

GW - 7

**PERMITS,
RENEWALS,
& MODS**

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

John Bemis
Cabinet Secretary

Brett F. Woods, Ph.D.
Deputy Cabinet Secretary

Jami Bailey
Division Director
Oil Conservation Division



APRIL 16, 2013

Mr. Ron Weaver
Regional Terminals Manager
Western Refining Company, L.P.
111 County Road 4990
Bloomfield, New Mexico 87413

**RE: CLOSURE REPORT
FORMER CLASSIFIER SYSTEM
WESTERN REFINING COMPANY, L.P.
JAL LPG STORAGE TERMINAL
LEA COUNTY, NEW MEXICO**

TERMINATION OF DISCHARGE PERMIT GW-007

Dear Mr. Weaver:

The Oil Conservation Division (OCD) has reviewed Western's Closure Report submitted via email on February 8, 2013. This closure report documents the closure activities that Western implemented in accordance with its approved closure plan of November 2012. Based on our review, OCD hereby approves Western's closure activities for the former Classifier System at its Jal LPG Storage Terminal.

In addition, based on your responses given in the "Oil & Gas Facilities Questionnaire for Determination of a WQCC Discharge Permit" and a file review, the Oil Conservation Division (OCD) has determined that one of your facilities with an expired or soon to be expired permit do not require a Water Quality Control Commission (WQCC) Discharge Permit. This means that WQCC Discharge Permit **GW-007 (formerly known as Christie Jal GP)** is hereby terminated and you are not required to proceed with the renewal of this expired WQCC Discharge Permit. OCD will close this permit in its database.

Previously, Western has conducted abatement of ground water contamination at this facility under the authority of its WQCC Discharge Permit, pursuant to 20.6.2.4000 through 20.6.2.4115 NMAC (PREVENTION AND ABATEMENT OF WATER POLLUTION). OCD has determined that Western does not intentionally discharge at this facility; therefore, no WQCC Discharge Permit is required. However, because of existing ground water contamination at this facility, OCD is requiring Western to continue to abate pollution of ground water pursuant to 19.15.30 NMAC (REMEDIATION). The new Abatement Plan case number for the former **GW - 007** facility is **AP - 117**. Please use this Abatement Plan case number in all future correspondence.

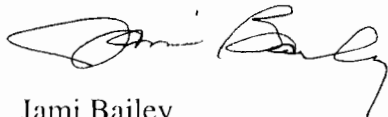
April 16, 2013

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Because this WQCC Discharge Permit is no longer valid, you may be required to obtain a separate permit(s) for other processes at your facility, such as: pits, ponds, impoundments, below-grade tanks; waste treatment, storage and disposal operations; and landfarms and landfills. OCD will make an inspection of your facility to determine if any of these existing processes may require a separate permit under OCD's Oil, Gas, and Geothermal regulations. If OCD determines that a separate permit(s) is required, then a letter will be sent to you indicating what type of permit is required.

Please keep in mind, if your facility has any discharges that would require a WQCC Discharge Permit now or in the future, then you will be required to renew or obtain a WQCC Discharge Permit. If you have any questions regarding this matter, please contact Glenn von Gonten at 505-476-3488.

Thank you for your cooperation.

A handwritten signature in black ink, appearing to read "Jami Bailey", is positioned above the printed name and title.

Jami Bailey
Director

JB/ll

ACKNOWLEDGEMENT OF RECEIPT
OF CHECK/CASH

I hereby acknowledge receipt of check No. _____ dated 6/9/08

or cash received on _____ in the amount of \$ 1700⁰⁰

from GIANT Industries

for GW-007

Submitted by: Lawrence Romero Date: 7/18/08

Submitted to ASD by: Lawrence Romero Date: 7/18/08

Received in ASD by: _____ Date: _____

Filing Fee _____ New Facility _____ Renewal _____

Modification _____ Other _____

Organization Code 521.07 Applicable FY 2004

To be deposited in the Water Quality Management Fund.

Full Payment ☒ or Annual Increment _____

New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson
Governor

Joanna Prukop
Cabinet Secretary
Reese Fullerton
Deputy Cabinet Secretary

RECEIVED

2008 JUN 16 PM 2 15

Mark Fesmire
Division Director
Oil Conservation Division



May 23, 2008

Mr. Ron Weaver, Product Terminals Manager
Western Refining Company, L.P.
111 County Road 4990
Bloomfield, New Mexico 87413

Re: Discharge Permit Renewal
Jal LPG Storage Facility (GW-007)
UIC Class II LPG Storage Wells: Well #1 30-025-35954; Well #2 30-025-35955;
Well #3 30-025-35956; and Well #4 30-025-35957.
Lea County, New Mexico

Dear Mr. Weaver:

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) hereby approves the discharge permit and authorizes the operation, injection, and LPG storage for the **Western Refining, L.P., Jal LPG Storage Facility (GW-007)** located in the SW/4 of Section 32, Township 23 South, and Range 37 East; SE/4 of Section 31, Township 23 South, and Range 37 East; and W/2 of Section 5, Township 24 South, and Range 37 East NMPM, Lea County, 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 working 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@sate.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

Oil Conservation Division * 1220 South St. Francis Drive

* Santa Fe, New Mexico 87505

* Phone: (505) 476-3440 * Fax (505) 476-3462* <http://www.emnrd.state.nm.us>



New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson
Governor

Joanna Prukop
Cabinet Secretary
Reese Fullerton
Deputy Cabinet Secretary

RECEIVED

2008 JUN 16 PM 2 15

Mark Fesmire
Division Director
Oil Conservation Division



May 23, 2008

Mr. Ron Weaver, Product Terminals Manager
Western Refining Company, L.P.
111 County Road 4990
Bloomfield, New Mexico 87413

Re: Discharge Permit Renewal
Jal LPG Storage Facility (GW-007)
UIC Class II LPG Storage Wells: Well #1 30-025-35954; Well #2 30-025-35955;
Well #3 30-025-35956; and Well #4 30-025-35957.
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If you have any questions, please contact Carl Chavez of my staff at (505-476-3491) or E-mail carlj.chavez@sate.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

Oil Conservation Division * 1220 South St. Francis Drive
* Santa Fe, New Mexico 87505

* Phone: (505) 476-3440 * Fax (505) 476-3462 * <http://www.emnrd.state.nm.us>



ATTACHMENT TO THE DISCHARGE PERMIT APPROVAL CONDITIONS

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. The flat fee for a UIC Class II gas (LPG) storage facility is \$1700.00. Please submit this amount along with the signed certification in approximately 30 days. Checks should be made out to the New Mexico Water Quality Management Fund.
2. **Permit Expiration, 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 December 29, 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, NMSA1978} 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, NMSA 1978, Sections 70-2-1 through 70-2-38.
4. **Owner/Operator Commitments:** The owner/operator shall abide by all commitments submitted in its August 29, 2007 discharge permit 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 Regulation 20.6.2.3107.C and 20.6.2.3109 NMAC addresses possible future modifications of a permit. The owner/operator (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 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 wastes at an OCD-approved facility. Only oil field RCRA-exempt wastes may be disposed of by injection in a Class II Salt Water Disposal Well. Any disposal regardless of waste type by injection into a UIC Class II LPG Storage Well is prohibited and shall be a violation of the permit. RCRA non-

hazardous, 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 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 must store all drums, including empty drums, containing materials other than fresh water on an impermeable pad with curbing. The owner/operator must 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 which 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 or all interconnected tanks. The owner/operator 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 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 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 owner/operator 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 owner/operator shall retrofit all existing systems without secondary containment and leak detection before discharge permit renewal.

C. 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.

D. The owner/operator shall maintain the results of tests and inspections at the facility covered by this discharge permit and available for OCD inspection. 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 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.

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. The owner/operator shall report any leaks or loss of integrity to the OCD within 15 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. The owner/operator shall notify the OCD at least 72 hours prior to all testing.

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 days.

16. OCD Inspections: The OCD may place additional requirements on the facility and modify the permit conditions based on OCD inspections.

17. Storm Water: The owner/operator shall implement and maintain run-on and runoff plans and controls. 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 storm water run-off. The owner/operator 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 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 or 20.6.4 NMAC (Water Quality Standards for Interstate and Intrastate Streams) unless specifically listed in the permit application and approved herein. **An unauthorized discharge is a violation of this permit.**

19. Vadose Zone and Water Pollution: 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 will be a violation of the permit.

20. Additional Site Specific Conditions:

A. The operator shall develop, implement and maintain a storage facility safety plan. The plan shall include current emergency response procedures, provisions to provide security against unauthorized activity, and any current gas release detection and prevention measures utilized by the facility. The emergency response procedures for the storage facility shall include contingency plans for gas storage well leaks and loss of containment from gas storage wells or the gas storage reservoir. The emergency

response procedures shall also identify public emergency response agencies to be notified for the protection of public safety. Copies of the plan shall be available at the storage facility and the nearest operational office of the operator or the facility. The operator shall keep the plan current or updated throughout its operations.

B. The Well No. 3 propane release discovery on March 29, 2008 and documented on Form C-141 dated May 20, 2008 shall be investigated. A work plan for OCD approval shall be submitted within 90 days of permit issuance to investigate the release.

C. The closure of the Classifier and associated equipment shall be completed on or before the expiration date of this permit.

21. LPG Storage Well(s) Identification, Operation, Monitoring, Bonding and Reporting.

A. Well Identification: API #s: Well #1 30-025-35954; Well #2 30-025-35955; Well #3 30-025-35956; and Well #4 30-025-35957.

B. Well Work Over Operations: OCD approval shall 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. Production Method: Brine water shall be injected down the tubing to the base of the cavern to push or recover LPG upward through the casing. LPG storage shall be increased by withdrawing brine water from the tubing while injecting LPG down the casing. Brine water will be stored at ground level in two brine storage ponds. Fresh water injection down the tubing to dissolve or clear salt from the tubing for a maximum period of 24 hours shall be allowed when the structural stability of the cavern will not be compromised. Alternative cleaning methods must be approved by the OCD.

D. Well Pressure Limits: The maximum operating surface injection and/or test pressure measured at the wellhead shall not exceed:

LPG Well #1: 850 psig unless otherwise approved.

LPG Well #2: 850 psig unless otherwise approved.

LPG Well #3: 850 psig unless otherwise approved.

LPG Well #4: 850 psig unless otherwise approved.

The operator shall have a working pressure limiting device or controls to prevent over pressure. Any pressure that causes new fractures or propagate existing fractures or causes damage to the system shall be reported to OCD within 24 hours of discovery.

E. Mechanical Integrity Testing (MIT): Conduct an annual open to formation pressure test by pressuring up the formation with approved fluids or gas to a minimum of 500 psig measured on the surface casing for four hours. However, no operator may

exceed test pressures that may cause formation fracturing (see item 21.D above) or system failure. Systems requiring test pressures less than 500 psig or methods that use testing media other than fluids, i.e., gas, must be approved by OCD prior to testing. In accordance with EPA UIC Well requirements, at least once every five years and during well work-overs, the salt cavern formation shall be isolated from the casing/tubing annulars and the casing pressure tested at 500 psig for 30 minutes. All pressure tests must be performed per the schedule shown below and witnessed by OCD unless otherwise approved.

MIT Testing Schedule:

Well No. 1	4/25/2013	Well No. 1 Nitrogen/Brine Interface Test* (Pass: Allowable Loss < 0.11 bbl./hr.)
Well No. 2	3/14/2013	Same as Well No. 1 above.
Well No. 3	8/19/2012	Same as Well No. 1 above.
Well No. 4	8/19/2012	Same as Well No. 1 above.
Above Wells	Work-over	EPA 5 Yr.**

Notes:

* The owner/operator shall perform a 72 hour Nitrogen/Brine Interface Mechanical Integrity Test – Internal (casing) & External (cavern) a minimum of every 5 years.

** An EPA 5 Yr. MIT 30 min. @ minimum 500 psig casing test only (set packer above casing shoe to isolate formation from tubing/annulars- Pass: +/- 10% of start pressure) shall be performed immediately after any well work-over.

- F. **Capacity/ Cavity Configuration and Subsidence Survey:** The operator shall provide information on the size and extent of the solution cavern and geologic/engineering data demonstrating that continued brine extraction will not cause surface subsidence, collapse or damage to property, or become a threat to public health and the environment. This information shall be supplied in each annual report. A subsidence monitoring work plan shall be submitted by the operator within 90 days of permit issuance to perform additional well surveys, test, and install subsidence monitoring in order to demonstrate the integrity of the system. If the operator cannot demonstrate the integrity of the system to the satisfaction of the Division then the operator may be required to shut-down, close the site and properly plug and abandoned the well.

Any subsidence must be reported within 24 hours of discovery.

- G. **Production/Injection Volumes:** The volumes of fluids injected (produced brine) vs. LPG will be recorded monthly (C-131A) and submitted to the OCD Santa Fe Office in the annual report (C-131B).
- H. **Analysis of Injection Fluid or Brine:** Provide an analysis of the injection fluid with each annual report. Analysis will be for General Chemistry (method 40 CFR 136.3) using EPA methods.

- 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 1/2 mile from any EPA Class II LPG Storage Well.
- J. Loss of Mechanical Integrity: The operator shall report within 24 hours of discovery of any failure of the casing or tubing 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.
- K. Bonding or Financial Assurance: The operator shall maintain at a minimum, a one well plugging bond (OCD Form B-1) for each UIC Class II LPG Storage Well in the amount specified under the Oil and Gas Act, pursuant to OCD rules and regulations.
- L. 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 LPG Storage Well Report, name of operator, GW permit #, API# of well(s), date of report, and person submitting report.
 - 2. Brief summary of LPG Storage Wells operations including description and reason for any remedial or major work on the well. Copy of C-103.
 - 3. Production volumes as required above in 21.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 21.H.
 - 5. A copy of any mechanical integrity test chart, including the type of test, i.e. open to formation or casing test.
 - 6. Brief explanation describing deviations from normal production methods.
 - 7. A copy of any leaks and spills reports.
 - 8. If applicable, results of any groundwater monitoring.
 - 9. Information required from cavity/subsidence 21.F. above.
 - 10. An Area of Review (AOR) summary.
 - 11. Sign-off requirements pursuant to WQCC Subsection G 20.6.2.5101.

22. Transfer of Discharge Permit: Pursuant to WQCC 20.6.2.5101.H the owner/operator and new owner/operator shall provide written notice of any transfer of the permit. Both parties shall sign the notice 30 days prior to any transfer of ownership, control or possession of a facility

Mr. Ron Weaver
Western Refining, L.P.
GW-007
May 23, 2008
Page 9

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 LPG Storage Well operations until proper bonding or financial assurance is in place and approved by the division. OCD reserves the right to require a modification of the permit during transfer.

23. Closure Plan and Financial Assurance: The owner/operator 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 Form C-103 for plugging and abandonment of the well(s), modification plan, and/or provide adequate financial assurance. Closure and waste disposal shall be in accordance with the statutes, rules and regulations in effect at the time of closure.

24. Certification: Western Refining, L.P., 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. **Western Refining, L.P.** 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."

Western Refining Co.
Company Name-print name above

Ron Weaver
Company Representative- print name

Ron Weaver
Company Representative- signature

Title: Products Terminals Mgr

Date: 6/10/08

Chavez, Carl J, EMNRD

From: Chavez, Carl J, EMNRD
Sent: Wednesday, July 16, 2008 4:30 PM
To: 'Weaver, Ron'
Subject: RE: Western Refining, L.P., Jal LPG Storage Facility (GW-007) Lea County

Ron:

I am in receipt of your check with signed DP and will post them on OCD Online at "GW-7" under the "Permits" thumbnail. 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) 476-3491
Fax: (505) 476-3462
E-mail: CarlJ.Chavez@state.nm.us
Website: <http://www.emnrd.state.nm.us/oed/index.htm>
(Pollution Prevention Guidance is under "Publications")

From: Weaver, Ron [<mailto:Ron.Weaver@wnr.com>]
Sent: Thursday, July 10, 2008 9:47 AM
To: Chavez, Carl J, EMNRD
Cc: Hovland, Avis
Subject: RE: Western Refining, L.P., Jal LPG Storage Facility (GW-007) Lea County

We will reissue a check and I will get it sent to you. Sorry for any problems.

From: Chavez, Carl J, EMNRD [<mailto:CarlJ.Chavez@state.nm.us>]
Sent: Thursday, July 10, 2008 9:32 AM
To: Weaver, Ron
Cc: Price, Wayne, EMNRD
Subject: RE: Western Refining, L.P., Jal LPG Storage Facility (GW-007) Lea County

Ron:

The OCD checked its accounting records and has not processed a check similar to the signed pdf discharge permit w/ copy of the check, etc. Since OCD now has a signed discharge permit, we need a check in the amount of \$1,700 made payable to the "Water Quality Management Fund." The amount reflects the 20.6.2.3114 NMAC "Underground Gas Storage" fee.

Please let me know when you mail it. Also, feel free to mail it directly to my address. 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) 476-3491
Fax: (505) 476-3462
E-mail: CarlJ.Chavez@state.nm.us
Website: <http://www.emnrd.state.nm.us/oed/index.htm>
(Pollution Prevention Guidance is under "Publications")

7/16/2008

From: Weaver, Ron [mailto:Ron.Weaver@wnr.com]
Sent: Thursday, July 10, 2008 8:25 AM
To: Chavez, Carl J, EMNRD
Cc: Hains, Allen; Parker, Ken; Crow, Leroy
Subject: RE: Western Refining, L.P., Jal LPG Storage Facility (GW-007) Lea County

Nice to talk to you again, Carl.

Attached is a copy of the signed permit along with a copy of the check that was sent. The hard copy and check were sent out 6-13-08. Accounting is verifying that the check has cleared. If you need further information or have any questions please feel free to contact me.

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7/16/2008

New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson
Governor

Joanna Prukop
Cabinet Secretary
Reese Fullerton
Deputy Cabinet Secretary

Mark Fesmire
Division Director
Oil Conservation Division



May 23, 2008

Mr. Ron Weaver, Product Terminals Manager
Western Refining Company, L.P.
111 County Road 4990
Bloomfield, New Mexico 87413

Re: Discharge Permit Renewal
Jal LPG Storage Facility (GW-007)
UIC Class II LPG Storage Wells: Well #1 30-025-35954; Well #2 30-025-35955;
Well #3 30-025-35956; and Well #4 30-025-35957.
Lea County, New Mexico

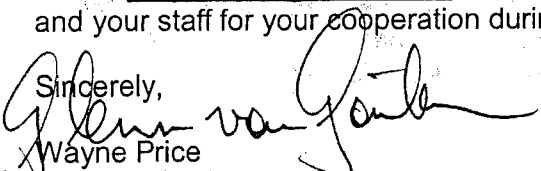
Dear Mr. Weaver:

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) hereby approves the discharge permit and authorizes the operation, injection, and LPG storage for the **Western Refining, L.P., Jal LPG Storage Facility (GW-007)** located in the SW/4 of Section 32, Township 23 South, and Range 37 East; SE/4 of Section 31, Township 23 South, and Range 37 East; and W/2 of Section 5, Township 24 South, and Range 37 East NMPM, Lea County, 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 working 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@sate.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 APPROVAL CONDITIONS

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. The flat fee for a UIC Class II gas (LPG) storage facility is \$1700.00. Please submit this amount along with the signed certification in approximately 30 days. Checks should be made out to the New Mexico Water Quality Management Fund.
2. **Permit Expiration, 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 December 29, 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, NMSA1978} 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, NMSA 1978, Sections 70-2-1 through 70-2-38.
4. **Owner/Operator Commitments:** The owner/operator shall abide by all commitments submitted in its August 29, 2007 discharge permit 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 Regulation 20.6.2.3107.C and 20.6.2.3109 NMAC addresses possible future modifications of a permit. The owner/operator (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 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 wastes at an OCD-approved facility. Only oil field RCRA-exempt wastes may be disposed of by injection in a Class II Salt Water Disposal Well. Any disposal regardless of waste type by injection into a UIC Class II LPG Storage Well is prohibited and shall be a violation of the permit. RCRA non-

hazardous, 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 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 must store all drums, including empty drums, containing materials other than fresh water on an impermeable pad with curbing. The owner/operator must 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 which 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 or all interconnected tanks. The owner/operator 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 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 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 owner/operator 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 owner/operator shall retrofit all existing systems without secondary containment and leak detection before discharge permit renewal.

C. 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.

D. The owner/operator shall maintain the results of tests and inspections at the facility covered by this discharge permit and available for OCD inspection. 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 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.

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. The owner/operator shall report any leaks or loss of integrity to the OCD within 15 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. The owner/operator shall notify the OCD at least 72 hours prior to all testing.

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 days.
- 16. OCD Inspections:** The OCD may place additional requirements on the facility and modify the permit conditions based on OCD inspections.
- 17. Storm Water:** The owner/operator shall implement and maintain run-on and runoff plans and controls. 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 storm water run-off. The owner/operator 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 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 or 20.6.4 NMAC (Water Quality Standards for Interstate and Intrastate Streams) unless specifically listed in the permit application and approved herein. **An unauthorized discharge is a violation of this permit.**
- 19. Vadose Zone and Water Pollution:** 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 will be a violation of the permit.
- 20. Additional Site Specific Conditions:**
 - A.** The operator shall develop, implement and maintain a storage facility safety plan. The plan shall include current emergency response procedures, provisions to provide security against unauthorized activity, and any current gas release detection and prevention measures utilized by the facility. The emergency response procedures for the storage facility shall include contingency plans for gas storage well leaks and loss of containment from gas storage wells or the gas storage reservoir. The emergency

response procedures shall also identify public emergency response agencies to be notified for the protection of public safety. Copies of the plan shall be available at the storage facility and the nearest operational office of the operator or the facility. The operator shall keep the plan current or updated throughout its operations.

B. The Well No. 3 propane release discovery on March 29, 2008 and documented on Form C-141 dated May 20, 2008 shall be investigated. A work plan for OCD approval shall be submitted within 90 days of permit issuance to investigate the release.

C. The closure of the Classifier and associated equipment shall be completed on or before the expiration date of this permit.

21. LPG Storage Well(s) Identification, Operation, Monitoring, Bonding and Reporting.

- A. Well Identification: API #s: Well #1 30-025-35954; Well #2 30-025-35955; Well #3 30-025-35956; and Well #4 30-025-35957.
- B. Well Work Over Operations: OCD approval shall 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. Production Method: Brine water shall be injected down the tubing to the base of the cavern to push or recover LPG upward through the casing. LPG storage shall be increased by withdrawing brine water from the tubing while injecting LPG down the casing. Brine water will be stored at ground level in two brine storage ponds. Fresh water injection down the tubing to dissolve or clear salt from the tubing for a maximum period of 24 hours shall be allowed when the structural stability of the cavern will not be compromised. Alternative cleaning methods must be approved by the OCD.
- D. Well Pressure Limits: The maximum operating surface injection and/or test pressure measured at the wellhead shall not exceed:
- LPG Well #1: 850 psig unless otherwise approved.
 - LPG Well #2: 850 psig unless otherwise approved.
 - LPG Well #3: 850 psig unless otherwise approved.
 - LPG Well #4: 850 psig unless otherwise approved.

The operator shall have a working pressure limiting device or controls to prevent over pressure. Any pressure that causes new fractures or propagate existing fractures or causes damage to the system shall be reported to OCD within 24 hours of discovery.

- E. Mechanical Integrity Testing (MIT): Conduct an annual open to formation pressure test by pressuring up the formation with approved fluids or gas to a minimum of 500 psig measured on the surface casing for four hours. However, no operator may

exceed test pressures that may cause formation fracturing (see item 21.D above) or system failure. Systems requiring test pressures less than 500 psig or methods that use testing media other than fluids, i.e., gas, must be approved by OCD prior to testing. In accordance with EPA UIC Well requirements, at least once every five years and during well work-overs, the salt cavern formation shall be isolated from the casing/tubing annulars and the casing pressure tested at 500 psig for 30 minutes. All pressure tests must be performed per the schedule shown below and witnessed by OCD unless otherwise approved.

MIT Testing Schedule:

Well No. 1	4/25/2013	Well No. 1 Nitrogen/Brine Interface Test* (Pass: Allowable Loss < 0.11 bbl./hr.)
Well No. 2	3/14/2013	Same as Well No. 1 above.
Well No. 3	8/19/2012	Same as Well No. 1 above.
Well No. 4	8/19/2012	Same as Well No. 1 above.
Above Wells	Work-over	EPA 5 Yr.**

Notes:

* The owner/operator shall perform a 72 hour Nitrogen/Brine Interface Mechanical Integrity Test – Internal (casing) & External (cavern) a minimum of every 5 years.

** An EPA 5 Yr. MIT 30 min. @ minimum 500 psig casing test only (set packer above casing shoe to isolate formation from tubing/annulars- Pass: +/- 10% of start pressure) shall be performed immediately after any well work-over.

- F. Capacity/ Cavity Configuration and Subsidence Survey: The operator shall provide information on the size and extent of the solution cavern and geologic/engineering data demonstrating that continued brine extraction will not cause surface subsidence, collapse or damage to property, or become a threat to public health and the environment. This information shall be supplied in each annual report. A subsidence monitoring work plan shall be submitted by the operator within 90 days of permit issuance to perform additional well surveys, test, and install subsidence monitoring in order to demonstrate the integrity of the system. If the operator cannot demonstrate the integrity of the system to the satisfaction of the Division then the operator may be required to shut-down, close the site and properly plug and abandoned the well.

Any subsidence must be reported within 24 hours of discovery.

- G. Production/Injection Volumes: The volumes of fluids injected (produced brine) vs. LPG will be recorded monthly (C-131A) and submitted to the OCD Santa Fe Office in the annual report (C-131B).
- H. Analysis of Injection Fluid or Brine: Provide an analysis of the injection fluid with each annual report. Analysis will be for General Chemistry (method 40 CFR 136.3) using EPA methods.

- 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 1/2 mile from any EPA Class II LPG Storage Well.
- J. Loss of Mechanical Integrity: The operator shall report within 24 hours of discovery of any failure of the casing or tubing 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.
- K. Bonding or Financial Assurance: The operator shall maintain at a minimum, a one well plugging bond (OCD Form B-1) for each UIC Class II LPG Storage Well in the amount specified under the Oil and Gas Act, pursuant to OCD rules and regulations.
- L. 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 LPG Storage Well Report, name of operator, GW permit #, API# of well(s), date of report, and person submitting report.
 - 2. Brief summary of LPG Storage Wells operations including description and reason for any remedial or major work on the well. Copy of C-103.
 - 3. Production volumes as required above in 21.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 21.H.
 - 5. A copy of any mechanical integrity test chart, including the type of test, i.e. open to formation or casing test.
 - 6. Brief explanation describing deviations from normal production methods.
 - 7. A copy of any leaks and spills reports.
 - 8. If applicable, results of any groundwater monitoring.
 - 9. Information required from cavity/subsidence 21.F. above.
 - 10. An Area of Review (AOR) summary.
 - 11. Sign-off requirements pursuant to WQCC Subsection G 20.6.2.5101.

22. Transfer of Discharge Permit: Pursuant to WQCC 20.6.2.5101.H the owner/operator and new owner/operator shall provide written notice of any transfer of the permit. Both parties shall sign the notice 30 days prior to any transfer of ownership, control or possession of a facility

Mr. Ron Weaver
Western Refining, L.P.
GW-007
May 23, 2008
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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 LPG Storage Well operations until proper bonding or financial assurance is in place and approved by the division. OCD reserves the right to require a modification of the permit during transfer.

23. Closure Plan and Financial Assurance: The owner/operator 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 Form C-103 for plugging and abandonment of the well(s), modification plan, and/or provide adequate financial assurance. Closure and waste disposal shall be in accordance with the statutes, rules and regulations in effect at the time of closure.

24. Certification: Western Refining, L.P., 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. **Western Refining, L.P.** 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."

Western Refining Co.
Company Name-print name above

Ron Weaver
Company Representative- print name

Ron Weaver
Company Representative- signature

Title: Products Terminal Mgr

Date: 6/10/08



New Mexico Energy, Minerals and Natural Resources Department

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Division Director

Oil Conservation Division



May 23, 2008

Mr. Ron Weaver, Product Terminals Manager
Western Refining Company, L.P.
111 County Road 4990
Bloomfield, New Mexico 87413

Re: Discharge Permit Renewal
Jal LPG Storage Facility (GW-007)
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Lea County, New Mexico

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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@sate.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

Oil Conservation Division * 1220 South St. Francis Drive

* Santa Fe, New Mexico 87505

* Phone: (505) 476-3440 * Fax (505) 476-3462* <http://www.emnrd.state.nm.us>



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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 owner/operator 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 owner/operator shall retrofit all existing systems without secondary containment and leak detection before discharge permit renewal.

C. 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.

D. The owner/operator shall maintain the results of tests and inspections at the facility covered by this discharge permit and available for OCD inspection. 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 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.

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. The owner/operator shall report any leaks or loss of integrity to the OCD within 15 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. The owner/operator shall notify the OCD at least 72 hours prior to all testing.

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 days.

16. OCD Inspections: The OCD may place additional requirements on the facility and modify the permit conditions based on OCD inspections.

17. Storm Water: The owner/operator shall implement and maintain run-on and runoff plans and controls. 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 storm water run-off. The owner/operator 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 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 or 20.6.4 NMAC (Water Quality Standards for Interstate and Intrastate Streams) unless specifically listed in the permit application and approved herein. **An unauthorized discharge is a violation of this permit.**

19. Vadose Zone and Water Pollution: 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 will be a violation of the permit.

20. Additional Site Specific Conditions:

A. The operator shall develop, implement and maintain a storage facility safety plan. The plan shall include current emergency response procedures, provisions to provide security against unauthorized activity, and any current gas release detection and prevention measures utilized by the facility. The emergency response procedures for the storage facility shall include contingency plans for gas storage well leaks and loss of containment from gas storage wells or the gas storage reservoir. The emergency

response procedures shall also identify public emergency response agencies to be notified for the protection of public safety. Copies of the plan shall be available at the storage facility and the nearest operational office of the operator or the facility. The operator shall keep the plan current or updated throughout its operations.

B. The Well No. 3 propane release discovery on March 29, 2008 and documented on Form C-141 dated May 20, 2008 shall be investigated. A work plan for OCD approval shall be submitted within 90 days of permit issuance to investigate the release.

C. The closure of the Classifier and associated equipment shall be completed on or before the expiration date of this permit.

21. LPG Storage Well(s) Identification, Operation, Monitoring, Bonding and Reporting.

A. Well Identification: API #s: Well #1 30-025-35954; Well #2 30-025-35955; Well #3 30-025-35956; and Well #4 30-025-35957.

B. Well Work Over Operations: OCD approval shall 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. Production Method: Brine water shall be injected down the tubing to the base of the cavern to push or recover LPG upward through the casing. LPG storage shall be increased by withdrawing brine water from the tubing while injecting LPG down the casing. Brine water will be stored at ground level in two brine storage ponds. Fresh water injection down the tubing to dissolve or clear salt from the tubing for a maximum period of 24 hours shall be allowed when the structural stability of the cavern will not be compromised. Alternative cleaning methods must be approved by the OCD.

D. Well Pressure Limits: The maximum operating surface injection and/or test pressure measured at the wellhead shall not exceed:

LPG Well #1: 850 psig unless otherwise approved.

LPG Well #2: 850 psig unless otherwise approved.

LPG Well #3: 850 psig unless otherwise approved.

LPG Well #4: 850 psig unless otherwise approved.

The operator shall have a working pressure limiting device or controls to prevent over pressure. Any pressure that causes new fractures or propagate existing fractures or causes damage to the system shall be reported to OCD within 24 hours of discovery.

E. Mechanical Integrity Testing (MIT): Conduct an annual open to formation pressure test by pressuring up the formation with approved fluids or gas to a minimum of 500 psig measured on the surface casing for four hours. However, no operator may

exceed test pressures that may cause formation fracturing (see item 21.D above) or system failure. Systems requiring test pressures less than 500 psig or methods that use testing media other than fluids, i.e., gas, must be approved by OCD prior to testing. In accordance with EPA UIC Well requirements, at least once every five years and during well work-overs, the salt cavern formation shall be isolated from the casing/tubing annulars and the casing pressure tested at 500 psig for 30 minutes. All pressure tests must be performed per the schedule shown below and witnessed by OCD unless otherwise approved.

MIT Testing Schedule:

Well No. 1	4/25/2013	Well No. 1 Nitrogen/Brine Interface Test* (Pass: Allowable Loss < 0.11 bbl./hr.)
Well No. 2	3/14/2013	Same as Well No. 1 above.
Well No. 3	8/19/2012	Same as Well No. 1 above.
Well No. 4	8/19/2012	Same as Well No. 1 above.
Above Wells	Work-over	EPA 5 Yr.**

Notes:

* The owner/operator shall perform a 72 hour Nitrogen/Brine Interface Mechanical Integrity Test – Internal (casing) & External (cavern) a minimum of every 5 years.

** An EPA 5 Yr. MIT 30 min. @ minimum 500 psig casing test only (set packer above casing shoe to isolate formation from tubing/annulars- Pass: +/- 10% of start pressure) shall be performed immediately after any well work-over.

- F. Capacity/ Cavity Configuration and Subsidence Survey: The operator shall provide information on the size and extent of the solution cavern and geologic/engineering data demonstrating that continued brine extraction will not cause surface subsidence, collapse or damage to property, or become a threat to public health and the environment. This information shall be supplied in each annual report. A subsidence monitoring work plan shall be submitted by the operator within 90 days of permit issuance to perform additional well surveys, test, and install subsidence monitoring in order to demonstrate the integrity of the system. If the operator cannot demonstrate the integrity of the system to the satisfaction of the Division then the operator may be required to shut-down, close the site and properly plug and abandoned the well.

Any subsidence must be reported within 24 hours of discovery.

- G. Production/Injection Volumes: The volumes of fluids injected (produced brine) vs. LPG will be recorded monthly (C-131A) and submitted to the OCD Santa Fe Office in the annual report (C-131B).
- H. Analysis of Injection Fluid or Brine: Provide an analysis of the injection fluid with each annual report. Analysis will be for General Chemistry (method 40 CFR 136.3) using EPA methods.

- 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 1/2 mile from any EPA Class II LPG Storage Well.
 - J. Loss of Mechanical Integrity: The operator shall report within 24 hours of discovery of any failure of the casing or tubing 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.
 - K. Bonding or Financial Assurance: The operator shall maintain at a minimum, a one well plugging bond (OCD Form B-1) for each UIC Class II LPG Storage Well in the amount specified under the Oil and Gas Act, pursuant to OCD rules and regulations.
 - L. 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 LPG Storage Well Report, name of operator, GW permit #, API# of well(s), date of report, and person submitting report.
 - 2. Brief summary of LPG Storage Wells operations including description and reason for any remedial or major work on the well. Copy of C-103.
 - 3. Production volumes as required above in 21.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 21.H.
 - 5. A copy of any mechanical integrity test chart, including the type of test, i.e. open to formation or casing test.
 - 6. Brief explanation describing deviations from normal production methods.
 - 7. A copy of any leaks and spills reports.
 - 8. If applicable, results of any groundwater monitoring.
 - 9. Information required from cavity/subsidence 21.F. above.
 - 10. An Area of Review (AOR) summary.
 - 11. Sign-off requirements pursuant to WQCC Subsection G 20.6.2.5101.
22. **Transfer of Discharge Permit**: Pursuant to WQCC 20.6.2.5101.H the owner/operator and new owner/operator shall provide written notice of any transfer of the permit. Both parties shall sign the notice 30 days prior to any transfer of ownership, control or possession of a facility

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 LPG Storage Well operations until proper bonding or financial assurance is in place and approved by the division. OCD reserves the right to require a modification of the permit during transfer.

23. Closure Plan and Financial Assurance: The owner/operator 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 Form C-103 for plugging and abandonment of the well(s), modification plan, and/or provide adequate financial assurance. Closure and waste disposal shall be in accordance with the statutes, rules and regulations in effect at the time of closure.

24. Certification: Western Refining, L.P., 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. **Western Refining, L.P.** 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."

Company Name-print name above

Company Representative- print name

Company Representative- signature

Title: _____

Date: _____



New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson
Governor

Joanna Prukop
Cabinet Secretary
Reese Fullerton
Deputy Cabinet Secretary

Mark Fesmire
Division Director
Oil Conservation Division



April 15, 2008

Mr. Bruce Davis
Western Refining Company, L.P.
6501 Trowbridge Drive
El Paso, Texas 79905

Re: Discharge Permit Renewal (GW-007)
Western Refining Company, L.P.
Jal LPG Storage Facility
Lea County, New Mexico

Dear Mr. Davis:

The New Mexico Oil Conservation Division (NMOCD) has received Western Refining Company, L.P.'s request and initial fee, dated August 29th, 2007, to renew GW-007 for the Jal LPG Storage Facility located in the SW/4 of Section 32, Township 23 South, Range 37 East; SE/4 of Section 31, Township 23 South, Range 37 East; and West ½ of Section 5, Township 24 South, Range 37 East NMPM, Lea County, New Mexico. The initial submittal provided the required information in order to deem the application "administratively" complete.

Therefore, the New Mexico Water Quality Control Commission regulations (WQCC) notice requirements of 20.6.2.3108 NMAC must be satisfied and demonstrated to the NMOCD. NMOCD will provide public notice pursuant to the WQCC notice requirements of 20.6.2.3108 NMAC to determine if there is any public interest.

If there are any questions regarding this matter, please do not hesitate to contact me at (505) 476-3491 or carlj.chavez@state.nm.us. On behalf of the staff of the NMOCD, I wish to thank you and your staff for your cooperation during this discharge permit review.

Sincerely,

Carl J. Chavez
Environmental Engineer

CJC/cjc

xc: OCD District Office



Bill Richardson
Governor

Joanna Prukop
Cabinet Secretary
Reese Fullerton
Deputy Cabinet Secretary

Mark Fesmire
Division Director
Oil Conservation Division



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) 476-3440:

(GW-007) Western Refining, L.P., Mr. Bruce Davis, Western Refining L.P., 6501 Trowbridge Drive, El Paso, Texas 79905, has submitted an application for the renewal of a discharge plan for the Jal Liquid Petroleum Gas (LPG) Storage Facility and associated EPA Underground Injection Control (UIC) Class II LPG Storage Wells listed below.

**Christie Jal-4 State LPG Storage Well #1 (API# 30-025-35954) 32-23S-37E
Christie Jal-4 State LPG Storage Well #2 (API# 30-025-35955) 32-23S-37E
Christie Jal-4 State LPG Storage Well #3 (API# 30-025-35956) 32-23S-37E
Christie Jal-4 State LPG Storage Well #4 (API# 30-025-35957) 32-23S-37E**

The facility is located in the SW/4 of Section 32, Township 23 South, Range 37 East; SE/4 of Section 31, Township 23 South, Range 37 East; and W/2 of Section 5, Township 24 South, Range 37 East, NMPM, Lea County, New Mexico. The facility is located approximately 10 miles north of Jal, New Mexico or 2 miles south and west of Hwy. 209 from the intersection of CR-11 and Hwy. 209. LPG is transported to and from the facility via LPG tanker trucks, LPG tanker rail cars, and pipeline. Brine water is injected into the salt formation at a depth ranging from 1800 to 2000 feet, at a maximum surface injection pressure of 850 psig with an average production rate of 40,000 MCF per day of LPG. Injected brine water contains a total dissolved solids (TDS) concentration of approximately 261,000 mg/L. Brine from the cavern is stored at surface in 2 brine storage ponds and used for injection down tubing near the base of the cavern with extraction of LPG (liquid under pressure) upward through the casing from the storage cavern. LPG storage is increased by the extraction of brine water from the tubing. Groundwater most likely to be affected by a spill, leak, or accidental discharge to the



surface is at a depth of approximately 95 to 110 feet with a TDS of approximately 3000 mg/L. The discharge plan addresses well construction, operation, monitoring and mechanical integrity testing of the storage wells, associated surface brine storage ponds, 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 15th Day of April 2008.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

S E A L

Mark Fesmire, Director



New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson
Governor

Joanna Prukop
Cabinet Secretary
Reese Fullerton
Deputy Cabinet Secretary

Mark Fesmire
Division Director
Oil Conservation Division



April 15, 2008

Mr. Bruce Davis
Western Refining Company, L.P.
6501 Trowbridge Drive
El Paso, Texas 79905

Re: DRAFT Discharge Permit Renewal
Jal LPG Storage Facility (GW-007)
UIC Class II LPG Storage Wells: Well #1 30-025-35954; Well #2 30-025-35955;
Well #3 30-025-35956; and Well #4 30-025-35957.
Lea County, New Mexico

Dear Mr. Davis:

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) hereby approves the discharge permit and authorizes the operation, injection, and LPG storage for the **Western Refining, L.P., Jal LPG Storage Facility (GW-007)** located in the SW/4 of Section 32, Township 23 South, and Range 37 East; SE/4 of Section 31, Township 23 South, and Range 37 East; and W/2 of Section 5, Township 24 South, and Range 37 East NMPM, Lea County, 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 working 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@sate.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 APPROVAL CONDITIONS

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. The flat fee for a UIC Class II gas (LPG) storage facility is \$1700.00. Please submit this amount along with the signed certification in approximately 30 days. Checks should be made out to the New Mexico Water Quality Management Fund.
2. **Permit Expiration, 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 December 29, 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, NMSA1978} 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, NMSA 1978, Sections 70-2-1 through 70-2-38.
4. **Owner/Operator Commitments:** The owner/operator shall abide by all commitments submitted in its August 29, 2007 discharge permit 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 Regulation 20.6.2.3107.C and 20.6.2.3109 NMAC addresses possible future modifications of a permit. The owner/operator (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 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 wastes at an OCD-approved facility. Only oil field RCRA-exempt wastes may be disposed of by injection in a Class II Salt Water Disposal Well. Any disposal regardless of waste type by injection into a UIC Class II LPG Storage Well is prohibited and shall be a violation of the permit. RCRA non-

hazardous, 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 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 must store all drums, including empty drums, containing materials other than fresh water on an impermeable pad with curbing. The owner/operator must 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 which 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 or all interconnected tanks. The owner/operator 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 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 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 owner/operator 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 owner/operator shall retrofit all existing systems without secondary containment and leak detection before discharge permit renewal.

C. 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.

D. The owner/operator shall maintain the results of tests and inspections at the facility covered by this discharge permit and available for OCD inspection. 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 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.

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. The owner/operator shall report any leaks or loss of integrity to the OCD within 15 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. The owner/operator shall notify the OCD at least 72 hours prior to all testing.

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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 days.

16. OCD Inspections: The OCD may place additional requirements on the facility and modify the permit conditions based on OCD inspections.

17. Storm Water: The owner/operator shall implement and maintain run-on and runoff plans and controls. 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 storm water run-off. The owner/operator 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 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 or 20.6.4 NMAC (Water Quality Standards for Interstate and Intrastate Streams) unless specifically listed in the permit application and approved herein. **An unauthorized discharge is a violation of this permit.**

19. Vadose Zone and Water Pollution: 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 will be a violation of the permit.

20. Additional Site Specific Conditions:

A. The operator shall develop, implement and maintain a storage facility safety plan. The plan shall include current emergency response procedures, provisions to provide security against unauthorized activity, and any current gas release detection and prevention measures utilized by the facility. The emergency response procedures for the storage facility shall include contingency plans for gas storage well leaks and loss of containment from gas storage wells or the gas storage reservoir. The emergency

response procedures shall also identify public emergency response agencies to be notified for the protection of public safety. Copies of the plan shall be available at the storage facility and the nearest operational office of the operator or the facility. The operator shall keep the plan current or updated throughout its operations.

21. LPG Storage Well(s) Identification, Operation, Monitoring, Bonding and Reporting.

- A. Well Identification: API #s: Well #1 30-025-35954; Well #2 30-025-35955; Well #3 30-025-35956; and Well #4 30-025-35957.
- B. Well Work Over Operations: OCD approval shall 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. Production Method: Brine water shall be injected down the tubing to the base of the cavern to push or recover LPG upward through the casing. LPG storage shall be increased by withdrawing brine water from the tubing while injecting LPG down the casing. Brine water will be stored at ground level in two brine storage ponds. Fresh water injection down the tubing to dissolve or clear salt from the tubing for a maximum period of 24 hours shall be allowed when the structural stability of the cavern will not be compromised. Alternative cleaning methods must be approved by the OCD.
- D. Well Pressure Limits: The maximum operating surface injection and/or test pressure measured at the wellhead shall not exceed:
 - LPG Well #1: 850 psig unless otherwise approved.
 - LPG Well #2: 850 psig unless otherwise approved.
 - LPG Well #3: 850 psig unless otherwise approved.
 - LPG Well #4: 850 psig unless otherwise approved.

The operator shall have a working pressure limiting device or controls to prevent over pressure. Any pressure that causes new fractures or propagate existing fractures or causes damage to the system shall be reported to OCD within 24 hours of discovery.

- E. Mechanical Integrity Testing (MIT): Conduct an annual open to formation pressure test by pressuring up the formation with approved fluids or gas to a minimum of 500 psig measured on the surface casing for four hours. However, no operator may exceed test pressures that may cause formation fracturing (see item 21.D above) or system failure. Systems requiring test pressures less than 500 psig or methods that use testing media other than fluids, i.e., gas, must be approved by OCD prior to testing. In accordance with EPA UIC Well requirements, at least once every five years and during well work-overs, the salt cavern formation shall be isolated from the casing/tubing annulus and the casing pressure tested at 500 psig for 30 minutes. All pressure tests must be performed per the schedule shown below and witnessed by OCD unless otherwise approved.

MIT Testing Schedule:

2008- 4 hour @ 300 psig casing open to formation test (Annual: Pass +/- 1%)
2009- 4 hour @ 300 psig casing open to formation test (Annual: Pass +/- 1%)
2010- 4 hour @ 300 psig casing open to formation test (Annual: Pass +/- 1%)
2011- 30 minute @ 300 psig casing test only (set packer above casing shoe to isolate formation- EPA 5-Yr. Pass +/- 10%)
2012- 4 hour @ 300 psig casing open to formation test (Annual: Pass +/- 1%)

Note: In lieu of the above, the owner/operator may opt to perform a 72 hour Nitrogen/Brine Interface Mechanical Integrity Test – Internal (casing) & External (cavern) every 5 years when approved by OCD within 3 months of permit issuance. However, an EPA 5 Yr. MIT will be required immediately after any well work-over is performed.

- F. Capacity/ Cavity Configuration and Subsidence Survey: The operator shall provide information on the size and extent of the solution cavern and geologic/engineering data demonstrating that continued brine extraction will not cause surface subsidence, collapse or damage to property, or become a threat to public health and the environment. This information shall be supplied in each annual report. OCD may require the operator to perform additional well surveys, test, and install subsidence monitoring in order to demonstrate the integrity of the system. If the operator cannot demonstrate the integrity of the system to the satisfaction of the Division then the operator may be required to shut-down, close the site and properly plug and abandoned the well.

Any subsidence must be reported within 24 hours of discovery.

- G. Production/Injection Volumes: The volumes of fluids injected (produced brine) vs. LPG will be recorded monthly (C-131A) and submitted to the OCD Santa Fe Office in the annual report (C-131B).
- H. Analysis of Injection Fluid or Brine: Provide an analysis of the injection fluid with each annual report. Analysis will be for General Chemistry (method 40 CFR 136.3) using EPA methods.
- 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 1/2 mile from any EPA Class II LPG Storage Well.
- J. Loss of Mechanical Integrity: The operator shall report within 24 hours of discovery of any failure of the casing or tubing 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.

- K. Bonding or Financial Assurance: The operator shall maintain at a minimum, a one well plugging bond (OCD Form B-1) for each UIC Class II LPG Storage Well in the amount specified under the Oil and Gas Act, pursuant to OCD rules and regulations.
- L. 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 LPG Storage Well Report, name of operator, GW permit #, API# of well(s), date of report, and person submitting report.
 2. Brief summary of LPG Storage Wells operations including description and reason for any remedial or major work on the well. Copy of C-103.
 3. Production volumes as required above in 21.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 21.H.
 5. A copy of any mechanical integrity test chart, including the type of test, i.e. open to formation or casing test.
 6. Brief explanation describing deviations from normal production methods.
 7. A copy of any leaks and spills reports.
 8. If applicable, results of any groundwater monitoring.
 9. Information required from cavity/subsidence 21.F. above.
 10. An Area of Review (AOR) summary.
 11. Sign-off requirements pursuant to WQCC Subsection G 20.6.2.5101.
22. **Transfer of Discharge Permit**: Pursuant to WQCC 20.6.2.5101.H the owner/operator and new owner/operator shall provide written notice of any transfer of the permit. Both parties shall sign the notice 30 days prior to any transfer of ownership, control or possession of a facility 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 LPG Storage Well operations until proper bonding or financial assurance is in place and approved by the division. OCD reserves the right to require a modification of the permit during transfer.
23. **Closure Plan and Financial Assurance**: The owner/operator 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 Form C-103 for plugging and abandonment of the well(s), modification plan, and/or

Mr. Bruce Davis
Western Refining, L.P.
GW-007
April 15, 2008
Page 9

provide adequate financial assurance. Closure and waste disposal shall be in accordance with the statutes, rules and regulations in effect at the time of closure.

24. Certification: Western Refining, L.P., 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. **Western Refining, L.P.** 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."

Company Name-print name above

Company Representative- print name

Company Representative- signature

Title: _____

Date: _____

Advertising Receipt

Hobbs Daily News-Sun
201 N Thorp
P O Box 936
Hobbs, NM 88241-0850
Phone: (575) 393-2123
Fax: (575) 397-0610

LEONARD LOWE
NM OIL CONSERVATION DIVISION, EMNRD
1220 S. SAINT FRANCIS DR.
SANTA FE, NM 87505

Cust#: 01101546-000
Ad#: 02599756
Phone: (505)476-3492
Date: 05/09/08

Ad taker: C2 Salesperson: 08 Classification: 673

Description	Start	Stop	Ins.	Cost/Day	Surcharges	Total
07 07 Daily News-Sun	04/19/08	04/19/08	1	136.08		136.08
Bold						1.00
Affidavit for legals						3.00

Payment Reference:

LEGAL NOTICE
April 19, 2008

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) 476-3440:

(GW-007) Western Refining, L.P., Mr. Bruce Davis, Western Refining L.P., 6501 Trowbridge Drive, El Paso, Texas 79905, has submitted an application for the renewal of a discharge plan for

Total: 140.08
Tax: 0.00
Net: 140.08
Prepaid: 0.00

Total Due 140.08

ok to pay
done
5/15/08
Gnd-7

FRANCIS
1-505-476-3462
2 PAGES

Paul
see me
to sign
to pay
for
your
copies

THAN

LEGAL NOTICE
April 18, 2008

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 (20.8.2.3106 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) 476-3440:

(GW-007) Western Refining, L.P., Mr. Bruce Davis, Western Refining L.P., 6501 Trowbridge Drive, El Paso, Texas 79905, has submitted an application for the renewal of a discharge plan for the Jal Liquid Petroleum Gas (LPG) Storage Facility and associated EPA Underground Injection Control (UIC) Class II LPG Storage Wells listed below.

Christie Jal-4 State LPG Storage Well #1 (API# 30-025-35954) 32-23S-37E
Christie Jal-4 State LPG Storage Well #2 (API# 30-025-35955) 32-23S-37E
Christie Jal-4 State LPG Storage Well #3 (API# 30-025-35956) 32-23S-37E
Christie Jal-4 State LPG Storage Well #4 (API# 30-025-35957) 32-23S-37E

The facility is located in the SW/4 of Section 32, Township 23 South, Range 37 East; SE/4 of Section 31, Township 23 South, Range 37 East; and W/2 of Section 5, Township 24 South, Range 37 East, NMPM, Lea County, New Mexico. The facility is located approximately 10 miles north of Jal, New Mexico or 2 miles south and west of Hwy. 209 from the intersection of CR-11 and Hwy. 209. LPG is transported to and from the facility via LPG tanker trucks, LPG tanker rail cars, and pipeline. Brine water is injected into the salt formation at a depth ranging from 1800 to 2000 feet, at a maximum surface injection pressure of 850 psig with an average production rate of 40,000 MCF per day of LPG. Injected brine water contains a total dissolved solids (TDS) concentration of approximately 281,000 mg/L. Brine from the cavern is stored at surface in 2 brine storage ponds and used for injection down tubing near the base of the cavern with extraction of LPG (liquid under pressure) upward through the casing from the storage cavern. LPG storage is increased by the extraction of brine water from the tubing. Groundwater most likely to be affected by a spill, leak, or accidental discharge to the surface is at a depth of approximately 95 to 110 feet with a TDS of approximately 3000 mg/L. The discharge plan addresses well construction, operation, monitoring and mechanical integrity testing of the storage wells, associated surface brine storage ponds, 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, sírvase comunicarse por favor: New Mexico Energy, Minerals and Natural Resources Department (Depto. Del Energía, Minerales 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, 505-476-3481)

GIVEN under the Seal of New Mexico Oil Conservation Commission at Santa Fe, New Mexico, on this 16th Day of April 2008.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

Mark Fesmire, Director

SEAL
#24013

THE SANTA FE
NEW MEXICAN
Founded 1849

NM Oil Conservation Division
Attn: Carl J Chavez
1220 S St Francis Dr
Santa Fe NM 87505

ALTERNATE ACCOUNT: 56689
AD NUMBER: 00252297 ACCOUNT: 00002212
LEGAL NO: 82700 P.O. #: 52100-752
256 LINES 1 TIME(S) 222.32
AFFIDAVIT: 7.00
TAX: 18.20
TOTAL: 247.52

RECEIVED
2008 APR 22 PM 3:33

AFFIDAVIT OF PUBLICATION

STATE OF NEW MEXICO
COUNTY OF SANTA FE

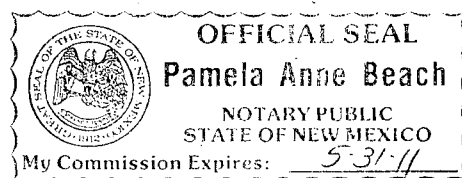
I, B. Perner, being first duly sworn declare and say that I am Legal Advertising Representative of THE SANTA FE NEW MEXICAN, a daily newspaper published in the English language, and having a general circulation in the Counties of Santa Fe and Los Alamos, State of New Mexico and being a newspaper duly qualified to publish legal notices and advertisements under the provisions of Chapter 167 on Session Laws of 1937; that the publication # 82700 a copy of which is hereto attached was published in said newspaper 1 day(s) between 04/21/2008 and 04/21/2008 and that the notice was published in the newspaper proper and not in any supplement; the first date of publication being on the 21st day of April, 2008 and that the undersigned has personal knowledge of the matter and things set forth in this affidavit.

/S/ B Perner
LEGAL ADVERTISEMENT REPRESENTATIVE

Subscribed and sworn to before me on this 21st day of April, 2008

Notary Pamela Anne Beach

Commission Expires: May 31, 2011



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

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the salt formation at a depth ranging from 1800 to 2000 feet, at a maximum surface injection pressure of 850 psig with an average production rate of 40,000 MCF per day of LPG. Injected brine water contains a total dissolved solids (TDS) concentration of approximately 261,000 mg/L. Brine from the cavern is stored at surface in 2 brine storage ponds and used for injection down tubing near the base of the cavern with extraction of LPG (liquid under pressure) upward through the casing from the storage cavern. LPG storage is increased by the extraction of brine water from the tubing. Groundwater most likely to be affected by a spill, leak, or accidental discharge to the surface is at a depth of approximately 95 to 110 feet with a TDS of approximately 3000 mg/L. The discharge plan addresses well construction, operation, monitoring and mechanical integrity testing of the storage wells, associated surface brine storage ponds, 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

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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, sírvase comunicarse por favor: New Mexico Energy, Minerals and Natural Resources Department (Depto. Del Energía, Minerales y Recursos Naturales de Nuevo México), Oil Conservation Division (Depto. Conservación Del Petróleo), 1220 South St. 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 16th Day of April 2008.

STATE OF
NEW MEXICO
OIL CONSERVATION
DIVISION

SEAL

Mark Fesmire,
Director

Legal #82700
Pub. April 21, 2008



New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson
Governor

Joanna Prukop
Cabinet Secretary
Reese Fullerton
Deputy Cabinet Secretary

Mark Fesmire
Division Director
Oil Conservation Division



April 15, 2008

Mr. Bruce Davis
Western Refining Company, L.P.
6501 Trowbridge Drive
El Paso, Texas 79905

Re: Discharge Permit Renewal (GW-007)
Western Refining Company, L.P.
Jal LPG Storage Facility
Lea County, New Mexico

Dear Mr. Davis:

The New Mexico Oil Conservation Division (NMOCD) has received Western Refining Company, L.P.'s request and initial fee, dated August 29th, 2007, to renew GW-007 for the Jal LPG Storage Facility located in the SW/4 of Section 32, Township 23 South, Range 37 East; SE/4 of Section 31, Township 23 South, Range 37 East; and West ½ of Section 5, Township 24 South, Range 37 East NMPM, Lea County, New Mexico. The initial submittal provided the required information in order to deem the application "administratively" complete.

Therefore, the New Mexico Water Quality Control Commission regulations (WQCC) notice requirements of 20.6.2.3108 NMAC must be satisfied and demonstrated to the NMOCD. NMOCD will provide public notice pursuant to the WQCC notice requirements of 20.6.2.3108 NMAC to determine if there is any public interest.

If there are any questions regarding this matter, please do not hesitate to contact me at (505) 476-3491 or carlj.chavez@state.nm.us. On behalf of the staff of the NMOCD, I wish to thank you and your staff for your cooperation during this discharge permit review.

Sincerely,



Carl J. Chavez
Environmental Engineer

CJC/cjc

xc: OCD District Office



Via Certified Mail
No. 7006 2150 0003 5110 5240

August 30, 2007

Mr. Wayne Price
Environmental Bureau Chief
New Mexico Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

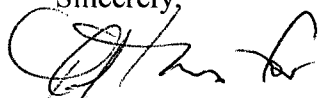
**Re: OCD Discharge Plan Renewal Application Fee
OCD Discharge Permit GW-007
Western Refining Company
Jal LPG Storage Facility
Jal, New Mexico**

Dear Mr. Price:

The OCD Discharge Plan Application Fee of \$100.00 for the above-referenced facility is enclosed with this letter. This application fee was inadvertently missing from the OCD Discharge Plan Renewal dated August 29, 2007.

Western appreciates NMOCD's continued assistance concerning this facility. Please contact Bruce Davis with any questions regarding this submittal at (915) 775-3206.

Sincerely,



Leslie Ann Allen
Sr. Vice President, Safety, Health & Environment

LAA/ash/dlc



Western Refining Company, L.P.

Via Certified Mail
No. 7006 2150 0003 5110 5295

August 29, 2007

Mr. Wayne Price
Environmental Bureau Chief
New Mexico Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

**Re: OCD Discharge Plan Renewal Application
 OCD Discharge Permit GW-007
 Western Refining Company
 Jal LPG Storage Facility
 Jal, New Mexico**

Dear Mr. Price:

The OCD Discharge Plan Application for the above-referenced facility is attached to this letter. The application fee of \$100.00 is also enclosed with this letter. Western appreciates NMOCD's continued assistance concerning this facility. Please contact Bruce Davis with any questions regarding this submittal at (915) 775-3206.

Sincerely,

A handwritten signature in cursive script, appearing to read 'Leslie Ann Allen'.

Leslie Ann Allen
Sr. Vice President, Safety, Health & Environment

LAA/ash/dlc

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources
Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Revised June 10, 2003
Submit Original
Plus 1 Copy
to Santa Fe
1 Copy to Appropriate
District Office

**DISCHARGE PLAN APPLICATION FOR SERVICE COMPANIES, GAS PLANTS,
REFINERIES, COMPRESSOR, GEOTHERMAL FACILITIES
AND CRUDE OIL PUMP STATIONS**

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

☐ New ☒ Renewal ☐ Modification

1. Type: Underground LPG Storage Facility - Jal LPG Storage Facility
2. Operator: Western Refining Company, L.P.
- Address: 6501 Trowbridge Drive, EL Paso, Texas 79905
- Contact Person: Bruce Davis Phone: 915-775-3206 or 775-3411
3. Location: /4 /4 Section 5 Township 24 S Range 37 E
31 & 32 23 S 37 E
Submit large scale topographic map showing exact location.
4. Attach the name, telephone number and address of the landowner of the facility site.
5. Attach the description of the facility with a diagram indicating location of fences, pits, dikes and tanks on the facility.
6. Attach a description of all materials stored or used at the facility.
7. Attach a description of present sources of effluent and waste solids. Average quality and daily volume of waste water must be included.
8. Attach a description of current liquid and solid waste collection/treatment/disposal procedures.
9. Attach a description of proposed modifications to existing collection/treatment/disposal systems.
10. Attach a routine inspection and maintenance plan to ensure permit compliance.
11. Attach a contingency plan for reporting and clean-up of spills or releases.
12. Attach geological/hydrological information for the facility. Depth to and quality of ground water must be included.
13. Attach a facility closure plan, and other information as is necessary to demonstrate compliance with any other OCD rules, regulations and/or orders.

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

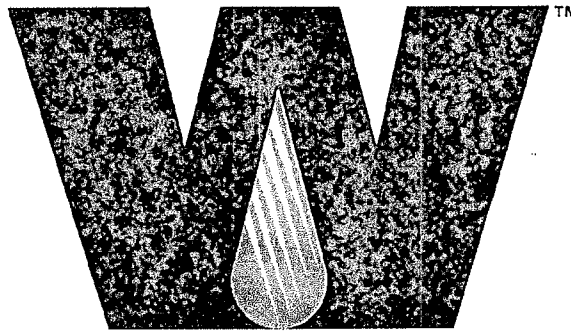
Name: SCOTT STEVENS

Title: 8/29/07

Signature: [Signature]

Date: V.P. MARKETING

E-mail Address: SCOTT.STEVENS@WNR.com



**Western
Refining**

Jal LPG Storage Facility
Jal, New Mexico

NMOCD
Discharge Plan GW-007
Renewal

Western Refining Company
6501 Trowbridge Drive
El Paso, TX 79905



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Jal LPG Storage Facility (GW-007) - NMOCD Discharge Plan Renewal

Effective Date:

August 29, 2007

Page 3 of 7

1.0 TYPE OF OPERATION

This facility is a Liquified Petroleum Gas (LPG) Storage Facility. LPG is transported to and from the facility via LPG tanker trucks, LPG tanker rail cars, and pipeline.

2.0 LEGALLY RESPONSIBLE PARTY

Western Refining Company, L.P.
6501 Trowbridge Drive
El Paso, Texas
(915) 775-3206 or 775-3411

Contact Person:
Bruce Davis, B & S Supervisor
(915) 775-3206 or 775-3411

Local Contact Person:
Ken Parker
(505) 395-2632

3.0 LOCATION OF FACILITY

The Jal LPG Storage Facility is located portions of three sections:

- SW ¼ of Section 32, Township 23 South, Range 37 East;
- SE ¼ of Section 31, Township 23 South, Range 37 East; and
- West ½ of Section 5, Township 24 South, Range 37 East.

in Lea County, New Mexico, approximately 10 miles north of Jal, New Mexico. The facility latitude and longitude are North 32° 15' 19.29" and West 103° 11' 27.03". A site location map is attached (USGS 7.5 Min. Quadrangles: Rattlesnake Canyon and Jal NW, New Mexico) as Figure 1.


4.0 LANDOWNER

Western Refining Company, L.P.
6501 Trowbridge Drive
El Paso, Texas

Contact Person:
Bruce Davis, B & S Supervisor
(915) 775-3206 or 775-3411

5.0 FACILITY DESCRIPTION

This facility is a LPG Storage Facility and is manned when loading/unloading operations are in progress. The site has been permitted to allow storage of LPG in underground LPG storage caverns. The operation includes four (4) underground LPG storage caverns, truck and railcar loading/unloading racks, two (2) double-lined brine storage ponds, LPG aboveground storage

	Jal LPG Storage Facility (GW-007) - NMOCD Discharge Plan Renewal	
	Effective Date: August 29, 2007	Page 4 of 7

tanks, and associated pumps, valves and piping. LPG is transported to and from the facility via LPG tanker trucks, LPG tanker rail cars, and pipeline. The facility operations also include an off-site NMOCD permitted disposal well. The facility layout is illustrated in Figure 2.

6.0 MATERIALS STORED OR USED AT THE FACILITY

The materials stored or used at the facility are in Table 1.

7.0 SOURCE, QUANTITY AND QUALITY OF EFFLUENTS AND WASTE SOLIDS

The source, quantity, and quality of effluent and waste solids generated at the compressor station are summarized in Table 2.

8.0 TRANSFER, STORAGE AND DISPOSAL OF PROCESS FLUIDS, EFFLUENTS AND WASTE SOLIDS

Wastes generated at this facility fall into two categories: exempt and non-exempt. Exempt wastes include, but may not be limited to domestic waste, certain absorbents and brine water with or without de minimus quantities of non-hazardous liquids. Non-exempt wastes include, but may not be limited to used oil filters and brine/oil mixture. Table 2 describes the transfer, storage and disposal of exempt and non-exempt process fluids, effluents, and waste solids expected to be generated at the site.

Non-exempt waste management will be conducted in accordance with NMOCD requirements including the preparation of a Certificate of Waste Status for each non-exempt waste stream. Non-exempt wastes will be analyzed at a minimum for BTEX, TPH, RCRA D-List metals, ignitability, corrosivity, and reactivity to initially determine if such waste are hazardous as defined in 40 CFR Part 261.

Wastes that can be reasonably expected to contain naturally occurring radioactive material (NORM) will be periodically surveyed to determine if the concentrations of radium 226 exceed 30 picocuries per gram or if radiation exposure exceeds 50 microrentgens per hour. If affirmed, such materials will be handled and disposed in accordance with NMOCD NORM Regulations.

Barring facility modification and/or process changes, the classification of non-exempt wastes by laboratory analyses will be made once during the approval period of this plan. Subsequent laboratory analyses will be performed at the generator's discretion (minimum of once every five years), or more frequently to comply with waste acceptance procedures of the disposal facility.

9.0 PROPOSED MODIFICATIONS

Western plans to initiate construction of a new brine pond as described in the Discharge Plan Modification submitted to the NMOCD on November 11, 2002 by the previous owner Texas LPG Company and approved by the NMOCD on February 27, 2003. Western will contact NMOCD prior to construction.

10.0 INSPECTION, MAINTENANCE AND REPORTING

Western personnel will operate, inspect, and maintain the LPG Storage equipment at the facility. The facility is monitored by onsite personnel for equipment malfunctions. The facility will be



manned during LPG loading and unloading and/or pipeline transfer operations. Routine inspections will be performed as part of the preventive maintenance program. In the event of a release of a reportable quantity, the operator reports the release to the Western Environmental Department and all appropriate agencies.

11.0 SPILL/LEAK PREVENTION AND REPORTING (CONTINGENCY PLANS)

Spill containment berms are not required around the above ground storage LPG tanks because LPG is gaseous at Standard temperature and Pressure (STP). Lubricating oils and chemicals are stored properly indoors or on a concrete pad.

Western corporate Emergency and Release Procedures are provided in Appendix A. These procedures are being updated. Significant spills and leaks will be reported to the NMOCD pursuant to NMOCD Rule 116 and WQCC 1203 using the NMOCD form (see Appendix B).

12.0 SITE CHARACTERISTICS

The site is located on the Eunice Plain. The site elevation is approximately 3,310 feet above mean sea level. The natural ground surface topography slopes downward toward the east. The maximum relief over the site is approximately 10 feet. Intermittent flow from the site will follow natural drainage to the east to an unnamed conveyance under the roadway. The unnamed drainage drains east beyond the roadway. There is no down-gradient perennial source of surface water in the site vicinity.

A review of the available hydrologic data^{1,2} for this area revealed that there are no drinking-water wells within a 1/4-mile radius of Jal LPG Storage Facility. The water-bearing unit in this area is the Ogallala. The Ogallala Formation is a Pliocene age unit. This formation consists of semi-consolidated fine-grained calcareous sand capped with thick layer of caliche. This unit contains some clay, silt, and gravel. The estimated ground water depth at the site is 95 to 110 feet.

With respect to groundwater quality beneath the site, it is Western's understanding that EPNG is currently engaged in a groundwater investigation³. EPNG is committed to mitigate any groundwater problems that are the direct result of plant operations while under their ownership. ENPG has approximately 12 monitoring wells strategically located within the facility boundary.


The primary inorganic parameters that are used to monitor plume migration at the site are Total Dissolved Solids (TDS), chlorides, and sodium. Due to this plume, TDS concentrations range from 300 to greater than 20,000 ppm. The primary organic constituent is benzene.

The 100-year 24-hour precipitation event at a regional weather station is 4.3 inches. This small amount of rainfall for the area should pose no flood hazards. Vegetation in the area consists predominantly of ragweed.

Flood Protection: Surface water runoff from the area surrounding the site will follow the natural drainage path.

References

¹Nicholson Jr., Alexander and Clebsch Jr., Alfred., 1961, Geology and Ground-Water Conditions in Southern Lea County, New Mexico, Ground-Water Report 6, New Mexico Bureau of Mines and Mineral Resources.

	Jal LPG Storage Facility (GW-007) - NMOCD Discharge Plan Renewal	
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²Online iWaters Database, 2007, New Mexico Office of the State Engineer.

³Benham Companies, LLC, 2006, 2005 Annual Groundwater Remediation Report, Jal No. 4 Plant, Lea County, New Mexico, El Paso Natural Gas Company.

13.0 OTHER COMPLIANCE INFORMATION

The Facility Closure Plan and Storm Water Plan are presented below to demonstrate compliance with OCD rules and regulations.

13.1 Facility Closure Plan

All reasonable and necessary measures will be taken to prevent the exceedence of WCQQ Section 3103 water quality standards should Western choose to permanently close the facility. Western will submit a detailed closure plan to the NMOCD prior to closure.

Generally, closure measures will include removal or closure in place of underground piping and other equipment. All wastes will be removed from the site and properly disposed in accordance with the rules and regulations in place at the time of closure. When all fluids, contaminants, and equipment have been removed from the site, the site will be graded as close to the original contour as possible.

Should contaminated soil be discovered, any necessary reporting under NMOCD Rule 116 and WQCC Section 1203 will be made and clean-up activities will commence. Post-closure maintenance and monitoring plans would not be necessary unless contamination is encountered.

13.2 Storm Water Plan


This storm water section was developed to provide a plan to monitor and mitigate impact to storm water runoff from the facility. It serves to satisfy storm water management concerns of the NMOCD. It is not intended to comply with 40 CFR Part 122, Storm Water Discharges as this facility is excluded in 122.26 (c) (1) (iii).

This section concentrates on the identification of potential pollutants, inspection and maintenance of the pollutant controls, and gives a description of structural controls to prevent storm water pollution.

13.2.1 Site Assessment and Facility Controls

An evaluation of the material used and stored on this site that may be exposed to storm water indicates that no materials would routinely be exposed to precipitation. There are no engineered storm water controls or conveyances; all storm water leaves the site by overland flow.

Any leakage or spill from the identified potential pollutant sources, if uncontained by existing berms, curbs, or emergency response actions, could flow overland to open off-site drainage ditches (arroyos) and thus impact storm water. In such an event, containment would occur by blocking the ditch or culvert downstream of the pollutant. Cleanup of the substance and implementation of mitigation measures could be conducted while protecting downstream storm watercourses.

	Jal LPG Storage Facility (GW-007) - NMOCD Discharge Plan Renewal	
	Effective Date: August 29, 2007	Page 7 of 7

13.2.2 Best Management Practices

Following are Best Management Practices (BMPs) to be implemented to prevent or mitigate pollution to storm water from facility operations:

- All waste materials and debris will be properly disposed of on an on-going basis in appropriate containers and locations for collection and removal from the site.
- Temporary storage of potential pollutant sources will be located in areas with appropriate controls for storm water protection. This would include ensuring all containers are sealed/covered and otherwise protected from contact with precipitation.
- Periodic inspection of channels and culverts shall be performed at least twice annually and after any major precipitation event.
- Sediment deposits and debris will be removed from the channels and culverts as necessary and any erosion damage at the outfall (if any) will be repaired or controlled.
- Conduct inspections of the facility on a regular basis as part of the preventive maintenance site check. Such inspections will include the visual assessment of corroded or damaged drums and tanks, broken or breached containment structures, collapsed or clogged drainages or drain lines.

Implementation of the BMPs will prevent or mitigate impact to storm water runoff from this facility.

13.3 NMOCD Discharge Plan Renewal Public Notice

Public Notice Letters sent to the owners of record of the adjacent properties are presented in the Attachment C.

13.4 Completion of Mechanical Integrity Testing and the Capacity/Cavity Configuration and Subsidence Survey

In a letter to NMOCD dated August 14, 2007, Western requested an extension to complete mechanical integrity testing and the capacity/cavity configuration and subsidence survey. Western will complete the testing and survey according to the proposed schedule in the letter.

13.5 Abandonment of the Waste Water Classifier and Associated Equipment

The wastewater classifier and associated equipment have been out-of-service for many years. Western proposes to complete closure of the classifier and associated equipment by December 2008. Western will submit a closure plan to NMOCD for approval prior to initiating field work.

TABLES

TABLE 1
MATERIALS STORED OR USED
Jal LPG Storage Facility

MATERIALS
Liquified Petroleum Gas (LPG)
Compressor Oil
Used Oil
Used Oil Filters
Brine Water
Ordorant - Ethyl Mercaptan
Office Supplies
Domestic Cleaning Supplies
Domestic Waste
EPNG Remediation Water Discharge
Sewage
Empty Drums/Containers
Incidental Paint, Solvents, and Lubricants
Antifreeze
Spill Residue
Used Adsorbents

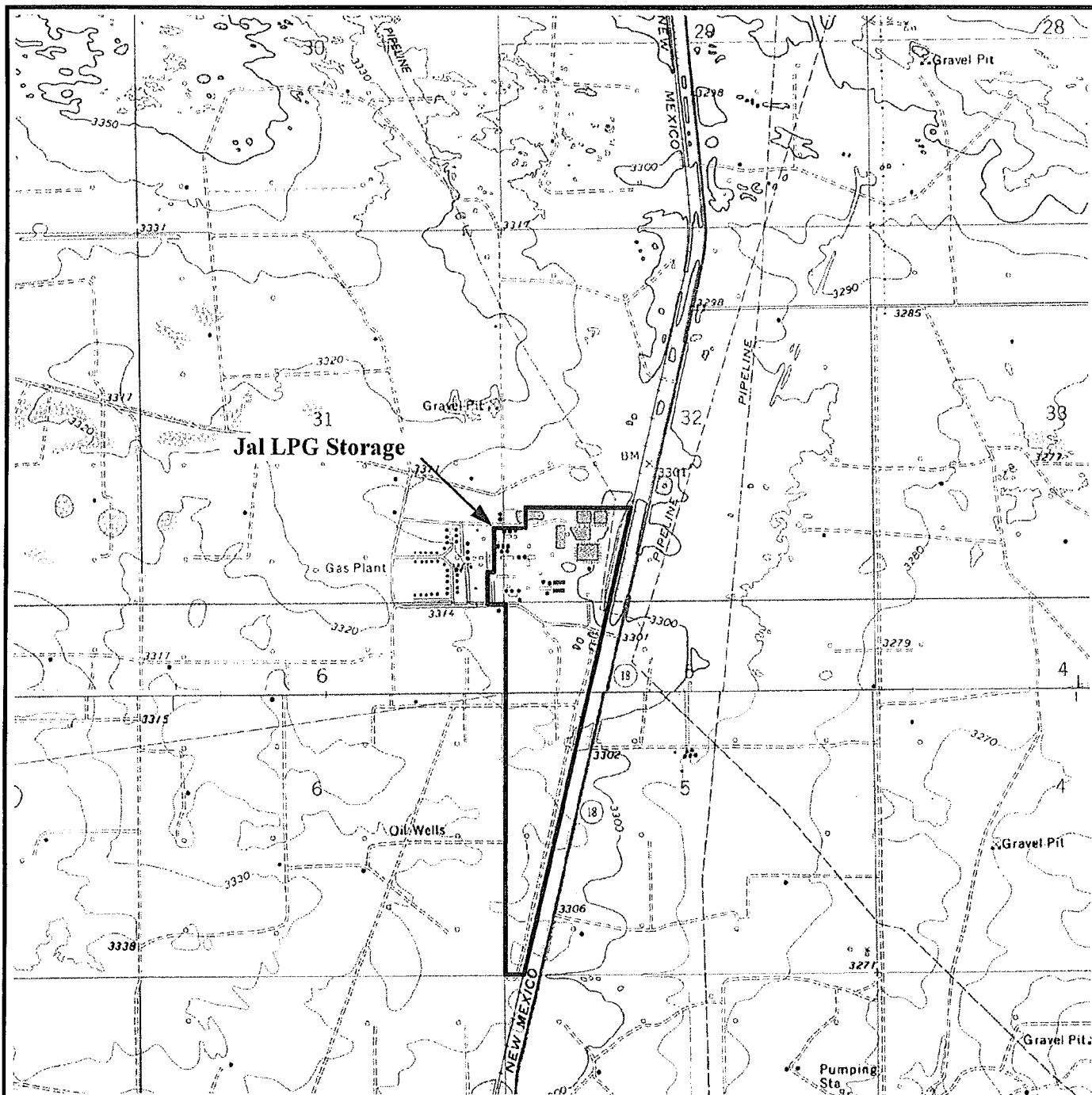
TABLE 2
SOURCE, QUANTITY AND QUALITY OF EFFLUENT AND WASTE SOLIDS
Jal LPG Storage Facility

PROCESS FLUID / WASTE	SOURCE	QUANTITY (Ranges)	QUALITY
Used Oil	6 Electric Compressors	100-300 gallons/year/engine	Used Motor Oil w/ No Additives
Used Oil Filters	1 Air and 2 Vapor Compressors	5-20 filters/year/engine	No Additives
Brine and Oil	Surface operations	Incident Dependent	No Additives
Brine	Underground Caverns and Storage Ponds	Operation Dependent barrels/year	No Additives
Domestic Waste	Office	Operations dependent	No Additives
Sewage	Facility Personnel	Personnel Dependent	No Additives
EPNG Remediation Water	Groundwater Remediation	3 -10 million gallons/year	No Additives
Empty Drums/Containers	Liquid Containers	5-10/year	No Additives
Spill Residue (i.e. soil, gravel, etc)	Incident Spill	Incident Dependent	Incident Dependent
Construction Debris	Project Dependent	Project Dependent	Project Dependent
Used Adsorbents	Incident Spill/Leak Equipment Wipe-down	Incident Dependent	No Additives

TABLE 3
TRANSFER, STORAGE AND DISPOSAL OF PROCESS FLUIDS, EFFLUENT AND WASTE SOLIDS
Jal LPG Storage Facility

PROCESS FLUID / WASTE	STORAGE	STORAGE CAPACITY	CONTAINMENT / SPILL PREVENTION	RCRA STATUS	DESCRIPTION OF FINAL DISPOSITION
Used Oil	drums	55 gallon	Slab	Exempt	Disposed or recycled
Used Oil Filters	Drum or Other Container	Varies	Transported to a Disposal Facility in Drum or Other Container	Non-Exempt	Disposed or recycled
Brine/Oil Mixture	Drum or Other Container	Varies	Slab	Non-Exempt	Off-site Commercial Disposal Well
Brine	Caverns and Ponds	Varies	Liner	Exempt	Western Owned - Off-site Disposal Well - State Well #13
Domestic Waste	Dumpster	Varies	NA	Exempt	Local County Landfill
Sewage	NA	NA	NA	Exempt	Septic System
ENPG Remediation Water	NA	NA	EPNG Remediation System	Exempt	Western Owned - Off-site Disposal Well - State Well #13
Empty Drums/Containers	N/A	NA	NA	Exempt	Barrels are returned to supplier or transported to a Contractor consolidation point and ultimately recycled/disposed consistent with applicable regulations.
Spill Residue (i.e. soil, gravel, etc)	NA	NA	NA	Incident Dependent	Off-site disposal, in situ treatment, land farm, or alternate method.
Construction Debris	NA	NA	NA	Material Dependent	Disposed or recycled
Asbestos	NA	NA	During the removal process asbestos will be handled and contained in accordance with applicable regulations.	Non-Exempt	Transported for disposal at an approved disposal facility. A Waste Acceptance Profile will be filed with the disposal facility.
Used Adsorbents	Drum or Other Container	Varies	Transported to a Contractor Facility in Drum or Other Container	Incident Dependent	Transported for disposal at an approved disposal facility. A Waste Acceptance Profile will be filed with the disposal facility. Recycling options may be considered when available.

FIGURES



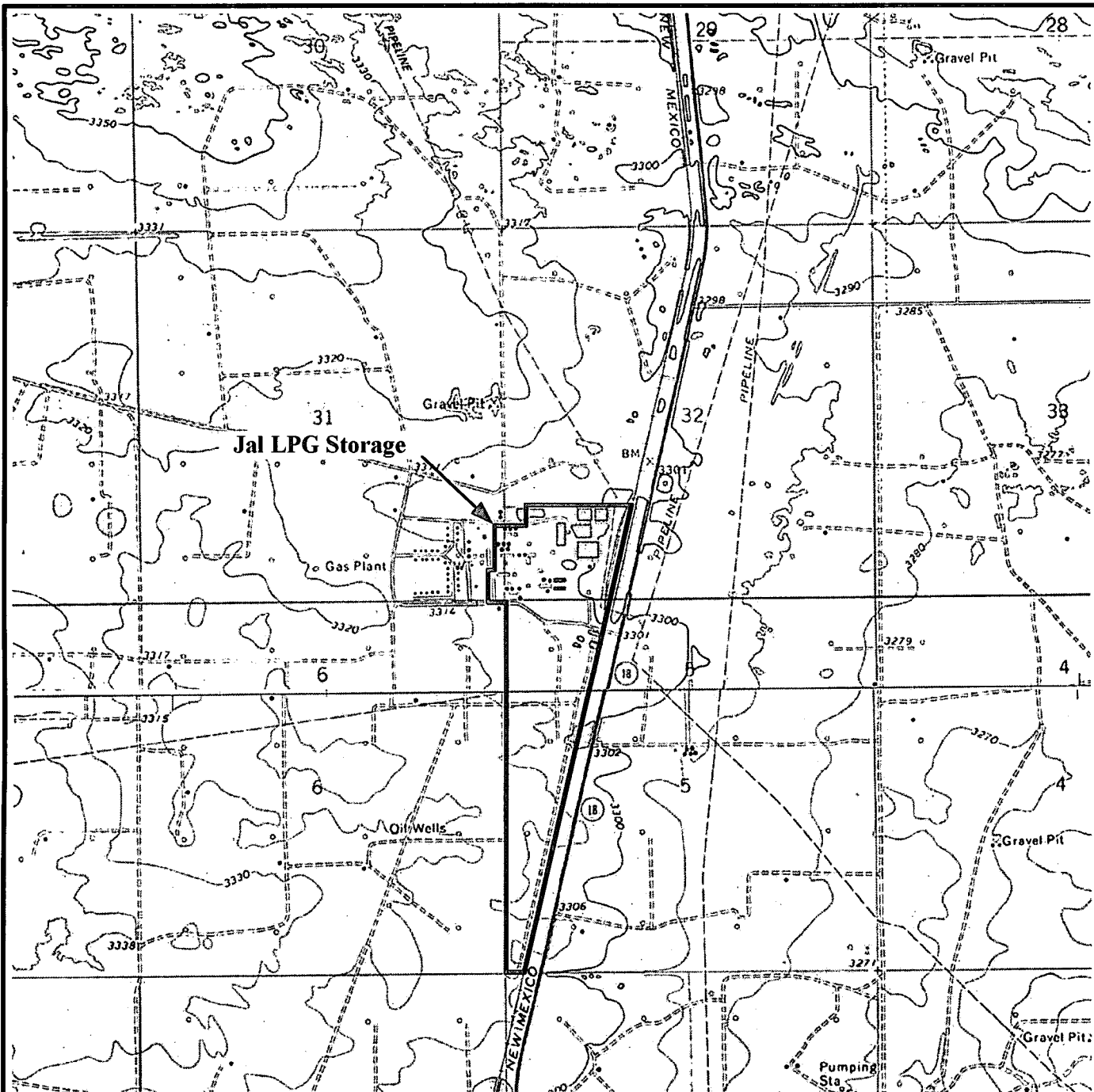
Source: USGS Rattlesnake Canyon, New Mexico
and Jal NW, New Mexico Quadrangles

0 2000
Scale (Feet)



Figure 1 Site Vicinity / Topographic Map Jal LPG Storage Facility

Sections 31 & 32, Township 23S Range 37E
Section 5, Township 24S Range 37E
Lea County, New Mexico



Source: USGS Rattlesnake Canyon, New Mexico
and Jal NW, New Mexico Quadrangles

0 2000
Scale (Feet)



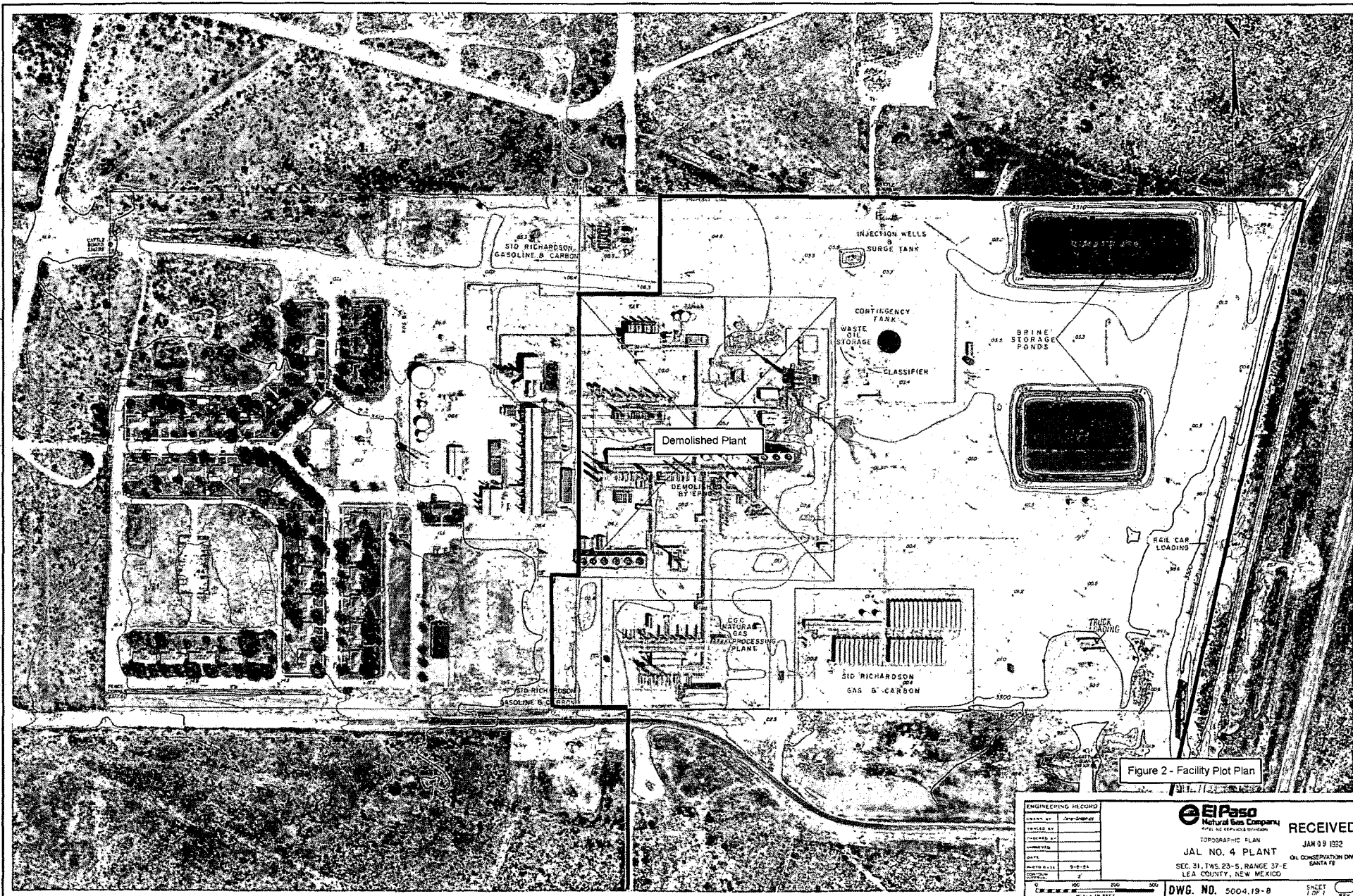
Figure 1 Site Vicinity / Topographic Map

Jal LPG Storage Facility

Sections 31 & 32, Township 23S Range 37E

Section 5, Township 24S Range 37E

Lea County, New Mexico



ENGINEERING RECORD	
DESIGNED BY	Jerry Simpson
DRAWN BY	
CHECKED BY	
DATE	9-8-84
REVISION	2

El Paso
Natural Gas Company

TOPOGRAPHIC PLAN
JAL NO. 4 PLANT
SEC. 31, TWS. 23-5, RANGE 37-E
LEA COUNTY, NEW MEXICO

RECEIVED

JAN 09 1982
OIL CONSERVATION DIV.
SANTA FE

DWG. NO. 5004.19-B

SHEET
1 OF 1

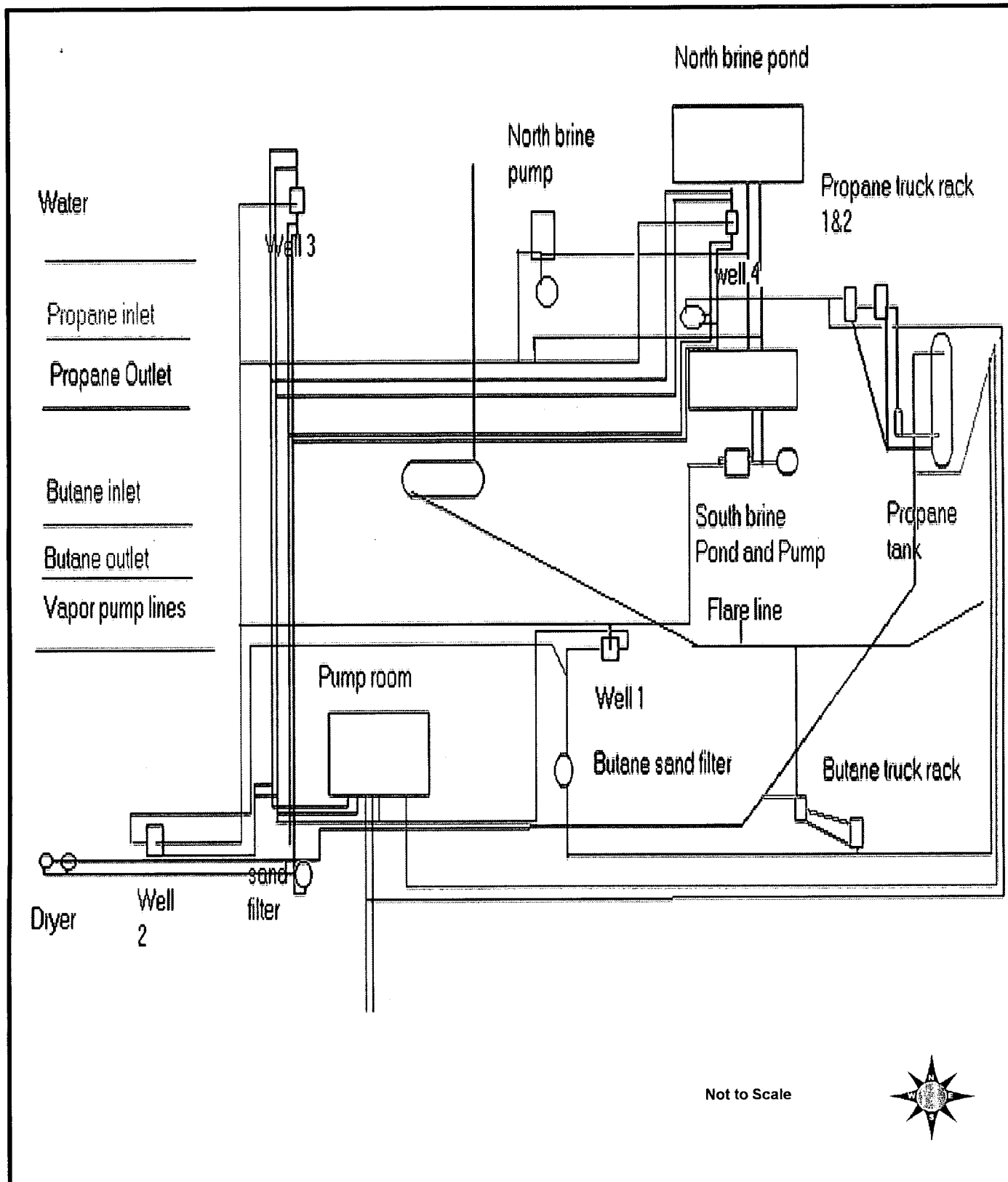


Figure 3 Facility Schematic Jal LPG Storage Facility

Sections 31 & 32, Township 23S Range 37E
Section 5, Township 24S Range 37E
Lea County, New Mexico

APPENDIX A

EMERGENCY POLICY

A. GENERAL POLICY

The most important function of this facility is to provide a continuous flow of hydrocarbons for many different customers. The ability to accomplish this function depends on people who are capable of designing, constructing, operating and maintaining this facility. All products that we load are safe when handled correctly by knowledgeable people. The greatest hazard that may exist, if products are released to the atmosphere, is fire.

Hydrocarbon, such as propane, butane vaporizes very rapidly when released to atmosphere. The greatest hazard resulting from the release of these hydrocarbons to the atmosphere is fire and asphyxiation.

Our principal goals are to provide a safe flow of products, and the best available protection for life and property. To achieve these goals we need capable people, a plan of operation and on-the-scene coordination by capable supervisors.

Capable people are men and women who have developed a thinking ability that allows them to react to a situation calmly, reasonably, and quickly; an understanding of organization goals and plans; and a complete understanding of product characteristics, work methods, facilities, tools and equipment.

The plan of operation includes the control of product quantity and quality, the coordination of operations with maintenance, and the control and handling of products released from the facility.

Capable supervisors, people who have been trained to evaluate a given situation, make a decision on the plan of action, and get people to perform acts which will execute the plan of action.

Again, the necessary acts required to achieve our goals must come from the productive power, initiative, and intelligence latent in every person within the organization.

EMERGENCY POLICY

B. SPECIFIC OBJECTIVES

All objectives are directed to the performance of acts that can eliminate the cause of uncontrolled release of products and provide for the effective handling of emergencies.

1. FACILITY

- a. This facility was designed and constructed to contain the products being transported with a margin of safety based on research and experience, and within the limits of existing regulations.
- b. This facility will be inspected and tested during construction period to ensure that materials and workmanship meet the design specifications. Material and workmanship that don't meet design specifications will be replaced or corrected before the final hydrostatic test and other mechanical and visual inspections.
- c. This facility is equipped with controls, and shutdown equipment to ensure operation within their design limitations.
- d. The facility will be maintained in a manner that will ensure operation within the design limits. Pressure limiting devices must be given top maintenance priority.

2. TRAINING

- a. Employees in this unit will be trained so they know and understand product characteristics and behavior, care and operating limitations of this facility, purpose and use of safety equipment, and emergency procedures.
- b. Each supervisor will establish and conduct a continuing training program. Completion of training is to be documented and filed in the main office.

3. WRITTEN INFORMATION AND INSTRUCTIONS

The plant manager will develop, distribute and keep a current Procedure Manual. The original manual is to be placed on file in the main office and a copy of this manual is to be displayed in the operations office.

4. ABNORMAL OPERATION

- a. When conditions exist in the facility that are outside the normal operating limits, but have not become an emergency, procedures outlined in the Action Plan should be followed
- b. When an existing condition is determined to be an emergency, the procedures outlined in Emergency Response Procedures will be followed.

**TEXAS LPG STORAGE COMPANY
JAL TERMINAL
DEFINITIONS AND PLANT RULES**

VISITOR: ANY PERSON NOT EMPLOYED BY TEXAS LPG STORAGE COMPANY

VISITING EMPLOYEE: ANY PERSON EMPLOYED BY TEXAS LPG STORAGE COMPANY THAT IS NOT FACILITY TRAINED AND TESTED AT JAL TERMINAL.

FACILITY EMPLOYEE: ANY PERSON EMPLOYED BY TEXAS LPG STORAGE COMPANY THAT IS TRAINED AND TESTED TO OPERATE THE JAL TERMINAL

FACILITY: MEANS ANY HAZARDOUS SITUATION INSIDE THE FACILITY IMPOUNDMENT.

NEAR FACILITY: MEANS ANY HAZARDOUS SITUATION OUTSIDE THE FACILITY IMPOUNDMENT.

ALARMS, LIGHTS, HORNS: MEANS TO NOTIFY PERSONNEL INSIDE THE FACILITY THAT A SITUATION NEEDS IMMEDIATE ATTENTION. GUEST AND NON WORKING PERSONNEL WILL FOLLOW THE INSTRUCTION OF ON SITE EMPLOYEES.

ESD: MEANS EMERGENCY SHUTDOWN STATIONS LOCATED THROUGH THE PLANT FOR THE USE OF REMOTE SHUTDOWNS. THESE STATIONS ARE MARKED WITH RED SIGNS AND STATION NUMBER. REFER TO MAP TO IDENTIFY THESE LOCATIONS. DEPRESSING THE SWITCH WILL DEACTIVATE AND CAUSE THE FACILITY TO COMPLETELY SHUTDOWN IN 30 SECONDS.

MSDS: MEANS MATERIAL SAFETY DATA SHEET.

HARD HAT and SAFETY GLASSES AREA: MEANS HARD HAT AND SAFETY GLASSES ARE REQUIRED BY THE REGULATORY COMMISSION. NON COMPLIANCE COULD RESULT IN A FINE TO COMPANY AND EMPLOYEE.

NO SMOKING OR OPEN FLAME AREA: MEANS NO SMOKING OR OPEN FLAMES IN AREA. NON COMPLIANCE COULD RESULT IN A FINE TO COMPANY AND EMPLOYEE.

**TEXAS LPG STORAGE COMPANY
JAL TERMINAL
EMERGENCY ACTION PLAN**

THE FOLLOWING PROCEDURES WILL BE COMPLIED WITH, IN CASE OF FIRE OR HAZARDOUS CONDITION (TOXIC CHEMICAL, OIL SPILLS, NATURAL GAS LEAK, LIQUEFIED PETROLEUM LEAK) IN OR NEAR TEXAS LPG STORAGE COMPANY.

NON EVACUATION

STEP 1: STOP ALL LOADING OR UNLOADING ACTIVITY. INITIATE NORMAL SHUTDOWN PROCEDURES.

STEP 2: CALL KEN PARKER (PLANT MANAGER) @ 505-395-2718, 505-390-9671 OR JOHN GREENWOOD (PRESIDENT) @ 915-523-5833.

EVACUATION

STEP 1: ESD PLANT OPERATIONS AND FOLLOW EVACUATION PROCEDURES.

STEP 2: EVACUATE TO COMMAND POST. CALL KEN PARKER (PLANT MANAGER) @ 505-395-2718, 505-390-9671 OR JOHN GREENWOOD (PRESIDENT) @ 915-523-5833.

NOTE: DUE TO PREVAILING WINDS, COMMAND POST CAN'T BE DETERMINED UNTIL THE ACCIDENT IS EVALUATED. WHEN POSSIBLE BASED ON WEATHER CONDITIONS, ALWAYS USE THE MAIN OFFICE AS THE COMMAND POST

EMERGENCY ACTION PLAN

LEAK WITHOUT FIRE

STEP 1: LOCATE THE ESD THAT IS NEAREST YOUR LOCATION AT TIME OF ACCIDENT AND ENABLE. REFERENCE ATTACHED DRAWING FOR LOCATION OF THE 8 ESD (EMERGENCY SHUTDOWN STATIONS). LOCATIONS OF ESD STATIONS ARE MARKED BY RED COLORED SIGNS WITH LOCATION NUMBERS.

OPERATION TRAINED EMPLOYEES ONLY

STEP 2: ISOLATE LEAK BY CLOSING VALVES UP AND DOWN STREAM OF LEAK

1. LEAK IS ISOLATED: FOLLOW (STEP 3&4)
2. LEAK CAN'T BE ISOLATED: FOLLOW (EMERGENCY RESPONSE PROCEDURES)

STEP 3: CALL KEN PARKER (PLANT MANAGER) @ 505-395-2718, 505-390-9671 OR JOHN GREENWOOD (PRESIDENT) @ 915-523-5833. DESIGNATE YOUR COMMAND POST.

STEP 4: MOVE UP WIND TO A SAFE DISTANCE AND MONITOR SITUATION FROM THE COMMAND POST UNTIL HELP ARRIVES.

NOTE: DUE TO PREVAILING WINDS, COMMAND POST CAN'T BE DETERMINED UNTIL THE ACCIDENT IS EVALUATED. WHEN POSSIBLE BASED ON WEATHER CONDITIONS, ALWAYS USE THE MAIN OFFICE AS THE COMMAND POST.

EMERGENCY ACTION PLAN

LEAK WITH FIRE

STEP 1: LOCATE THE ESD THAT IS NEAREST YOUR LOCATION AT TIME OF ACCIDENT AND ENABLE. REFERENCE ATTACHED DRAWING FOR LOCATION OF THE 8 ESD (EMERGENCY SHUTDOWN STATIONS). LOCATIONS OF ESD STATIONS ARE MARKED BY RED COLORED SIGNS WITH LOCATION NUMBERS.

OPERATION TRAINED EMPLOYEES ONLY

STEP 2: ISOLATE FIRE BY CLOSING VALVES UP AND DOWN STREAM OF LEAK

1. FIRE IS ISOLATED: FOLLOW (STEP 3&4)
2. FIRE CAN'T BE ISOLATED: FOLLOW (EMERGENCY RESPONSE PROCEDURES)

STEP 3: CALL KEN PARKER (PLANT MANAGER) @ 505-395-2718, 505-390-9671 OR JOHN GREENWOOD (PRESIDENT) @ 915-523-5833. DESIGNATE YOUR COMMAND POST AND TAKE WITH YOU THE PROCEDURE MANUAL.

STEP 4: IF POSSIBLE, START COOLING FIRE WITH WATER CANNONS. LOAD FIRE HOSES, FIRE EXTINGUISHERS, INTO TRUCK AND WAIT FOR HELP. NOTE: FIRE ENGINE WATER PUMP IS GASOLINE DRIVEN. AT 100 POUNDS OF PRESSURE IT IS DESIGNED TO PUMP 300 GALLONS PER MINUTE. ONLY WHEN HELP ARRIVES CAN FIRE EXTINGUISHERS AND WATER BE USED TO PUT OUT THE FIRE.

STEP 5: MOVE UP WIND TO A SAFE DISTANCE AND MONITOR SITUATION FROM THE COMMAND POST UNTIL HELP ARRIVES.

NOTE: DUE TO PREVAILING WINDS, COMMAND POST CAN'T BE DETERMINED UNTIL THE ACCIDENT IS EVALUATED. WHEN POSSIBLE BASED ON WEATHER CONDITIONS, ALWAYS USE THE MAIN OFFICE AS THE COMMAND POST.

STEP 6: FIRE FIGHTING PROCEDURES ARE BEING REVISED. I DO NOT HAVE THE INFORMATION NECESSARY ON EQUIPMENT AND OSHA REGULATIONS TO MAKE PROCEDURE POLICY. UNTIL EQUIPMENT IS PURCHASED AND TRAINING REQUIREMENTS ARE MET. THE LOCAL FIRE DEPARTMENT IS IN CHARGE OF FIGHTING FIRE AND WILL HAVE FULL USE OF HOSES AND OR ANY EQUIPMENT DEEMED NECESSARY. REFERENCE MAP TO LOCATE FIRE CANNONS AND FIRE HYDRANTS WILL BE AVAILABLE FOR THEIR REVIEW. WHEN REGULATIONS ARE MET, FIRE FIGHTING PROCEDURES IN STEP 6.

EMERGENCY RESPONSE PROCEDURES:

OPERATOR RESPONSIBILITY

STEP 1: LOCATE THE ESD THAT IS NEAREST YOUR LOCATION AT TIME OF ACCIDENT AND ENABLE. REFERENCE ATTACHED DRAWING FOR LOCATION OF THE 8 ESD (EMERGENCY SHUTDOWN STATIONS). LOCATIONS OF ESD STATIONS ARE MARKED BY RED COLORED SIGNS WITH LOCATION NUMBERS.

STEP 2: CALL KEN PARKER (PLANT MANAGER) @ 505-395-2718, 505-390-9671 OR JOHN GREENWOOD (PRESIDENT) @ 915-523-5833. DESIGNATE YOUR COMMAND POST AND TAKE WITH YOU THE PROCEDURE MANUAL.

STEP 3: COMMAND POST IS ON HIGHWAY 18 NORTH OR SOUTH OF THE FACILITY. MAKE YOURSELF VISIBLE. EMERGENCY PERSONNEL WILL MOVE YOU TO A SAFE HAVEN. LOCATE A PHONE AND CALL 505-395-2718. KEN'S HOUSE WILL BE USED FOR CENTRAL COMMUNICATION BETWEEN EMPLOYEE'S.

STEP 4: THE MOST IMPORTANT PRIORITY AS A RESPONDER IS FOR THE SAFETY OF THE EMPLOYEES AND PUBLIC. BE AVAILABLE FOR CONSULTATION WITH THE INCIDENT COMMANDER. BE SURE TO HAVE THE EMERGENCY RESPONSE BOOK. IN THIS FOLDER THERE IS VALUABLE INFORMATION: A LIST OF THE HAZARDOUS MATERIALS AND A DETAILED DRAWING THAT WILL HELP IN YOUR PHYSICAL DESCRIPTION OF THE FACILITY. ALSO YOU WILL HAVE FIRST HAND KNOWLEDGE ABOUT THE INCIDENT. RELAY ALL INFORMATION ABOUT THE INCIDENT TO THE COMMANDER. WHAT THE HAZARD IS AND WHAT AREA IN THE PLANT THE HAZARD IS LOCATED.

SUPERVISOR RESPONSIBILITY

STEP 1: CALL 911. REPORT ACCIDENT AND INITIATE POLICE EMERGENCY RESPONSE. FACILITY LOCATION NUMBER IS 34 AND IS LOCATED AT MILE MARKER 18 ON HIGHWAY 18. HAVE 911 NOTIFY POLICE ABOUT THE LOCAL RESIDENTS IN THE AREA. SID RICHARDSON @ 505-395-3397, KELLY MYERS @ 505-395-3145 AND JAMMY DOOM @ 505-395-3377. POLICE ROAD BLOCK WILL BE PLACED AT EUNICE AND JAL. ALL EMERGENCY AGENCIES WILL RESPOND.

STEP 2: LOCATE OPERATOR AND COMMAND POST. BE AVAILABLE FOR CONSULTATION FOR INCIDENT COMMANDER. PROVIDE INFORMATION ABOUT THE INCIDENT AND WAYS TO RESOLVE THE SITUATION.

STEP 3: CALL LORENZO DIAZ (GENERAL MANAGER) @ 915-727-8413.

STEP 4: REPORTING REQUIREMENTS FOR INCIDENT.

EXPECTED HAZARDOUS

THIS FACILITY IS UTILIZED FOR LPG (LIQUEFIED PETROLEUM GAS) STORAGE FACILITY. PRODUCT IS RECEIVED VIA PIPELINE, TRUCKS AND RAILCARS AND PRODUCT IS INJECTED INTO SALT DOME CAVERNS. THIS IS ACCOMPLISHED BY UTILIZING PUMPS AND PIPING TO EACH WELL.

THERE ARE FOUR STORAGE WELLS LOCATED IN THIS FACILITY AND HAVE A COMBINED INVENTORY OF 500,000 BARRELS. THE VOLUME STORED IN THESE CAVERNS CHANGE DAILY. VOLUME CHANGES IS RECORDED DAILY.

PRODUCT LEAKING TO ATMOSPHERE

1. **PRODUCT IN POND:** Tubing is leaking from one of the caverns. ESD procedures will resolve this problem.
2. **RAIL RACK:** Connections from fixed loading station to railcar leaking. Railcar relief valve is venting due to high pressure. Excessive pressure means that the car is fully loaded or unloading valve is snapped shut. ESD procedures will resolve this problem and should instantly see a change in the volume of leakage.
3. **TRUCK RACK:** Loading hose, connections, or fittings leaking or relief valve on the truck is venting due to over load. ESD procedures will resolve this problem and should instantly see a change in the volume of leakage.
4. **PUMP ROOM:** Relief valve, connections, piping, or pump failure. This area is most dangerous. The isolation valves are close to the pumps. ESD procedures will resolve the problem but it will be slow depressurizing. The line that feed the pumps are three inch and depending on what well is in service, the line could be over 2,000 feet long. If isolations valves can be utilized, the vapor cloud will reduce instantly.
5. **DERAIL:** Car has fallen off track. Car can be unloaded while on its side and once emptied, then set back upright on track.
6. **WELL:** Based on the situation. Product could be removed from well via pipeline or flaring of liquid.
7. **OTHER:** Leak could be from a ruptured line anywhere in the yard. ESD procedures will resolve this problem. Decrease in vapor cloud could be slow to disperse.
8. **IGNITION SOURCE OUTSIDE FACILITY:** Electrical power should be shutoff in the surrounding area.

HAZARDOUS MATERIAL LIST

PROPANE MSDS

PRODUCT IDENTIFICATION

Product name: Propane

Synonyms: HD-5 Propane

Case Number: 74-98-6

DOT ID Number: UN 1978 or 1075

PRODUCT COMPONENTS

Ingredients	Case Number	Percent	TLV	PBL
Propane	74-98-6	94	1000 PPM	1000 PPM
Ethane	74-84-0	5	800 PPM	1000 PPM
Iso-Butane	75-28-5	.5	800 PPM	1000 PPM
Normal Butane	106-97-8	.5	800 PPM	1000 PPM
Ethyl Mercaptan	75-08-1	1.5 lbs/10,000 gal	.5 PPM	.5 PPM

PHYSICAL DATA

Description: Colorless liquid under pressure, odorless gas unless ethyl mercaptan added.

HEALTH HAZARDS

Vapors may cause dizziness or suffocation.

Contact will cause sever frostbite.

Fire may produce irritating or poisonous gases.

FIRE AND EXPLOSION DATA

Flash Point(TCC): (-156 degrees F) (-104 degrees C) based on propane.

Auto Ignition Temperature: (842 degrees F) (450 degrees C) based on propane.

Flammable Limits: (LEL 2%) (UEL 9.5%) based on propane.

Extremely Flammable; May be ignited by heat, sparks or flames. Vapors may travel to a point of ignition and flash back. Container may explode in heat and fire. Vapor explosion hazard indoors, outdoors, or in sewers.

IMMEDIATE PRECAUTIONS TO BE TAKEN IN THE EVENT OF AN ACCIDENT OR INCIDENT

Keep unnecessary people away; isolate hazard area and deny entry. Stay upwind, out of low areas, and ventilate (Not Electrically) closed spaces before entering. Positive pressure self-contained breathing apparatus (SCBA) and structural firefighter's protective clothing will provide limited protection. ISOLATE FOR 1/4 MILES IN ALL DIRECTIONS IF TANK, RAIL CAR OR TANK TRUCK IS INVOLVED IN FIRE. CALL CHEMTREC AT 1-800-424-9300 AS SOON AS POSSIBLE.

IMMEDIATE METHODS FOR HANDLING FIRES:

Extinguishing Media: Dry chemical, foam, carbon dioxide, Water spray of fog. Let tank, tank cars or tank trucks burn unless leak can be stopped. With smaller tanks or cylinders, extinguish/isolate from other flammables.

SMALL FIRES: dry chemicals or Carbon dioxide.

LARGE FIRES: Move container from fire area if you can do it without risk. Apply cooling water to the sides of container that are exposed to flames until well after fire is out. Stay away from ends of tanks. For massive fires in cargo areas, use unmanned nozzles; if possible, withdraw from area and let fire burn. **Withdraw immediately in case of rising sound from venting devices or and discoloration of tank due to fire.**

FLAMES IMPINGING ON PRODUCT STORAGE VESSELS ABOVE THE LIQUID LEVEL WILL CAUSE SUDDEN VESSEL FAILURE IN APPROXIMATELY (8) OR MORE MINUTES, RESULTING IN A BLEVE (BOILING LIQUID EXPANSION VIOLENT EXPLOSION), UNLESS VESSEL SURFACE ARE KEPT COOLED WITH WATER.

INITIAL METHODS FOR HANDLING SPILLS OR LEAKS IN THE ABSENCE OF FIRE.

Shut off ignition source; no flares, smoking or flames in hazard area. Do not touch or walk through spilled material; stop leak if you can do it without risk.

FIRST AID

Move victim to fresh air and call emergency medical care; if not breathing, give artificial respiration; if breathing, give oxygen. In case of frostbite, thaw frosted parts with warm water. Keeping victim quiet and maintain normal body temperature.

HAZARDOUS MATERIAL LIST

BUTANE MSDS

PRODUCT IDENTIFICATION

Product name: Butane

Synonyms: Commercial Butane, LPG, Normal and Iso-Butane

Case Number: 75-28-5, 106-97-8

DOT ID Number: UN 1011 or 1075

PRODUCT COMPONENTS

Ingredients	Case Number	Percent	TLV	PEL
Propane	74-98-6	3	1000 PPM	1000 PPM
Butane-1	74-84-0	1	800 PPM	1000 PPM
Iso-Butane	75-28-5	94	800 PPM	1000 PPM
Normal Butane	106-97-8		800 PPM	1000 PPM
Butadiene	75-08-1	.5	800 PPM	1000 PPM
Pentanes	76-50-6	1.5	600 PPM	Not Established

PHYSICAL DATA

Description: Colorless liquid under pressure, odorless gas unless ethyl mercaptan added.

HEALTH HAZARDS

Vapors may cause dizziness or suffocation.

Contact will cause sever frostbite.

Fire may produce irritating or poisonous gases.

FIRE AND EXPLOSION DATA

Flash Point(TCC): (-76 degrees F) (-60 degrees C) based on butane.

Auto Ignition Temperature: (550 degrees F) (287 degrees C) based on butane.

Flammable Limits: (LEL 1.9%) (UEL 8.5%) based on butane.

Extremely Flammable; May be ignited by heat, sparks or flames. Vapors may travel to a point of ignition and flash back. Container may explode in heat and fire. Vapor explosion hazard indoors, outdoors, or in sewers.

IMMEDIATE PRECAUTIONS TO BE TAKEN IN THE EVENT OF AN ACCIDENT OR INCIDENT

Keep unnecessary people away; isolate hazard area and deny entry. Stay upwind, out of low areas, and ventilate (Non Electrically) closed spaces before entering. Positive pressure self-contained breathing apparatus (SCBA) and structural firefighter's protective clothing will provide limited protection. ISOLATE FOR ¼ MILES IN ALL DIRECTIONS IF TANK, RAIL CAR OR TANK TRUCK IS INVOLVED IN FIRE. CALL CHEMTREC AT 1-800-424-9300 AS SOON AS POSSIBLE.

IMMEDIATE METHODS FOR HANDLING FIRES:

Extinguishing Media: Dry chemical, foam, carbon dioxide, Water spray or fog. Let tank, tank cars or tank trucks burn unless leak can be stopped. With smaller tanks or cylinders, extinguish/isolate from other flammables.

SMALL FIRES: dry chemicals or Carbon dioxide.

LARGE FIRES: Move container from fire area if you can do it without risk. Apply cooling water to the sides of container that are exposed to flames until well after fire is out. Stay away from ends of tanks. For massive fires in cargo areas, use unmanned nozzles; if possible, withdraw from area and let fire burn. Withdraw immediately in case of rising sound from venting devices or and discoloration of tank due to fire.

FLAMES IMPINGING ON PRODUCT STORAGE VESSELS ABOVE THE LIQUID LEVEL WILL CAUSE SUDDEN VESSEL FAILURE IN APPROXIMATELY (8) OR MORE MINUTES, RESULTING IN A BLEVE (BOILING LIQUID EXPANSION VIOLENT EXPLOSION), UNLESS VESSEL SURFACE ARE KEPT COOLED WITH WATER.

INITIAL METHODS FOR HANDLING SPILLS OR LEAKS IN THE ABSENCE OF FIRE.

Shut off ignition source; no flares, smoking or flames in hazard area. Do not touch or walk through spilled material; stop leak if you can do it without risk.

FIRST AID

Move victim to fresh air and call emergency medical care; if not breathing, give artificial respiration; if breathing, give oxygen. In case of frostbite, thaw frosted parts with warm water. Keeping victim quiet and maintain normal body temperature.

HAZARDOUS MATERIAL LIST**ETHYL MERCAPTAN MSDS****PRODUCT IDENTIFICATION**

Product Name: Ethyl Mercaptan

Synonyms: Ethanethiol

Case Number: 75-08-1

DOT ID Number: UN 2363

PRODUCT COMPONENT

Ingredients	Case No.	% by wt	PEL	TVL	STEL
Ethyl Mercaptan	75-08-1	99.3	10 PPM	.5 PP.	2 PPM

PHYSICAL DATA

Description: Water white liquid, gassy odor

HEALTH HAZARDS

May be poisonous if inhaled or absorbed through skin. Vapors may cause dizziness or suffocation. Contact may irritate or burn skin and eyes. Fire may produce irritating or poisonous gases. Runoff from fire control or dilution water may cause pollution.

FIRE AND EXPLOSION DATA

Flammable/combustible material; may be ignited by heat, sparks or flames. Vapors may travel to a source of ignition and flash back. Container may explode in heat of fire. Vapor explosion hazard indoors, outdoors, or in sewers. Runoff to sewer may create fire or explosion hazard.

IMMEDIATE PRECAUTIONS TO BE TAKEN IN THE EVENT OF AN ACCIDENT OR INCIDENT

Keep unnecessary people away; isolate hazard area and deny entry. Stay up wind; keep out of low areas.

ISOLATE FOR ½ MILES IN ALL DIRECTIONS IF TANK, RAIL CAR OR TANK TRUCK IS INVOLVED IN FIRE. CALL CHEMTREC AT 1-800-424-9300 FOR EMERGENCY ASSISTANCE.

If water pollution occurs, notify the appropriate authorities.

IMMEDIATE METHODS FOR HANDLING FIRES

Extinguishing Media: Dry chemical, carbon dioxide, foam, or water spray.

SMALL FIRES: Dry chemical, carbon dioxide, foam or water spray.

LARGE FIRES: Water spray, fog or foam. Move container from fire area if you can do so without risk. Apply cooling water to sides of container that are exposed to flames until well after fire is out. Stay away from ends of tanks. For massive fire in cargo area, use unmanned nozzles; if this is possible, withdraw from area and let fire burn. Withdraw immediately in case of rising sound from venting safety device or any discoloration of tank due to fire.



INITIAL METHODS FOR HANDLING SPILLS OR LEAKS IN ABSENCE OF FIRE

Shut off ignition source, no flares, smoking or flames in hazard area. Stop leak if you can do it without risk. Water spray may reduce vapor, but it may not prevent ignition in closed spaces.

FIRST AID

Move victim to fresh air and call emergency medical care; if not breathing, give artificial respiration; if breathing is difficult, give oxygen. In case of contact with material, immediately flush eyes with running water for at least 15 minutes. Wash skin with soap and water. Remove and isolate contaminated clothing and shoes at the site.

HAZARDOUS COMMUNICATION FOR WORKPLACE MATERIALS

The following written hazard communication program has been established for Texas LPG Storage Company to comply with the requirements of (29CFR 1910.1200) and the Commandant instruction (COMDTINST 6260.21B).

The plant office is responsible for the unit hazard communication program. Functional responsibility has been delegated to the Unit Hazardous Material Coordinator. (Plant Manager)

Program guidelines are available for review by unit personnel, their designated representatives, and upon request by the Occupational Safety and Health Administration and National Institute for Occupational Safety and Health these guidelines are located at: (Plant Office)

1. Inventory List of Chemicals: Attached to the program guidelines is a list of all known hazardous materials to which the personnel of the unit may be exposed in the performance of their work activities. More detailed information on each listed hazardous material can be obtained by reviewing its Material Safety Data Sheet. The inventory list is located at: (Plant Office)
2. Container Labeling: All containers received for use must be checked for appropriate labels or bags provided the following information.
 - A. Name of the material as given on the MSDS.
 - B. Warning of principle hazard (s), (e.g., health, fire, reactivity, etc)
 - C. Effects of overexposure on the target body organs (e.g., eye damage, skin irritation, liver cancer, etc).
 - D. Name, and address or location of the manufacture, supplier or a responsible party who can provide additional information
 - E. The Plant Manager is responsible for certifying the containers are properly labeled or tagged.
3. Material Safety Data Sheets: Copies of Material Safety Data Sheets for all hazardous materials to which personnel may be exposed will be maintained at: (Plant Office)
 - A. Plant Manager is to be contacted if a Material Safety Data Sheet is not available for any hazardous material appearing on the attached inventory list.
4. Approval for Small Purchase of Hazardous Materials: Plant Manager shall approve the purchase of hazardous materials. The Plant Office shall use the following guidelines:
 - A. MSDS for the material acquired shall be provided to the plant office.
 - B. The Employees shall have and be trained in the use of, all personal protective equipment specified in the MSDS.
5. Employee Training: Each employee will receive information and training on the elements of the hazard communication program. Personnel shall receive the training when first reporting to the plant, whenever there is a change in duties which will involve new hazards and whenever new hazards become associated with the same duty. Refresher training shall be provided annually. The information and training will cover:

- A. An overview of the elements of the Hazard Communication Program.
- B. Location and availability of the written hazard communication program. Inventory list (s) and Material Safety Data Sheets
- C. Contents of Material Safety Data Sheets with emphasis on:
 - 1. Hazards present
 - 2. Safe work practices required
 - 3. Protective measures to be taken
 - 4. Emergency first aid procedures to be followed
 - 5. How to interpret labels

6. Non Routine Tasks: The performance of non-routine task is included in the scope of the hazard communication program. The potential for exposure to hazardous materials must be anticipated prior to beginning work on such projects. The Manager who has supervisory authority for the non-routine task is responsible for ensuring that employees receive appropriate hazard information.

7. On-Site Contractors: The Manager or employees will provide MSDS information to contractors whose employees perform work activities within the plant facility. Information provided by the plant will be sufficient to enable the contractors to satisfy their hazard communication responsibilities.

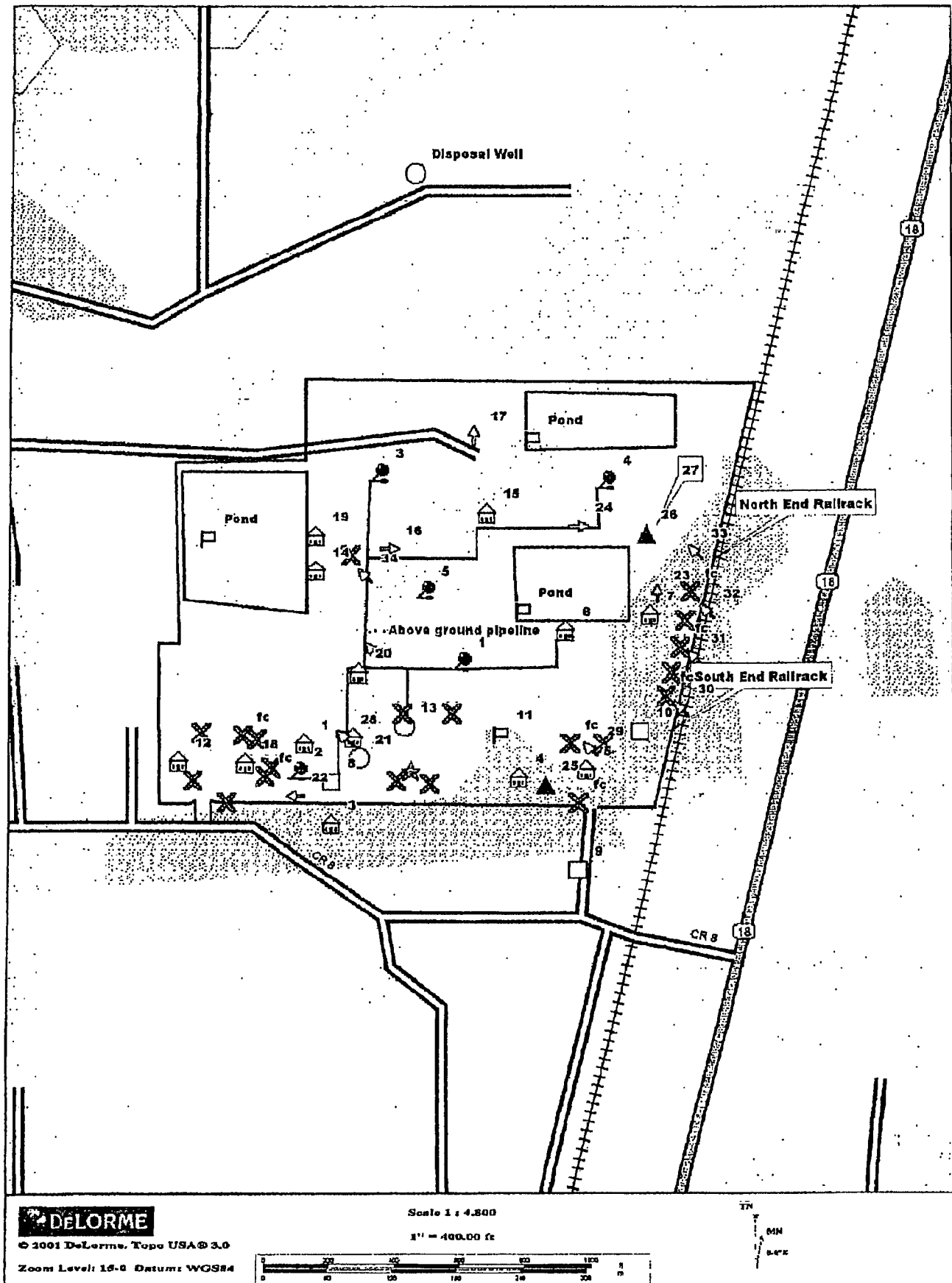
HAZARDOUS MATERIAL INVENTORY LIST

1. LIQUEFIED PETROLEUM GAS

A. PROPANE

B. BUTANE

2. ETHYL MERCAPTAN



MAP LEGEND

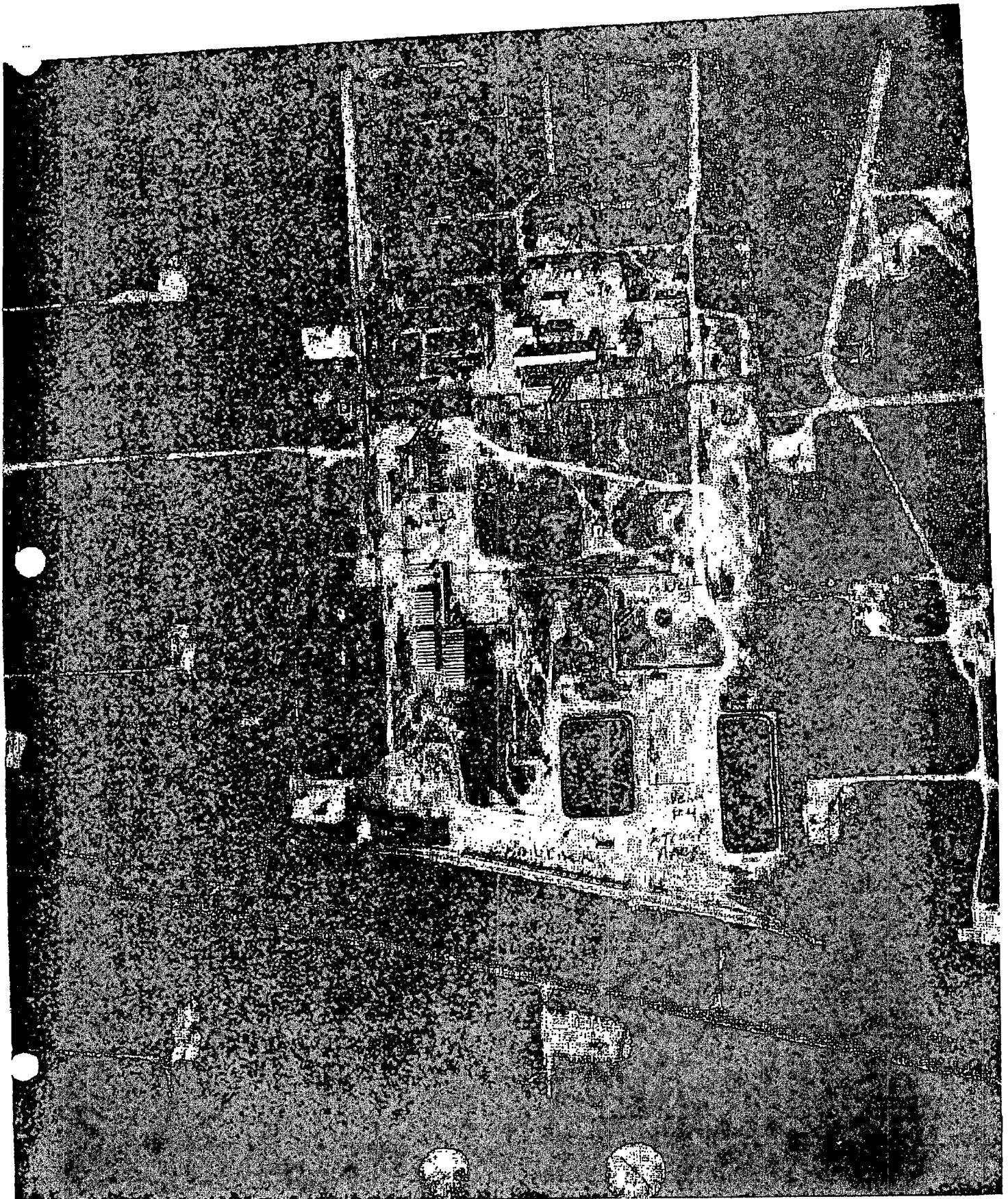
- △01. Electrical Building
- △02. Pump Building
- △03. Mapco Building
- △04. Utility Building
- △05. Loading Shack and Emergency Shutdown Station No. 1
- △06. South Brine Pump
- △07. Utility Building
- 08. Bridge
- 09. Scales
- 10. Valve Box
- 11. South Vapor Pump
- △12. Restroom Building
- 13. Butane Sand Filter
- △14. Air Compressor Building
- △15. North Brine Pond Pump Building
- ⇒16. Flare Tank
- ↑17. Flare Stack
- △18. Office Building
- △19. Fire Engine Building
- △20. Parts Building
- 21. Propane Sand Filter
- ←22. 3-75,000 Gallon Storage Tanks
- ↑23. 18,000 Gallon Storage Tank
- ⇒24. Propane Separator
- ▲25. Truck Loading Station 3
- ▲26. Truck Loading Station 2
- 27. Truck Loading Station 1
- ˘28. Emergency Shutdown Station 8
- ˘29. Emergency Shutdown Station 2
- ˘30. Emergency Shutdown Station 3
- ˘31. Emergency Shutdown Station 4
- ˘32. Emergency Shutdown Station 5
- ˘33. Emergency Shutdown Station 6
- ˘34. Emergency Shutdown Station 7
- ☆ Propane, Butane, Gasoline Tank Farm
- Blue Pins: 1-4 Storage Wells
- Blue Pin: 5 Oxy's Well

Xfc: Fire Cannons

X: Fire Hydrants

-: Boundary Line

-: Inside Boundary Line is Above Ground Piping



TEXAS LPG STORAGE COMPANY
JAL, NEW MEXICO

SECURITY PLAN

Personnel Security:

Individual seeking employment is required to fill out an application and produce documentation identifying the person.

The responsibility rests with the Manager of each department to interview and investigate the employment application. When you are making hiring decisions, you might need more information than you applicant is providing. Some applicants give false or incomplete information. Applicants don't want you to know certain facts about their past. Generally, it's a good policy to do a little checking before hiring.

However, employers have the right to investigate applicant's personal affairs. Applicants have the right to privacy in certain personal matters, a right they can enforce by suing if you pry too deeply. Here are a few tips to keep in mind to avoid crossing this line.

Make sure your inquiries are related to the job. If you decide to do a background check, stick to information that is relevant to the job.

Ask for consent. You are on safest legal ground if you ask the applicant, in writing, to consent to your background check. Explain clearly what you plan to check on and how you will gather information. This gives the applicant the opportunity to take himself or herself out of the running if there is something in their past they want to keep private. It also prevents the applicant from later claiming that their privacy was unfairly invaded. If an applicant refuses to consent to a reasonable request for information, you may legally decide not to hire the applicant on that basis.

School records. Under federal law and the law of some states, educational records including transcripts are confidential. Because of these laws, most schools will not release records without the consent of the student. Most schools will only release records directly to the student.

Criminal records. The law varies from state to state on whether, and to what extent, an employer may consider an applicant's criminal history in making hiring decision. Some states prohibit employers from asking about arrests, convictions that occurred well in the past. Some state allows employers to consider convictions only if the crimes are relevant to the job.

Records of military service. Member and former members of the armed forces have a right to privacy in their service records. These records may be released only under limited circumstances, and consent is generally required. However, the military may disclose name, rank, duty assignments, awards and duty status without the member's consent.

Driving records. An employer should check the driving record of any applicant whose job will require large amounts of driving. These records are available, sometimes for a small fee, from the state's Department of Motor vehicles. These records are not confidential, and can be released without the driver's consent.

A. Management training only. How to interview and investigate a new applicant.

Unauthorized Access:

The first step in securing your facility is to be familiar with the concept Homeland Security Advisory System. The Homeland Security Advisory System was designed to provide a comprehensive means to disseminate information regarding the risk of terrorist acts to federal, state, and local authorities. There are five conditions; each identified by a description and corresponding color.

Low Condition (Green). This condition is declared when there is a low risk of terrorist attack.

- A. Employees will address any visitor before reaching restricted area. No one will enter a restricted area without escort.

Guarded Condition (Blue). This condition is declared when there is a general risk for terrorist attacks.

- A. Employees will address any visitor before reaching restricted area. No one will enter a restricted area without escort.

Elevated Condition (Yellow). An elevated condition is declared when there is a significant risk of terrorist attacks.

- A. Employees will address any visitor before reaching restricted area. No one will enter a restricted area without escort.
- B. Gates will be locked entering loading area.

High Condition (Orange). A high condition is declared when there is a high risk of terrorist attack.

- A. Employees will address any visitor before reaching restricted area. No one will enter a restricted area without escort.
- B. Gates will be locked entering plant facility.
- C. Wellhead chain locked in the closed position.
- D. Above ground storage tank empty of liquid.
- E. Loaded railcars will be off loaded or released from facility.

Severe Condition (Red). A severe condition reflects a severe risk of terrorist attack under most circumstances.

- A. Employees will address any visitor before reaching restricted area. No one will enter a restricted area without escort.
- B. Gates will be locked entering plant facility.
- C. Facility is guarded 24 hours a day.

Relying on the federal government to monitor and designate our security risk. As the conditions elevate, so should our security.

- A. Security Advisory will be posted daily in the office. WWW.hewgill.com/threat/

In the event there is an unauthorized access, employees will notify the police immediately. The very nature of terrorism suggests there may be little or no warning.

- A. Our enhanced 911 address is 34 Deep Well Road.
- B. Emergency Directory attached to Security Plan.

En route Security:

Transportation is the area of vulnerability. Security of the product relies on the driver between beginning origin and final destination. To provide support for the driver, these supportive measures were adopted.

Predetermined routing. Department Manager and/or dispatcher are responsible for routes from origin to destination.

Communication. Dispatcher is responsible for G. P. S. tracking, and communication device for verbal contact.

Loaded Transport. Driver with loaded transport will secure their load until such time as the commodity is unloaded or parked in a secured area designated by dispatch.

- A. El Paso office dispatches trucks to this facility and will give Jal an E.T.A. When a truck is late, call El Paso and report truck late. El Paso has the responsibility of changing truck status to missing or stolen.
- B. Any truck that has unknown time loss will be thoroughly checked before entering facility for loading or off loading.
- C. Jal facility is considered a secured area to park loaded transports, when within the confines of the fence.

In the event the transport is stolen, local and state police will be notified. All resources will be utilized for tracking and recovery of transport.

- A. Jal Terminal will go to condition (Red). All trucks entering facility will be inspected prior to entry.
- B. Police could be used for armed security if necessary.

Employees of Texas LPG Storage Company are instructed not to engage in combat. If possible, they are to observe from a safe place and provide as much detailed information to the police upon arrival.

Railcars arriving on site will go through three point of interest inspection. This is a visual inspection except for recording the outage.

- A. Unknown device attached to railcar.
- B. Check to see if seal has been tampered with or broken.
- C. Check outage to determine if there is lost/stolen product. Report any loss above 300 gallons.
- D. Report to Supervisor if A, B, C are true.

These steps will be followed before the release of any railcar.

- A. Final inspection of the railcar to ensure that the car meets the DOT requirements for shipping.
- B. Notify the railroad and Customer that the car is being released by Bill of Lading method.
- C. Notify Customer the time of release by Daily Report.

Texas New Mexico Railroad is the Local Service Provider

1. November 17, 2006 the railroad was contacted to confirm their en-route security plan. Steve Gregory confirmed. 806-438-0891

Union Pacific is the Extended Service Provider

1. November 17, 2006 the railroad was contacted to confirm their en-route security plan. The Union Pacific security plan was confirmed by internet access and a copy is attached below.



Rail Industry Security Level Updates

Since the terrorist attack on September 11, 2001, the rail industry has defined four levels of alert, each designed to progressively safeguard information regarding the movement of rail shipments.

As part of this effort, Union Pacific has invested in software development to enhance our systems and minimize the impact on our customers as we implement each of these security levels.

The rail industry has been at Alert Level 2 since the end of 2001.

The following data security features are in place:

- Information about equipment containing restricted commodities has been eliminated from unsecure applications.
- Union Pacific will continue to dispatch General Inquiries and Yard Summaries unless the report contains a car/container with a restricted commodity. Restricted commodities include poisonous inhalants, flammable gases and military shipments. Reports containing shipment information regarding restricted commodities can only be accessed by customers with a valid User ID and password at . In addition, users with access to such shipments are re-validated annually.
- Union Pacific only sends CLM or 322 information if the fleet owner is one of the following parties: shipper, consignee, care of party, account of party, notify party, beneficial owner, freight payer, equipment owner or equipment lessee.

For security purposes, your company must appear on the waybill as one of the parties listed above for you to receive this information for loaded movements. Empty movement information is not restricted.

For equipment owners or lessees not shown on the waybill, access to this information is only available if the party is listed as the registered fleet owner in the UMLER system. If you are an equipment owner or lessee and require access to this information, you must ensure that UMLER is properly updated to receive this information.

Outlined below are the additional e-Commerce processes affected by Levels Three and Four.

After reviewing this information, please contact us at 1-800-872-1045 if you have any additional questions.

Alert Level 3

- User IDs for those who have not completed the annual re-validation process will be suspended until the user's identity can be confirmed.

Alert Level 4

- Under a Level 4 Alert, an embargo will be issued that will stop the nation's

railroads from accepting new shipments of certain hazardous materials. Hazardous materials in transit at the time the embargo is initiated will be either forwarded to destination or secured en route. This embargo will be continually reviewed and the AAR will have in place a mechanism for customers to seek an exception to the embargo if the shipment is critical to public safety and/or national security.

Additional Information

User IDs

To ensure proper security access, we recommend that User IDs not be shared by more than one individual within a company. Union Pacific's Web billing application allows bill of lading patterns within one firm to be shared. This feature eliminates the need for sharing IDs. If your employees require a User ID, please visit our Web site and complete the registration form. You will be assigned a new User ID within one to three business days.

Third-Party Access

If you utilize a third-party logistics or technology company to help manage your rail shipments and they are not a party to the waybill, we are requiring these firms to have an updated Letter of Authority from your company on file with Union Pacific. The Letter of Authority gives Union Pacific permission to allow another party access to your data. These letters need to be renewed annually.

All third-party logistics and technology companies should be aware of the renewal process. Letters of Authority are required for CLMs, 417s, 322s, 622s, Web access, and access to data by phone via our National Customer Service Center. An example of a Letter of Authority can be found below. Please work with your third-party partners to ensure that we have current Letters of Authority on file.

Sharing Transit Information with Your Customers

We are aware that some companies receive information from transportation companies and make it available to their customers electronically. If you haven't already done so, we urge you to review your methods for sharing transit information with your customers to ensure the highest level of security is in place.

If you have additional questions, please contact us at 1-800-872-1045.

We appreciate your cooperation in working with us to ensure that sensitive shipment information remains secure. Union Pacific will continue to work to minimize any impact on our customers as we comply with our nation's security requirements.

Sample Letter of Authority

This letter, on company letterhead, should be faxed to Union Pacific Railroad at 1-877-281-0910. An e-mail also is acceptable, provided your company name is part of the e-mail's domain name. The e-mail can be sent to datasecurity@up.com.

(Date)

eCommerce Department
Union Pacific Railroad
1400 Douglas Street - Stop 1240
Omaha, NE 68179

This is to advise that (ABC COMPANY) authorizes (JOHN DOE), User ID (XABC123), (3RD PARTY COMPANY), to conduct the following transactions on our behalf. (Please check those that apply.)

_____ Order Cars
_____ Tender Bill of Lading Instructions
_____ Trace
_____ Release
_____ Divert

Electronic Messaging:

_____ Receive CLMs (Car Location Messages)
_____ Receive 417s (Rail Waybill)
_____ Receive 322/622s (Intermodal Tracing Events)

This authorization is valid for one year from the date of the authorization letter.

Sincerely,

BOB JONES (Contact Name)
GROUP MANAGER (Contact Title)
ABC COMPANY (Company Name)
4221 COTTONWOOD DRIVE
GOTHEN, OR 99999 (Company Address)
(444) 532-5555 (Contact Phone)
bjones@abccompany.com (Contact e-mail Address)

Emergency Health Care
Liquefied Petroleum Gas

Call 911

1. Move victim to fresh air.
2. Apply artificial respiration if victim is not breathing.
3. Administer oxygen if breathing is difficult.
4. Remove and isolate contaminated clothing and shoes.
5. Clothing frozen to the skin should be thawed before being removed.
6. In case of contact with Liquefied gas, thaw frosted parts with lukewarm water.
7. Keep victim warm and quiet.
8. Ensure that medical personnel are aware of the material involved, and take precautions to protect themselves.

8208/02/2007

APPENDIX B

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources

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

Form C-141
Revised October 10, 2003

Submit 2 Copies to appropriate
District Office in accordance
with Rule 116 on back
side of form

Release Notification and Corrective Action

OPERATOR

☐ Initial Report ☐ Final Report

Name of Company	Contact	
Address	Telephone No.	
Facility Name	Facility Type	
Surface Owner	Mineral Owner	Lease No.

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
-------------	---------	----------	-------	---------------	------------------	---------------	----------------	--------

Latitude _____ Longitude _____

NATURE OF RELEASE

Type of Release	Volume of Release	Volume Recovered
Source of Release	Date and Hour of Occurrence	Date and Hour of Discovery
Was Immediate Notice Given? <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom?	
By Whom?	Date and Hour	
Was a Watercourse Reached? <input type="checkbox"/> Yes <input type="checkbox"/> No	If YES, Volume Impacting the Watercourse.	
If a Watercourse was Impacted, Describe Fully.*		
Describe Cause of Problem and Remedial Action Taken.*		
Describe Area Affected and Cleanup Action Taken.*		
I hereby certify that the information given above is true and complete to the best of my knowledge and understand that pursuant to NMOCD rules and regulations all operators are required to report and/or file certain release notifications and perform corrective actions for releases which may endanger public health or the environment. The acceptance of a C-141 report by the NMOCD marked as "Final Report" does not relieve the operator of liability should their operations have failed to adequately investigate and remediate contamination that pose a threat to ground water, surface water, human health or the environment. In addition, NMOCD acceptance of a C-141 report does not relieve the operator of responsibility for compliance with any other federal, state, or local laws and/or regulations.		
Signature:	<u>OIL CONSERVATION DIVISION</u>	
Printed Name:	Approved by District Supervisor:	
Title:	Approval Date:	Expiration Date:
E-mail Address:	Conditions of Approval:	Attached <input type="checkbox"/>
Date:	Phone:	

* Attach Additional Sheets If Necessary

116 RELEASE NOTIFICATION AND CORRECTIVE ACTION [1-1-50...2-1-96; A, 3-15-97]

116.A. NOTIFICATION

(1) The Division shall be notified of any unauthorized release occurring during the drilling, producing, storing, disposing, injecting, transporting, servicing or processing of crude oil, natural gases, produced water, condensate or oil field waste including Regulated NORM, or other oil field related chemicals, contaminants or mixture thereof, in the State of New Mexico in accordance with the requirements of this Rule. [1-1-50...2-1-96; A, 3-15-97]

(2) The Division shall be notified in accordance with this Rule with respect to any release from any facility of oil or other water contaminant, in such quantity as may with reasonable probability be detrimental to water or cause an exceedance of the standards in 19 NMAC 15.A.19. B(1), B(2) or B(3). [3-15-97]

116.B. REPORTING REQUIREMENTS: Notification of the above releases shall be made by the person operating or controlling either the release or the location of the release in accordance with the following requirements: [5-22-73...2-1-96; A, 3-15-97]

(1) A **Major Release** shall be reported by giving **both** immediate verbal notice and timely written notice pursuant to Paragraphs C(1) and C(2) of this Rule. A Major Release is:

- (a) an unauthorized release of a volume, excluding natural gases, in excess of 25 barrels;
- (b) an unauthorized release of any volume which:
 - (i) results in a fire;
 - (ii) will reach a water course;
 - (iii) may with reasonable probability endanger public health; or
 - (iv) results in substantial damage to property or the environment;
- (c) an unauthorized release of natural gases in excess of 500 mcf; or
- (d) a release of any volume which may with reasonable probability be detrimental to water or cause an exceedance of the standards in 19 NMAC 15.A.19. B(1), B(2) or B(3). [3-15-97]

(2) A **Minor Release** shall be reported by giving timely written notice pursuant to Paragraph C(2) of this Rule. A Minor Release is an unauthorized release of a volume, greater than 5 barrels but not more than 25 barrels; or greater than 50 mcf but less than 500 mcf of natural gases. [3-15-97]

116.C. CONTENTS OF NOTIFICATION

(1) **Immediate verbal notification** required pursuant to Paragraph B shall be reported within twenty-four (24) hours of discovery to the Division District Office for the area within which the release takes place. In addition, immediate verbal notification pursuant to Subparagraph B.(1).(d). shall be reported to the Division's Environmental Bureau Chief. This notification shall provide the information required on Division Form C-141. [5-22-73 . 2-1-96; A, 3-15-97]

(2) **Timely written notification** is required to be reported pursuant to Paragraph B within fifteen (15) days to the Division District Office for the area within which the release takes place by completing and filing Division Form C-141. In addition, timely written notification required pursuant to Subparagraph B.(1).(d). shall also be reported to the Division's Environmental Bureau Chief within fifteen (15) days after the release is discovered. The written notification shall verify the prior verbal notification and provide any appropriate additions or corrections to the information contained in the prior verbal notification. [5-22-73...2-1-96; A, 3-15-97]

116.D. CORRECTIVE ACTION: The responsible person must complete Division approved corrective action for releases which endanger public health or the environment. Releases will be addressed in accordance with a remediation plan submitted to and approved by the Division or with an abatement plan submitted in accordance with Rule 19 (19 NMAC 15.A. 19). [3-15-97]

APPENDIX C



Western Refining Company, L.P.

Via Certified Mail
No. 7006 2150 0003 5110 5288

August 29, 2007

Deep Wells Ranch, Inc.
325 Deep Wells Road
Jal, New Mexico 88252

Dear Madam/Sir:

This letter is to advise you that Western Refining Company, L.P. (Western) is preparing to submit to the Oil Conservation Division a Discharge Plan Renewal application for the permitted Jal LPG Storage Facility (GW-007). This notice is a requirement pursuant to New Mexico Water Quality Control Commission Regulations. We expect to submit the Discharge Plan Renewal application to the Oil Conservation Division during August 2007.

The facility, primarily located in Section 32, Township 23 South, Range 37 East, NMPM, San Juan County, New Mexico, is an underground Liquid Petroleum Gas (LPG) Storage Facility.

The discharge permit addresses how spills, leaks, and other accidental discharges to the surface will be managed. The facility does not discharge wastewater to surface or near-surface waters. Excess brine water and remediation water are disposed in a permitted underground disposal well located off-site. All wastes generated will be temporarily stored in the proper container with secondary containment. Waste shipped offsite will be disposed or recycled at an OCD approved site. In the event of an accidental discharge, ground water most likely will not be affected because the estimated ground water depth at the site is approximately 100 feet. The total dissolved solids concentration of area ground water is expected to range from 300 to greater than 20,000 parts per million.

Comments or inquiries regarding this permit or the permitting process may be directed to:

Director of the Oil Conservation Division
1220 South Saint Francis Dr.
Santa Fe NM 87505

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'LAA' followed by a flourish.

Leslie Ann Allen
Sr. Vice President, Safety, Health & Environment

LAA/ash/dlc



Western Refining Company, L.P.

Via Certified Mail
No. 7006 2150 0003 5110 5271

August 29, 2007

Ms. Nancy K. Prince
El Paso Corporation
P.O. Box 1087
Colorado Springs, CO 80944

Dear Ms. Prince:

This letter is to advise you that Western Refining Company, L.P. (Western) is preparing to submit to the Oil Conservation Division a Discharge Plan Renewal application for the permitted Jal LPG Storage Facility (GW-007). This notice is a requirement pursuant to New Mexico Water Quality Control Commission Regulations. We expect to submit the Discharge Plan Renewal application to the Oil Conservation Division during August 2007.

The facility, primarily located in Section 32, Township 23 South, Range 37 East, NMPM, San Juan County, New Mexico, is an underground Liquid Petroleum Gas (LPG) Storage Facility.

The discharge permit addresses how spills, leaks, and other accidental discharges to the surface will be managed. The facility does not discharge wastewater to surface or near-surface waters. Excess brine water and remediation water are disposed in a permitted underground disposal well located off-site. All wastes generated will be temporarily stored in the proper container with secondary containment. Waste shipped offsite will be disposed or recycled at an OCD approved site. In the event of an accidental discharge, ground water most likely will not be affected because the estimated ground water depth at the site is approximately 100 feet. The total dissolved solids concentration of area ground water is expected to range from 300 to greater than 20,000 parts per million.

Comments or inquiries regarding this permit or the permitting process may be directed to:

Director of the Oil Conservation Division
1220 South Saint Francis Dr.
Santa Fe NM 87505

Respectfully submitted,

A handwritten signature in dark ink, appearing to read 'LAA' followed by a flourish.

Leslie Ann Allen
Sr. Vice President, Safety, Health & Environment

LAA/ash/dlc



Western Refining Company, L.P.

Via Certified Mail
No. 7006 2150 0003 5110 5264

August 29, 2007

Southern Union Company
P.O. Box 1311
Jal, New Mexico 88252

Dear Madam/Sir:

This letter is to advise you that Western Refining Company, L.P. (Western) is preparing to submit to the Oil Conservation Division a Discharge Plan Renewal application for the permitted Jal LPG Storage Facility (GW-007). This notice is a requirement pursuant to New Mexico Water Quality Control Commission Regulations. We expect to submit the Discharge Plan Renewal application to the Oil Conservation Division during August 2007.

The facility, primarily located in Section 32, Township 23 South, Range 37 East, NMPM, San Juan County, New Mexico, is an underground Liquid Petroleum Gas (LPG) Storage Facility.

The discharge permit addresses how spills, leaks, and other accidental discharges to the surface will be managed. The facility does not discharge wastewater to surface or near-surface waters. Excess brine water and remediation water are disposed in a permitted underground disposal well located off-site. All wastes generated will be temporarily stored in the proper container with secondary containment. Waste shipped offsite will be disposed or recycled at an OCD approved site. In the event of an accidental discharge, ground water most likely will not be affected because the estimated ground water depth at the site is approximately 100 feet. The total dissolved solids concentration of area ground water is expected to range from 300 to greater than 20,000 parts per million.

Comments or inquiries regarding this permit or the permitting process may be directed to:

Director of the Oil Conservation Division
1220 South Saint Francis Dr.
Santa Fe NM 87505

Respectfully submitted,

A handwritten signature in dark ink, appearing to read 'LAA', with a stylized flourish at the end.

Leslie Ann Allen
Sr. Vice President, Safety, Health & Environment

LAA/gc/dlc



Western Refining Company, L.P.

Via Certified Mail
No. 7006 2150 0003 5110 5257

August 29, 2007

Mr. Jimmy J. Doom
47 Doom Lane
Jal, New Mexico 88252

Dear Mr. Doom:

This letter is to advise you that Western Refining Company, L.P. (Western) is preparing to submit to the Oil Conservation Division a Discharge Plan Renewal application for the permitted Jal LPG Storage Facility (GW-007). This notice is a requirement pursuant to New Mexico Water Quality Control Commission Regulations. We expect to submit the Discharge Plan Renewal application to the Oil Conservation Division during August 2007.

The facility, primarily located in Section 32, Township 23 South, Range 37 East, NMPM, San Juan County, New Mexico, is an underground Liquid Petroleum Gas (LPG) Storage Facility.

The discharge permit addresses how spills, leaks, and other accidental discharges to the surface will be managed. The facility does not discharge wastewater to surface or near-surface waters. Excess brine water and remediation water are disposed in a permitted underground disposal well located off-site. All wastes generated will be temporarily stored in the proper container with secondary containment. Waste shipped offsite will be disposed or recycled at an OCD approved site. In the event of an accidental discharge, ground water most likely will not be affected because the estimated ground water depth at the site is approximately 100 feet. The total dissolved solids concentration of area ground water is expected to range from 300 to greater than 20,000 parts per million.

Comments or inquiries regarding this permit or the permitting process may be directed to:

Director of the Oil Conservation Division
1220 South Saint Francis Dr.
Santa Fe NM 87505

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Leslie Ann Allen'.

Leslie Ann Allen
Sr. Vice President, Safety, Health & Environment

LAA/ash/dlc

ACKNOWLEDGEMENT OF RECEIPT
OF CHECK/CASH

I hereby acknowledge receipt of check No.

dated

8/24/07

or cash received on _____

in the amount of \$

100⁰⁰

from

Western Refining Company

for

GW-007

Submitted by:

Lawrence Romero

Date:

9/14/07

Submitted to ASD by:

Lawrence Romero

Date:

9/14/07

Received in ASD by: _____

Date: _____

Filing Fee

☒

New Facility

Renewal

Modification

Other

Organization Code

521.07

Applicable FY

2004

To be deposited in the Water Quality Management Fund.

Full Payment

or Annual Increment



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop
Cabinet Secretary

February 27, 2003

Lori Wrotenberg

Director

Oil Conservation Division

CERTIFIED MAIL
RETURN RECEIPT NO. 3929 9796

Mr. John R. Greenwood
Texas LPG Storage Company
P.O. Box 1345
Jal, New Mexico 88282

Re: Renewal of Discharge Permit GW-007
Jal LPG Terminal (Formal Christie Gas Plant Jal #4)

Dear Mr. Greenwood:

The groundwater discharge permit GW-007 for the Texas LPG Storage Company, Jal LPG Terminal, located in Section 31 and 32, Township 23 South, Range 37 East, NMPM, Lea County, New Mexico, is **hereby approved** under the conditions contained in the enclosed attachment. 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.**

The discharge permit renewal application dated August 21, 2002, including attachments, the addendum to construct a new brine pond dated November 11, 2002, and the discharge plan commitment letter dated December 12, 2002 submitted pursuant to Section 3106 of the New Mexico Water Quality Control Commission (WQCC) Regulations also includes all earlier applications and all conditions later placed on those approvals.

The discharge permit is renewed pursuant to Section 3109.C. Please note Section 3109.G., which provides for possible future amendment of the permit. Please be advised that approval of this permit does not relieve Texas LPG Storage Company of responsibility should operations result in pollution of surface water, ground water or the environment. Nor does it relieve Texas LPG Storage Company of its responsibility to comply with any other governmental authority's rules and regulations.

Please be advised that all exposed pits, including lined pits and open top tanks (exceeding 16 feet in diameter) shall be screened, netted, or otherwise rendered nonhazardous to wildlife including migratory birds.

Please note that Section 3104. of the regulations requires that "when a permit has been approved, discharges must be consistent with the terms and conditions of the permit."

Mr. John R. Greenwood

February 27, 2003

Page 2

Pursuant to Section 3107.C., Texas LPG Storage Company is required to notify the Director of any facility expansion, production increase, or process modification that would result in any change in the discharge of water quality or volume.

Pursuant to Section 3109.H.4., this approval is for a period of five years. **This approval will expire December 29, 2007** and an application for renewal should be submitted in ample time before that date. Pursuant to Section 3106.F. of the regulations, 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.

The discharge permit application for the Texas LPG Storage Company, Jal LPG Terminal, is subject to the WQCC Regulation 3114. Every billable facility submitting a discharge permit will be assessed a fee equal to the filing fee of \$100.00 plus a flat fee of \$4000.00 for processing plants. The OCD has received the \$100.00 filing fee.

Please make all checks payable to: Water Quality Management Fund
C/o: Oil Conservation Division
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505.

If you have any questions, please contact Wayne Price of my staff at (505-476-3487) or E-mail WPRICE@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,



Roger C. Anderson
Environmental Bureau Chief
RCA/lwp
Attachment-1
Xc: OCD Hobbs Office

ATTACHMENT TO THE DISCHARGE PERMIT GW-007 APPROVAL
Texas LPG Storage Company , Jal LPG Terminal
DISCHARGE PERMIT APPROVAL CONDITIONS
February 27, 2003

1. Payment of Discharge Permit Fees: The \$100.00 filing fee has been received by the OCD. There is a required flat fee of \$ 4000.00 for Gas Processing Plants. The fee may be paid in a single payment due at the time of approval, or in equal annual installments over the duration of the discharge plan, with the first payment due upon receipt of this approval.
2. Commitments: Texas LPG Storage Company will abide by all commitments submitted in the discharge permit renewal application dated August 21, 2002, including attachments, addendum to construct new brine pond dated November 11, 2002 and discharge plan commitment letter dated December 12, 2002, and these conditions for approval.
3. Drum Storage: All drums containing materials other than fresh water must be stored on an impermeable pad with curbing. All empty drums should be stored on their sides with the bungs in place and lined up on a horizontal plane. Chemicals in other containers such as sacks or buckets must also be stored on an impermeable pad with curbing.
4. Process Areas: All process and maintenance areas which show evidence that leaks and spills are reaching the ground surface must be either paved and curbed or have some type of spill collection device incorporated into the design.
5. Above Ground Tanks: All above ground tanks which contain fluids other than fresh water must be bermed to contain a volume of one-third more than the total volume of the largest tank or of all interconnected tanks. All new facilities or modifications to existing facilities must place the tank on an impermeable type pad within the berm.
6. Above Ground Saddle Tanks: Above ground saddle tanks must have impermeable pad and curb type containment unless they contain fresh water or fluids that are gases at atmospheric temperature and pressure.
7. Labeling: All tanks, drums, and other containers should be clearly labeled to identify their contents and other emergency information necessary if the tank were to rupture, spill, or ignite.

GIVEN under the Seal of
the New Mexico Oil Con-
servation Commission at
Santa Fe, New Mexico, on
this 29th day of October,
1987. To be published on or
before November 13, 1987.

STATE OF
NEW MEXICO
OIL
CONSERVATION
DIVISION
WILLIAM J.
LEMAV,
Director

8. Below Grade Tanks/Sumps/Pits: All below grade tanks, sumps, and pits must be approved by the OCD prior to installation or upon modification and must incorporate secondary containment and leak-detection into the design. All below grade tanks, sumps and pits must be tested annually, except systems that have secondary containment with leak detection. These systems with leak detection shall have a monthly inspection of the leak detection to determine if the primary containment is leaking. Results of tests and inspections shall be maintained at the facility covered by this discharge plan and available for NMOCD inspection. Any system found to be leaking shall be reported pursuant to Item # 12. Permit holders may propose various methods for testing such as pressure testing to 3 pounds per square inch above normal operating pressure and/or visual inspection of cleaned out tanks and/or sumps, or other OCD approved methods. The OCD will be notified at least 72 hours prior to all testing.

Brine Storage Pond(s) Inspection: Leaks shall be reported pursuant to Item 12. (Spill Reporting) of these conditions. A minimum three foot freeboard will be maintained in the pond(s) so that no overtopping of brine occurs. Any repairs or modifications to the pond liner must receive prior OCD approval.

Leak Detection Monitor Well: The leak detection monitor well(s) for the brine storage pond(s) must be inspected for fluids monthly. Records will be maintained to include quantity of fluid measured, conductivity and chlorides of fluid, date of inspection, and name of inspector. Any fluids found must be reported to the NMOCD Santa Fe office and the appropriate District office within 48 hours of discovery.

9. Underground Process/Wastewater Lines: All underground process/wastewater pipelines must be approved by the OCD prior to installation and must be tested to demonstrate their mechanical integrity every five (5) years. Results of such tests shall be maintained at the facility covered by this discharge plan and available for NMOCD inspection. Permit holders may propose various methods for testing such as pressure testing to 3 pounds per square inch above normal operating pressure or other means acceptable to the OCD. The OCD will be notified at least 72 hours prior to all testing.
10. Class V Wells: No Class V wells that inject non-hazardous industrial wastes or a mixture of industrial wastes and domestic wastes will be approved for construction and/or operation unless it can be demonstrated that groundwater will not be impacted in the reasonably foreseeable future. Leach fields and other wastewater disposal systems at OCD regulated facilities which 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.

11. Housekeeping: All systems designed for spill collection/prevention, and leak detection will be inspected daily to ensure proper operation and to prevent over topping or system failure. All spill collection and/or secondary containment devices will be emptied of fluids within 48 hours of discovery. A record of inspections will be retained on site for a period of five years.
12. Spill Reporting: All spills/releases shall be reported pursuant to OCD Rule 116. and WQCC 1203. to the OCD District Office.
13. Waste Disposal: All wastes will be disposed of at an OCD approved facility. Only oilfield exempt wastes shall be disposed of down Class II injection wells. Non-exempt oilfield wastes that are non-hazardous may be disposed of at an OCD approved facility upon proper waste determination per 40 CFR Part 261.

Any waste stream that is not listed in the discharge permit will be approved by OCD on a case-by-case basis.

Rule 712 Waste: Pursuant to Rule 712 disposal of certain non-domestic waste is allowed at solid waste facilities permitted by the New Mexico Environment Department as long as the waste stream is identified in the discharge permit, and existing process knowledge of the waste stream does not change without notification to the Oil Conservation Division.
14. OCD Inspections: Additional requirements may be placed on the facility based upon results from OCD inspections.
15. Storm Water Permit: Stormwater runoff controls shall be maintained. As a result of operations, if any water contaminant that exceeds the WQCC standards listed in 20 NMAC 6.2.3101 is discharged in any stormwater run-off, then immediate actions shall be taken to mitigate the effects of the run-off, notify the OCD within 24 hours, and modify the discharge permit to include a formal stormwater run-off containment permit and submit for OCD approval within 15 days.
16. Maximum Injection/Test Pressure: The maximum operating injection and/or test pressure at the well head(s) will be such that the fracture pressure of the injection formation will not be exceeded. Please provide to OCD by September 30, 2003 the system fracture pressure calculated at the bottom casing shoe, fracture pressure gradient (psi/ft) for the system, and the maximum surface injection and test pressure that will not cause new fractures or propagate existing fractures.

17. Mechanical Integrity Testing: Annual open to formation pressure test by pressuring up the formation with fluids to one and one-half times the normal operating pressure or 300 psig whichever is greater for four hours. However, no operator may exceed surface injection or test pressures that may cause formation fracturing (see item 16 above) or system failures. Systems requiring test pressures less than 300 psig or methods that use testing media other than fluids, i.e. gas, must be approved by OCD prior to testing. Wells operating with isolation packers will have to pressure test both the cavern formation and casing/tubing annuals. At least once every five years and during well work over the cavern formation will be isolated from the casing/tubing annuals and the casing pressure tested at 300 psig for 30 minutes. All pressure test must be witnessed by OCD.
18. REPORTS: Forms C-131A (Monthly) and C-131B (Annual) gas storage reports shall be filed as required. Operators shall comply with all other OCD rules and regulations that pertain to injection, storage or gas wells and file any required reports to the division.
19. Analysis of Brine Injection Fluid: Provide an analysis of the Brine injection fluid with each annual report. Analysis will be for General Chemistry (Method 40 CFR 136.3) using EPA methods.
20. Capacity/ Cavity Configuration and Subsidence Survey: A test or method will be conducted to determine the size and configuration of the mined cavities and a method to detect long-term subsidence. A plot plan showing all on-site storage wells and the estimated radial size of each well cavity draw on the plan. This information shall be submitted to the OCD before discharge renewal.
21. Safety Plan Required: The Operator shall develop and implement a storage facility safety plan. The plan shall include current emergency response procedures, provisions to provide security against unauthorized activity, and any current gas release detection and prevention measures utilized by the facility. The emergency response procedures for the storage facility shall include contingency plans for gas storage well leaks and loss of containment from gas storage wells or the gas storage reservoir. The emergency response procedures shall also identify public emergency response agencies to be notified for the protection of public safety. Copies of the plan shall be available at the storage facility and the nearest operational office of the operator of the facility.
22. Transfer of Discharge Permit: The OCD will be notified prior to any transfer of ownership, control, or possession of a facility with an approved discharge permit. A written commitment to comply with the terms and conditions of the previously approved discharge permit must be submitted by the purchaser and approved by the OCD prior to transfer.

Mr. John R. Greenwood

February 27, 2003

Page 7

23. **Closure:** The OCD will be notified when operations of the facility are discontinued for a period in excess of six months. Prior to closure of the facility a closure permit will be submitted for approval by the Director. Closure and waste disposal will be in accordance with the statutes, rules and regulations in effect at the time of closure.
24. **Certification:** **Texas LPG Storage Company** by the officer whose signature appears below, accepts this permit and agrees to comply with all terms and conditions contained herein. **Texas LPG Storage Company** further acknowledges that these conditions and requirements of this permit may be changed administratively by the Division for good cause shown as necessary to protect fresh water, human health and the environment.

Conditions accepted by: **Texas LPG Storage Company**

Company Representative- print name

Company Representative- Sign

Date

Title

ATTACHMENT TO THE DISCHARGE PERMIT GW-007 APPROVAL
Texas LPG Storage Company , Jal LPG Terminal
DISCHARGE PERMIT APPROVAL CONDITIONS
February 27, 2003

1. Payment of Discharge Permit Fees: The \$100.00 filing fee has been received by the OCD. There is a required flat fee of \$ 4000.00 for Gas Processing Plants. The fee may be paid in a single payment due at the time of approval, or in equal annual installments over the duration of the discharge plan, with the first payment due upon receipt of this approval.
2. Commitments: Texas LPG Storage Company will abide by all commitments submitted in the discharge permit renewal application dated August 21, 2002, including attachments, addendum to construct new brine pond dated November 11, 2002 and discharge plan commitment letter dated December 12, 2002, and these conditions for approval.
3. Drum Storage: All drums containing materials other than fresh water must be stored on an impermeable pad with curbing. All empty drums should be stored on their sides with the bungs in place and lined up on a horizontal plane. Chemicals in other containers such as sacks or buckets must also be stored on an impermeable pad with curbing.
4. Process Areas: All process and maintenance areas which show evidence that leaks and spills are reaching the ground surface must be either paved and curbed or have some type of spill collection device incorporated into the design.
5. Above Ground Tanks: All above ground tanks which contain fluids other than fresh water must be bermed to contain a volume of one-third more than the total volume of the largest tank or of all interconnected tanks. All new facilities or modifications to existing facilities must place the tank on an impermeable type pad within the berm.
6. Above Ground Saddle Tanks: Above ground saddle tanks must have impermeable pad and curb type containment unless they contain fresh water or fluids that are gases at atmospheric temperature and pressure.
7. Labeling: All tanks, drums, and other containers should be clearly labeled to identify their contents and other emergency information necessary if the tank were to rupture, spill, or ignite.

8. Below Grade Tanks/Sumps/Pits: All below grade tanks, sumps, and pits must be approved by the OCD prior to installation or upon modification and must incorporate secondary containment and leak-detection into the design. All below grade tanks, sumps and pits must be tested annually, except systems that have secondary containment with leak detection. These systems with leak detection shall have a monthly inspection of the leak detection to determine if the primary containment is leaking. Results of tests and inspections shall be maintained at the facility covered by this discharge plan and available for NMOCD inspection. Any system found to be leaking shall be reported pursuant to Item # 12. Permit holders may propose various methods for testing such as pressure testing to 3 pounds per square inch above normal operating pressure and/or visual inspection of cleaned out tanks and/or sumps, or other OCD approved methods. The OCD will be notified at least 72 hours prior to all testing.

Brine Storage Pond(s) Inspection: Leaks shall be reported pursuant to Item 12. (Spill Reporting) of these conditions. A minimum three foot freeboard will be maintained in the pond(s) so that no overtopping of brine occurs. Any repairs or modifications to the pond liner must receive prior OCD approval.

Leak Detection Monitor Well: The leak detection monitor well(s) for the brine storage pond(s) must be inspected for fluids monthly. Records will be maintained to include quantity of fluid measured, conductivity and chlorides of fluid, date of inspection, and name of inspector. Any fluids found must be reported to the NMOCD Santa Fe office and the appropriate District office within 48 hours of discovery.

9. Underground Process/Wastewater Lines: All underground process/wastewater pipelines must be approved by the OCD prior to installation and must be tested to demonstrate their mechanical integrity every five (5) years. Results of such tests shall be maintained at the facility covered by this discharge plan and available for NMOCD inspection. Permit holders may propose various methods for testing such as pressure testing to 3 pounds per square inch above normal operating pressure or other means acceptable to the OCD. The OCD will be notified at least 72 hours prior to all testing.
10. Class V Wells: No Class V wells that inject non-hazardous industrial wastes or a mixture of industrial wastes and domestic wastes will be approved for construction and/or operation unless it can be demonstrated that groundwater will not be impacted in the reasonably foreseeable future. Leach fields and other wastewater disposal systems at OCD regulated facilities which 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.

11. Housekeeping: All systems designed for spill collection/prevention, and leak detection will be inspected daily to ensure proper operation and to prevent over topping or system failure. All spill collection and/or secondary containment devices will be emptied of fluids within 48 hours of discovery. A record of inspections will be retained on site for a period of five years.
12. Spill Reporting: All spills/releases shall be reported pursuant to OCD Rule 116. and WQCC 1203. to the OCD District Office.
13. Waste Disposal: All wastes will be disposed of at an OCD approved facility. Only oilfield exempt wastes shall be disposed of down Class II injection wells. Non-exempt oilfield wastes that are non-hazardous may be disposed of at an OCD approved facility upon proper waste determination per 40 CFR Part 261.

Any waste stream that is not listed in the discharge permit will be approved by OCD on a case-by-case basis.

Rule 712 Waste: Pursuant to Rule 712 disposal of certain non-domestic waste is allowed at solid waste facilities permitted by the New Mexico Environment Department as long as the waste stream is identified in the discharge permit, and existing process knowledge of the waste stream does not change without notification to the Oil Conservation Division.

14. OCD Inspections: Additional requirements may be placed on the facility based upon results from OCD inspections.
15. Storm Water Permit: Stormwater runoff controls shall be maintained. As a result of operations, if any water contaminant that exceeds the WQCC standards listed in 20 NMAC 6.2.3101 is discharged in any stormwater run-off, then immediate actions shall be taken to mitigate the effects of the run-off, notify the OCD within 24 hours, and modify the discharge permit to include a formal stormwater run-off containment permit and submit for OCD approval within 15 days.
16. Maximum Injection/Test Pressure: The maximum operating injection and/or test pressure at the well head(s) will be such that the fracture pressure of the injection formation will not be exceeded. Please provide to OCD by September 30, 2003 the system fracture pressure calculated at the bottom casing shoe, fracture pressure gradient (psi/ft) for the system, and the maximum surface injection and test pressure that will not cause new fractures or propagate existing fractures.

17. Mechanical Integrity Testing: Annual open to formation pressure test by pressuring up the formation with fluids to one and one-half times the normal operating pressure or 300 psig whichever is greater for four hours. However, no operator may exceed surface injection or test pressures that may cause formation fracturing (see item 16 above) or system failures. Systems requiring test pressures less than 300 psig or methods that use testing media other than fluids, i.e. gas, must be approved by OCD prior to testing. Wells operating with isolation packers will have to pressure test both the cavern formation and casing/tubing annulars. At least once every five years and during well work over the cavern formation will be isolated from the casing/tubing annulars and the casing pressure tested at 300 psig for 30 minutes. All pressure test must be witnessed by OCD.
18. REPORTS: Forms C-131A (Monthly) and C-131B (Annual) gas storage reports shall be filed as required. Operators shall comply with all other OCD rules and regulations that pertain to injection, storage or gas wells and file any required reports to the division.
19. Analysis of Brine Injection Fluid: Provide an analysis of the Brine injection fluid with each annual report. Analysis will be for General Chemistry (Method 40 CFR 136.3) using EPA methods.
20. Capacity/ Cavity Configuration and Subsidence Survey: A test or method will be conducted to determine the size and configuration of the mined cavities and a method to detect long-term subsidence. A plot plan showing all on-site storage wells and the estimated radial size of each well cavity draw on the plan. This information shall be submitted to the OCD before discharge renewal.
21. Safety Plan Required: The Operator shall develop and implement a storage facility safety plan. The plan shall include current emergency response procedures, provisions to provide security against unauthorized activity, and any current gas release detection and prevention measures utilized by the facility. The emergency response procedures for the storage facility shall include contingency plans for gas storage well leaks and loss of containment from gas storage wells or the gas storage reservoir. The emergency response procedures shall also identify public emergency response agencies to be notified for the protection of public safety. Copies of the plan shall be available at the storage facility and the nearest operational office of the operator of the facility.
22. Transfer of Discharge Permit: The OCD will be notified prior to any transfer of ownership, control, or possession of a facility with an approved discharge permit. A written commitment to comply with the terms and conditions of the previously approved discharge permit must be submitted by the purchaser and approved by the OCD prior to transfer.

Mr. John R. Greenwood

February 27, 2003

Page 7

23. Closure: The OCD will be notified when operations of the facility are discontinued for a period in excess of six months. Prior to closure of the facility a closure permit will be submitted for approval by the Director. Closure and waste disposal will be in accordance with the statutes, rules and regulations in effect at the time of closure.
24. Certification: **Texas LPG Storage Company** by the officer whose signature appears below, accepts this permit and agrees to comply with all terms and conditions contained herein. **Texas LPG Storage Company** further acknowledges that these conditions and requirements of this permit may be changed administratively by the Division for good cause shown as necessary to protect fresh water, human health and the environment.

Conditions accepted by: **Texas LPG Storage Company**

LORENZO DIAZ

Company Representative- print name



Date 3/10/03

Company Representative- Sign

Title PRESIDENT

ACKNOWLEDGEMENT OF RECEIPT
OF CHECK/CASH

I hereby acknowledge receipt of check No. dated 3/11/03
or cash received on in the amount of \$ 4000.00
from TEXAS LPG STORAGE CO.
for JAL FACILITY JW-007
(Family Name)
Submitted by: WAYNE PRICE (DP No.) Date: 3/13/03
Submitted to ASD by: [Signature] Date: 11
Received in ASD by: Date:

Filing Fee New Facility Renewal ✓
Modification Other
(Signature)

Organization Code 521.07 Applicable FY 2000 3

To be deposited in the Water Quality Management Fund.

Full Payment ✓ or Annual Increment

TEXAS LPG STORAGE COMPANY
TRANSPORTATION & MANUFACTURING DIVISION
GENERAL ACCOUNT
11390 GATEWAY BLVD. EAST
EL PASO, TEXAS 79927 (915) 872-1100

WELLS FARGO BANK TEXAS, N.A.
www.wellsfargo.com
88-6/1120

Memo: Permit GW-007

Four Thousand and 00/100 Dollars

PAY
TO THE
ORDER
OF

Water Quality Managment Fund
C/O Oil Conservation Division
1220 So. Saint Francis Dr
Santa Fe, NM 87505

CHECK NO.

DATE Mar 11, 2003

*****AMOUNT \$4,000.00

[Signature]
AUTHORIZED SIGNATURE

MP

**NEW MEXICO ENVIRONMENT DEPARTMENT
REVENUE TRANSMITTAL FORM**

Description	FUND	CES	DFA ORG	DFA ACCT	ED ORG	ED ACCT	AMOUNT	
1 CY Reimbursement Project Tax	064	01						
5 Gross Receipt Tax	084	01		2329	900000	2329134		
3 Air Quality Title V	092	13	1300	1896	900000	4169134		
4 PRP Prepayments	248	14	1400	9696	900000	4969014		
2 Climax Chemical Co.	248	14	1400	9696	900000	4969015		
8 Circle K Reimbursements	248	14	1400	9696	900000	4969248		
7 Hazardous Waste Permits	339	27	2700	1696	900000	4169027		
8 Hazardous Waste Annual Generator Fees	339	27	2700	1696	900000	4169339		
10 / Water Quality - Oil Conservation Division	341	29		2329	900000	2329029	4000	1
11 Water Quality - GW Discharge Permit	341	29	2900	1696	900000	4169029		1
12 Air Quality Permits	631	31	2500	1696	900000	4169031		1
13 Payments under Protest	651	33		2919	900000	2919033		1
*14 Xerox Copies	652	34		2349	900000	2349001		*1
15 Ground Water Penalties	652	34		2349	900000	2349002		1
16 Witness Fees	652	34		2349	900000	2439003		1
17 Air Quality Penalties	652	34		2349	900000	2349004		1
18 OSHA Penalties	652	34		2349	900000	2349005		1
19 Prior Year Reimbursement	652	34		2349	900000	2349006		1
20 Surface Water Quality Certification	652	34		2349	900000	2349009		2
21 Jury Duty	652	34		2349	900000	2349012		2
22 CY Reimbursements (i.e. telephone)	652	34		2349	900000	2349014		2
*23 UST Owner's List	783	24	2500	9696	900000	4969201		*23
*24 Hazardous Waste Notifiers List	783	24	2500	9696	900000	4969202		*24
*25 UST Maps	783	24	2500	9696	900000	4969203		*25
*26 UST Owner's Update	783	24	2500	9696	900000	4969205		*26
*28 Hazardous Waste Regulations	783	24	2500	9696	900000	4969207		*28
*29 Radiologic Tech. Regulations	783	24	2500	9696	900000	4969208		*29
*30 Superfund CERLIS List	783	24	2500	9696	900000	4969211		*30
31 Solid Waste Permit Fees	783	24	2500	9696	900000	4969213		31
32 Smoking School	783	24	2500	9696	900000	4969214		32
*33 SWQB - NPS Publications	783	24	2500	9696	900000	4969222		*33
*34 Radiation Licensing Regulation	783	24	2500	9696	900000	4969228		*34
*35 Sale of Equipment	783	24	2500	9696	900000	4969301		*35
*36 Sale of Automobile	783	24	2500	9696	900000	4969302		*36
*37 Lost Recoveries	783	24	2500	9696	900000	4969814		**37
*38 Lost Repayments	783	24	2500	9696	900000	4969815		**38
39 Surface Water Publication	783	24	2500	9696	900000	4969801		39
40 Exxon Race Drive Ruidoso - CAF	783	24	2500	9696	900000	4969242		40
41 Emerg. Hazardous Waste Penalties NOV	957	32	9600	1896	900000	4164032		41
42 Radiologic Tech. Certification	987	05	0500	1896	900000	4169005		42
44 Ust Permit Fees	989	20	3100	1696	900000	4169020		44
45 UST Tank Installers Fees	989	20	3100	1696	900000	4169021		45
46 Food Permit Fees	991	28	2600	1696	900000	4169026		46
43 Other								43

* Gross Receipt Tax Required

* Site Name & Project Code Required


TOTAL \$ 4000

Contact Person: ROGER C. ANDERSON Phone: 476-3490 Date: 3/13/03

Received in ASD By: _____ Date: _____ RT #: _____ ST #: _____

ACKNOWLEDGEMENT OF RECEIPT
OF CHECK/CASH

I hereby acknowledge receipt of check No. dated 10/24/02
or cash received on in the amount of \$ 100⁰⁰
from CHRISTIE GAS CORPORATION
for CHRISTIE GAS PLANT GW-07-
Submitted by: WAYNE PRICE (Facility Name) Date: 11/8/02 (DP No.)
Submitted to ASD by: [Signature] Date: 11
Received in ASD by: Date:
Filing Fee X New Facility Renewal
Modification Other (Applicable)
Organization Code 521.07 Applicable FY 2002
To be deposited in the Water Quality Management Fund.
Full Payment or Annual Increment

Renewal of Discharge Plan GW-007				Frost National Bank	
CHRISTIE GAS CORPORATION		Austín, Texas 78761		<u> </u>	
OPERATING ACCOUNT					
901 MOPAC EXPRESSWAY SOUTH, SUITE 515					
AUSTIN, TX 78746					
		October 24, 2002		30-9/1140 59	
PAY *****ONE HUNDRED DOLLARS		and		00/100*****	
				DOLLARS \$ 100.00****	
TO THE ORDER OF		State of New Mexico Oil Conservation Division 1220 South St. Francis Street Santa Fe, NM 87505			
		<u>[Signature]</u>			

ACKNOWLEDGEMENT OF RECEIPT
OF CHECK/CASH

I hereby acknowledge receipt of check No. [REDACTED] dated 10/24/02
or cash received on _____ in the amount of \$ 100⁰⁰
from CHRISTIE GAS CORPORATION
for CHRISTIE GAS PLANT GW-07-
Submitted by: (Facility Name) WAYNE PRICE . Date: (DP No.) 11/8/02
Submitted to ASD by: [Signature] Date: 11
Received in ASD by: _____ Date: _____
Filing Fee ☒ New Facility _____ Renewal _____
Modification _____ Other _____
(Specify)
Organization Code 521.07 Applicable FY 2002
To be deposited in the Water Quality Management Fund.
Full Payment _____ or Annual Increment _____

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources

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

Revised January 24, 2001

Submit Original
Plus 1 Copy
to Santa Fe
1 Copy to Appropriate
District Office

**DISCHARGE PLAN APPLICATION FOR SERVICE COMPANIES, GAS PLANTS,
REFINERIES, COMPRESSOR, GEOTHERMAL FACILITIES
AND CRUDE OIL PUMP STATIONS**

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

☐ New ☒ Renewal ☐ Modification

1. Type: GAS PLANT
2. Operator: CHRISTIE GAS CORP.
Address: PO BOX 1345 JAL, NM 88252
Contact Person: KEN PARKER Phone: 505-395-2632
3. Location: _____/4 _____/4 Section 32 Township 23 S Range 37 E
Submit large scale topographic map showing exact location.
4. Attach the name, telephone number and address of the landowner of the facility site.
5. Attach the description of the facility with a diagram indicating location of fences, pits, dikes and tanks on the facility.
6. Attach a description of all materials stored or used at the facility.
7. Attach a description of present sources of effluent and waste solids. Average quality and daily volume of waste water must be included.
8. Attach a description of current liquid and solid waste collection/treatment/disposal procedures.
9. Attach a description of proposed modifications to existing collection/treatment/disposal systems.
10. Attach a routine inspection and maintenance plan to ensure permit compliance.
11. Attach a contingency plan for reporting and clean-up of spills or releases.
12. Attach geological/hydrological information for the facility. Depth to and quality of ground water must be included.
13. Attach a facility closure plan, and other information as is necessary to demonstrate compliance with any other OCD rules, regulations and/or orders.

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

Name: JOE CHRISTIE

Title: PRESIDENT

Signature: [Signature]

Date: 8/21/2002

CHRISTIE GAS CORPORATION
AUSTIN, TX 78746

DETACH AND RETAIN THIS STATEMENT
THE ATTACHED CHECK IS IN PAYMENT OF ITEMS DESCRIBED BELOW
IF NOT CORRECT, PLEASE NOTIFY US PROMPTLY. NO RECEIPT DESIRED

DATE	DESCRIPTION	AMOUNT
10/24/02	Replacement for Lost Check #6972 Dated 8/22/02 Renewal of Discharge Plan for Christie Gas Corporation	\$100.00

ACKNOWLEDGEMENT OF RECEIPT
OF CHECK/CASH

I hereby acknowledge receipt of check No. dated 8/22/02
or cash received on in the amount of \$ 100.00
from Christie Gas Co.
for Jal4 C.S. 910-007
Submitted by: (Facility Name) [Signature] Date: 8/28/02 (DP No.)
Submitted to ASD by: Date:
Received in ASD by: Date:

Filing Fee ☒ New Facility ☐ Renewal ☒
Modification ☐ Other
(optional)

Organization Code 521.07 Applicable FY 2001

To be deposited in the Water Quality Management Fund.

Full Payment ☒ or Annual Increment ☐

Filing Fee - Discharge Plan Renewal, Jal4 Plant
CHRISTIE GAS CORPORATION
OPERATING ACCOUNT
901 MOPAC EXPRESSWAY SOUTH SUITE 515
AUSTIN, TX 78746



Frost National Bank
Austin, Texas 78761

August 22, 2002

30-9/1140
69

PAY *****ONE HUNDRED DOLLARS and 00/100***** DOLLARS \$ 100.00*****

TO
THE
ORDER
OF

State of New Mexico
Energy Minerals & Natural Resources
Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

[Signature]

CHRISTIE GAS CORPORATION
JAL #4 - OPERATING ACCOUNT
 901 MOPAC EXPRESS SOUTH, STE. 515
 AUSTIN, TEXAS 78746



Frost National Bank
 Austin, Texas 78761

February 8 19 99

PAY ONE THOUSAND THREE HUNDRED THIRTY FOUR and no/100-----DOLLARS \$1,340.00

TO
 THE
 ORDER
 OF
 Water Quality Management
 Oil Conservation Division
 Attn: Roger Anderson, Bureau Chief
 2040 Pacheco
 Santa Fe, NM 87505

Acct: GM007 - Christie Gas Plant Jal #4

[Signature]

CHRISTIE GAS CORPORATION
 JAL #4 - OPERATING ACCOUNT
 AUSTIN, TEXAS 78746

DETACH AND RETAIN THIS STATEMENT
 THE ATTACHED CHECK IS IN PAYMENT OF ITEMS DESCRIBED BELOW
 IF NOT CORRECT, PLEASE NOTIFY US PROMPTLY. NO RECEIPT DESIRED

2/8/99 Discharge Plan Fee '98 \$1334.00
 Christie Gas Plant - Jal #4
 Account # GM007

DETACH AND RETAIN THIS STATEMENT

THE ATTACHED CHECK IS IN PAYMENT OF ITEMS DESCRIBED BELOW
 IF NOT CORRECT, PLEASE NOTIFY US PROMPTLY. NO RECEIPT DESIRED

CHRISTIE GAS CORPORATION
 AUSTIN, TX 78746

DATE	DESCRIPTION	AMOUNT
8/22/02	Filing Fee - Discharge Plan Renewal Christie Gas Corporation: Jal4 Plant	\$100.00

ACKNOWLEDGEMENT OF RECEIPT
OF CHECK/CASH

I hereby acknowledge receipt of check No. [REDACTED] dated FEB 8, 1999,
or cash received on _____ in the amount of \$ 1334.⁰⁰
from CHRISTIE GAS CORPORATION

for CHRISTIE GAS PLANT JAL #4 GW-007

Submitted by: (Facility Name) Wayne Pire - OGD Date: (OP No.) 2/10/99

Submitted to ASD by: _____ Date: _____

Received in ASD by: _____ Date: _____

Filing Fee _____ New Facility _____ Renewal _____

Modification _____ Other _____

(appendix)

Organization Code 521.07 Applicable FY 99

To be deposited in the Water Quality Management Fund.

Full Payment _____ or Annual Increment _____

CHRISTIE GAS CORPORATION
JAL #4 - OPERATING ACCOUNT
AUSTIN, TEXAS 78746

DETACH AND RETAIN THIS STATEMENT

THE ATTACHED CHECK IS IN PAYMENT OF ITEMS DESCRIBED BELOW
NOT CORRECT. PLEASE NOTIFY US PROMPTLY. NO RECEIPT DESPITE

2/8/99 Discharge Plan Fee '98 \$1334.00

Christie Gas Plant - Jal #4
Account # GW007

ACKNOWLEDGEMENT OF RECEIPT
OF CHECK/CASH

I hereby acknowledge receipt of check No. [REDACTED] dated FEB 8, 1999,

or cash received on _____ in the amount of \$ 1334.⁰⁰

from CHRISTIE GAS CORPORATION

for CHRISTIE GAS PLANT JAL #4

GW-007

Submitted by: Wayne Prew - OCD Date: 2/10/99

Submitted to ASD by: [Signature] Date: 2/17/99

Received in ASD by: _____ Date: _____

Filing Fee _____ New Facility _____ Renewal _____

Modification _____ Other _____

(specify)

Organization Code 521.07 Applicable FY 99

To be deposited in the Water Quality Management Fund.

Full Payment ☒ or Annual Increment ☒ 2 to 5 of 5

JUL '91
↓
Current

GAS CORPORATION
JAL #4 - OPERATING ACCOUNT
901 MOPAC EXPRESS SOUTH, STE. 515
AUSTIN, TEXAS 78746



Frost National Bank
Austin, Texas 78761

February 8 19 99

30-9/1140

PAY ONE THOUSAND THREE HUNDRED THIRTY FOUR and no/100 DOLLARS \$ 1,334.00****

TO THE ORDER OF
Water Quality Management
Oil Conservation Division
Attn: Roger Anderson, Bureau Chief
2040 Pacheco
Santa Fe, NM 87505

Acct: GW007 - Christie Gas Plant JAL #4

[Signature]

ACKNOWLEDGEMENT OF RECEIPT
OF CHECK/CASH

I hereby acknowledge receipt of check No. dated 6/18/97,

or cash received on in the amount of \$ 333.50

from Christie Gas

for Tal #4 G.P. GW-7

Submitted by: Date:

Submitted to ASD by: R. Anderson Date: 7/31/97

Received in ASD by: Date:

Filing Fee New Facility Renewal X

Modification Other

Organization Code 521.07 Applicable FY 98

To be deposited in the Water Quality Management Fund.

Full Payment or Annual Increment X
1 of 5

CHRISTIE GAS CORPORATION
JAL #4 - OPERATING ACCOUNT
901 MOPAC EXPRESS SOUTH, STE. 515
AUSTIN, TEXAS 78746



Frost National Bank
Austin, Texas 78761

June 18 19 97

30-9/1140

PAY Three hundred thirty three and 50/100's DOLLARS \$ 333.50

TO
THE
ORDER
OF

NMED - Water Quality Management
Oil Conservation Division
2040 S. Pacheco
Santa Fe, New Mexico 87505

Michael A. Cramer

CHRISTIE GAS CORPORATION
JAL #4 - OPERATING ACCOUNT
AUSTIN, TEXAS 78746

DETACH AND RETAIN THIS STATEMENT
THE ATTACHED CHECK IS IN PAYMENT OF ITEMS DESCRIBED BELOW
IF NOT CORRECT, PLEASE NOTIFY US PROMPTLY. NO RECEIPT DESIRED

Payment of discharge plan renewal fee for discharge plan
renewal GW-007 for 1997, J~~al~~al #4 Processing Plant, Lea
County, New MExico

First Installment of flat fee

\$333.50



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

2040 S. PACHECO
SANTA FE, NEW MEXICO 87505
(505) 827-7131

June 12, 1997

CERTIFIED MAIL
RETURN RECEIPT NO. P-326-936-605

Mr. Mike H. Cramer
Controller
Christie Gas Corporation
Barton Oaks Plaza Two, Suite 515,
901 MoPac Expressway South
Austin, TX 78746

**RE: Renewal Approval of Discharge Plan GW-007
Christie Gas Corporation, Jal #4 Gas Plant
Lea County, New Mexico**

Dear Mr. Cramer:

The discharge plan renewal GW-007 for the Christie Gas Corporation, Jal #4 Gas Plant located in Section 31 and 32, Township 23 South, Range 37 East, NMPM, Lea County, New Mexico, is hereby approved under the conditions contained in the enclosed attachment. The discharge plan renewal consists of the application dated April 3, 1997 from Christie Gas Corporation, all prior OCD approvals, and this approval letter with conditions of approval from OCD dated June 12, 1997. 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 ten (10) working days of receipt of this letter.

The discharge plan renewal application was submitted pursuant to Section 3106 of the New Mexico Water Quality Control Commission Regulations. Please note Sections 3109.E and 3109.F which provide for possible future amendments or modifications of the plan. Please be advised that the approval of this plan does not relieve Christie Gas Corporation of liability should the operations associated with this facility result in pollution of surface water, ground water, or the environment.

Please be advised that all exposed pits, including lined pits and open top tanks (tanks exceeding 16 feet in diameter), shall be screened, netted, or otherwise rendered nonhazardous to wildlife including migratory birds.

Mr. Mike H. Cramer
Christie Gas Corporation
"Jal #4" GW-007
June 12, 1997
Page 2

Please note that Section 3104 of the regulations requires that "When a plan has been approved, discharges must be consistent with the terms and conditions of the plan." Pursuant to Section 3107.C Christie Gas Corporation is required to notify the Director of any facility expansion, production increase, or process modification that would result in any change in the discharge of water quality or volume.

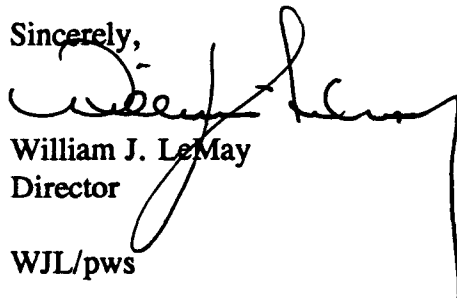
Pursuant to Section 3109.G.4, this plan is for a period of five (5) years. This approval will expire December 29, 2002, and an application for renewal should be submitted in ample time before that date. It should be noted that all discharge plan facilities will be required to submit plans for, or the results of, an underground drainage testing program as a requirement for discharge plan approval.

The discharge plan renewal for the Christie Gas Corporation Jal #4 Gas Plant GW-007 is subject to the WQCC Regulation 3114 discharge plan fee. Every billable facility submitting a discharge plan will be assessed a fee equal to the filing fee of fifty dollars (\$50) plus a flat fee in the amount of one-thousand six-hundred and sixty-seven dollars and fifty-cents (\$1,667.50) for gas plant discharge plan renewal.

The \$50 filing fee has not been received by the OCD and is due upon receipt of this approval letter. The \$1,667.50 flat fee has not been received by the OCD and is due upon receipt of this approval letter. The flat fee may be paid in one lump sum in the amount of \$1,667.50, or five equal annual installments of \$333.50 per installment, with the first installment due upon receipt of this approval letter. All checks shall be made payable to NMED-Water Quality Management, and sent to OCD Santa Fe Division office.

On behalf of the staff of the Oil Conservation Division, I wish to thank you and your staff for your cooperation during this discharge plan review.

Sincerely,



William J. LeMay
Director

WJL/pws

Attachment

c: Hobbs OCD District Office.

Mr. Mike H. Cramer
Christie Gas Corporation
"Jal #4" GW-007
June 12, 1997
Page 3

ATTACHMENT TO DISCHARGE PLAN GW-007
Christie Gas Corporation Jal #4 Gas Plant
DISCHARGE PLAN REQUIREMENTS
(June 12, 1997)

1. **Payment of Discharge Plan Fees:** The \$50 filing fee and \$1,667.50 flat fee shall be submitted upon receipt of this approval. The required flat fee may be paid in a single payment due at the time of approval, or in equal annual installments of \$333.50 per installment over the duration of the plan, with the first payment due upon receipt of this approval.
2. **Christie Gas Corporation Commitments:** Christie Gas Corporation will abide by all commitments submitted in the application dated April 3, 1997 from Christie Gas Corporation, all prior OCD approvals, and this approval letter with conditions of approval from OCD dated June 12, 1997.
3. **Waste Disposal:** All wastes shall be disposed of at an NMOCD approved facility. Only oilfield exempt wastes shall be disposed of down Class II injection wells. Non-exempt oilfield wastes that are non-hazardous by characteristics may be disposed of at an NMOCD approved facility upon proper waste characterization per 40 CFR Part 261.
4. **Drum Storage:** All drums containing materials other than fresh water must be stored on an impermeable pad and curb type containment. All empty drums should be stored on their sides with the bungs in place and lined up on a horizontal plane. Chemicals in other containers such as sacks or buckets should also be stored on an impermeable pad and curb type containment.
5. **Process Areas:** All process and maintenance areas which show evidence that leaks and spills are reaching the ground surface must be either paved and curbed or have some type of spill collection device incorporated into the design.
6. **Above Ground Tanks:** All above ground tanks which contain fluids other than fresh water must be bermed to contain a volume of one-third more than the total volume of the largest tank or of all interconnected tanks. All new facilities or modifications to existing facilities must place the tank on an impermeable type pad.
7. **Above Ground Saddle Tanks:** Above ground saddle tanks must have impermeable pad and curb type containment unless they contain fresh water or fluids that are gases at atmospheric temperature and pressure.
8. **Tank Labeling:** All tanks should be clearly labeled to identify their contents and other emergency information necessary if the tank were to rupture, spill, or ignite.

Mr. Mike H. Cramer
Christie Gas Corporation
"Jal #4" GW-007
June 12, 1997
Page 4

9. **Below Grade Tanks/Sumps:** All below grade tanks, sumps, and pits must be approved by the OCD prior to installation or upon modification and must incorporate secondary containment and leak-detection into the design. All pre-existing sumps and below-grade tanks that do not have secondary containment and leak detection must demonstrate integrity on an annual basis. Integrity tests include pressure testing to 3 pounds per square inch above normal operating pressure and/or visual inspection of cleaned out tanks /or sumps.

10. **Underground Process/Wastewater Lines:** All underground process/wastewater pipelines must be tested to demonstrate their mechanical integrity at present, and then every 5 years there after. Companies may propose various methods for testing such as pressure testing to 3 pounds per square inch above normal operating pressure or other means acceptable to the OCD.

11. **Housekeeping:** All systems designed for spill collection/prevention should be inspected to ensure proper operation and to prevent overtopping or system failure.

Any soils contaminated with a non-exempt waste at the facility will be tested for hazardous constituents, and after receiving OCD approval, will be disposed of at an OCD approved site.

12. **Spill Reporting:** All spills/releases shall be reported pursuant to OCD Rule 116 and WQCC 1203 to the Hobbs OCD District Office at (505)-393-6161.

13. **Transfer of Discharge Plan:** The OCD will be notified prior to any transfer of ownership, control, or possession of a facility with an approved discharge plan. A written commitment to comply with the terms and conditions of the previously approved discharge plan must be submitted by the purchaser and approved by the OCD prior to transfer.

14. **Closure:** The OCD will be notified when operations of the facility are discontinued for a period in excess of six months. Prior to closure of the facility a closure plan will be submitted for approval by the director. Closure and waste disposal will be in accordance with the statutes, rules and regulations in effect at the time of closure.

15. **Certification:** Christie Gas Corporation, by the officer whose signature appears below, accepts this permit and agrees to comply with all terms and conditions contained herein. Christie Gas Corporation, further acknowledges that these conditions and requirements of this permit may be changed administratively by the Division for good cause shown as necessary to protect groundwater, human health and the environment.

Accepted:
Christie Gas Corporation

by _____
Title

ACKNOWLEDGEMENT OF RECEIPT
OF CHECK/CASH

I hereby acknowledge receipt of check No. dated 6/11/97,

or cash received on in the amount of \$ 50.00

from Christie Gas

for Jal #4 G.P. GW-7

Submitted by: Date:

Submitted to ASD by: R. Chaudhry Date: 7/31/97

Received in ASD by: Date:

Filing Fee XR New Facility Renewal

Modification Other

Organization Code 521.07 Applicable FY 98

To be deposited in the Water Quality Management Fund.

Full Payment or Annual Increment

CHRISTIE GAS CORPORATION
JAL #4 - OPERATING ACCOUNT

901 MOPAC EXPRESS SOUTH, STE. 515
AUSTIN, TEXAS 78746



Frost National Bank
Austin, Texas 78761

June 11, 1997

30-9/1140

PAY Fifty-00/100 DOLLARS \$ 50.00

TO
THE
ORDER
OF

NMED - Water Quality Management
Oil Conservation Division
PO Box 2088
Santa Fe, NM 87504

Michael J. Cramer

CHRISTIE GAS CORPORATION
JAL #4 - OPERATING ACCOUNT
AUSTIN, TEXAS 78746

DETACH AND RETAIN THIS STATEMENT

THE ATTACHED CHECK IS IN PAYMENT OF ITEMS DESCRIBED BELOW
IF NOT CORRECT, PLEASE NOTIFY US PROMPTLY. NO RECEIPT DESIRE

Payment of discharge Plan Filing Fee for Discharge
Plan GW-7 Renewal for April 1997, Jail #4
Processing Plant, Lea County, New Mexico

\$50.00

CHRISTIE GAS CORPORATION
JAL #4 - OPERATING ACCOUNT

901 MOPAC EXPRESS SOUTH, STE. 515
AUSTIN, TEXAS 78746



Frost National Bank
Austin, Texas 78761

June 11, 1997

30-9/1140

PAY Fifty-00/100----- DOLLARS \$ 50.00

TO
THE
ORDER
OF

NMED - Water Quality Management
Oil Conservation Division
PO Box 2088
Santa Fe, NM 87504

Michael J. Cramer

CHRISTIE GAS CORPORATION
JAL #4 - OPERATING ACCOUNT
AUSTIN, TEXAS 78746

DETACH AND RETAIN THIS STATEMENT
THE ATTACHED CHECK IS IN PAYMENT OF ITEMS DESCRIBED BELOW
IF NOT CORRECT, PLEASE NOTIFY US PROMPTLY. NO RECEIPT DESIRED

Payment of discharge Plan Filing Fee for Discharge
Plan GW-7 Renewal for April 1997, JAL #4/
Processing Plant, Lea County, New Mexico

\$50.00

ACKNOWLEDGEMENT OF RECEIPT
OF CHECK/CASH

I hereby acknowledge receipt of check No. dated 4/1/96,
or cash received on in the amount of \$ 333.50

from Christie Gas Corp
for Jal #4 G.P GW-007

Submitted by: Date:

Submitted to ASD by: RC Under Date: 5/9/96

Received in ASD by: M. Hujik Date: 5-20-98

Filing Fee New Facility Renewal X

Modification Other

Organization Code 521.07 Applicable FY 96

To be deposited in the Water Quality Management Fund.

Full Payment or Annual Increment X

CHRISTIE GAS CORPORATION
JAL #4 - OPERATING ACCOUNT
901 MOPAC EXPRESS SOUTH, STE. 515
AUSTIN, TEXAS 78746



Frost National Bank
Austin, Texas 78761

April 1 19 96

30-9/1140

PAY Three hundred thirty three and 50/100's DOLLARS \$ 333.50

TO
THE
ORDER
OF

NMED Water Quality Management
Oil Conservation Division
P.O. Box 2088, State Land Office Bldg.
Santa Fe, New Mexico 87504

Michael A. Cramer

CHRISTIE GAS CORPORATION
JAL #4 - OPERATING ACCOUNT
AUSTIN, TEXAS 78746

DETACH AND RETAIN THIS STATEMENT
THE ATTACHED CHECK IS IN PAYMENT OF ITEMS DESCRIBED BELOW
IF NOT CORRECT, PLEASE NOTIFY US PROMPTLY. NO RECEIPT DESIRED

NMED Water Quality Management

Payment of discharge Plan Fees for Discharge Plan GW-7 Renewal,
Christie Gas Corporation Jal 4 Processing Plant, Lea County
New Mexico.

Fifth Installment of Flat Fee

\$333.50

Michael A. Cromer

CHRISTIE GAS CORPORATION
JAL #4 - OPERATING ACCOUNT
AUSTIN, TEXAS 78746

DETACH AND RETAIN THIS STATEMENT
THE ATTACHED CHECK IS IN PAYMENT OF ITEMS DESCRIBED BELOW
IF NOT CORRECT, PLEASE NOTIFY US PROMPTLY. NO RECEIPT DESIRED

NMED - Water Quality Management

Payment of Discharge Plan Fees for Discharge Plan GW-7 renewal,
Christie Gas Corporation Jal #4 Processing Plant, Lea County,
New Mexico.

Fourth Installment of Flat Fee (1/5 of \$1,667.50)	\$333.50
--	----------

ACKNOWLEDGEMENT OF RECEIPT
OF CHECK/CASH

I hereby acknowledge receipt of check No. [REDACTED] dated 4/5/94,
or cash received on 4/13/94 in the amount of \$ 333.50
from Christie Gas Corporation
for Jal No. 4 Gas Plant GW-7

Submitted by: _____ Date: _____
(Facility Name) (OP No.)

Submitted to ASD by: Kathy Brown Date: 4/13/94

Received in ASD by: C. Trujillo Date: 4.13.94

Filing Fee _____ New Facility _____ Renewal X

Modification _____ Other _____
(specify)

Organization Code 521.07 Applicable FY 94

To be deposited in the Water Quality Management Fund.

Full Payment _____ or Annual Increment X
3 of 5

CHRISTIE GAS CORPORATION

JAL NO. 4 OPERATING ACCOUNT
901 MOPAC EXPRESSWAY SOUTH, SUITE 515
AUSTIN, TEXAS 78748



NATIONAL ASSOCIATION
P.O. BOX 550 - 7TH AND LAVACA
AUSTIN, TEXAS 78769

Austin

April 5 19 94

88-2117/1149

PAY *** Three hundred thirty three dollars and 50/100 *** DOLLARS \$ 333.50

TO
THE
ORDER
OF

NMED - Water Quality Management
Oil Conservation Division
P.O. Box 2088
State Land Office Building
Santa Fe, New Mexico 87504

0791

Michael A. Brown

CHRISTIE GAS CORPORATION

JAL NO. 4 OPERATING ACCOUNT
901 MOPAC EXPRESSWAY SOUTH, SUITE 515
AUSTIN, TEXAS 78746



NATIONAL ASSOCIATION
P.O. BOX 550 - 7TH AND LAVACA
AUSTIN, TEXAS 78769

April 5 19 94

88-2117/1149

PAY *** Three hundred thirty three dollars and 50/100 *** DOLLARS \$ 333.50

TO
THE
ORDER
OF

NMED - Water Quality Management
Oil Conservation Division
P.O. Box 2088
State Land Office Building
Santa Fe, New Mexico 87504

0791

Michael J. Cramer

CHRISTIE GAS CORPORATION
JAL NO. 4 OPERATING ACCOUNT

DETACH AND RETAIN THIS STATEMENT
THE ATTACHED CHECK IS IN PAYMENT OF ITEMS DESCRIBED BELOW.
IF NOT CORRECT PLEASE NOTIFY US PROMPTLY. NO RECEIPT DESIRED.

DELUXE FORM WVC-2 V-2

DATE	DESCRIPTION	AMOUNT
4/5/94	NMED - Water Quality Management Payment of Discharge Plan Fees for Discharge Plan GW-7 renewal, Christie Gas Corporation Jal #4 Processing Plant, Lea County, New Mexico. Third Installment of Flat Fee (1/5 of \$1,667.50)	\$333.50

ACKNOWLEDGEMENT OF RECEIPT
OF CHECK/CASH

I hereby acknowledge receipt of check No. [REDACTED] dated 4/13/93,
or cash received on 5/7/93 in the amount of \$ 50.00
from Permian Brine Sales, Inc.
for Christie Gas Til⁴ Gas Plant GW-7

Submitted by: _____ Date: _____
(Facility Name) (DP No.)

Submitted to ASD by: Kathy Brown Date: 5/7/93

Received in ASD by: Anaie Alora Date: 5/7/93

Filing Fee X New Facility _____ Renewal _____

Modification _____ Other _____
(specify)

Organization Code 52107 Applicable FY 93

To be deposited in the Water Quality Management Fund.

Full Payment _____ or Annual Increment _____

PERMIAN BRINE SALES, INC.
6067 W. Tenth • Odessa, Texas 79763
915/381-0531

TEXAS BANK
Odessa, Texas 79760

88-1013
1163

CHECK [REDACTED]

PAY
TO THE
ORDER OF

REGISTERED
81686 50 DOLLARS

DATE
04-13-93

AMOUNT
**50.00

NMED - Water Quality Management

PERMIAN BRINE SALES, INC.

[Signature]
AUTHORIZED SIGNATURE

ACKNOWLEDGEMENT OF RECEIPT
OF CHECK/CASH

I hereby acknowledge receipt of check No. [REDACTED] dated 4/1/93,
or cash received on 4/5/93 in the amount of \$ 333.50
from Christie Gas Corp.
for Jal No-4 Gas Plant Gw-7
(Facility Name) (DP No.)

Submitted by: _____ Date: _____

Submitted to ASD by: Kathy Brown Date: 4/5/93

Received in ASD by: Ch. A. [Signature] Date: 4/5/93

Filing Fee _____ New Facility _____ Renewal ☒

Modification _____ Other _____
(specify)

Organization Code _____ Applicable FY _____

To be deposited in the Water Quality Management Fund.

Full Payment _____ or Annual Increment ☒

2/5 \$667.00 to date

CHRISTIE GAS CORPORATION

JAL NO. 4 OPERATING ACCOUNT
901 MOPAC EXPRESSWAY SOUTH, SUITE 515
AUSTIN, TEXAS 78746



NATIONAL ASSOCIATION
P.O. BOX 550 - 7TH AND LAVACA
AUSTIN, TEXAS 78769

88-2117/1149

April 1 19 93

PAY Three hundred thirty three and 50/100's *** DOLLARS \$ 333.50

TO
THE
ORDER
OF

NMED - Water Quality Management
Oil Conservation Division
P.O. Box 2088
State Land Office Building
Santa Fe, New Mexico 87504

0791

Michael A. Cramer

CHRISTIE GAS CORPORATION
JAL NO. 4 OPERATING ACCOUNT

DETACH AND RETAIN THIS STATEMENT
THE ATTACHED CHECK IS IN PAYMENT OF ITEMS DESCRIBED BELOW.
IF INCORRECT PLEASE NOTIFY US PROMPTLY. NO RECEIPT DESIRED.

DELUXE FORM WVC-2 V-2

DATE	DESCRIPTION	AMOUNT
4/1/93	NMED - Water Quality Management Payment of Discharge Plan Fees for Discharge Plan GW-7 renewal, Christie Gas Corporation Jal #4 Processing Plant Lea County, New Mexico. Second Installment of Flat Fee (1/5 of \$1,667.50)	\$333.50

ACKNOWLEDGEMENT OF RECEIPT
OF CHECK/CASH

I hereby acknowledge receipt of check No. [REDACTED] dated 4/24/92
or cash received on 4/30/92 in the amount of \$ 383.50
from Christie Gas Corporation
for Jal No. 4 Gas Plant (GW-7)
(Facility Name) (DP No.)

Submitted by: _____ Date: _____

Submitted to ASD by: Kathy Brown Date: 4/30/92

Received in ASD by: Monica Montes Date: 4/30/92

Filing Fee X New Facility _____ Renewal X

Modification _____ Other _____
(specify)

Organization Code 521.07 Applicable FY 80

To be deposited in the Water Quality Management Fund.

Full Payment _____ or Annual Increment X
(1 of 5)

CHRISTIE GAS CORPORATION

JAL NO. 4 OPERATING ACCOUNT
901 MOPAC EXPRESSWAY SOUTH, SUITE 515
AUSTIN, TEXAS 78748



NATIONAL ASSOCIATION
P.O. BOX 550 - 7TH AND LAVACA
AUSTIN, TEXAS 78769

88-2117/1149

April 24, 1992

PAY Three hundred eighty three and 50/100's DOLLARS \$ 383.50

NMED - Water Quality Management

TO
THE
ORDER
OF

0791

Michael H. Cramer

OIL CONSERVATION DIVISION
RECEIVED

'92 APR 29 AM 8 54



April 24, 1992

Mr. William J. LeMay
Director
State of New Mexico
Energy, Minerals and Natural Resources Department
Oil Conservation Division
P.O. Box 2088
State Land Office Building
Santa Fe, New Mexico 87504

Re: Approval of Discharge Plan GW-7 Renewal
Christie Gas Corporation Jal 4 Gas Processing Plant
Lea County, New Mexico

Dear Mr. LeMay:

Enclosed is check number 1091 in the amount of \$383.50 for the filing fee and our first installment.

Should you have any questions or if this is not correct, please call me at 512/327-9510.

Sincerely,

A handwritten signature in cursive script, reading "Michael H. Cramer", followed by a long horizontal line.

Michael H. Cramer
Controller

MHC:sw

encl.

CHRISTIE GAS CORPORATION
BARTON OAKS PLAZA TWO, SUITE 515
901 MOPAC EXPRESSWAY SOUTH
AUSTIN, TEXAS 78746

512 327-9510
512 327-5272 FAX



STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION



BRUCE KING
GOVERNOR

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

April 7, 1992

CERTIFIED MAIL
RETURN RECEIPT NO. P-670-683-579

Mr. Joe Christie, President
Christie Gas Corporation
Barton Oaks Plaza Two, Suite 515
901 MoPac Expressway South
Austin, Texas 78746

**RE: Approval of Discharge Plan GW-7 Renewal
Christie Gas Corporation Jal #4 Gas Processing Plant
Lea County, New Mexico**

Dear Mr. Christie:

The discharge plan renewal GW-7 for Christie Gas Corporation (CGC) Jal #4 Gas Processing Plant located in the Sections 31 and 32, Township 23 South, Range 37 East, NMPM, Lea County, New Mexico, is hereby approved under the conditions contained in the enclosed attachment. The renewal application consists of the original discharge plan as approved December 29, 1982; renewal of the discharge plan approved December 4, 1987 and March 19, 1989; and the renewal application dated January 3, 1992.

The discharge plan renewal was submitted pursuant to Section 3-106 of the New Mexico Water Quality Control Commission Regulations. It is renewed pursuant to Section 3-109.A. Please note Sections 3-109.E and 3-109.F which provide for possible future amendments or modifications of the plan. Please be advised that the approval of this plan does not relieve you of liability should your operation result in actual pollution of surface water, ground water, or the environment which may be actionable under other laws and/or regulations.

Please be advised that all exposed pits, including lined pits and open top tanks (tanks exceeding 16 feet in diameter), shall be screened, netted, or otherwise rendered nonhazardous to wildlife including migratory birds.

CHRISTIE GAS CORPORATION
JAL NO. 4 OPERATING ACCOUNT

DETACH AND RETAIN THIS STATEMENT
THE ATTACHED CHECK IS IN PAYMENT OF ITEMS DESCRIBED BELOW.
IF NOT CORRECT PLEASE NOTIFY US PROMPTLY. NO RECEIPT DESIRED.

DELUXE FORM WVC-2 V-2

DATE	DESCRIPTION	AMOUNT
April 24, 1992	Payment of Discharge Plan Fees for Discharge Plan GW-7 Renewal, Christie Gas Corporation Jal #4 Processing Plant Lea County, New Mexico.	
	Filing Fee	\$ 50.00
	First Installment of Flat Fee (1/5 of \$1,667.50)	333.50
		<hr/> \$ 383.50

Mr. Joe Christie
April 7, 1992
Page 2

Please note that Section 3-104 of the regulations requires that "When a plan has been approved, discharges must be consistent with the terms and conditions of the plan." Pursuant to Section 3-107.C you are required to notify the Director of any facility expansion, production increase, or process modification that would result in any change in the discharge of water quality or volume.

Pursuant to Section 3-109.G.4, this plan is for a period of five (5) years. This approval will expire April 7, 1997, and you should submit an application for renewal in ample time before this date. It should be noted that all gas processing plants and oil refineries in excess of twenty-five years of age will be required to submit plans for, or the results of an underground drainage testing program as a requirement for discharge plan renewal.

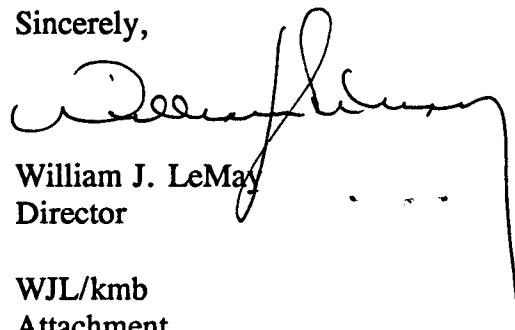
The discharge plan renewal application for the CGC Jal #4 is subject to the WQCC Regulation 3-114 discharge plan fee. Every billable facility submitting a discharge plan renewal will be assessed a fee equal to the filing fee of fifty dollars (\$50) plus one-half of the flat fee or one-thousand, six-hundred and sixty seven dollars and fifty cents (\$1667.50) for gas processing plants.

The \$50 filing fee has not been received by the OCD and is due upon receipt of this letter. The flat fee for an approved discharge plan may be paid in a single payment due at the time of approval, or in equal annual installments over the duration of the discharge plan, with the first payment due at the time of approval. The flat fee (either total payment or installment) is due upon receipt of this letter.

Please make all checks out to the NMED - Water Quality Management and send to the OCD Santa Fe Office.

On behalf of the staff of the Oil Conservation Division, I wish to thank you and your staff for your cooperation during this discharge plan review.

Sincerely,



William J. LeMay
Director

WJL/kmb
Attachment

cc: Chris Eustice, OCD Hobbs Office

Express
12-29-97
See original
approval
12-29-82

**ATTACHMENT TO DISCHARGE PLAN GW-7 APPROVAL
CHRISTIE GAS CORPORATION JAL #4 GAS PROCESSING PLANT
DISCHARGE PLAN REQUIREMENTS
(April 7, 1992)**

1. Payment of Discharge Plan Fees: The \$50 filing fee and the \$1667.50 flat fee (either total payment or installment) will be paid upon receipt of this approval letter.
2. Sump Inspection: All pre-existing sumps at this facility will be cleaned out and visually inspected on an annual basis. Any new sumps or below-grade tanks will be approved by the OCD prior to installation and will incorporate secondary containment and leak detection in their designs.
3. Drum Storage: All drums will be stored on pad and curb type containment.
4. Natural Gas Liquids Processing: The discharge plan approval does not permit the operation of the treating and fractionating facilities, although CNG has submitted some of the required information. If CGC plans to activate this process area in the future it must first be inspected by the OCD and all requirements fulfilled prior to start-up.
5. Disposal and Recycling: CGC has committed to disposing of the solids in your sumps in "an environmentally acceptable manner". All solids must be disposed of at an OCD approved facility. If any materials pass through your sump which are not exempt from RCRA Subtitle C then they must be tested for hazardous waste characteristics prior to disposal.

Waste motor oil must be taken to an approved state recycler. Crude oil or hydrocarbons in waste water directly related to production must be taken to an OCD approved waste oil processing company or disposal facility.

6. Plant Drain System: CGC will test all underground waste lines over 25 years of age prior to commencement of plant operations. Results will be submitted to the OCD within 30 days of testing.