone: (505) 476-3440

AVISO PÚBLICO

AVISO DE SOLICITUD DE PERMISO DE DESCARGA

Por medio de la presente la Navajo Refining Company anuncia que de conformidad con los requisitos de las regulaciones de la Comisión de Control de Calidad del Agua de Nuevo México 20 NMAC 6.2.3105, esta solicitando a la División de Conservación del Petróleo de Nuevo México (NMOCD) - Departamento del Medio Ambiente, un permiso de descarga de aguas para inyectar aguas residuales de la planta Artesia de la Navajo Refining Company hacia un pozo de inyección que se llama WDW-3 localizado en la Unidad N, Sección 1, Municipio 18S, Rango 21E, Condado Eddy, Nuevo México, o aproximadamente 10 millas al este de Artesia sobre la Carretera US Hwy 83 de la Carretera US Hwy 285 y como a 3 millas al sur sobre Willtop Road. Anteriormente, el WDW-1 y el WDW-2 ya contaban con permisos bajo planes distintos. Esas aguas residuales se originarán en la refinería Artesia de Navajo en Nuevo México, la cual se encuentra ubicada en 501 E. Main Street, Artesia, NM para ser llevadas mediante un ducto subterráneo de cerca de 12 millas al pozo mencionado arriba. Las aguas residuales se inyectarán hacia las formaciones de Lower Wolfcamp, Cisco, y Canyon, ubicadas entre 7650 pies y 8620 pies (profundidad de registro). La tasa de inyección no excederá los 500 gpm a una presión de inyección que no excederá los 1530 psig.

La generación de aguas residuales de la Planta Artesia es el resultado del agua que se encuentra en el abastecimiento de crudo, el agua que se usa para el enfriamiento y calentamiento, el agua que se usa para retirar las sales del abastecimiento de crudo y para purgar la columna. Las aguas residuales de la Planta Artesia posiblemente pudieran colocarse en el WDW-3. Esas aguas residuales tendrán un contenido de total de sólidos disueltos (TDS) de 7000 partes por millón, un pH de 7 a 9, y concentraciones mínimas de metales en el área en donde se encuentra el pozo. El agua fresca se encuentra a una profundidad de 80 pies con un TDS de 1500 a 2200 partes por millón.

Las operaciones de Navajo y las fiscalizaciones afectadas estarán en cumplimiento con todas las regulaciones Estatales y Federales aplicables.

El dueño y operador de estas instalaciones es Navajo Refining Company, L.P.

501 E. Main Street
Artesia, NM 88210

Puede dirigir los comentarios y preguntas a:

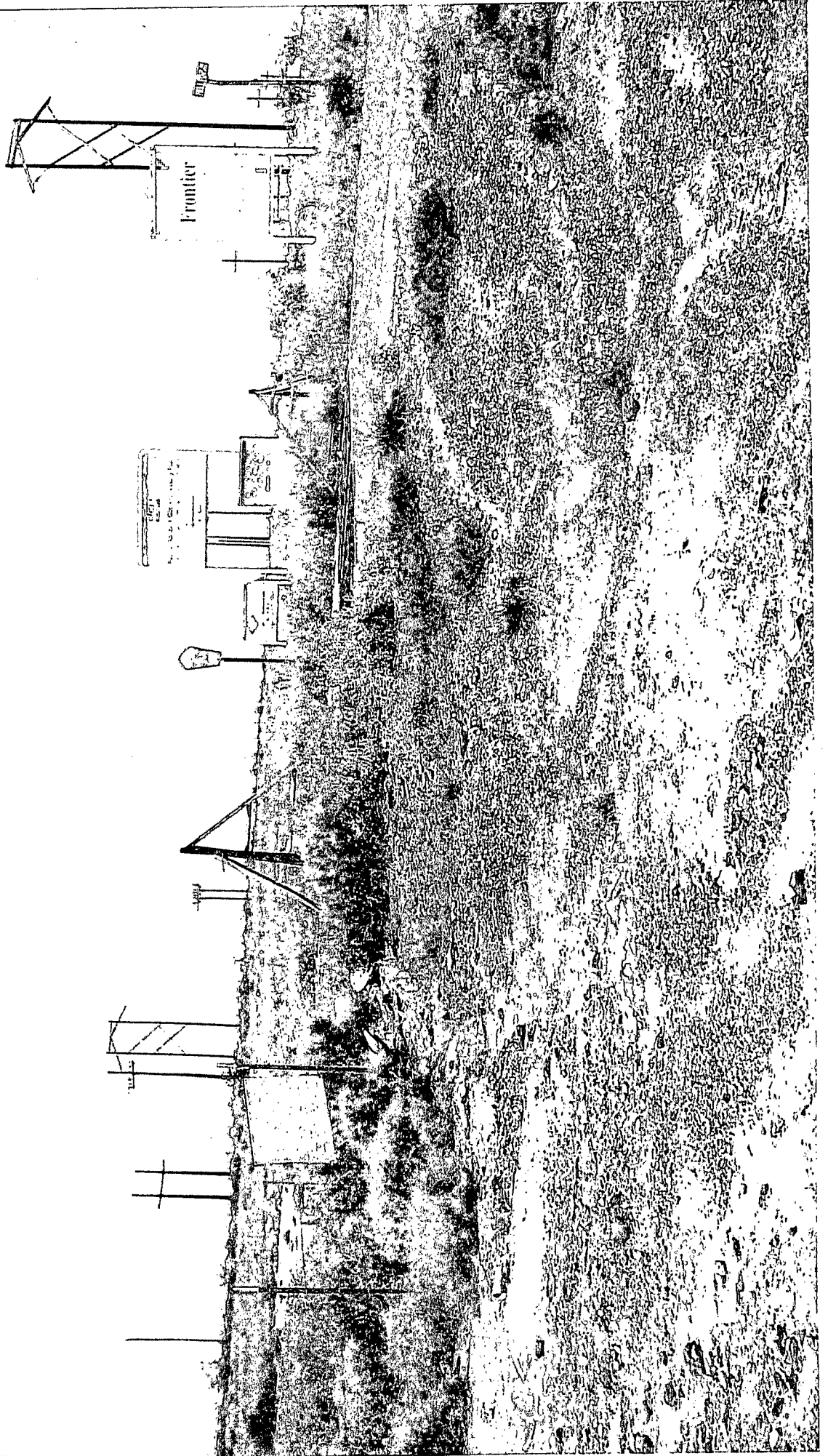
Mr. Jim Resinger, Gerente de Refinería, (505) 748-3311

Las personas interesadas en obtener mayores informes, presentar sus comentarios o solicitar que se les incluya en las listas de direcciones de una planta en especial para futuros avisos pueden ponerse en contacto con el jefe del Departamento del Medio Ambiente de la División de Conservación del Petróleo de Nuevo México.

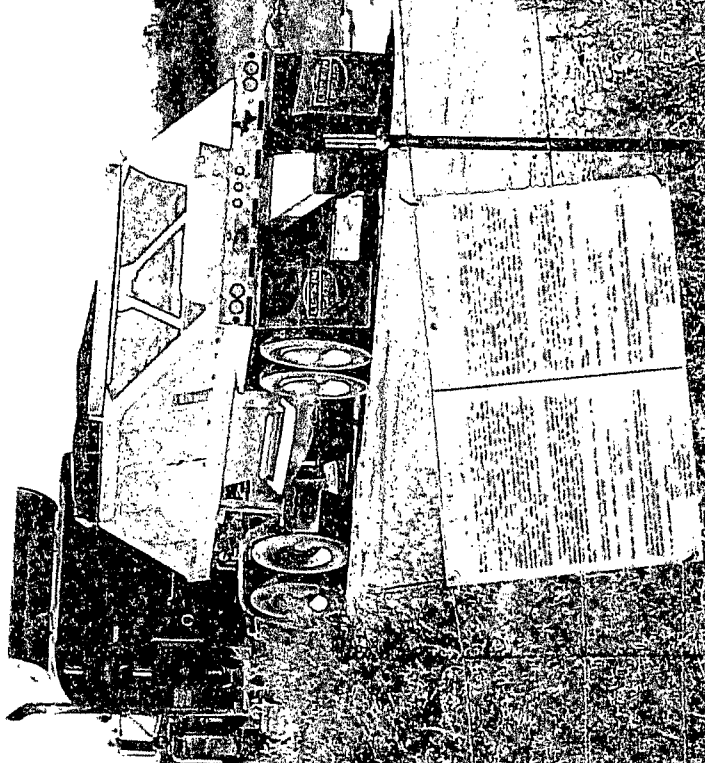
Para enviar sus comentarios y las preguntas a:

Director
New Mexico Oil Conservation Division (NMOCD)
1220 So. Saint Francis Drive
Santa Fe, New Mexico 87505
Teléfono: (505) 476-3440

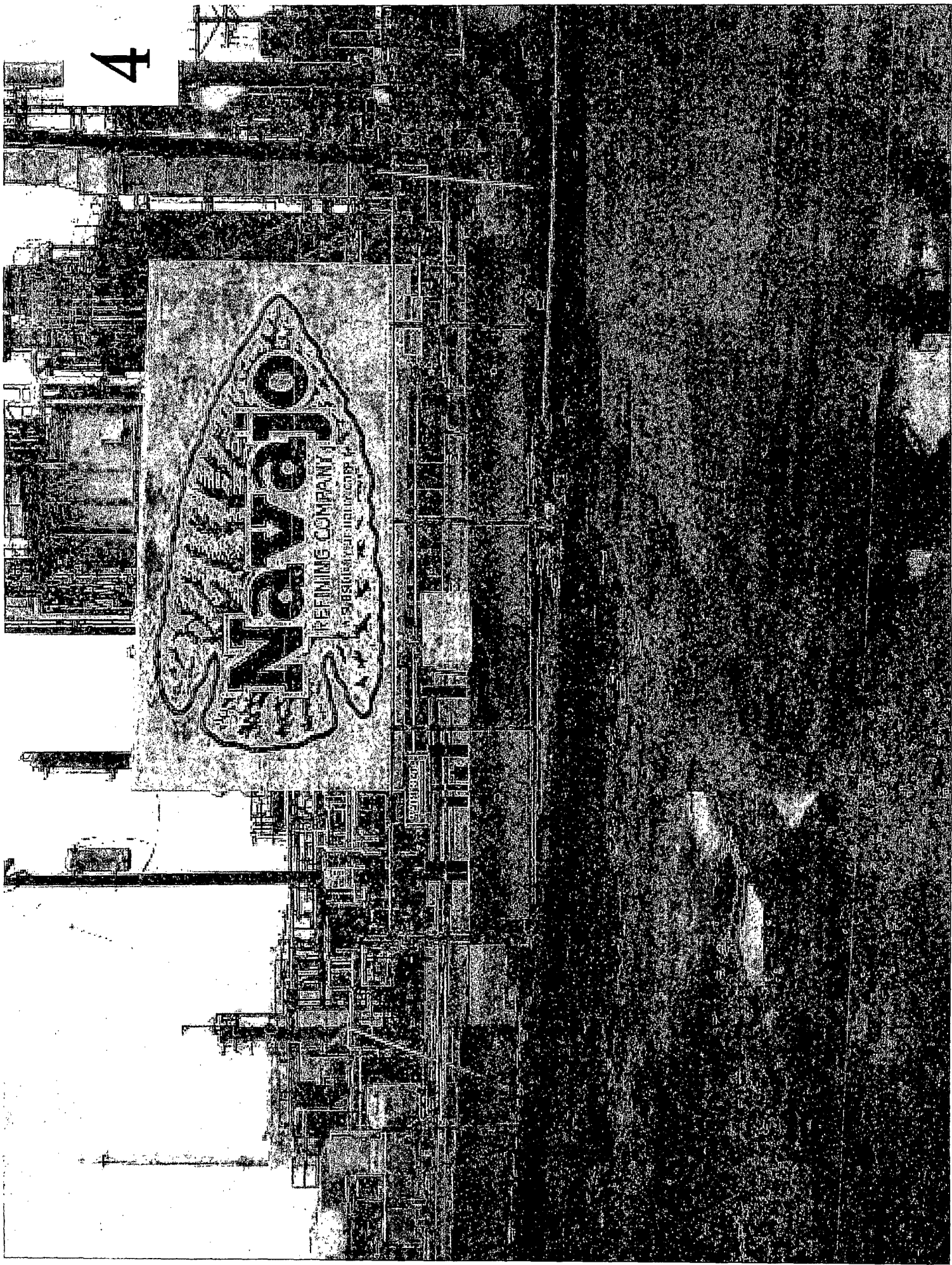
2



3



4



5

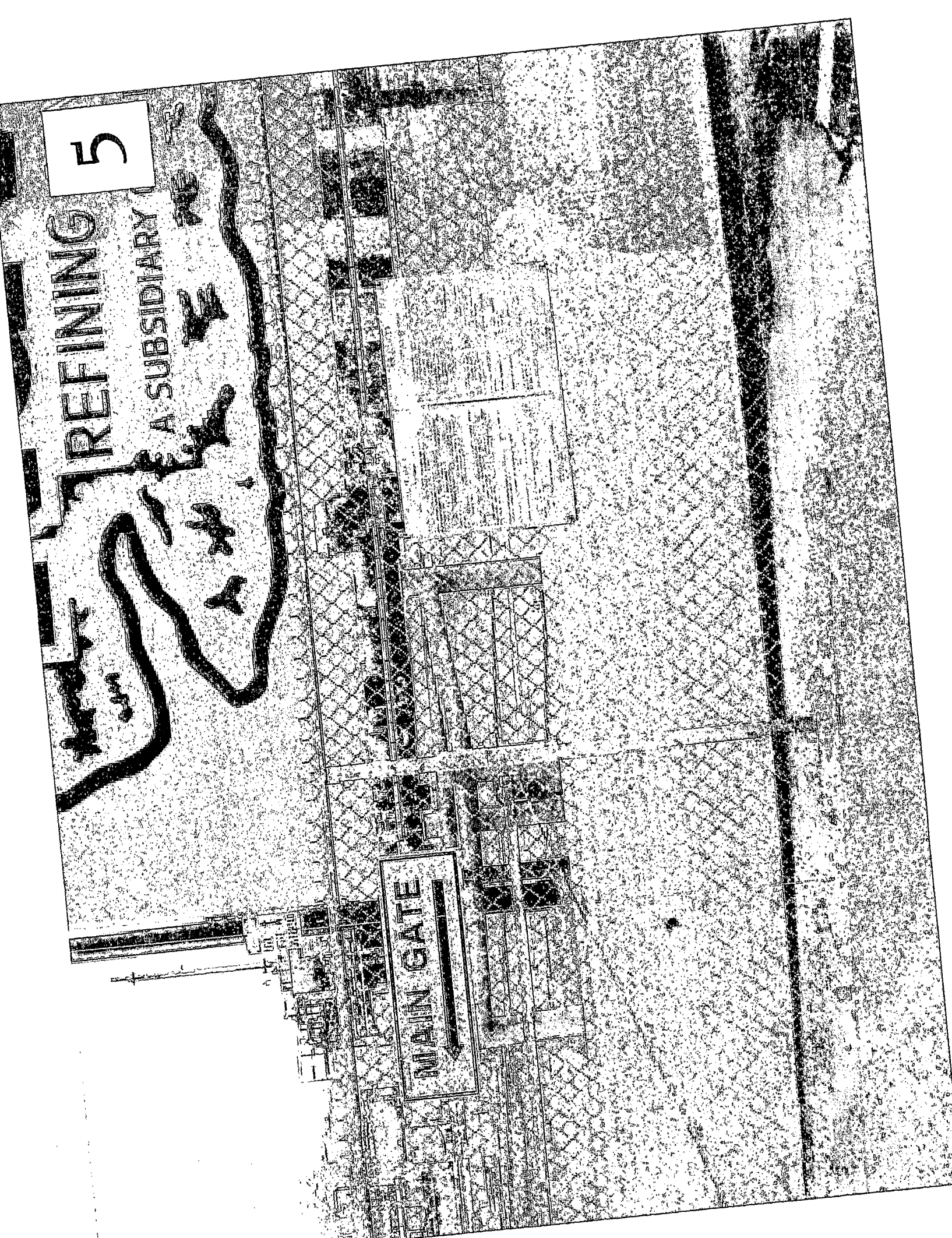
REFINING

A SUBSIDIARY

THE

THE

MAIN GATE



ATTACHMENT B

LETTERS TO BLM AND CERTIFIED RETURN RECEIPTS

ATTACHMENT B



June 27, 2007

Bureau of Land Management
1474 Rodeo Road
Santa Fe, NM 87505

Reference: Land Owner Notification of Navajo Refining Nonhazardous Class I Disposal Well

To Whom It May Concern:

Pursuant to the requirements of the New Mexico Water Quality Control Commission regulation 20 NMAC 6.2.3108, Navajo Refining Company hereby announces that it is making application to the New Mexico Oil Conservation Division (NMOCD) – Environmental Bureau for a discharge permit to inject waste water from Navajo Refining Company's Artesia plant into an injection well that is called WDW-3 located in Unit N, Section 1, Township 18S, Range 27E, Eddy County, New Mexico or approximately 10 miles east of Artesia on US Hwy 82 from US Hwy 285 and about 3 miles south on Hilltop Road. The attached letter is to notify the land owner (Bureau of Land Management) of the well. If the Bureau of Land Management office has any question concerning the well please contact Nancy Niemann, Ken Davis, or Rusty Smith with Subsurface Technology, Inc. at 713-204-6261. Subsurface Technology is contracted by Navajo Refining to perform the permitting work as requested.

Sincerely,

A handwritten signature in black ink, appearing to read "Russell L. Smith". The signature is fluid and cursive, with the first name "Russell" being more prominent.

Russell L. Smith

PUBLIC NOTICE

NOTICE OF DISCHARGE PERMIT REQUEST

Pursuant to the requirements of the New Mexico Water Quality Control Commission regulation 20 NMAC 6.2.3108, Navajo Refining Company hereby announces that it is making application to the New Mexico Oil Conservation Division (NMOCD) – Environmental Bureau for a discharge permit to inject waste water from Navajo Refining Company's Artesia plant into an injection well that is called WDW-3 located in Unit N, Section 1, Township 18S, Range 27E, Eddy County, New Mexico or approximately 10 miles east of Artesia on US Hwy 82 from US Hwy 285 and about 3 miles south on Hilltop Road. Previously, WDW-1 and WDW-2 were already permitted under separate plans. This waste water will originate at Navajo's Artesia, NM refinery which is located at 501 E. Main Street, Artesia, NM and will then be carried through an underground pipeline approximately 12 miles to the above mentioned well site. The waste water will be injected into the Lower Wolfcamp, Cisco, and Canyon Formations located between 7650 feet and 8620 feet (log depth). The injection rate will not exceed 500 gpm at an injection pressure not to exceed 1530 psig.

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501 E. Main Street
Artesia, NM 88210

Comments and inquiries may be directed to:
Mr. Jim Resinger, Refinery Manager, (505) 748-3311

Persons interested in obtaining further information, submitting comments, or requesting to be on a facility-specific mailing list for future notices may contact the Environmental Bureau Chief of the New Mexico Oil Conservation Division.

Comments and inquiries on regulations should be directed to:
Director
New Mexico Oil Conservation Division (NMOCD)
1220 So. Saint Francis Drive
Santa Fe, New Mexico 87505
Telephone: (505) 476-3440

U.S. Postal Service
CERTIFIED MAIL RECEIPT
 (Domestic Mail Only; No Insurance Coverage Provided)

7001 1140 0000 0652 9842

OFFICIAL USE

Postage	\$.41
Certified Fee	2.65
Return Receipt Fee (Endorsement Required)	2.15
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 5.21

Postmark
Here

Sent To Bureau of Land Management
 Street, Apt. No.; or PO Box No. 1474 Rodeo Road
 City, State, ZIP+ 4 Santa Fe, NM 87505
 PS Form 3800, January 2001 See Reverse for Instructions


SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Bureau of Land
 Management
 1474 Rodeo Road
 Santa Fe, NM 87505

COMPLETE THIS SECTION ON DELIVERY

A. Signature  ☐ Agent ☐ Addressee
 B. Received by (Printed Name) _____
 C. Date of Delivery 7-6-07
 D. Is delivery address different from item 1? ☐ Yes ☒ No
 If YES, enter delivery address below: _____

3. Service Type
☐ Certified Mail ☐ Express Mail
☐ Registered ☐ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.
 4. Restricted Delivery? (Extra Fee) ☐ Yes

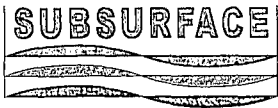
2. Article Number
 (Transfer from service label)

7001 1140 0000 0652 9842

PS Form 3811, August 2001

Domestic Return Receipt

102595-02-M-1540



June 27, 2007

Carlsbad Field Office
620 E. Greene Street
Carlsbad, NM 88220-6292

Reference: Land Owner Notification of Navajo Refining Nonhazardous Class I Disposal Well

To Whom It May Concern:

Pursuant to the requirements of the New Mexico Water Quality Control Commission regulation 20 NMAC 6.2.3108, Navajo Refining Company hereby announces that it is making application to the New Mexico Oil Conservation Division (NMOCD) – Environmental Bureau for a discharge permit to inject waste water from Navajo Refining Company's Artesia plant into an injection well that is called WDW-3 located in Unit N, Section 1, Township 18S, Range 27E, Eddy County, New Mexico or approximately 10 miles east of Artesia on US Hwy 82 from US Hwy 285 and about 3 miles south on Hilltop Road. The attached letter is to notify the land owner (Bureau of Land Management) of the well. If the Bureau of Land Management office has any question concerning the well please contact Nancy Niemann, Ken Davis, or Rusty Smith with Subsurface Technology, Inc. at 713-204-6261. Subsurface Technology is contracted by Navajo Refining to perform the permitting work as requested.

Sincerely,

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Russell L. Smith

PUBLIC NOTICE

NOTICE OF DISCHARGE PERMIT REQUEST

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Artesia, NM 88210

Comments and inquiries may be directed to:
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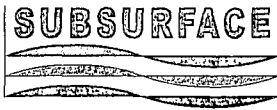
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Comments and inquiries on regulations should be directed to:
Director
New Mexico Oil Conservation Division (NMOCD)
1220 So. Saint Francis Drive
Santa Fe, New Mexico 87505
Telephone: (505) 476-3440

7001 1140 0000 0652 9859

U.S. Postal Service CERTIFIED MAIL RECEIPT (Domestic Mail Only; No Insurance Coverage Provided)	
OFFICIAL USE	
Postage	\$.41
Certified Fee	2.65
Return Receipt Fee (Endorsement Required)	2.15
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 5.21
Postmark Here	
Sent To <u>Carlsbad Field Office</u>	
Street, Apt. No., or PO Box No. <u>620 E. Greene Street</u>	
City, State, ZIP+4 <u>Carlsbad, NM 88220-6292</u>	
PS Form 3800, January 2001 See Reverse for Instructions	

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<ul style="list-style-type: none"> Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits. 	<p>A. Signature <u>[Signature]</u> <input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) <u>J. H. [Signature]</u> C. Date of Delivery <u>7-2</u></p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes <input type="checkbox"/> No If YES, enter delivery address below:</p>
<p>1. Article Addressed to:</p> <p><u>Carlsbad Field Office</u> <u>620 E. Greene Street</u> <u>Carlsbad, NM 88220-6292</u></p>	<p>3. Service Type</p> <p><input type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail</p> <p><input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise</p> <p><input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.</p>
<p>2. Article Number (Transfer from service label)</p> <p><u>7001 1140 0000 0652 9859</u></p>	<p>4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes</p>
<p>PS Form 3811, August 2001 Domestic Return Receipt 102595-02-M-1540</p>	



June 27, 2007

Roswell Field Office
2909 W. Second Street
Roswell, NM 88201-2019

Reference: Land Owner Notification of Navajo Refining Nonhazardous Class I Disposal Well

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Russell L. Smith

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Comments and inquiries on regulations should be directed to:
Director
New Mexico Oil Conservation Division (NMOCD)
1220 So. Saint Francis Drive
Santa Fe, New Mexico 87505
Telephone: (505) 476-3440

U.S. Postal Service
CERTIFIED MAIL RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)

7001 1140 0000 0652 9866

OFFICIAL USE

Postage	\$.41
Certified Fee	2.65
Return Receipt Fee (Endorsement Required)	2.15
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 5.21

Postmark
Here

Sent To Roswell Field Office
 Street, Apt. No., or PO Box No. 2909 W. Second Street
 City, State, ZIP+4 Roswell, NM 88201-2019

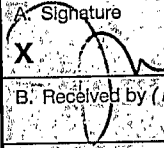
PS Form 3800, January 2001 See Reverse for Instructions

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:
 Roswell Field Office
 2909 W. Second Street
 Roswell, NM 88201-2019

COMPLETE THIS SECTION ON DELIVERY

A. Signature ☒ Agent ☐ Addressee
 X 
 B. Received by (Printed Name)
 C. Date of Delivery 7/2/17
 D. Is delivery address different from item 1? ☐ Yes ☒ No
 If YES, enter delivery address below:

3. Service Type
☐ Certified Mail ☐ Express Mail
☐ Registered ☐ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.
 4. Restricted Delivery? (Extra Fee) ☐ Yes

2. Article Number (Transfer from service label) 7001 1140 0000 0652 9866

ATTACHMENT C

**ARTESIA DAILY PRESS ADS WITH AFFIDAVITS OF
PUBLICATION**

Affidavit of Publication

NO. 19833

STATE OF NEW MEXICO

County of Eddy:

Gary D. Scott being duly

sworn,says: That he is the Publisher of The
Artesia Daily Press, a daily newspaper of general
circulation, published in English at Artesia, said county
and county and state, and that the here to attached
Advertisement

was published in a regular and entire issue of the said
Artesia Daily Press,a daily newspaper duly qualified
for that purpose within the meaning of Chapter 167 of
the 1937 Session Laws of the state of New Mexico for
1 Consecutiv week/days on the same

day as follows:

First Publication July 11 2007

Second Publication

Third Publication

Fourth Publication

Fifth Publication

Subscribed and sworn to before me this

13th Day July 2007

Kimberly J. Combs
Notary Public, Eddy County, New Mexico

My Commission expires April 5, 2011

Copy of Publication:

PUBLIC NOTICE

NOTICE OF DISCHARGE PERMIT REQUEST

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Artesia, NM 88210

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Comments and inquiries on regulations should be directed to:

Director

New Mexico Oil Conservation Division (NMOCD)

1220 So. Saint Francis Drive

Santa Fe, New Mexico 87505

Telephone: (505) 476-3440

Affidavit of Publication

NO. 19834

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County of Eddy:

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Artesia Daily Press, a daily newspaper of general

circulation, published in English at Artesia, said county

and county and state, and that the here to attached

Advertisement

was published in a regular and entire issue of the said

Artesia Daily Press, a daily newspaper duly qualified

for that purpose within the meaning of Chapter 167 of

the 1937 Session Laws of the state of New Mexico for

1 Consecutiv week/days on the same

day as follows:

First Publication July 11 2007

Second Publication

Third Publication

Fourth Publication

Fifth Publication

Subscribed and sworn to before me this

13th Day July 2007

Kimberly J. Combs
Notary Public, Eddy County, New Mexico

My Commission expires April 5, 2011

Copy of Publication:

AVISO PÚBLICO

AVISO DE SOLICITUD DE PERMISO DE DESCARGA

Por medio de la presente la Navajo Refining Company anuncia que de conformidad con los requisitos de las regulaciones de la Comisión de Control de Calidad del Agua de Nuevo México 20 NMAC 6.2.3108, está solicitando a la División de Conservación del Petróleo de Nuevo México (NMOCD) - Departamento del Medio Ambiente, un permiso de descarga de aguas para inyectar aguas residuales de la planta Artesia de la Navajo Refining Company hacia un pozo de inyección que se llama WDW-3 localizado en la Unidad N, Sección 1, Municipio 18S, Rango 27E, Condado Eddy, Nuevo México, o aproximadamente 10 millas al este de Artesia sobre la Carretera US Hwy 82 de la Carretera US Hwy 285 y como a 3 millas al sur sobre Hilltop Road. Anteriormente, el WDW-1 y el WDW-2 ya contaban con permiso bajo planes distintos. Estas aguas residuales se originarán en la refinería Artesia de Navajo en Nuevo México, la cual se encuentra ubicada en 501 E. Main Street, Artesia, NM para ser llevadas mediante un ducto subterráneo de cerca de 12 millas al pozo mencionado arriba. Las aguas residuales se inyectarán hacia las formaciones de Lower Wolfcamp, Cisco, y Canyon, ubicadas entre 7650 pies y 8620 pies (profundidad de registro). La tasa de inyección no excederá los 500 gpm a una presión de inyección que no excederá los 1530 psig.

La generación de aguas residuales de la Planta Artesia es el resultado del agua que se encuentra en el abastecimiento de crudo, el agua que se usa para el enfriamiento y calentamiento, el agua que se usa para retirar las sales del abastecimiento de crudo y para purgar la caldera. Las aguas residuales de la Planta Artesia posiblemente pudieran colocarse en el WDW-3. Estas aguas residuales tendrán un contenido de total de sólidos disueltos (TDS) de 7000 partes por millón, un pH de 7 a 9, y concentraciones mínimas de metales. En el área en donde se encuentra el pozo, el agua fresca se encuentra a una profundidad de 80 pies con un TDS de 1500 a 2200 partes por millón.

Las operaciones de Navajo en las instalaciones afectadas estarán en cumplimiento con todas las regulaciones Estatales y Federales aplicables.

El dueño y operador de estas instalaciones es:

Navajo Refining Company, L.P.

501 E. Main Street

Artesia, NM 88210

Puede dirigir los comentarios y preguntas a:

Sr. Jim Resinger, Gerente de Refinería, (505) 748-3311

Las personas interesadas en obtener mayores informes, presentar sus comentarios o solicitar que se les incluya en las listas de direcciones de una planta en especial para futuros avisos pueden ponerse en contacto con el Jefe del Departamento del Medio Ambiente de la División de Conservación de Petróleo de Nuevo México.

Favor de enviar los comentarios y las preguntas a:

Director

New Mexico Oil Conservation Division (NMOCD)

1220 So. Saint Francis Drive

Santa Fe, New Mexico 87505

Teléfono: (505) 476-3440

ATTACHMENT D

**TEXT OF 20.6.2.3108:
NOTICE REQUIREMENTS
FOR DISCHARGE PERMIT RENEWALS**

ATTACHMENT D

TEXT OF 20.6.2.3108: NOTICE REQUIREMENTS FOR DISCHARGE PERMIT RENEWALS

TITLE 20 ENVIRONMENTAL PROTECTION
CHAPTER 6 WATER QUALITY
PART 2 GROUND AND SURFACE WATER PROTECTION

20.6.2.3108 PUBLIC NOTICE AND PARTICIPATION:

A. Within 15 days of receipt of an application for a discharge permit, modification or renewal, the department shall review the application for administrative completeness. To be deemed administratively complete, an application shall provide all of the information required by Paragraphs (1) through (5) of Subsection F of 20.6.2.3108 NMAC and shall indicate, for department approval, the proposed locations and newspaper for providing notice required by Paragraphs (1) and (4) of Subsection B or Paragraph (2) of Subsection C of 20.6.2.3108 NMAC. The department shall notify the applicant in writing when the application is deemed administratively complete. If the department determines that the application is not administratively complete, the department shall notify the applicant of the deficiencies in writing within 15 days of receipt of the application and state what additional information is necessary.

B. Within 30 days of the department deeming an application for discharge permit or discharge permit modification administratively complete, the applicant shall provide notice, in accordance with the requirements of Subsection F of 20.6.2.3108 NMAC, to the general public in the locale of the proposed discharge in a form provided by the department by each of the methods listed below:

(1) for each 640 contiguous acres or less of a discharge site, prominently posting a synopsis of the public notice at least 2 feet by 3 feet in size, in English and in Spanish, at a place conspicuous to the public, approved by the department, at or near the proposed facility for 30 days; one additional notice, in a form approved by and may be provided by the department, shall be posted at a place located off the discharge site, at a place conspicuous to the public and approved by the department; the department may require a second posting location for more than 640 contiguous acres or when the discharge site is not located on contiguous properties;

(2) providing written notice of the discharge by mail, to owners of record of all properties within a 1/3 mile distance from the boundary of the property where the discharge site is located; if there are no properties other than properties owned by the discharger within a 1/3 mile distance from the boundary of property where the discharge site is located, the applicant shall provide notice to owners of record of the next nearest adjacent properties not owned by the discharger;

(3) providing notice by certified mail, return receipt requested, to the owner of the discharge site if the applicant is not the owner; and

(4) publishing a synopsis of the notice in English and in Spanish, in a display ad at least three inches by four inches not in the classified or legal advertisements section, in a newspaper of general circulation in the location of the proposed discharge.

C. Within 30 days of the department deeming an application for discharge permit renewal administratively complete, the applicant shall provide notice, in accordance with the requirements of Subsection F of 20.6.2.3108 NMAC, to the general public in the locale of the proposed discharge in a form provided by the department by each of the methods listed below:

(1) providing notice by certified mail to the owner of the discharge site if the applicant is not the owner; and

(2) publishing a synopsis of the notice, in English and in Spanish, in a display ad at least two inches by three inches, not in the classified or legal advertisements section, in a newspaper of general circulation in the location of the discharge.

D. Within 15 days of completion of the public notice requirements in Subsections B or C of 20.6.2.3108 NMAC, the applicant shall submit to the department proof of notice, including an affidavit of mailing(s) and the list of property owner(s), proof of publication, and an affidavit of posting, as appropriate.

E. Within 30 days of determining an application for a discharge permit, modification or renewal is administratively complete, the department shall post a notice on its website and shall mail notice to any affected local, state, federal, tribal or pueblo governmental agency, political subdivisions, ditch associations and land grants,

as identified by the department. The department shall also mail or e-mail notice to those persons on a general and facility-specific list maintained by the department who have requested notice of discharge permit applications. The notice shall include the information listed in Subsection F of 20.6.2.3108 NMAC.

F. The notice provided under Subsection B, C and E of 20.6.2.3108 NMAC shall include:

- (1) the name and address of the proposed discharger;
- (2) the location of the discharge, including a street address, if available, and sufficient information to locate the facility with respect to surrounding landmarks;
- (3) a brief description of the activities that produce the discharge described in the application;
- (4) a brief description of the expected quality and volume of the discharge;
- (5) the depth to and total dissolved solids concentration of the ground water most likely to be affected by the discharge;
- (6) the address and phone number within the department by which interested persons may obtain information, submit comments, and request to be placed on a facility-specific mailing list for future notices; and
- (7) a statement that the department will accept comments and statements of interest regarding the application and will create a facility-specific mailing list for persons who wish to receive future notices.

G. All persons who submit comments or statements of interest to the department or previously participated in a public hearing and who provide a mail or e-mail address shall be placed on a facility-specific mailing list and the department shall send those persons the public notice issued pursuant to Subsection H of 20.6.2.3108 NMAC, and notice of any public meeting or hearing scheduled on the application. All persons who contact the department to inquire about a specific facility shall be informed of the opportunity to be placed on the facility-specific mailing list.

H. Within 60 days after the department makes its administrative completeness determination and all required technical information is available, the department shall make available a proposed approval or disapproval of the application for a discharge permit, modification or renewal, including conditions for approval proposed by the department or the reasons for disapproval. The department shall mail by certified mail a copy of the proposed approval or disapproval to the applicant, and shall provide notice of the proposed approval or disapproval of the application for a discharge permit, modification or renewal by:

- (1) posting on the department's website;
- (2) publishing notice in a newspaper of general circulation in this state and a newspaper of general circulation in the location of the facility;
- (3) mailing or e-mailing to those persons on a facility-specific mailing list;
- (4) mailing to any affected local, state, or federal governmental agency, ditch associations and land grants, as identified by the department; and
- (5) mailing to the governor, chairperson, or president of each Indian tribe, pueblo or nation within the state of New Mexico, as identified by the department.

I. The public notice issued under Subsection H shall include the information in Subsection F of 20.6.2.3108 NMAC and the following information:

- (1) a brief description of the procedures to be followed by the secretary in making a final determination;
- (2) a statement of the comment period and description of the procedures for a person to request a hearing on the application; and
- (3) the address and telephone number at which interested persons may obtain a copy of the proposed approval or disapproval of an application for a discharge permit, modification or renewal.

J. In the event that the proposed approval or disapproval of an application for a discharge permit, modification or renewal is available for review within 30 days of deeming the application administratively complete, the department may combine the public notice procedures of Subsections E and H of 20.6.2.3108 NMAC.

K. Following the public notice of the proposed approval or disapproval of an application for a discharge permit, modification or renewal, and prior to a final decision by the secretary, there shall be a period of at least 30 days during which written comments may be submitted to the department and/or a public hearing may be requested in writing. The 30-day comment period shall begin on the date of publication of notice in the newspaper. All comments will be considered by the department. Requests for a hearing shall be in writing and shall set forth the reasons why a hearing should be held. A public hearing shall be held if the secretary determines there is substantial public interest. The department shall notify the applicant and any person requesting a hearing of the decision whether to hold a hearing and the reasons therefore in writing.

L. If a hearing is held, pursuant to Subsection K of 20.6.2.3108 NMAC, notice of the hearing shall be given by the department at least 30 days prior to the hearing in accordance with Subsection H of 20.6.2.3108 NMAC. The notice shall include the information identified in Subsection F of 20.6.2.3108 NMAC in addition to the time and place of the hearing and a brief description of the hearing procedures. The hearing shall be held pursuant to 20.6.2.3110 NMAC.

[2-18-77, 12-24-87, 12-1-95, 11-15-96; 20.6.2.3108 NMAC - Rn, 20 NMAC 6.2.III.3108, 1-15-01; A, 12-1-01; A, 9-15-02; A, 7-16-06]

Source: Downloaded on July 11, 2007 from <http://www.nmcpr.state.nm.us/nmac/parts/title20/20.006.0002.htm>

L. If a hearing is held, pursuant to Subsection K of 20.6.2.3108 NMAC, notice of the hearing shall be given by the department at least 30 days prior to the hearing in accordance with Subsection H of 20.6.2.3108 NMAC. The notice shall include the information identified in Subsection F of 20.6.2.3108 NMAC in addition to the time and place of the hearing and a brief description of the hearing procedures. The hearing shall be held pursuant to 20.6.2.3110 NMAC.

[2-18-77, 12-24-87, 12-1-95, 11-15-96; 20.6.2.3108 NMAC - Rn, 20 NMAC 6.2.III.3108, 1-15-01; A, 12-1-01; A, 9-15-02; A, 7-16-06]

Source: Downloaded on July 11, 2007 from <http://www.nmcpr.state.nm.us/nmac/parts/title20/20.006.0002.htm>

THE SANTA FE
NEW MEXICAN
Founded 1849

NM Energy Mineral National Resource
1220 S. St. Francis Drive,
Santa Fe, NM 87505

AD NUMBER: 218386
LEGAL # 81071
200 LINES 4 TIME(S)
TAX: \$13.77
TOTAL: \$180.58

AFFIDAVIT OF PUBLICATION

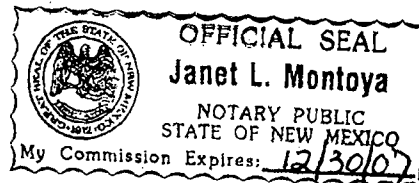
STATE OF NEW MEXICO
COUNTY OF SANTA FE

I, KRISTEN TAKACS, being first duly sworn declare and say that I am an 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 public notices, legals, and advertisements under the provisions of Chapter 167 on Session Laws of 1937; that the Ad Number 222665 a copy of which is hereto attached was published in said newspaper 4 day(s) between 06/12/07 and 07/03/07 and that the notice was published in the newspaper proper and not in any supplement; the first date of publication being on the 12th day of June, 2007 and that the undersigned has personal knowledge of the matter and things set forth in this affidavit.

/s/ Kristen Takacs
ADVERTISING REPRESENTATIVE

Subscribed and sworn to before me on this 14th day of November, 2007

Notary Janet L. Montoya
Commission Expires: 12/30/07



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 (20.6.2.3106 NMAC), the following discharge permit application(s) has been submitted to the Director of the New Mexico Oil Conservation Division ("NMOCD"), 1220 S. Saint Francis Drive, Santa Fe, New Mexico 87505, Telephone (505) 467-3440

(1-008) Navajo Refining Company, Darrell Moore, Environmental Manager for Water and Waste, 501 East Main Street, P.O. Box 159, Artesia New Mexico 88221-0159, has submitted a new application for a Class I Injection Well WDW-3 (API# 30-012-26575) located in the SE/4, SW/4 of Section 1, Township 18 South, Range 27 East, NMPM, Eddy County, New Mexico. The injection well is located approximately 10 miles East of Artesia on Hwy-82 from Hwy-285 and about 3 miles south on Hilltop Road. Previously, WDW-1 and WDW-2 Class I Wells were permitted under separate plans. Oil field exempt and non-exempt non-hazardous industrial waste will be transported 12 miles underground from the Navajo-Artesia Refinery located at 501 E. Main Street, Artesia, NM via a 6 inch dia. pipeline to WDW-3 for disposal into the Lower Wolfcamp, Cisco, and Canyon Formations in the injection interval from 7650 to 8620 feet (log depth). The injection rate will not exceed 500 gpm at a maximum injection pressure of 1530 psif. Groundwater most likely to be affected by a spill, leak, or accidental discharge is at a depth from 80 to 420 ft. below ground surface, with a total dissolved solids concentration of 1500 to 2200 mg/L. The discharge plan addresses well construction, operation, monitoring of the well, associated sur-

face facilities, and provides a contingency plan in the event of accidental spills, leaks, and other accidental discharges in order to protect fresh water.

The NMOCD has determined that the application is administratively complete and has prepared a draft permit. The NMOCD will accept comments and statements of interest regarding this application and will create a facility-specific mailing list for persons who wish to receive future notices. Persons interested in obtaining further information, submitting comments or requesting to be on the facility-specific mailing list for future notices may contact the Environmental Bureau Chief of the Oil Conservation Division at the address given above. The administrative completeness determination and draft permit may be viewed at the above address between 8:00 a.m. and 4:00 p.m. Monday through Friday, or may also be viewed at the NMOCD web site <http://www.emnrd.state.nm.us/ocd/>. Persons interested in obtaining a copy of the application and draft permit may contact the NMOCD at the address given above. Prior to ruling on any proposed discharge permit or major modification, the Director shall allow a period of at least thirty (30) days after the date of publication of this notice, during which interested persons may submit comments or request that NMOCD hold a public hearing. 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 that there is significant public interest.

If no public hearing is held the Director will approve or disapprove the proposed permit based on information available, including all comments received. If a public hearing is held the Director will approve or disapprove the proposed permit based on information submitted at the hearing.

Person(s) has in Spanish, English, or both languages, to be published in the New Mexico State Bulletin, the New Mexico Official Gazette, and the New Mexico State Register.

For more information, contact the NMOCD at the address given above. The NMOCD will accept comments and statements of interest regarding this application and will create a facility-specific mailing list for persons who wish to receive future notices. Persons interested in obtaining further information, submitting comments or requesting to be on the facility-specific mailing list for future notices may contact the Environmental Bureau Chief of the Oil Conservation Division at the address given above. The administrative completeness determination and draft permit may be viewed at the above address between 8:00 a.m. and 4:00 p.m. Monday through Friday, or may also be viewed at the NMOCD web site <http://www.emnrd.state.nm.us/ocd/>. Persons interested in obtaining a copy of the application and draft permit may contact the NMOCD at the address given above. Prior to ruling on any proposed discharge permit or major modification, the Director shall allow a period of at least thirty (30) days after the date of publication of this notice, during which interested persons may submit comments or request that NMOCD hold a public hearing. 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 that there is significant public interest.

GIVEN under the Seal of the State of New Mexico, this 10th day of June 2009.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

By: _____
Director

THE SANTA FE
NEW MEXICAN
Founded 1849

NM ENERGY, MINERALS
CARL CHAVEZ
1220 S ST. FRANCIS DR.
SANTA FE, NM 87505

ALTERNATE ACCOUNT: 56673
AD NUMBER: 218274
LEGAL#81129 P.O.: #52100-0000003956
214 LINES 1 TIME(S) at \$186.48
AFFIDAVIT: \$6.00
TAX: \$15.16
TOTAL: \$207.64

AFFIDAVIT OF PUBLICATION

*ok to print
Carl Chavez
11/28/07*

STATE OF NEW MEXICO
COUNTY OF SANTA FE

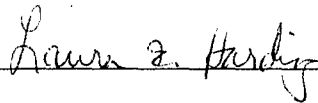
I, T. Valencia, being first duly sworn declare and say that I am Legal Advertising Representative of THE SANTA FE NEW MEXICAN, a daily newspaper published in the English language, and having a general circulation in the Counties of Santa Fe and Los Alamos, State of New Mexico and being a newspaper duly qualified to publish, legals, and advertisements under the provisions of Chapter 167 on Session Laws of 1937; that the publication #81129 a copy of which is hereto attached was published in said newspaper 1 day(s) between 06/12/07 and 06/12/07 and that the notice was published in the newspaper proper and not in any supplement; the first date of publication being on the 12th day of June, 2007 and that the undersigned has personal knowledge of the matter and things set forth in this affidavit.

/S/


LEGAL ADVERTISING REPRESENTATIVE

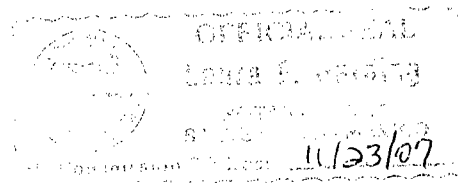
Subscribed and sworn to before me on this 12th day of June, 2007.

Notary



Commission Expires:

11/23/07



**NOTICE OF
PUBLICATION**

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

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face facilities, and provides a contingency plan in the event of accidental spills, leaks, and other accidental discharges in order to protect fresh water.

The NMOCD has determined that the application is administratively complete and has prepared a draft permit. The NMOCD will accept comments and statements of interest regarding this application and will create a facility-specific mailing list for persons who wish to receive future notices. Persons interested in obtaining further information, submitting comments or requesting to be on a facility-specific mailing list for future notices may contact the Environmental Bureau Chief of the Oil Conservation Division at the address given above. The administrative completeness determination and draft permit may be viewed at the above address between 8:00 a.m. and 4:00 p.m. Monday through Friday, or may also be viewed at the NMOCD web site <http://www.emnrd.state.nm.us/oed/>. Persons interested in obtaining a copy of the application and draft permit may contact the NMOCD at the address given above. Prior to ruling on any proposed discharge permit or major modification, the Director shall allow a period of at least thirty (30) days after the date of publication of this notice, during which interested persons may submit comments or request that NMOCD hold a public hearing. 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 that there is significant public interest.

If no public hearing is held the Director will approve or disapprove the proposed permit based on information available, including all comments received. If a public hearing is held the Director will approve or disapprove the proposed permit based on information submitted at the hearing.

Para obtener mas informacion sobre esta solicitud en espanol, sirvase comunicarse por favor: New Mexico Energy, Minerals, and Natural Resources Department (Depto. Del Energia, Minerales y Recursos Naturales de Nuevo Mexico), Oil Conservation Division (Depto. Conservacion Del Petroleo) 1220 South Saint Francis Drive, Santa Fe, New Mexico (Contacto: Dorothy Phillips, 505-476-3461

GIVEN under the Seal of New Mexico Oil Conservation Commission at Santa Fe, New Mexico on this 7th day of June 2007

**STATE OF NEW MEXICO
OIL CONSERVATION
DIVISION**

S E A L

Mark Fesmire,
Director



RECEIVED

2007 JUL 27 PM 2 52

July 25, 2007

Mr. Wayne Price
New Mexico Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

RE: Proof of Notice for Navajo Refining Company's WDW-3 Discharge Permit UIC-
CLI-008 Modification
Subsurface Project No. 70F5826

Dear Mr. Price:

Navajo Refining Company (Navajo) respectfully submits proof of notice of the above-referenced permit modification as required by the Oil Conservation Division as specified in NMAC 20.6.2.3108 (Attachment D). The notice that Navajo published was approved by the Oil Conservation Division.

Navajo provided notice by each of the following methods:

Per NMAC 20.6.2.3108 B(1): On July 9, 2007, Navajo posted the public notice in English and Spanish on signs measuring 2 feet by 3 feet. The signs were placed at the discharge site and at two locations that are conspicuous to the public: the Navajo refinery in Artesia and on Hilltop Road near its intersection with US Highway 82. Photographs of the signs are included in Attachment A.

Per NMAC 20.6.2.3108 B(2): On June 27, 2007, Navajo mailed written notice to owners of all properties within 1/3 mile from the boundary of the property where WDW-3 is located. All property within 1/3 mile of WDW-3 is federal land. Navajo mailed notification to the Bureau of Land Management (BLM). Attachment B includes the notification letters to the BLM and the certified mail return receipts.

Per NMAC 20.6.2.3108 B(3): WDW-3 is located on federal land. Navajo mailed notification to the Bureau of Land Management as documented in Attachment B.

Per NMAC 20.6.2.3108 B(4): Navajo published notice in the Artesia Daily Press on July 11, 2007. Attachment C contains the display ads and proof of publication.

Mr. Wayne Price
New Mexico Oil Conservation Division

July 25, 2007
Page 2

Please do not hesitate to call me at 713-880-4640 if you have questions.

Sincerely,

Nancy L. Niemann

Nancy L. Niemann
Senior Geologist

NLN/jz

c: Darrell Moore – Navajo Refining Company

Attachments:

Attachment A: Photos of Signs

Photo 1: Sign at WDW-3

Photos 2 and 3: Sign at Hilltop Road Intersection with US Highway 82

Photos 4 – 6: Sign at Navajo Refining in Artesia, NM

Attachment B: Letters to BLM and Certified Return Receipts

Attachment C: Artesia Daily Press Ads With Affidavits of Publication

Attachment D: Text of 20.6.2.3108: Notice Requirements for Discharge Permit
Renewals

Price Let1



ATTACHMENT A
PHOTOS OF SIGNS

1

AVISO PÚBLICO

AVISO DE SOLICITUD DE PERMISO DE DESCARGA

Por medio de la presente la Navajo Refining Company anuncia que de conformidad con los requisitos de las regulaciones de la Comisión de Control de Calidad del Agua de Nuevo México 20 NMAC 6.2.3108, está solicitando a la División de Conservación del Petróleo de Nuevo México (NMOCDD) - Departamento del Medio Ambiente, un permiso de descarga de aguas para inyectar aguas residuales de la planta Artesia de la Navajo Refining Company hacia un pozo de inyección que se llama WDW-3 localizado en la Unidad N. Sección 1, Municipio 18S, Range 27E, Condado Eddy, Nuevo México, o aproximadamente 10 millas al este de Artesia sobre la Carretera US Hwy 83 de la Carretera US Hwy 285 y como a 3 millas al sur sobre 18th Street. Anteriormente, el WDW-1 y el WDW-2 ya contaban con permiso bajo planes distintos. Estas aguas residuales se originaron en la refinería Artesia de Navajo en Nuevo México, la cual se encuentra ubicada en 501 E. Main Street, Artesia, NM, para ser llevadas mediante un ducto subterráneo de cerca de 12 millas al pozo mencionado arriba. Las aguas residuales se inyectarán hacia las formaciones de Lower Wolfcamp, Cisco, y Canyon, ubicadas entre 7650 pies y 8620 pies (profundidad de registro). La tasa de inyección no excederá los 500 gpm a una presión de inyección que no excederá los 1530 psig.

La generación de aguas residuales de la Planta Artesia es el resultado del agua que se encuentra en el procesamiento de crudo, el agua que se usa para el enfriamiento y calentamiento, el agua que se usa para reducir las sales del procesamiento de crudo y para purgar la caldera. Las aguas residuales de la Planta Artesia posiblemente podrían combinarse con el WDW-3. Estas aguas residuales tendrán un contenido de total de sólidos disueltos (TDS) de 7000 partes por millón, un pH de 7 a 9, y concentraciones mínimas de metales. En el área en donde se encuentra el pozo, el agua fresca se encuentra a una profundidad de 80 pies con un TDS de 1500 a 2200 partes por millón.

Las operaciones de Navajo en las instalaciones afectadas estarán en cumplimiento con todas las regulaciones Estatales y Federales aplicables.

El dueño y operador de estas instalaciones es Navajo Refining Company, L.P.
501 E. Main Street
Artesia, NM 88210

Puede dirigir los comentarios y preguntas a:

Mr. Jim Resinger, Gerente de Refinería, (505) 748-3311

Las personas interesadas en obtener mayores informes, presentar sus comentarios o solicitar que se les incluya en las listas de direcciones de una planta en especial para futuros avisos pueden ponerse en contacto con el Jefe del Departamento del Medio Ambiente de la División de Conservación de Petróleo de Nuevo México.

Favor de enviar los comentarios y las preguntas a:

Director
New Mexico Oil Conservation Division (NMOCDD)
1220 So. Saint Francis Drive
Santa Fe, New Mexico 87505
Teléfono (505) 476-3440

PUBLIC NOTICE

NOTICE OF DISCHARGE PERMIT REQUEST

Pursuant to the requirements of the New Mexico Water Quality Control Commission regulation to 20 NMAC 6.2.3108, Navajo Refining Company hereby announces that it is making application to the New Mexico Oil Conservation Division (NMOCDD)—Environmental Bureau for a discharge permit to inject waste water from Navajo Refining Company's Artesia plant into an injection well that is called WDW-3 located in Unit N, Section 1, Township 18S, Range 27E, Eddy County, New Mexico or approximately 10 miles east of Artesia on US Hwy 83, from US Hwy 285 and about 3 miles south on Hilltop Road. Previously, WDW-1 and WDW-2 were already permitted under separate plans. This waste water will originate at Navajo's Artesia, NM refinery which is located at 501 E. Main Street, Artesia, NM and will then be carried through an underground pipeline approximately 12 miles to the above mentioned well site. The waste water will be injected into the Lower Wolfcamp, Cisco, and Canyon Formations located between 7650 feet and 8620 feet (log depth). The injection rate will not exceed 500 gpm at an injection pressure not to exceed 1530 psig.

The generation of waste water from the Artesia Plant is a result of water that is entrained in the crude supply, water used for cooling and heating, water used to remove salts from the crude supply, and boiler blow down. The Artesia Plant's waste water could potentially be put into WDW-3. This waste water will have a total dissolved solids (TDS) content of 7000 parts per million, a pH from 7 to 9, and minor metal concentrations in the area of the well location, fresh water is at a depth of 80 feet with a TDS of 1500 to 2200 parts per million.

Navajo's operation of the affected facilities will comply with all applicable State and Federal regulations.

The owner and operator of the facility is:
Navajo Refining Company, L.P.
501 E. Main Street
Artesia, NM 88210

Comments and inquiries may be directed to:

Mr. Jim Resinger, Refinery Manager, (505) 748-3311

Persons interested in obtaining further information, submitting comments, or requesting to be on a facility-specific mailing list for future notices may contact the Environmental Bureau Chief of the New Mexico Oil Conservation Division.

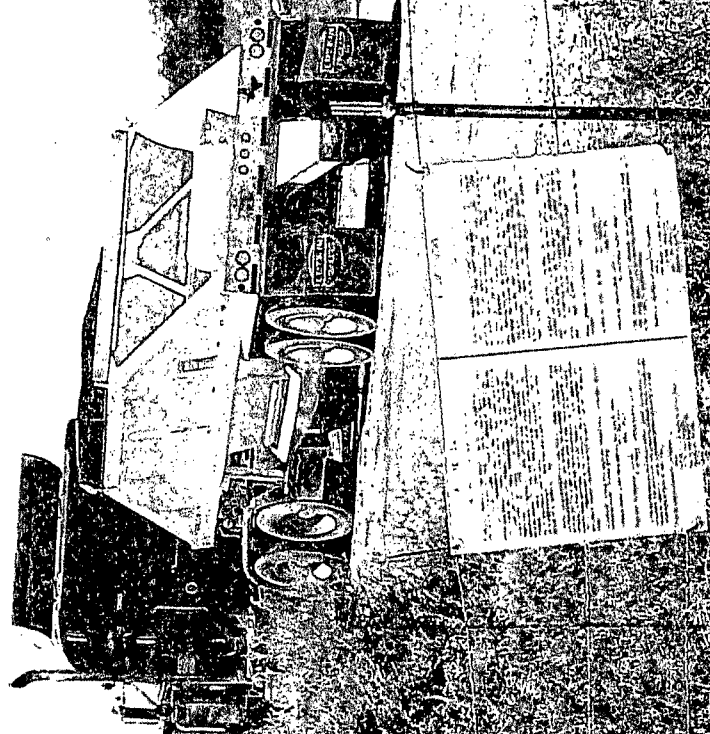
Comments and inquiries on regulations should be directed to:

Director
New Mexico Oil Conservation Division (NMOCDD)
1220 So. Saint Francis Drive
Santa Fe, New Mexico 87505
Telephone: (505) 476-3440

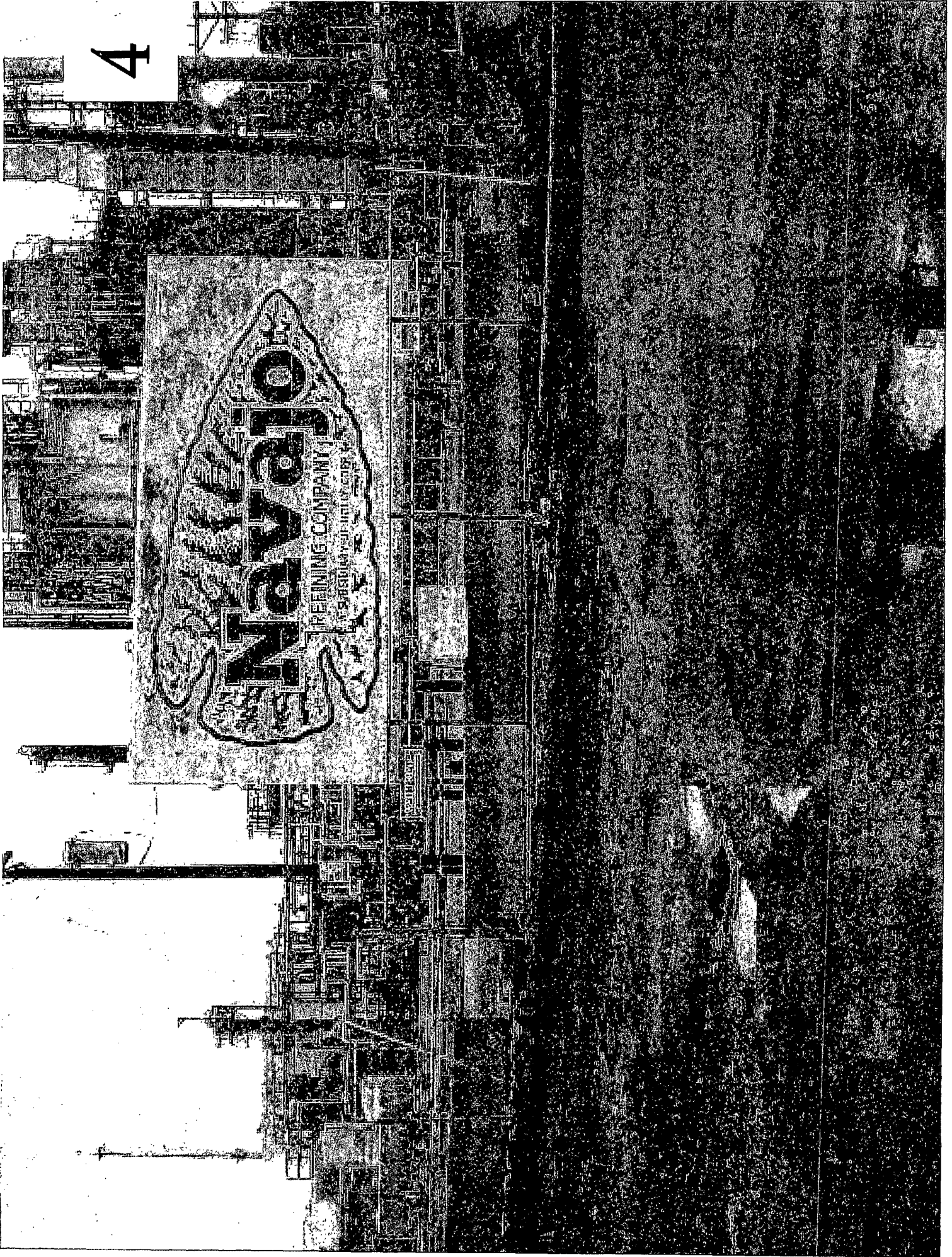
2



3



4

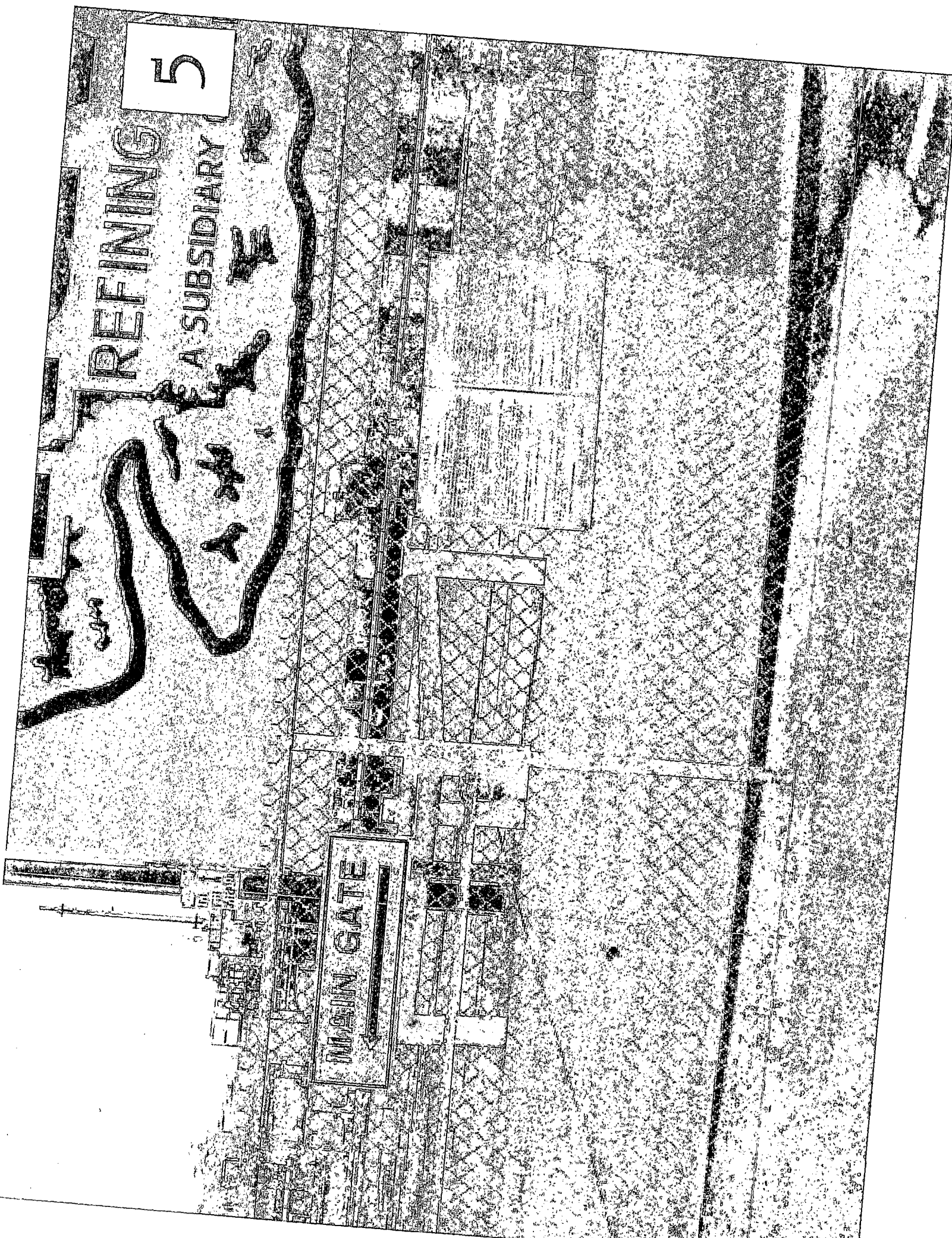


REFINING

A SUBSIDIARY

5

MAIN GATE



PUBLIC AFFAIRS

NOTICE TO THE PUBLIC

Pursuant to the requirements of the New Mexico Water Quality Control Commission, under 20 N.M.S. 6-2.13(D), Mercury Refining Company hereby certifies that it is making application to the New Mexico Oil Conservation Board under N.M.S. 6-2.13(D) for permission to pump and discharge into the Rio Grande a certain quantity of water, which contains mercury, from its plant located at the intersection of the Rio Grande and the New Mexican or approximately 15 miles east of Artesia in the Hotchkiss River Basin, and there is no objection to such pumping from the New Mexico Oil Conservation Board. The discharge of mercury from the plant is limited to 300 lbs. per month, or 300,000 lbs. per year, and the discharge is to be made under separate plans. This large pipe will contain a large volume of water, which will be located on 500 E. Main Street, Denver, CO, and will then be pumped through an 8 inch pipe, which approximately 3.2 miles to the shore measured with the river bank will be ejected into the river. Mercury from the plant will be pumped and discharged into the river at a depth of 10 feet, and the water will be pumped and discharged at a depth of 10 feet, and the water will be pumped and discharged at a depth of 10 feet.

The generation of fresh water from the Athene Plant is a costly process and is dependent on the reliable supply and transport of cooling and heating services to the plant. Costs from the water supply and fuel prices go down. The Athene Plant is very unprepared to finance the power supply. This weak water can have a negative impact on the cost of electricity production. It is difficult to get to an 80% and cannot meet the requirements in the area of power and biomass. Water is a dedicated 80% with a 10% of biomass and 10% of power.

[illegible]

The agents and members of our families... Manage Wellbeing Insurance Ltd
8015 Highway 70
Mississauga, Ontario L4V 1P9

MISSISSAUGA, ONTARIO

5. Finance increased in obtaining further information, strengthening commitment, and increasing the confidence of the public in the new government. Mr. Jim Resnick, Secretary, said that the new government had been successful in obtaining the support of the public in the new government. The new government had been successful in obtaining the support of the public in the new government. The new government had been successful in obtaining the support of the public in the new government.

[illegible]

AND PUBLISHED

UNITED STATES DEPARTMENT OF JUSTICE

[illegible]

Les courbes de σ_{eff} et σ_{eff}^* ont des maxima à $\sigma_{\text{eff}} = 10^{-1}$ et $\sigma_{\text{eff}}^* = 10^{-2}$ respectivement. Les courbes de σ_{eff} et σ_{eff}^* ont des minima à $\sigma_{\text{eff}} = 10^{-1}$ et $\sigma_{\text{eff}}^* = 10^{-2}$ respectivement.

En 1980, le président de la République a nommé un comité d'experts pour étudier les problèmes de la santé mentale. Le comité a été présidé par le professeur J. L. Leclercq, directeur de l'Institut de Psychiatrie de l'Université de Liège. Le comité a publié son rapport en 1982, intitulé "La santé mentale en Belgique".

Il 19.05.2004, l'azienda di cui sopra, ha ricevuto informazioni circa l'attività di ricerca e sviluppo svolta da una delle sue filiali, la *St. Lawrence*, che ha permesso di effettuare una visita di lavoro presso la sede di ricerca e sviluppo della *St. Lawrence*. L'azienda di cui sopra ha avuto la possibilità di osservare e documentare la ricerca e sviluppo svolta dalla *St. Lawrence*.

[illegible]

ATTACHMENT B

LETTERS TO BLM AND CERTIFIED RETURN RECEIPTS

ATTACHMENT B



June 27, 2007

Bureau of Land Management
1474 Rodeo Road
Santa Fe, NM 87505

Reference: Land Owner Notification of Navajo Refining Nonhazardous Class I Disposal Well

To Whom It May Concern:

Pursuant to the requirements of the New Mexico Water Quality Control Commission regulation 20 NMAC 6.2.3108, Navajo Refining Company hereby announces that it is making application to the New Mexico Oil Conservation Division (NMOCD) – Environmental Bureau for a discharge permit to inject waste water from Navajo Refining Company's Artesia plant into an injection well that is called WDW-3 located in Unit N, Section 1, Township 18S, Range 27E, Eddy County, New Mexico or approximately 10 miles east of Artesia on US Hwy 82 from US Hwy 285 and about 3 miles south on Hilltop Road. The attached letter is to notify the land owner (Bureau of Land Management) of the well. If the Bureau of Land Management office has any question concerning the well please contact Nancy Niemann, Ken Davis, or Rusty Smith with Subsurface Technology, Inc. at 713-204-6261. Subsurface Technology is contracted by Navajo Refining to perform the permitting work as requested.

Sincerely,

A handwritten signature in cursive script, appearing to read "Russell L. Smith", written in black ink.

Russell L. Smith

PUBLIC NOTICE

NOTICE OF DISCHARGE PERMIT REQUEST

Pursuant to the requirements of the New Mexico Water Quality Control Commission regulation 20 NMAC 6.2.3108, Navajo Refining Company hereby announces that it is making application to the New Mexico Oil Conservation Division (NMOCD) – Environmental Bureau for a discharge permit to inject waste water from Navajo Refining Company's Artesia plant into an injection well that is called WDW-3 located in Unit N, Section 1, Township 18S, Range 27E, Eddy County, New Mexico or approximately 10 miles east of Artesia on US Hwy 82 from US Hwy 285 and about 3 miles south on Hilltop Road. Previously, WDW-1 and WDW-2 were already permitted under separate plans. This waste water will originate at Navajo's Artesia, NM refinery which is located at 501 E. Main Street, Artesia, NM and will then be carried through an underground pipeline approximately 12 miles to the above mentioned well site. The waste water will be injected into the Lower Wolfcamp, Cisco, and Canyon Formations located between 7650 feet and 8620 feet (log depth). The injection rate will not exceed 500 gpm at an injection pressure not to exceed 1530 psig.

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Navajo's operation of the affected facilities will comply with all applicable State and Federal regulations.

The owner and operator of the facility is: Navajo Refining Company, L.P.
501 E. Main Street
Artesia, NM 88210

Comments and inquiries may be directed to:
Mr. Jim Resinger, Refinery Manager, (505) 748-3311

Persons interested in obtaining further information, submitting comments, or requesting to be on a facility-specific mailing list for future notices may contact the Environmental Bureau Chief of the New Mexico Oil Conservation Division.

Comments and inquiries on regulations should be directed to:
Director
New Mexico Oil Conservation Division (NMOCD)
1220 So. Saint Francis Drive
Santa Fe, New Mexico 87505
Telephone: (505) 476-3440

U.S. Postal Service
CERTIFIED MAIL RECEIPT
 (Domestic Mail Only; No Insurance Coverage Provided)

7001 1140 0000 0652 9842

OFFICIAL USE

Postage	\$.41
Certified Fee	2.65
Return Receipt Fee (Endorsement Required)	2.15
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 5.21

Postmark
Here

Sent To Bureau of Land Management
 Street, Apt. No.,
 or PO Box No. 1474 Rodeo Road
 City, State, ZIP+ 4 Santa Fe, NM 87505
 PS Form 3800, January 2001 See Reverse for Instructions

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:


Bureau of Land
 Management
 1474 Rodeo Road
 Santa Fe, NM 87505

2. Article Number

(Transfer from service label)

7001 1140 0000 0652 9842

COMPLETE THIS SECTION ON DELIVERY

A. Signature  ☐ Agent ☐ Addressee
 B. Received by (Printed Name) _____ C. Date of Delivery 7-6-07
 D. Is delivery address different from item 1? ☐ Yes ☒ No
 If YES, enter delivery address below: _____

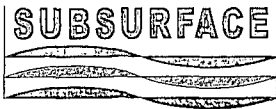
3. Service Type
☐ Certified Mail ☐ Express Mail
☐ Registered ☐ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes

PS Form 3811, August 2001

Domestic Return Receipt

102595-02-M-1540



June 27, 2007

Carlsbad Field Office
620 E. Greene Street
Carlsbad, NM 88220-6292

Reference: Land Owner Notification of Navajo Refining Nonhazardous Class I Disposal Well

To Whom It May Concern:

Pursuant to the requirements of the New Mexico Water Quality Control Commission regulation 20 NMAC 6.2.3108, Navajo Refining Company hereby announces that it is making application to the New Mexico Oil Conservation Division (NMOCD) – Environmental Bureau for a discharge permit to inject waste water from Navajo Refining Company's Artesia plant into an injection well that is called WDW-3 located in Unit N, Section 1, Township 18S, Range 27E, Eddy County, New Mexico or approximately 10 miles east of Artesia on US Hwy 82 from US Hwy 285 and about 3 miles south on Hilltop Road. The attached letter is to notify the land owner (Bureau of Land Management) of the well. If the Bureau of Land Management office has any question concerning the well please contact Nancy Niemann, Ken Davis, or Rusty Smith with Subsurface Technology, Inc. at 713-204-6261. Subsurface Technology is contracted by Navajo Refining to perform the permitting work as requested.

Sincerely,

A handwritten signature in black ink, appearing to read "Russell L. Smith". The signature is fluid and cursive, with the first name "Russell" being more prominent.

Russell L. Smith

PUBLIC NOTICE

NOTICE OF DISCHARGE PERMIT REQUEST

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Navajo's operation of the affected facilities will comply with all applicable State and Federal regulations.

The owner and operator of the facility is: Navajo Refining Company, L.P.
501 E. Main Street
Artesia, NM 88210

Comments and inquiries may be directed to:
Mr. Jim Resinger, Refinery Manager, (505) 748-3311

Persons interested in obtaining further information, submitting comments, or requesting to be on a facility-specific mailing list for future notices may contact the Environmental Bureau Chief of the New Mexico Oil Conservation Division.

Comments and inquiries on regulations should be directed to:
Director
New Mexico Oil Conservation Division (NMOCD)
1220 So. Saint Francis Drive
Santa Fe, New Mexico 87505
Telephone: (505) 476-3440

U.S. Postal Service
CERTIFIED MAIL RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)


7001 1140 0000 0652 9859

OFFICIAL USE

Postage	\$.41	Postmark Here
Certified Fee	2.65	
Return Receipt Fee (Endorsement Required)	2.15	
Restricted Delivery Fee (Endorsement Required)		
Total Postage & Fees	\$ 5.21	

Sent To Carlsbad Field Office
 Street, Apt. No.,
 or PO Box No. 620 E. Greene Street
 City, State, ZIP+4 Carlsbad, NM 88220-6292

PS Form 3800, January 2001 See Reverse for Instructions

SENDER: COMPLETE THIS SECTION		COMPLETE THIS SECTION ON DELIVERY	
<input checked="" type="checkbox"/> Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. <input checked="" type="checkbox"/> Print your name and address on the reverse so that we can return the card to you. <input checked="" type="checkbox"/> Attach this card to the back of the mailpiece, or on the front if space permits.		A. Signature  <input type="checkbox"/> Agent <input checked="" type="checkbox"/> Addressee	
1. Article Addressed to: Carlsbad Field Office 620 E. Greene Street Carlsbad, NM 88220-6292		B. Received by (Printed Name) J. H. Hyle C. Date of Delivery 5-2	
2. Article Number (Transfer from service label) 7001 1140 0000 0652 9859		D. Is delivery address different from item 1? <input checked="" type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No	
PS Form 3811, August 2001		3. Service Type <input type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D. 4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes	
Domestic Return Receipt		102595-02-M-1540	



June 27, 2007

Roswell Field Office
2909 W. Second Street
Roswell, NM 88201-2019

Reference: Land Owner Notification of Navajo Refining Nonhazardous Class I Disposal Well

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Sincerely,

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Russell L. Smith

PUBLIC NOTICE

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501 E. Main Street
Artesia, NM 88210

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Director
New Mexico Oil Conservation Division (NMOCD)
1220 So. Saint Francis Drive
Santa Fe, New Mexico 87505
Telephone: (505) 476-3440

7001 1140 0000 0652 9866

U.S. Postal Service
CERTIFIED MAIL RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)

OFFICIAL USE

Postage	\$.41
Certified Fee	2.65
Return Receipt Fee (Endorsement Required)	2.15
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 5.21

Postmark
Here

Sent To Roswell Field Office
 Street, Apt. No., or PO Box No. 2909 W. Second Street
 City, State, ZIP+4 Roswell, NM 88201-2019
 PS Form 3800, January 2001 Seal Reverse for Instructions


SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Roswell Field Office
 2909 W. Second Street
 Roswell, NM 88201-2019

COMPLETE THIS SECTION ON DELIVERY

A. Signature ☒ Agent ☐ Addressee
 X 
 B. Received by (Printed Name) C. Date of Delivery 7/2/17
 D. Is delivery address different from item 1? ☐ Yes
 If YES, enter delivery address below: ☐ No

3. Service Type
☐ Certified Mail ☐ Express Mail
☐ Registered ☐ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.
 4. Restricted Delivery? (Extra Fee) ☐ Yes

2. Article Number
 (Transfer from service label)

7001 1140 0000 0652 9866

PS Form 3811, August 2001

Domestic Return Receipt

102595-02-M-1540

ATTACHMENT C

**ARTESIA DAILY PRESS ADS WITH AFFIDAVITS OF
PUBLICATION**

Affidavit of Publication

NO. 19833

STATE OF NEW MEXICO

County of Eddy:

Gary D. Scott being dulysworn, says: That he is the Publisher of The

Artesia Daily Press, a daily newspaper of general
circulation, published in English at Artesia, said county
and county and state, and that the here to attached

Advertisement

was published in a regular and entire issue of the said

Artesia Daily Press, a daily newspaper duly qualified

for that purpose within the meaning of Chapter 167 of

the 1937 Session Laws of the state of New Mexico for

1 Consecutiv week/days on the same

day as follows:

First Publication July 11 2007

Second Publication _____

Third Publication _____

Fourth Publication _____

Fifth Publication _____

Subscribed and sworn to before me this

13th Day July 2007Kimberly G. Combs
Notary Public, Eddy County, New MexicoMy Commission expires April 5, 2011**Copy of Publication:****PUBLIC NOTICE****NOTICE OF DISCHARGE PERMIT REQUEST**

Pursuant to the requirements of the New Mexico Water Quality Control Commission regulation 20.NMAC 6-2-3108, Navajo Refining Company hereby announces that it is making application to the New Mexico Oil Conservation Division (NMOCD), Environmental Bureau for a discharge permit to inject waste water from Navajo Refining Company's Artesia plant into an injection well that is called WDW-3 located in Unit N, Section 1, Township 18S, Range 27E, Eddy County, New Mexico or approximately 10 miles east of Artesia on US Hwy 82 from US Hwy 285 and about 3 miles south on Hilltop Road. Previously, WDW-1 and WDW-2 were already permitted under separate plans. This waste water will originate at Navajo's Artesia, NM refinery which is located at 501 E. Main Street, Artesia, NM and will then be carried through an underground pipeline approximately 12 miles to the above mentioned well site. The waste water will be injected into the Lower Wolfcamp, Cisco, and Canyon Formations located between 7650 feet and 8620 feet (log depth). The injection rate will not exceed 500 gpm at an injection pressure not to exceed 1530 psig.

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Artesia, NM 88210

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Director

New Mexico Oil Conservation Division (NMOCD)

1220 So. Saint Francis Drive

Santa Fe, New Mexico 87505

Telephone: (505) 476-3440

Affidavit of Publication

NO. 19834

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Advertisement

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Artesia Daily Press, a daily newspaper duly qualified

for that purpose within the meaning of Chapter 167 of

the 1937 Session Laws of the state of New Mexico for

1 Consecutiv week/days on the same

day as follows:

First Publication July 11 2007

Second Publication

Third Publication

Fourth Publication

Fifth Publication

Subscribed and sworn to before me this

13th Day July 2007

Kimberly J. Combs
Notary Public, Eddy County, New Mexico

My Commission expires April 5, 2011

Copy of Publication:

AVISO PÚBLICO

AVISO DE SOLICITUD DE PERMISO DE DESCARGA

Por medio de la presente la Navajo Refining Company anuncia que de conformidad con los requisitos de las regulaciones de la Comisión de Control de Calidad del Agua de Nuevo México (NMAC) 6.2.3108, está solicitando a la División de Conservación del Petróleo de Nuevo México (NMOCD) Departamento del Medio Ambiente, un permiso de descarga de aguas para inyectar aguas residuales de la planta Artesia de la Navajo Refining Company hacia un pozo de inyección que se llama WDW-3 localizado en la Unidad N. Sección 1, Municipio 18S, Rango 27E, Condado Eddy, Nuevo México, o aproximadamente 10 millas al este de Artesia sobre la Carretera US Hwy 82 de la Carretera US Hwy 285 y como a 3 millas al sur sobre Hilltop Road. Anteriormente, el WDW-1 y el WDW-2 ya contaban con permiso bajo planes distintos. Estas aguas residuales se originaron en la refinería Artesia de Navajo en Nuevo México, la cual se encuentra ubicada en 501 E. Main Street, Artesia, NM para ser llevadas mediante un ducto subterráneo de cerca de 12 millas al pozo mencionado arriba. Las aguas residuales se inyectarán hacia las formaciones de Lower Wolfcamp, Cisco, y Canyon, ubicadas entre 7650 pies y 8620 pies (profundidad de registro). La tasa de inyección no excederá los 500 gpm a una presión de inyección que no excederá los 1530 psig.

La generación de aguas residuales de la Planta Artesia es el resultado del agua que se encuentra en el abastecimiento de crudo, el agua que se usa para el enfriamiento y calentamiento, el agua que se usa para retirar las sales del abastecimiento de crudo y para purgar la caldera. Las aguas residuales de la Planta Artesia posiblemente pudieran colocarse en el WDW-3. Estas aguas residuales tendrán un contenido de total de sólidos disueltos (TDS) de 7000 partes por millón, un pH de 7 a 9, y concentraciones mínimas de metales. En el área en donde se encuentra el pozo, el agua fresca se encuentra a una profundidad de 80 pies con un TDS de 1500 a 2200 partes por millón.

Las operaciones de Navajo en las instalaciones afectadas estarán en cumplimiento con todas las regulaciones Estatales y Federales aplicables.

El dueño y operador de estas instalaciones es:

Navajo Refining Company, L.P.

501 E. Main Street

Artesia, NM 88210

Puede dirigir los comentarios y preguntas a:

Sr. Jim Resinger, Gerente de Refinería, (505) 748-3311

Las personas interesadas en obtener mayores informes, presentar sus comentarios o solicitar que se les incluya en las listas de direcciones de una planta en especial para futuros avisos pueden ponerse en contacto con el Jefe del Departamento del Medio Ambiente de la División de Conservación de Petróleo de Nuevo México.

Favor de enviar los comentarios y las preguntas a:

Director

New Mexico Oil Conservation Division (NMOCD)

1220 So. Saint Francis Drive

Santa Fe, New Mexico 87505

Teléfono: (505) 476-3440

ATTACHMENT D

**TEXT OF 20.6.2.3108:
NOTICE REQUIREMENTS
FOR DISCHARGE PERMIT RENEWALS**

ATTACHMENT D

TEXT OF 20.6.2.3108: NOTICE REQUIREMENTS FOR DISCHARGE PERMIT RENEWALS

TITLE 20 ENVIRONMENTAL PROTECTION
CHAPTER 6 WATER QUALITY
PART 2 GROUND AND SURFACE WATER PROTECTION

20.6.2.3108 PUBLIC NOTICE AND PARTICIPATION:

A. Within 15 days of receipt of an application for a discharge permit, modification or renewal, the department shall review the application for administrative completeness. To be deemed administratively complete, an application shall provide all of the information required by Paragraphs (1) through (5) of Subsection F of 20.6.2.3108 NMAC and shall indicate, for department approval, the proposed locations and newspaper for providing notice required by Paragraphs (1) and (4) of Subsection B or Paragraph (2) of Subsection C of 20.6.2.3108 NMAC. The department shall notify the applicant in writing when the application is deemed administratively complete. If the department determines that the application is not administratively complete, the department shall notify the applicant of the deficiencies in writing within 15 days of receipt of the application and state what additional information is necessary.

B. Within 30 days of the department deeming an application for discharge permit or discharge permit modification administratively complete, the applicant shall provide notice, in accordance with the requirements of Subsection F of 20.6.2.3108 NMAC, to the general public in the locale of the proposed discharge in a form provided by the department by each of the methods listed below:

(1) for each 640 contiguous acres or less of a discharge site, prominently posting a synopsis of the public notice at least 2 feet by 3 feet in size, in English and in Spanish, at a place conspicuous to the public, approved by the department, at or near the proposed facility for 30 days; one additional notice, in a form approved by and may be provided by the department, shall be posted at a place located off the discharge site, at a place conspicuous to the public and approved by the department; the department may require a second posting location for more than 640 contiguous acres or when the discharge site is not located on contiguous properties;

(2) providing written notice of the discharge by mail, to owners of record of all properties within a 1/3 mile distance from the boundary of the property where the discharge site is located; if there are no properties other than properties owned by the discharger within a 1/3 mile distance from the boundary of property where the discharge site is located, the applicant shall provide notice to owners of record of the next nearest adjacent properties not owned by the discharger;

(3) providing notice by certified mail, return receipt requested, to the owner of the discharge site if the applicant is not the owner; and

(4) publishing a synopsis of the notice in English and in Spanish, in a display ad at least three inches by four inches not in the classified or legal advertisements section, in a newspaper of general circulation in the location of the proposed discharge.

C. Within 30 days of the department deeming an application for discharge permit renewal administratively complete, the applicant shall provide notice, in accordance with the requirements of Subsection F of 20.6.2.3108 NMAC, to the general public in the locale of the proposed discharge in a form provided by the department by each of the methods listed below:

(1) providing notice by certified mail to the owner of the discharge site if the applicant is not the owner; and

(2) publishing a synopsis of the notice, in English and in Spanish, in a display ad at least two inches by three inches, not in the classified or legal advertisements section, in a newspaper of general circulation in the location of the discharge.

D. Within 15 days of completion of the public notice requirements in Subsections B or C of 20.6.2.3108 NMAC, the applicant shall submit to the department proof of notice, including an affidavit of mailing(s) and the list of property owner(s), proof of publication, and an affidavit of posting, as appropriate.

E. Within 30 days of determining an application for a discharge permit, modification or renewal is administratively complete, the department shall post a notice on its website and shall mail notice to any affected local, state, federal, tribal or pueblo governmental agency, political subdivisions, ditch associations and land grants,

as identified by the department. The department shall also mail or e-mail notice to those persons on a general and facility-specific list maintained by the department who have requested notice of discharge permit applications. The notice shall include the information listed in Subsection F of 20.6.2.3108 NMAC.

F. The notice provided under Subsection B, C and E of 20.6.2.3108 NMAC shall include:

- (1) the name and address of the proposed discharger;
- (2) the location of the discharge, including a street address, if available, and sufficient information to locate the facility with respect to surrounding landmarks;
- (3) a brief description of the activities that produce the discharge described in the application;
- (4) a brief description of the expected quality and volume of the discharge;
- (5) the depth to and total dissolved solids concentration of the ground water most likely to be affected by the discharge;
- (6) the address and phone number within the department by which interested persons may obtain information, submit comments, and request to be placed on a facility-specific mailing list for future notices; and
- (7) a statement that the department will accept comments and statements of interest regarding the application and will create a facility-specific mailing list for persons who wish to receive future notices.

G. All persons who submit comments or statements of interest to the department or previously participated in a public hearing and who provide a mail or e-mail address shall be placed on a facility-specific mailing list and the department shall send those persons the public notice issued pursuant to Subsection H of 20.6.2.3108 NMAC, and notice of any public meeting or hearing scheduled on the application. All persons who contact the department to inquire about a specific facility shall be informed of the opportunity to be placed on the facility-specific mailing list.

H. Within 60 days after the department makes its administrative completeness determination and all required technical information is available, the department shall make available a proposed approval or disapproval of the application for a discharge permit, modification or renewal, including conditions for approval proposed by the department or the reasons for disapproval. The department shall mail by certified mail a copy of the proposed approval or disapproval to the applicant, and shall provide notice of the proposed approval or disapproval of the application for a discharge permit, modification or renewal by:

- (1) posting on the department's website;
- (2) publishing notice in a newspaper of general circulation in this state and a newspaper of general circulation in the location of the facility;
- (3) mailing or e-mailing to those persons on a facility-specific mailing list;
- (4) mailing to any affected local, state, or federal governmental agency, ditch associations and land grants, as identified by the department; and
- (5) mailing to the governor, chairperson, or president of each Indian tribe, pueblo or nation within the state of New Mexico, as identified by the department.

I. The public notice issued under Subsection H shall include the information in Subsection F of 20.6.2.3108 NMAC and the following information:

- (1) a brief description of the procedures to be followed by the secretary in making a final determination;
- (2) a statement of the comment period and description of the procedures for a person to request a hearing on the application; and
- (3) the address and telephone number at which interested persons may obtain a copy of the proposed approval or disapproval of an application for a discharge permit, modification or renewal.

J. In the event that the proposed approval or disapproval of an application for a discharge permit, modification or renewal is available for review within 30 days of deeming the application administratively complete, the department may combine the public notice procedures of Subsections E and H of 20.6.2.3108 NMAC.

K. Following the public notice of the proposed approval or disapproval of an application for a discharge permit, modification or renewal, and prior to a final decision by the secretary, there shall be a period of at least 30 days during which written comments may be submitted to the department and/or a public hearing may be requested in writing. The 30-day comment period shall begin on the date of publication of notice in the newspaper. All comments will be considered by the department. Requests for a hearing shall be in writing and shall set forth the reasons why a hearing should be held. A public hearing shall be held if the secretary determines there is substantial public interest. The department shall notify the applicant and any person requesting a hearing of the decision whether to hold a hearing and the reasons therefore in writing.

L. If a hearing is held, pursuant to Subsection K of 20.6.2.3108 NMAC, notice of the hearing shall be given by the department at least 30 days prior to the hearing in accordance with Subsection H of 20.6.2.3108 NMAC. The notice shall include the information identified in Subsection F of 20.6.2.3108 NMAC in addition to the time and place of the hearing and a brief description of the hearing procedures. The hearing shall be held pursuant to 20.6.2.3110 NMAC.

[2-18-77, 12-24-87, 12-1-95, 11-15-96; 20.6.2.3108 NMAC - Rn, 20 NMAC 6.2.III.3108, 1-15-01; A, 12-1-01; A, 9-15-02; A, 7-16-06]

Source: Downloaded on July 11, 2007 from <http://www.nmcpr.state.nm.us/nmac/parts/title20/20.006.0002.htm>

L. If a hearing is held, pursuant to Subsection K of 20.6.2.3108 NMAC, notice of the hearing shall be given by the department at least 30 days prior to the hearing in accordance with Subsection H of 20.6.2.3108 NMAC. The notice shall include the information identified in Subsection F of 20.6.2.3108 NMAC in addition to the time and place of the hearing and a brief description of the hearing procedures. The hearing shall be held pursuant to 20.6.2.3110 NMAC.

[2-18-77, 12-24-87, 12-1-95, 11-15-96; 20.6.2.3108 NMAC - Rn, 20 NMAC 6.2.III.3108, 1-15-01; A, 12-1-01; A, 9-15-02; A, 7-16-06]

Source: Downloaded on July 11, 2007 from <http://www.nmcpr.state.nm.us/nmac/parts/title20/20.006.0002.htm>

THE SANTA FE
NEW MEXICAN
Founded 1849

NM ENERGY MINERAL NA
OFFICE OF SECRETARY A
1220 S ST FRANCIS DR
SANTA FE NM 87505

ALTERNATE ACCOUNT: 56673
AD NUMBER: 00218298 ACCOUNT: 00002202
LEGAL NO: 81129 P.O. #: 52100-00000039
333 LINES 4 TIME(S) 626.04
AFFIDAVIT: 6.00
TAX: 48.19
TOTAL: 680.23

AFFIDAVIT OF PUBLICATION

STATE OF NEW MEXICO
COUNTY OF SANTA FE

I, T. Valencia, 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 # 81129 a copy of which is hereto attached was published in said newspaper 4 day(s) between 06/12/2007 and 07/03/2007 and that the notice was published in the newspaper proper and not in any supplement; the first date of publication being on the 12nd day of June, 2007 and that the undersigned has personal knowledge of the matter and things set forth in this affidavit.

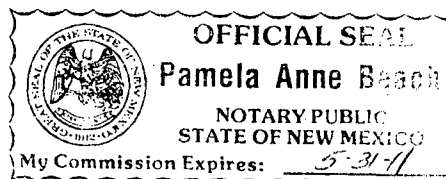
/S/

LEGAL ADVERTISEMENT REPRESENTATIVE

Subscribed and sworn to before me on this 3rd day of July, 2007

Notary

Commission Expires:



**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 (20.6.2.3106 NMAC), the following discharge permit application(s) has been submitted to the Director of the New Mexico Oil Conservation Division ("NMOCD"), 1220 S. Saint Francis Drive, Santa Fe, New Mexico 87505, Telephone (505) 467-3440

(I-008) Navajo Refining Company. Darrell Moore, Environmental Manager for Water and Waste, 501 East Main Street, P.O. Box 159, Artesia New Mexico 88221-0159, has submitted a new application for a Class 1 Injection Well WDW-3 (API# 30-012-26575) located in the SE/4, SW/4 of Section 1, Township 18 South, Range 27 East, NMPM, Eddy County, New Mexico. The injection well is located approximately 10 miles East of Artesia on Hwy-82 from Hwy-285 and about 3 miles south on Hilltop Road. Previously, WDW-1 and WDW-2 Class 1 Wells were permitted under separate plans. Oil field exempt and non-exempt non-hazardous industrial waste will be transported 12 miles underground from the Navajo-Artesia Refinery located at 501 E. Main Street, Artesia, NM via a 6 inch dia. pipeline to WDW-3 for disposal into the Lower Wolfcamp, Cisco, and Canyon Formations in the injection interval from 7650 to 8620 feet (log depth). The injection rate will not exceed

500 gpm at a maximum injection pressure of 1530 psif. Groundwater most likely to be affected by a spill, leak, or accidental discharge is at a depth from 80 to 420 ft. below ground surface, with a total dissolved solids concentration of 1500 to 2200 mg/L. The discharge plan addresses well construction, operation, monitoring of the well, associated surface facilities, and provides a contingency plan in the event of accidental spills, leaks, and other accidental discharges in order to protect fresh water.

The NMOCD has determined that the application is administratively complete and has prepared a draft permit. The NMOCD will accept comments and statements of interest regarding this application and will create a facility-specific mailing list for persons who wish to receive future notices. Persons interested in obtaining further information, submitting comments or requesting to be on a facility-specific mailing list for future notices may contact the Environmental Bureau Chief of the Oil Conservation Division at the address given above. The administrative completeness determination and draft permit may be viewed at the above address between 8:00 a.m. and 4:00 p.m. Monday through Friday, or may also be viewed at the NMOCD web site <http://www.emnrd.state.nm.us/ocd/>. Persons interested in obtaining a copy of the application and draft permit may contact the NMOCD at the address given above. Prior to ruling on any proposed discharge

permit or major modification, the Director shall allow a period of at least thirty (30) days after the date of publication of this notice, during which interested persons may submit comments or request that NMOCD hold a public hearing. 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 that there is significant public interest.

If no public hearing is held the Director will approve or disapprove the proposed permit based on information available, including all comments received. If a public hearing is held the Director will approve or disapprove the proposed permit based on information submitted at the hearing.

Para obtener mas informacion sobre esta solicitud en espanol, sirvase comunicarse por favor: New Mexico Energy, Minerals, and Natural Resources Department (Depto. Del Energia, Minerals y Recursos Naturales de Nuevo Mexico), Oil Conservation Division (Depto. Conservacion Del Petroleo) 1220 South Saint Francis Drive, Santa Fe, New Mexico (Contacto: Dorothy Phillips, 505-476-3461

GIVEN under the Seal of New Mexico Oil Conservation Commission at Santa Fe, New Mexico on this 7th day of June 2007

**STATE OF NEW MEXICO
OIL CONSERVATION
DIVISION**

S E A L

**Mark Fesmire,
Director**

Legal #81129

**Pub. June 12, 19, 26 &
July 3, 2007**

Chavez, Carl J, EMNRD

From: Ken Davis [kdavis@subsurfacegroup.com]
Sent: Tuesday, May 15, 2007 4:00 PM
To: Chavez, Carl J, EMNRD
Cc: Nancy Niemann; DARRELL MOORE; Shannon Beeler
Subject: 70F5826 - Navajo Refn. WDW-3, Notice of Discharge Permit Request (Draft) & Notice of Publication NMEM-NRD-OCD (Draft)
Attachments: Navajo WDW-3 NOTICE OF DISCHARGE PERMIT REQUEST (3).doc; Navajo I--008 WDW#3 PN 4-27-07.DOC

Carl:

The attached are our recommended Notices for both the OCD and Navajo announcements. We have left the suggested revisions, changes and/or additions in red so you can easily see what we talked about on the phone today. Note that we have changed the injection interval back to the original 7650 to 8620 ft. since that coincides with the actual perforated interval. We left the 500 gpm maximum injection rate at an injection pressure not to exceed 1530 psig since that terminology was used in the Permit Application.

Since there are instructions for Spanish speaking people at the end of the OCD Notice, Do we need to translate our Notice?

Hope this approach will help you issue the Administratively Complete letter.

Ken E. Davis
Principal Staff Consultant
Subsurface Technology Inc.
6925 Portwest Dr. Suite 110
Houston, Texas 77024
Office: (713) 880-4640
Fax: (713) 880-3248
Cell: (713) 201-3720
Email: kdavis@subsurfacegroup.com

This inbound email has been scanned by the MessageLabs Email Security System.

5/15/2007

NOTICE OF DISCHARGE PERMIT REQUEST

Pursuant to the requirements of the New Mexico Water Quality Control Commission regulation 20 NMAC 6.2.3108, Navajo Refining Company hereby announces that it is making application to the New Mexico Oil Conservation Division (NMOCD) – Environmental Bureau for a discharge permit to inject waste water from Navajo Refining Company's Artesia plant into an injection well that is called WDW-3 located in Unit N, Section 1, Township 18S, Range 27E, Eddy County, New Mexico. Previously, WDW-1 and WDW-2 were already permitted under separate plans. This waste water will originate at Navajo's Artesia, NM refinery which is located at 501 E. Main Street., Artesia, NM and will then be carried through an underground pipeline approximately 12 miles to the above mentioned well site. The waste water will be injected into porous underground formations located between 7650 feet and 8620 feet (Log Depth). The injection rate will not exceed 500 gpm at an injection pressure not to exceed 1530 psig.

The generation of waste water from the Artesia Plant is a result of water that is entrained in the crude supply, water used for cooling and heating, water used to remove salts from the crude supply, and boiler blow down. The Artesia Plant's ~~generates 14,000 barrels a day of~~ waste water ~~of which a varying percentage of between 25-50%~~ could potentially be put into WDW-3. This waste water will have a total dissolved solids (TDS) of 7000 parts per million, a pH of between 7-9, and minor metal concentrations. In the area of the well location, fresh water is at a depth of 80' with a TDS of between 1500-2200 parts per million.

Navajo's operation of the affected facilities will comply with all applicable State and Federal regulations.

The owner and operator of the facility will be: Navajo Refining Company, L.P.
501 E. Main Street
Artesia, NM 88210

Comments and inquiries may be directed to:
Mr. Jim Resinger, Refinery Manager

Persons interested in obtaining further information, submitting comments or requesting to be on a facility-specific mailing list for future notices may contact the Environmental Bureau Chief of the New Mexico Oil Conservation Division.

Comments and inquiries on regulations should be directed to:
Director
New Mexico Oil Conservation Division (NMOCD)
1220 So. Saint Francis Drive
Santa Fe, New Mexico 87505
Telephone: (505) 476-3440

DRAFT DOCUMENT

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 (20.6.2.3106-8 NMAC), the following discharge permit application(s) has been submitted to the Director of the New Mexico Oil Conservation Division ("NMOCD"), 1220 S. Saint Francis Drive, Santa Fe, New Mexico 87505, Telephone (505) 476-3440:

(I-008) Navajo Refining Company. Darrell Moore, Environmental Manager for Water and Waste, 501 East Main Street, P.O. Box Drawer 159, Artesia New Mexico 88211-0159, has submitted an application for a Class I Injection Well Discharge Permit (UIC-CLI-008) for injection well WDW-3 located in the SE/4, SW/4 of Section 1, Township 18 South, Range 27 East, NMPM, Eddy County, New Mexico. The injection well is located approximately 10 miles east of Artesia on Hwy-82 from Hwy-285 and about 3 miles south on Hilltop Rd. Oil field exempt and non-exempt non-hazardous waste will be transported underground from the Navajo-Artesia Refinery via a 6 inch dia. pipeline to WDW-3 for disposal into the Lower-Wolfcamp or other formations at an in the injection interval from 7650 to 8620 ft. (Log Depth). The injection rate will not exceed below-ground surface at a daily rate of about 4670 barrels per day 500 gpm and at a maximum injection pressure of 1530 psig. Groundwater most likely to be affected by a spill, leak or accidental discharge is at a depth of approximately 80 to 420 feet below the ground surface, with a total dissolved solids concentration of 1500 to 2200 mg/L. The discharge plan addresses well construction, operation, monitoring, associated surface facilities, and provides a contingency plan in the event of accidental spills, leaks, and other accidental discharges in order to protect fresh water.

The NMOCD has determined that the application is administratively complete and has prepared a draft permit. The NMOCD will accept comments and statements of interest regarding this application and will create a facility-specific mailing list for persons who wish to receive future notices. Persons interested in obtaining further information, submitting comments or requesting to be on a facility-specific mailing list for future notices may contact the Environmental Bureau Chief of the Oil Conservation Division at the address given above. The administrative completeness determination and draft permit may be viewed at the above address between 8:00 a.m. and 4:00 p.m., Monday through Friday, or may also be viewed at the NMOCD web site <http://www.emnrd.state.nm.us/ocd/>. Persons interested in obtaining a copy of the application and draft permit may contact the NMOCD at the address given above. Prior to ruling on any proposed discharge permit or major modification, the Director shall allow a period of at least thirty (30) days after the date of publication of this notice, during which interested persons may submit comments or request that NMOCD hold a public hearing. 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 that there is significant public interest.

If no public hearing is held, the Director will approve or disapprove the proposed permit based on information available, including all comments received. If a public hearing is held, the director will approve or disapprove the proposed permit based on information in the permit application and information submitted at the hearing.

Para obtener más información sobre esta solicitud en español, sirvase comunicarse por favor: New Mexico Energy, Minerals and Natural Resources Department (Depto. Del Energia, Minerals y Recursos Naturales de Nuevo México), Oil Conservation Division (Depto. Conservación Del Petróleo), 1220 South St. Francis Drive,

Santa Fe, New México (Contacto: Dorothy Phillips, 505-476-3461)

GIVEN under the Seal of New Mexico Oil Conservation Commission at Santa Fe, New Mexico, on this 20th day of April 2007.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

S E A L

Mark Fesmire, Director

DRAFT DOCUMENT

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 (20.6.2.3106 3108 NMAC), the following discharge permit application(s) has been submitted to the Director of the New Mexico Oil Conservation Division ("NMOCD"), 1220 S. Saint Francis Drive, Santa Fe, New Mexico 87505, Telephone (505) 476-3440:

(I-008) Navajo Refining Company. Darrell Moore, Environmental Manager for Water and Waste, 501 East Main Street, P.O. Box Drawer 159, Artesia New Mexico 88211-0159, has submitted an application for a Class I Injection Well Discharge Permit (UIC-CLI-008) for injection well WDW-3 located in the SE/4, SW/4 of Section 1, Township 18 South, Range 27 East, NMPM, Eddy County, New Mexico. The injection well is located approximately 10 miles east of Artesia on Hwy-82 from Hwy-285 and about 3 miles south on Hilltop Rd. Oil field exempt and non-exempt non-hazardous waste will be transported underground from the Navajo-Artesia Refinery via a 6 inch dia. pipeline to WDW-3 for disposal into the Lower-Wolfcamp, Cisco, and Canyon Formations at an injection interval from 7650 to 8894 ft. (Log Depth) below ground surface at an injection rate of less than 500 gallons per minute ~~daily rate of about 4670 barrels per day~~ and at a maximum injection pressure of 1530 psig. Groundwater most likely to be affected by a spill, leak or accidental discharge is at a depth of approximately 80 to 420 feet below the ground surface, with a total dissolved solids concentration of 1500 to 2200 mg/L. The discharge plan addresses well construction, operation, monitoring, associated surface facilities, and provides a contingency plan in the event of accidental spills, leaks, and other accidental discharges in order to protect fresh water.

The NMOCD has determined that the application is administratively complete and has prepared a draft permit. The NMOCD will accept comments and statements of interest regarding this application and will create a facility-specific mailing list for persons who wish to receive future notices. Persons interested in obtaining further information, submitting comments or requesting to be on a facility-specific mailing list for future notices may contact the Environmental Bureau Chief of the Oil Conservation Division at the address given above. The administrative completeness determination and draft permit may be viewed at the above address between 8:00 a.m. and 4:00 p.m., Monday through Friday, or may also be viewed at the NMOCD web site <http://www.emnrd.state.nm.us/ocd/>. Persons interested in obtaining a copy of the application and draft permit may contact the NMOCD at the address given above. Prior to ruling on any proposed discharge permit or major modification, the Director shall allow a period of at least thirty (30) days after the date of publication of this notice, during which interested persons may submit comments or request that NMOCD hold a public hearing. 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 that there is significant public interest.

If no public hearing is held, the Director will approve or disapprove the proposed permit based on information available, including all comments received. If a public hearing is held, the director will approve or disapprove the proposed permit based on information in the permit application and information submitted at the hearing.

Para obtener más información sobre esta solicitud en español, sirvase comunicarse por favor: New Mexico Energy, Minerals and Natural Resources Department (Depto. Del Energia, Minerals y Recursos Naturales de Nuevo México), Oil Conservation Division (Depto. Conservacio'n Del Petróleo), 1220 South St. Francis Drive,

Santa Fe, New México (Contacto: Dorothy Phillips, 505-476-3461)

GIVEN under the Seal of New Mexico Oil Conservation Commission at Santa Fe, New Mexico, on this 20th day of April 2007.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

S E A L

Mark Fesmire, Director

Chavez, Carl J, EMNRD

From: Ken Davis [kdavis@subsurfacegroup.com]
Sent: Monday, May 14, 2007 10:44 AM
To: Chavez, Carl J, EMNRD
Cc: DARRELL MOORE; Nancy Niemann; Shannon Beeler
Subject: 70F5826 - Navajo Refining WDW-3. Notice of Publication - Draft Document.
Attachments: Navajo I--008 WDW#3 PN 4-27-07.DOC

Carl:

As you suggested, I have corrected/changed the above Attachment you sent me. The corrections/changes were made so the Notice will coincide with the WDW-3 Permit Application. The changes are shown in Red. If approved, this is the document we will publish in the Artesia Daily Press. Additionally, we will attach this document to a Transmittal letter and send it to the Leasehold Operators within ½ Mile of Navajo's WDW-3.

Please let me know if this approach meets the requirements of 20 NMAC 6.2.3108. If so, I will put the program in motion within the next few days.

Thanks for your help.

Ken E. Davis
Principal Staff Consultant
Subsurface Technology Inc.
6925 Portwest Dr. Suite 110
Houston, Texas 77024
Office: (713) 880-4640
Fax: (713) 880-3248
Cell: (713) 201-3720
Email: kdavis@subsurfacegroup.com

This inbound email has been scanned by the MessageLabs Email Security System.

5/15/2007