



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

REGION 6
1445 ROSS AVENUE, SUITE 1200
DALLAS, TX 75202-2733

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MAY 29 2001

REPLY TO: 6WQ-S

Certified Mail #7000 0520 0021 8610 5126 - Return Receipt Requested

Conoco Inc.
600 N. Dairy Ashford Rd.
Houston, TX 77079
Attn: Ms. Yolanda Perez

Re: Draft UIC Permit and Statement of Basis
Permit No. 06SNMJ1P9071 - Rio Arriba County, New Mexico

Dear Ms. Perez:

Your application for an underground injection control (UIC) permit has been received and evaluated by the Environmental Protection Agency (EPA), Region 6 Office. Enclosed are the public notice, statement of basis, and the permit which have been drafted by this Agency under the authority of the Safe Drinking Water Act. Any comments you wish to make may be submitted in writing by the due date stated in the public notice to Ms. Evelyn Rosborough at the above address. This notice will be published in the Farmington Daily Times.

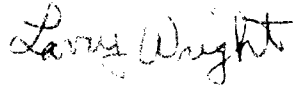
A permit is also required by the Bureau of Land Management (BLM). If you have not yet obtained their permit, contact them at the address given below at your earliest convenience.

Bureau of Land Management
435 Montano Road NE
Albuquerque, New Mexico 87107

Authorization to complete the work described in your permit application must be received by both the EPA and BLM prior to commencement of work.

If you have any questions, or would like to discuss this permit, please contact the permit writer, Mr. Bill Hurlbut at (214) 665-8305.

Sincerely yours,



Larry D. Wright
Chief
Source Water Protection Branch

Enclosures

cc: with enclosures

Bureau of Land Management, Albuquerque Area Office
435 Montano Road SE, Albuquerque, NM 87107

Jicarilla Apache Tribe, Mr. Thurman Velarde
P.O. Box 507, Dulce, NM 87528

Jicarilla Apache Tribe, Mr. Kurt Sandoval
P. O. Box 507, Dulce, NM 87528

New Mexico Oil Conservation Division, Mr. David Catanach
1220 S. St. Francis Drive, Santa Fe, NM 87505

New Mexico Oil Conservation Division, Mr. Frank Chavez
1000 Rio Brazos Road, Aztec, NM 87410

Bureau of Land Management, Farmington Field Office
1235 La Plata Highway, Farmington, NM 87401

Mr. Rick Davis, EPA Field Office

Advertising Order No. 1T-3106-NNSA
U.S. Environmental Protection Agency
Public Notice of Draft UIC Permit(s)

MAY 29, 2001

This is to give notice that the U.S. Environmental Protection Agency, Region 6, has formulated a Draft Permit for the following facility (facilities) under the Underground Injection Control (UIC) Program of the Safe Drinking Water Act. Development of the draft permit(s) was based on a preliminary staff review by EPA. The permit(s) will become effective within 30 days after the close of the comment period unless:

- A. Comments received by JUNE 28, 2001, in accordance with §124.20, warrant a public notice of EPA's final permit decision.
- B. A public hearing is held requiring delay of the effective date.

EPA's contact person for submitting written comments, requesting information regarding the draft permit, and/or obtaining copies of the permit and the Statement of Basis is:

Ms. Diane Smith
Customer Service Branch (6WQ-CA)
U.S. Environmental Protection Agency
1445 Ross Avenue
Dallas, Texas 75202-2733
(214) 665-2145

EPA's comments and public hearing procedures may be found at 40 CFR 124.10 and 124.12 (48 Federal Register 14264, April 1, 1983, as amended at 49 Federal Register 38051, September 26, 1984). The comment period during which written comments on the draft permit may be submitted extends 30 days from the date of this Notice. During the comment period, any interested person may request a Public Hearing by filing a written request which must state the issues to be raised. A public hearing will be held when EPA finds a significant degree of public interest.

EPA will consider all comments submitted either in writing or at a public hearing when making its final permit decision. Any person that files comments on the draft permit may appeal the final permit decision. Persons who did not comment on the draft permit may appeal only those changes made to the final permit subsequent to draft permit issuance. Appeals to the final permit decision must be submitted in writing to the Administrator within 30 days after a final permit decision has been issued. An appeal must contain the information set out in 40 CFR 124.19 and 147.2929(j)(3).

EPA will notify the applicant and each person who has submitted written comments or requested notice of the final permit decision. A final permit decision means a final decision to issue, deny, modify, revoke or reissue, or terminate a permit. If a request for review of a final permit is granted, EPA will follow procedures found at 40 CFR 127.2929.

Further information including the administrative record is available for public review Monday through Friday from 8:00 a.m. to 4:00 p.m. at the EPA address referenced above or contact the Chairman of the Caddo Tribal Council at P.O. Box 487, Binger, Oklahoma 73009. It is recommended that you write or call for an appointment so the record(s) will be available at your convenience.

The Environmental Protection Agency (EPA) has received a complete Underground Injection Control (UIC) permit application number 06SNMJ1P9071 from

**Conoco Inc.
600 N. Dairy Ashford Rd.
Houston, TX 77079**

The permittee proposes to convert well number #30-5 to a salt water disposal injection well located in the NE Quarter, Section 32, Township 25N, Range 04W, Rio Arriba County, New Mexico. The application requests authorization to inject salt water into the Mesa Verde formation at an injection interval depth of 4672 to 5326 feet for disposal. The Underground Source of Drinking Water is at a depth of 2691 feet below land surface. A maximum of 6000 barrels/month will be injected at a maximum pressure of 934 psig.

The permit application, supporting data submitted by the applicant, the EPA draft permit and statement of basis are available for public review Monday through Friday from 8:00 a.m. to 4:00 p.m. at the Environmental Protection Agency, 1445 Ross Avenue, Dallas, TX 75202-2733, (214)665-7165. Comments on the permit application and draft permit should be submitted to the Dallas office within 30 days of the date of this notice.



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

REGION 6

**1445 ROSS AVENUE, SUITE 1200
DALLAS, TX 75202-2733**

**APRIL 19, 2001
STATEMENT OF BASIS**

For proposed Underground Injection Control Permit No. 06SNMJ1P9071 to convert well #30-5 to a salt water disposal injection well.

**Issuing office: U.S. Environmental Protection Agency
Region 6
1445 Ross Avenue
Dallas, Texas 75202-2733**

**Applicant: Conoco Inc.
600 N. Dairy Ashford Rd.
Houston, TX 77079**

- 1. As described in the application, the well is located in Rio Arriba County, New Mexico, 800' FNL, 1850' FEL, NE/4, Section 32, Township 25N, Range 04W.**
- 2. On the basis of preliminary staff review, the Environmental Protection Agency has made a tentative determination to draft a permit for the conversion of this well as described in the application.**
- 3. The following is an explanation of the derivation of the conditions of the draft permit and the basis for them as required under 40 CFR §147.3002 dated October 25, 1988:**

40 CFR §147.3009(a)

The area around the proposed injection well or project must be evaluated to ensure that the proposed injection will not cause movement of fluid into an Underground Source of Drinking Water (USDW) through improperly sealed, completed, or abandoned wells. The permit applicant submitted information on all wells of public record penetrating the injection interval within 1 mile of the proposed injection site and requested an average injection rate of 300 barrels per day (B/D) and not to exceed 600 B/D.

40 CFR §146.22(a)

The well must be sited so that injection is into a formation which is separated from USDWs by a confining zone free of known open faults or fractures within the area of review. The proposed injection interval in the Mesa Verde is at a depth of 4672 feet to 5326 feet below land surface and is approximately 1981 feet below the base of the USDW. A review of available data has shown no evidence of faults or fractures in the confining zone within the area of review.

40 CFR §146.22(b)

The well must be cased and cemented to prevent fluid movement into or between USDWs. The base of the USDW occurs at 2691 feet below land surface. Since the surface casing has already been set and cemented at 244 feet below land surface and the long string casing has been set at 7525 feet below the land surface and cemented with 435 sacks of cement in the first stage and 765 sacks in the second stage, this is adequate in this case.

40 CFR §146.23(a)

To assure the protection of USDWs adjacent to the well bore, injection must be through an adequate tubing and packer. The packer must be set within 75 feet of the top of the injection interval. Since the top of the injection interval is at 4672 feet, the packer in this well must be set inside the casing between 4597 and 4667 feet of depth below land surface [40 CFR §146.23(a)(2)].

Injection pressure at the wellhead shall be limited so that it does not initiate new fractures or propagate existing fractures in the confining zone adjacent to any USDW [40 CFR §146.23(a)(1)]. In this well, the maximum injection pressure at the wellhead shall not exceed 934 psig.

To assure that USDWs are protected from injection fluids, the well must maintain mechanical integrity. Mechanical integrity must be demonstrated prior to operation and at least once every three years thereafter [§146.23(b)(3)]. The permittee shall perform a radioactive tracer survey with the above test. The permittee must continuously monitor a positive pressure on the casing/tubing annulus in accordance with special permit condition I.B.1. For additional information, please contact:

Ms. Evelyn Rosborough
Administrative Support Team (6WQ-C A)
U.S. Environmental Protection Agency
Region 6
1445 Ross Avenue
Dallas, Texas 75202-2733
(214) 665-7515



Region 6
1445 Ross Avenue
Dallas, Texas 75202-2733

UIC Permit No. 06SNMJ1P9071
Well No. 30-5

AUTHORIZATION TO CONVERT A WELL TO AN INJECTION WELL UNDER THE UIC PROGRAM JICARILLA APACHE TRIBE

In compliance with the provisions of the Safe Drinking Water Act, (hereafter referred to as "the Act" or "SDWA") as amended (42 U.S.C. §300f et seq.),

Conoco Inc.
600 N. Dairy Ashford Road
Houston, Texas 77079

is authorized to convert a well to a Class II salt water disposal injection well. This well is located at:

800' feet from the north line and 1850' feet from the east line, Northeast Quarter, Section 32, Township 25N, Range 04W into the injection interval at a depth of 4672 feet to 5326 feet below land surface in the Mesa Verde in accordance with the construction and operation requirements, injection pressure limits, reporting and monitoring requirements, and other conditions set forth in Parts I and II of this permit and the New Mexico Indian Lands Class II Underground Injection Control Program and Regulations.

Authorization to inject fluids into the well described in this permit shall be separately granted. Such authorization may be verbally granted by the Chief, Ground Water/UIC Section when the operator has satisfactorily demonstrated compliance with special permit conditions I.A.1., I.A.2., I.A.3., and I.B.1.. Any verbal authorization to inject will be followed by a written "Authorization to Inject" from the Director, Water Quality Protection Division (6WQ). Upon authorization to inject, this permit shall remain in effect until the well is plugged or the permit is terminated.

This permit shall become effective on

Prepared by

Issued on

Bill Hurlbut
Environmental Engineer
Ground Water/UIC Section
(6WQ-SG)

Sam Becker
Acting Director
Water Quality Protection
Division

6WQ-SG: BHURLBUT 4/18/01 06SNMJ1P9071.1
6WQ-SG 6WQ-S
DELLINGER WRIGHT

Part I. SPECIAL PERMIT CONDITIONS**A. Construction Requirements**

1. Surface casing shall be set at 244 feet below land surface and cemented back to the surface. The long string casing shall be set at 7525 feet below land surface and cemented with 435 sacks of cement in the first stage and 765 sacks of cement in the second stage.
2. The well shall be equipped with standard female fittings with cut-off valves connected to the tubing and the tubing/casing annulus so that the injection pressure and annulus pressure may be measured by an EPA representative by attaching a gauge having a standard male fitting.
3. Tubing and packer shall be installed. The packer shall be run on the tubing and set inside the casing between 4597 and 4667 feet of depth below the land surface.
4. After the well is perforated, a static fluid level will be shot, a step rate test performed and the results will be provided expeditiously to EPA Region 6.

B. Operating Requirements

1. Authorization to inject will not be granted until the permittee shows to the satisfaction of the Director, Water Quality Protection Division, pursuant to 40 CFR §147.2920(b)(1)(i) that the well has mechanical integrity. Mechanical integrity must be demonstrated at least every three years thereafter. Along with the above test, the permittee shall run a radioactive tracer survey to be submitted to the EPA. The long string casing/tubing annulus must be filled with a corrosion inhibiting fluid. Following the initial mechanical integrity test demonstration, the permittee shall maintain at all times a positive pressure ($p > 0$) on the well annulus. The permittee must record and report all instances in which he adds fluid or pressure to the annulus or "bleeds off" fluid or pressure from the annulus. Such reports must be submitted in accordance with permit condition II.L.4. Annulus and injection pressure must be monitored monthly and reported annually also in accordance with condition II.L.4. of this permit.
2. Injection pressure at the wellhead shall not exceed 934 psig.
3. The permittee is authorized to inject salt water for disposal.
4. Injection volume shall be limited to 6000 barrels per month.
5. Within 30 days after the effective date of this permit and until "Authorization to Inject" has been issued, the permittee shall monitor static fluid level as follows:
 - a. At least once every three months, if the static fluid level is more than 2791 feet below the land surface.
 - b. At least once a month if the static fluid level is less than 2791 feet below the land surface.

The monitoring results shall be reported to the Regional Administrator with the annual operating report required in condition II.L.4. The permittee shall report monitoring results to the EPA Region 6 UIC Office if the static fluid level is within 2741 feet of the land surface in the area of the well. The report shall be provided orally within 24 hours of the time the permittee becomes aware of the circumstances. A written report shall be provided within five days of the time the permittee becomes aware of the circumstances. The written report must include proposed actions to protect underground sources of drinking water and a schedule to complete those actions.