

Perrin, Charlie, EMNRD

From: Price, Wayne, EMNRD
Sent: Wednesday, October 17, 2007 10:07 AM
To: EverQuest@nts-online.net
Cc: Patterson, Bob; Perrin, Charlie, EMNRD; Chavez, Carl J, EMNRD; Jones, William V., EMNRD
Subject: Key Sunoco Class I well (I-005)

API # 30-045-28653

Dear Mr. Terry Duffey:

Pursuant to 20.6.2.5206 OPERATING REQUIREMENTS FOR CLASS I NON-HAZARDOUS WASTE INJECTION WELLS AND CLASS III WELLS:

A. General Operating Requirements Applicable to Class I non-hazardous waste injection wells and Class III wells.

(1) The maximum injection pressure at the wellhead shall not initiate new fractures or propagate existing fractures in the confining zone, or cause the movement of injection or formation fluids into ground water having 10,000 mg/l or less TDS except for fluid movement approved pursuant to Section 20.6.2.5103 NMAC.

During the re-permitting process the OCD questioned the previously approved maximum operating pressure of 2850 psig. The permit was re-issued with an operating pressure of 1550 psig. During the permitting process Key Energy requested a technical meeting and provided written and verbal objections to the permit pressure decrease. The permit was issued with the lower injection pressure. Key Energy has continued to present technical evidence in good faith.

Pursuant to WQCC 20.6.2.3106.F If the holder of a discharge permit submits an application for discharge permit renewal at least 120 days before the discharge permit expires, and the discharger is not in violation of the discharge permit on the date of its expiration, then the existing discharge permit for the same activity shall not expire until the application for renewal has been approved or disapproved. A discharge permit continued under this provision remains fully effective and enforceable. An application for discharge permit renewal must include and adequately address all of the information necessary for evaluation of a new discharge permit. Previously submitted materials may be included by reference provided they are current, readily available to the secretary and sufficiently identified to be retrieved.

OCD has checked the records and it appears that Key meets this qualification. Therefore, Key may continue to operate at its normal pressure of 2150 psig or less on a temporary basis in order to provide time for OCD and Key to adequately resolve this technical issue. This temporary approval will expire on Jan 17, 2008.

Please be advised that OCD approval does not relieve the owner/operator of responsibility should their operations pose a threat to ground water, surface water, human health or the environment. In addition, OCD approval does not relieve the owner/operator of responsibility for compliance with any other federal, state, or local laws and/or regulations.

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