UIC-I - <u>8</u>

GENERAL CORRESPONDENCE

YEAR(S):

2007 - Present

From:	Chavez, Carl J, EMNRD
Sent:	Tuesday, June 6, 2017 9:55 AM
То:	'pthompson@merrion.bz'; Denton, Scott (Scott.Denton@HollyFrontier.com); Schmaltz,
	Randy (Randy.Schmaltz@wnr.com)
Cc:	Sanchez, Daniel J., EMNRD; Griswold, Jim, EMNRD; Perrin, Charlie, EMNRD; Podany,
	Raymond, EMNRD
Subject:	New Mexico Oil Conservation Division Annual UIC Class I (Non-hazardous) Disposal
	Well Fall-Off Test Due on or Before September 30, 2017

Ladies and Gentlemen:

Re: Agua Moss, LLC (UICI-5) San Juan Co.; HollyFrontier Navajo Refining LLC (UICI-8-1,2&3) Eddy Co.; Western Refining Southwest, Inc. (UICI-11) San Juan Co.

The New Mexico Oil Conservation Division (OCD) is writing to remind Operators with the above subject disposal wells to please complete your annual Discharge Permit Fall-Off Tests on or before September 30, 2017.

Please contact me if you have questions. Thank you.

Mr. Carl J. Chavez, CHMM (#13099) New Mexico Oil Conservation Division Energy Minerals and Natural Resources Department 1220 South St Francis Drive Santa Fe, New Mexico 87505 Ph. (505) 476-3490 E-mail: <u>CarlJ.Chavez@state.nm.us</u>

"Why not prevent pollution, minimize waste to reduce operating costs, reuse or recycle, and move forward with the rest of the Nation?" (To see how, go to: <u>http://www.emnrd.state.nm.us/OCD</u> and see "Publications")



September 25, 2013

Scott Dawson Deputy Director Oil Conservation Division Energy, Minerals and Natural Resources Department 1220 South St. Francis Drive Santa Fe, New Mexico 87505

Certified Mail/Return Receipt 7011 3500 0001 4786 1558

RE: Navajo Refining Company Class I Injection Well Permit Renewals

Dear Mr. Dawson:

Navajo Refining Company LLC (Navajo) was issued a Final Discharge Permit for its Class I Non-Hazardous Injection Well, WDW-3 (API No. 30-015-26575), on December 18, 2012; expiring June 1, 2017. Navajo subsequently submitted Renewal Applications for Class I Non-Hazardous Wells WDW-1 (API No. 30-015-27592) and WDW-2 (API No. 30-015-20894) on March 14, 2013 and July 24, 2013, respectively. Navajo hereby respectfully requests that the New Mexico Oil Conservation Division (NM OCD) process the two pending applications for WDW-1 and WDW-2 as soon as possible. In addition, Navajo requests that the two pending applications be issued with the same expiration date as WDW-3, June 1, 2017.

If you have any questions, please do not hesitate to contact me at (575) 746-5487. We appreciate your assistance in this matter.

Sincerely,

Mark a. Hold

Michael W. Holder Environmental Manager Navajo Refining Co. LLC

Elec. Cc: Glenn VonGonten, NM OCD Carl Chavez NM OCD

Carl Chavez, NM OCD

Env. Files: Injection Wells, Permit Renewal Request, WDW Class I, Subm' 2013-09-25 Permits. WDW-3.Gaines.Subm.UIC Permit Issuance

> Navajo Refining Company, LLC PO Box 159 • Artesia, NM 88211-0159 • (575) 748-3311 http://www.hollyfrontier.com

From:	Chavez, Carl J, EMNRD
Sent:	Friday, October 26, 2012 1:24 PM
То:	Schultz, Michele (Michele.Schultz@hollyfrontier.com)
Cc:	Sanchez, Daniel J., EMNRD; Jones, William V., EMNRD; VonGonten, Glenn, EMNRD;
	Dade, Randy, EMNRD
Subject:	FW: WDW-1, 2 & 3 Fall-Off Test (FOT) Plan

Micki:

OCD has completed its review of the most recently submitted FOT Plan under Navajo Refining Company's (NRC) cover letter dated August 27, 2012.

Observations and/or Comments:

- 1) OCD recently determined that for the NRC's 3 Class I (NH) Injection Wells that it will stagger the frequency of well FOTs to be performed at least once every 3 years per well in order to allow either 1 well FOT per year or the option to perform 1 well FOT on all 3 wells at least every 3 years.
- 2) Page 3 Section III: Only'one OCD approved Fall-Off Test Plan (FOTP) is required and OCD currently acknowledges the original FOTP as the official version in place to date.
- 3) Page 10 #4b: NRC appears to be decreasing the injection rate to minimize the total volume of injection fluid required to complete a well FOT and possibly to demonstrate a minimum pressure differential in the injection zone of 100 psig is achieved during any given FOT.

There is a calculation along with historical FOT flow rate and volume information for NRC to estimate the minimum volume of injection fluid needed at each well location to achieve a pseudo steady-state injection rate and achieve a radial flow condition before pump shut-off and FOT monitoring. NRC and OCD should be working to determine the actual injection zone capacity and not attempting to engineer FOTs to achieve minimum pressure differential criteria. However, any other reason for minimizing the total volume of injected fluid is not valid.

Requirements:

- Page 11 #7: Bottom hole gauges shall be emplaced and monitored in offset wells during well FOTs if NRC wishes to prove Section XI is true. Otherwise, please remove Section XI. OCD discussions with subsurface well experts indicates that due to the spatial distance and hydrogeological variability between NRC wells and sitespecific injection zones, installation of bottom hole pressure gauges would likely not prove interconnection between NRC wells.
- 2) Page 12 #10: WDWs were recently stimulated with acid in coiled tubing. Please confirm that a C-103 Sundry Notice was submitted to the OCD for approval in advance of the well work.
- 3) Page 13 #15: FOTs shall not be designed to achieve the minimum 100 psig pressure differential. The FOT should demonstrate the actual maximum pressure differential from pressure buildup through injection into the injection zone. The FOT should demonstrate the actual injection zone ability to receive injected fluids.
- 4) Page 20 #5: Same as No. 3 above.
- 5) Page 22 #4: The "h" injection interval value used for each well during the FOT shall be based on the footage of the perforated injection interval(s) per well. If NRC disagrees, could you please provide the h values and basis for using a different "h" value per well for FOT calculations.
- 6) Page 23 #2a: Please change the OCD Permit per well designations to reflect the following: WDW-1 UICI-8; WDW-2 UICI-8-1; and WDW-3 UICI-8-0.
- 7) Page 29d&e: Combine the plot to include actual surface and bottom hole pressure readings vs injection rate before, during FOT monitoring.

- 8) Page 30 #20: Raw data available to the OCD for a minimum of 3 years. OCD has requested electronic raw data from the 2011 WDW-1, 2 & 3 FOTs, but has not received the data. Please submit the data to the OCD within the next two weeks or by COB Tuesday November 13, 2012.
- 9) Page 31 Section XI: Please remove this section from the FOT Plan, unless NRC wishes to demonstrate injection zone interconnection between wells with bottom hole gauges in all NRC wells (injection and offset) during individual well FOTs.

Questions:

- 1) OCD understands why the offset wells are shut-in during each well FOT (only 1 pipeline without bypasses from refinery to all 3 wells; however, the OCD would like to know why bottom hole gauges are not placed in offset wells to prove Section XI is in fact correct? OCD does not concur with Section XI as stated and has provided documentation to NRC on this matter before.
- 2) The P*(false extrapolated P value) vs. P_{1hour} (extrapolated P value after one hour): OCD is not sure what these values represent, but are wondering if these are actual pump pressure value readings associated with the well FOT. Each injection well should be equipped with independent surface and bottom hole pressure gauges to record the actual pressure before, during and after pump shut-off. Reliance on a pump pressure gauge to record surface and/or bottom hole pressure readings is not acceptable to the OCD. Please clarify what these values actually represent and from what specific pressure gauge that the recording is being made?

Conclusions:

1) NRC already has an OCD approved original FOT Plan (Plan); however, if NRC wishes to update the Plan, OCD requires a resubmittal of the most recent submitted FOT Plan and/or addendum pages addressing the above where applicable in order for the OCD to consider approval of a new Plan.

Please contact me if you have questions. Thank you.

Carl J. Chavez, CHMM

New Mexico Energy, Minerals & Natural Resources Department Oil Conservation Division, Environmental Bureau 1220 South St. Francis Drive, Santa Fe, New Mexico 87505 Office: (505) 476-3490 E-mail: <u>CarlJ.Chavez@State.NM.US</u> Website: <u>http://www.emnrd.state.nm.us/ocd/</u> "Why Not Prevent Pollution; Minimize Waste; Reduce the Cost of Operations; & Move Forward With the Rest of the Nation?" To see how, please go to: "Pollution Prevention & Waste Minimization" at http://www.emnrd.state.nm.us/ocd/environmental.htm#environmental

From: Chavez, Carl J, EMNRD
Sent: Thursday, October 25, 2012 11:05 AM
To: Schultz, Michele (Michele.Schultz@hollyfrontier.com)
Subject: WDW-1, 2 & 3 Fall-Off Test (FOT) Plan

Micki:

I'm currently reviewing the FOT Plan under your cover letter dated August 27, 2012.

I happened to notice on Page 3 Section III "Developing a Test Plan" that a Test Plan must be developed annually. This is not correct. Once Navajo Refining Company LLC (NRC) has an approved Test Plan (which it does), it must follow it for future FOTs.

The FOT Plan may be revised if approved by the OCD.



Consequently, the OCD will review the FOT Plan. I am curious as to how this FOT Plan differs from the original approved version? The OCD has recently determined that for NRC's Class I (NH) Injection Wells that it will stagger the frequency of FOTs for each its 3 wells to be performed at least once every 3 years per well in order to allow one per year to be tested. I presume that NRC has the option to perform 1 FOT every 3 years on its 3 wells too if that works....? FOT Plan that I am reviewing depicts annual FOTs at each well location..... Also, Mr. Holder recently informed me that NRC will conduct FOTs on all 3 wells this year to assess their current condition and is referenced in the FOT Plan....

Please contact me if you have questions. Thank you.

Carl J. Chavez, CHMM New Mexico Energy, Minerals & Natural Resources Department Oil Conservation Division, Environmental Bureau 1220 South St. Francis Drive, Santa Fe, New Mexico 87505 Office: (505) 476-3490 E-mail: <u>CarlJ.Chavez@State.NM.US</u> Website: <u>http://www.emnrd.state.nm.us/ocd/</u> "Why Not Prevent Pollution; Minimize Waste; Reduce the Cost of Operations; & Move Forward With the Rest of the Nation?" To see how, please go to: "Pollution Prevention & Waste Minimization" at <u>http://www.emnrd.state.nm.us/ocd/</u>environmental.htm#environmental

From:Chavez, Carl J, EMNRDSent:Wednesday, October 19, 2011 4:06 PMTo:'Moore, Darrell'Cc:Sanchez, Daniel J., EMNRD; VonGonten, Glenn, EMNRD; Dade, Randy, EMNRDSubject:Navajo Refining Company UIC Class I (NH) Injection Wells WDWs 1, 2 & 3 (UICI-008) Fall
Off Test Plan (August 2011)

Darrell:

The New Mexico Oil Conservation Division (OCD) is in receipt of your above subject test plan. OCD has already approved the Fall-Off Test (FOT) Plan with conditions on July 28, 2009. The OCD notes that it is also in the process of reviewing C-103s Sundry Notices for the upcoming FOTs.

OCD observes some changes in this FOT Plan submittal that are not acceptable to the OCD. For example, Exhibit 1 is not an acceptable exhibit to the OCD for reasons specified in the 2010 FOT report review and later during the May 2011 meeting in Santa Fe. However, the operator continues to submit exhibits with certain assumptions that have not been accepted or approved by the OCD, i.e., that the injection wells are show interconnection with the injection zone during past FOTs. Perhaps the operator can conduct the 2011 FOT with the information and exhibits in the 2011 FOT Report with the analysis and conclusions supporting any claims for the OCD to review and consider before approving. This is apparently a FOT frequency per well issue that the operator is attempting to prove.

The OCD provides the following comments, observations, and/or recommendations on the above subject plan below.

Comments:

- The OCD approved the original Fall-Off Test (FOT) Plan based on OCD Guidance dated December 3, 2007. There should not be any significant changes to this FOT Plan because it is flexible where needed to allow operators to implement it on each injection well.
- OCD likes to be notified to witness the installation of bottom hole gauges and to be present at least one hour before injection shut-off and commencement of FOT monitoring.
- OCD is concerned about the Section VI No. 1(e) WDW-3 Cement Bond Log quality being poor from 900 ft. to
- 1200 ft- especially at the depths: 2662 2160; 4876 5372; and 6750 7600 ft. micro annulus scenario.

Observations:

- Section V No. 2: The objective of the FOT is NOT to achieve or limit a 100 psig pressure differential before vs. after FOT injection vs. shut-off, but it is a minimum pressure differential that OCD stipulates in its guidance for a successful FOT and injection zone that may still continue to be utilized for disposal, i.e., not too pressured up and subject to continued fracturing under daily allowed maximum surface injection pressure operational limits.
- Section V No. 7 and Exhibit 1: OCD observes a bottom hole pressure chart for WDWs 1, 2 and 3 at 7660 feet that
 the operator presented in the 2010 FOT and again during a May 2011 meeting in Santa Fe, New Mexico to show
 the interconnection between injection wells and the injection formation. The OCD had commented that there was
 no explanation or conclusion provided from the Certified PE who conducted and completed the 2010 FOT report
 that supports the operator's claim that all injection wells are interconnected based on Exhibit 1.

Furthermore, the OCD requested a statement or information supporting the operator's claim by the Certified PE, but never received one. At the meeting, the OCD explained that based on Exhibit 1, there was no support for the claim. In order to make the interconnection determination, during each FOT at each well and off-set injection wells (WDWs not being FOT'd) before and throughout the FOT would need bottom hole pressures monitored in tandem at each well location to establish the interconnectivity of the injection wells with the receiving injection formation under a uniform time scale. This would be a chart that could be plotted that would show during the test the interconnectivity of the wells for each FOT. The OCD doubts that the operator can make the case for interconnectivity between injection wells and injection formation because of the significant distance between the injection wells and fact that sedimentation in formation would by chance make the injection formation aerially extensive and uniform over a 3 to 5 mile radius from each injection well. Also, even if by chance there was

uniformity over the mileage specified, the distance between injection wells and corresponding pressure would likely not be observed.

• Exhibit 6: OCD observes in Section B a proposed MIT once every 5 years. OCD's UIC Program requires annual MITs and/or after down hole work is performed on a well.

Recommendations:

- Operator is running survey logs to the bottom of fill or below USDW (fresh water) zones, which excludes an evaluation of casing in the fresh water zone. Please run logs up to surface.
- Be sure to also record and provide injection flow rate and pressure leading up to shut-off and monitoring throughout the FOT monitoring period. OCD needs to confirm that a pseudo steady-state condition was achieved before shut-off. This data is also needed for software modeling of the FOT.
- Please provide electronic data from the FOTs at each well in order for the OCD to run its software model to confirm the results in the report.
- Section V No. 13: Surface pressure monitoring and Horner Plot during injection should be used to confirm radial flow condition is achieved instead of waiting a set period if operator wishes to reduce the injection period.

Disclaimer: Please be advised that OCD has already approved with conditions Navajo Refining Company's Fall-Off Test (FOT) Plan on July 28, 2009, and is not providing approval of this FOT Plan; however, comments, observations and recommendations herein should help Navajo Refining Company understand the OCD's concerns based on the submittal.

Please contact me if you have questions. Thank you.

Carl J. Chavez, CHMM New Mexico Energy, Minerals & Natural Resources Dept. Oil Conservation Division, Environmental Bureau 1220 South St. Francis Dr., Santa Fe, New Mexico 87505 Office: (505) 476-3490 Fax: (505) 476-3462 E-mail: Carl J. Chavez@state.nm.us Website: <u>http://www.emnrd.state.nm.us/ocd/</u> "Why not Prevent Pollution; Minimize Waste; Reduce the Cost of Operations; & Move Forward with the Rest of the Nation?" To see how, go to "Pollution Prevention & Waste Minimization" at: http://www.emnrd.state.nm.us/ocd/environmental.htm#environmental)

2

From:Chavez, Carl J, EMNRDSent:Tuesday, March 06, 2012 11:08 AMTo:Chavez, Carl J, EMNRDSubject:FW: 3D Reservoir Performance Modeling. Subsurface Project No. 60A6781 NOTE TO FILE

This message is to document a phone call with Mr. Ken Davis (Subsurface Technology, Inc. today regarding the proposal to use the Schlumberger Eclipse Software in lieu of a standard interference test for the 3 UIC Class I (NH) Disposal Wells approximately 3 miles eat of the Navajo Artesia Refinery.

The OCD requested at the end of the call that a response to the OCD e-mail provided below be submitted to the OCD.

The OCD was recently contacted by David Schoel (NiTech?) at (713) 560-7692 on 3/2/2012 via voice mail message. The OCD needs an example or examples of cases where this method has been used in place of an standard well interference test. Also, a presentation package on the software is requested to understand the model better. The inquired about why this model was proposed instead of well interference test and was told that a standard interference test would likely not show any interconnection between wells because of the variation in sedimentation of the formation with distance and distances between wells. Ken suggested he speak to NiTech about the above to see whether Subsurface thinks it is a viable approach before requesting to use the software to the OCD.

Ken said the operator is working to meet the May 2012 deadline for the application for renewal of WDW-3. The operator may mention the Eclipse software method in the application for renewal.

The OCD inquired about the scheduling o WDWs 1 and 2? Also, indicated that the FOTs for these wells could be used for the Eclipse model submittal to the OCD if the operator wished to demonstrate communication between the 3 UIC Class I Wells in order to reduce the number of the FOTs per year to 1/well on a staggered basis.

OCD indicated that if there is not response to the OCD's clarification e-mail below, it will assume that the operator inquiry with NiTech resulted in the realization that the model would not be a viable in lieu of a standard interference well test to show communication between the 3 wells.

Carl J. Chavez, CHMM (New Mexico Energy, Minerals & Natural Resources Dept. Oil Conservation Division, Environmental Bureau 1220 South St. Francis Dr., Santa Fe, New Mexico 87505 Office: (505) 476-3490 Fax: (505) 476-3462 E-mail: CarlJ.Chavez@state.nm.us Website: <u>http://www.emnrd.state.nm.us/ocd/</u> "Why not Prevent Pollution; Minimize Waste; Reduce the Cost of Operations; & Move Forward with the Rest of the Nation?" To see how, go to "Pollution Prevention & Waste Minimization" at: http://www.emnrd.state.nm.us/ocd/environmental.htm#environmental)

From: Chavez, Carl J, EMNRD Sent: Friday, March 02, 2012 7:25 AM

To: 'Ken Davis'

Cc: David C. Shaw (dcshaw@nitecllc.com); Ken-E Johnson (Johnson.Ken-E@epamail.epa.gov); Rusty Smith; Jerry Taylor; robert.combs@hollyfrontier.com; Johnny Lackey (johnny.lackey@hollyfrontier.com); Susie McKenzie (McKenzie.Susie@epamail.epa.gov); Brian Graves (Graves.Brian@epamail.epa.gov); Thurman Witte; Sanchez, Daniel J.,

Subject: RE: 3D Reservoir Performance Modeling. Subsurface Project No. 60A6781

Ken:

Good morning. You've copied a whole lot of people and are now requesting a telephone conference call with the EPA.

First, a conference call is not needed and the EPA is not directly involved with directing the OCD's UIC Program on a dayto-day basis. However, the OCD may consult with Mr. Johnson (EPA) on the software and the approach the operator is taking to prove that there is interconnectivity between the 3 UIC Wells seating in the same injection zone. As with any model, all available well data and information on the reservoir must be used to substantiate the model inclusive of the 3 UIC Class I (NH) Disposal Wells. The purpose of the model as the OCD understands it is to prove that the 3 UIC wells are in communication and the program's use is to attempt to prove this. If this can be proven to the OCD, then the operator would like to stagger the annual Fall-Off Test (FOT) between the 3 wells (one FOT per year). If the above is correct, and the operator will be using all well information in the model that exists in the vicinity of the 3 UIC wells, then the OCD would just need to check with Mr. Johnson on the approach and rationale or basis for the model and what is attempting to satisfy.

After OCD discusses the matter with Mr. Johnson, and the OCD UIC Director Mr. Sanchez, the OCD may approve the approach with the clarification that the operator will be using all available well information with assumptions that are accurate for the model. In addition, the time frame for verification of interconnection of the 3 UIC Wells needs to be understood.

The OCD has approved the original Fall-Off Test Plan that the operator uses for its annual UIC Class I (NH) Disposal Well FOT. The operator will need to continue modeling the FOT as it has in the past and the Eclipse Software System would not be used to supersede current FOT information received in currently submitted FOT reports under the OCD approved FOT Plan.

The OCD notices that only one FOT has been completed on WDW-3 so far, but we have not received notification on the other FOTs for WDWs 1 and 2. Please provide the OCD with a schedule for the FOTs.

Please clarify the OCD's understanding on the proposed Eclipse Software Model proposal above to confirm the OCD position on the matter of staggering the FOT between the 3 UIC Wells so that it may not have to run annual FOTs on each well. The OCD has indicated in past discussions on the interconnectivity between the 3 UIC Wells would be difficult to show even for wells within a mile away due to sedimentation and variation in porosity and permeability 10s to 100s of feet away from any given injection well.

Thank you.

Carl J. Chavez, CHMM New Mexico Energy, Minerals & Natural Resources Dept. Oil Conservation Division, Environmental Bureau 1220 South St. Francis Dr., Santa Fe, New Mexico 87505 Office: (505) 476-3490 Fax: (505) 476-3462 E-mail: CarlJ.Chavez@state.nm.us Website: <u>http://www.emnrd.state.nm.us/ocd/</u> "Why not Prevent Pollution; Minimize Waste; Reduce the Cost of Operations; & Move Forward with the Rest of the Nation?" To see how, go to "Pollution Prevention & Waste Minimization" at: <u>http://www.emnrd.state.nm.us/ocd/environmental.htm#environmental</u>)

From: Ken Davis [mailto:kdavis@subsurfacegroup.com] Sent: Thursday, March 01, 2012 3:07 PM

Cc: David C. Shaw (dcshaw@nitecllc.com); Ken-E Johnson (Johnson.Ken-E@epamail.epa.gov); Rusty Smith; Jerry Taylor; robert.combs@hollyfrontier.com; Johnny Lackey (johnny.lackey@hollyfrontier.com); Susie McKenzie (McKenzie.Susie@epamail.epa.gov); Brian Graves (Graves.Brian@epamail.epa.gov); Thurman Witte **Subject:** FW: 3D Reservoir Performance Modeling. Subsurface Project No. 60A6781

Carl:

The attached is a letter I prepared for you addressing some of the comments you mentioned in your voice mail. Based on yours and other comments I thought it would be useful to have a conference call with the interested parties next week. I suggest March 7, 2012 at 2:00 PM. The Call in and participant codes are listed below.

For convenience, I have copied who I thought would be interested parties. Please add anyone else you feel could contribute (David Shaw is the Eclipse representative).

We've rescheduled the conference call for 2 pm on next Wednesday, March 7. Brian should be available for the call and Susie is planning to call in also. The conference call phone information is the same as before and should be accessible from multiple locations: EPA is sponsoring the call so contact Ken Johnson if you have problems. Otherwise call me.

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

Call in number: 1-866-299-3188 Conference code: 2146657198#

Thanks,

Ken Johnson, PE Environmental Engineer US EPA R6 - Groundwater/UIC Section 6WQ-SG 1445 Ross Avenue Dallas, Texas 75202-2733

johnson.ken-e@epa.gov 214-665-8473

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UICL-8

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 LEGAL NO: 81129
 P.O. #: 52100-00000039

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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/LEGALADVERTISEMENT REPRESENTATIVE

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

ule Chin Black Notary

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NOTICE OF PUBLICATION

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

Notice is hereby given that pusuant to New Mexico Water Quality Control Commission Regulations NMAC), (20.6.2.3106 disthe following charge permit application(s) has been submited to the Director of the New Mexico Oil Conservation Divi-sion ("NMOCD"), 1220 S. Saint Francis Drive, Santa Fe, New Mexico Telephone 87505. (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 882211-0159, has submitted a new application for a Class I Injection Wolf WDW-3 (API# 30-012-26575) located in the SE/4, SW/4 of Section 1, Township 18 South, Range 27 East, NMPM, Eddy. 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. 3 miles Previously, WDW-1 and WDW-2 Class 1 Wells were permitted under seperate plans. Oil field exempt and non-exempt non-hazardous industrial waste will be trans-ported 12 miles un-derground from the Navajo-Artesia Refin-ery located at 501 E. Main Street, Artesia, NM via a 6 inch dia. pipeline to WDW-3 for disposal into the Wolfcamp, lower 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 prespsił. sure of 1530 Groundwater most likely to be affected by a spill, leak, or accidental discharge ia at a depth from 80 to 420 ft. below ground surface, with a totoal dissolved solids con-centration of 1500 to 2200 mg/L. The dis-charge plan adwell condresses struction, operation, monitoring of the well, associated surface facilities, and provides a contin-gency plan in the eventof accidental accidental leaks, and 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 applica-tion and will create a facility-specific mailing list for persons who wish to receive future notices. Persons interested in obtaining further information, submitting coments or requesting to be on a facility-specific mailing listfor future notices may contact the Environmental Bureau Chief of the Oil Conservation Division at the address given above. The administrative completeness determiation and draft permit may be viewed at the above address between 8:00 a.m. and 4:00 p.m. Monday through Fri-day, or may also be viewed at the NMOCD web site http://www.emnrd.st ate.nm.us/ocd/. Per-sons interested in obtaininga 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 coments or request that NMOCD hold a public hearing. Requests for a public hearing snan sector the reasons why a should be hearing should be held. Ahearing will be held if the Director determines that there is significant public interest.

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

Para obtener mas informacion sobre esta solicitud en español. sirvase comunicarse por favor: New Mexico Energy, Minerals, and Natural Resourcees Department (Depto. Del Energia, Minerals y Recursos Maturales de Nuevo Mexico), Oil Conservation Division (Depto, Conservacion Del Petroleo) 1220 South Saint Francis Drive, Santa Fe, New (Contacto: Mexico 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 MEX-ICO OIL CONSERVA-TION DIVISION

S E A L Mark Fesmire, Director Gegal #81129 Pub. June 12, 19, 26 & July 3, 2007