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**PERMITS,
RENEWALS,
& MODS**

2008 - Present



New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

John H. Bemis
Cabinet Secretary-Designate

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

Daniel Sanchez
Acting Division Director
Oil Conservation Division



March 22, 2011

Mr. Randy Schmaltz
Environmental Manager
Western Refining Southwest, Inc. - Bloomfield Refinery
P.O. Box 159
Bloomfield, New Mexico 87413

**Re: Termination of Discharge Permit UICI-009
Disposal Well No. 1 (API# 30-045-29002) 2010 Fall-Off Test Report and
Annual Class I Well Waste Report (UICI-009) January 2011
Western Refining Southwest, Inc. - Bloomfield Refinery**

Dear Mr. Schmaltz:

Staff of the Oil Conservation Division's (OCD) Environmental Bureau (EB) and the Engineering and Geological Services Bureau have completed a review of the "2010 Annual Bottom hole Pressure Surveys and Pressure Fall-Off Test (FOT) for the Western Refining Southwest, Inc. (Western) Waste Disposal Well #1" (Report) at the Bloomfield Refinery dated October 12, 2010. In addition, OCD reviewed Western's Annual Report.

The Annual Report indicates that Western believes the disposal well has about 10 more years of life subsequent to two well stimulations and the recent installation of a filtration system. OCD has documented its concerns about Western's Class I Injection Well in discussions with Western. Water Quality Control Commission (WQCC) regulations specify the operating requirements for UIC Class I Non-Hazardous Waste Injection Wells (see 20.6.2.5206(A)(1) NMAC and 20.6.2.5206(B)(1) NMAC). Western's recent FOT Report did not resolve OCD's concerns; therefore, OCD is now considering requiring Western to terminate its discharge permit pursuant to 20.6.2.3109 NMAC and/or 20.6.2.5101(I) NMAC. This letter is to inform Western of OCD's tentative decision and to allow it one final opportunity to resolve OCD's concerns in a technical meeting.

Oil Conservation Division
1220 South St. Francis Drive • Santa Fe, New Mexico 87505
Phone (505) 476-3440 • Fax (505) 476-3462 • www.emnrd.state.nm.us/OCD



One of OCD's primary responsibilities under the Underground Injection Control (UIC) Program is to ensure that the well fractures are not continuing to grow in the injection zone(s) under permitted operating conditions. OCD's letter of April 9, 2010 (see attachment) documented OCD's reasons for requiring a reduction in the maximum surface injection pressure (MSIP) specified in Western's discharge permit, which is pending renewal.

OCD issued a draft discharge permit to Western on February 25, 2010. However, Western objected to the reduced MSIP of 600 psig from 1150 psi. Subsequently, Western requested a hearing in its April 19, 2010 letter to OCD Division Director Mark Fesmire. Director Fesmire was unable to act on Western's hearing request before leaving OCD.

Western conducted another FOT in 2010 which documents, as did the 2008 and 2009 FOTs, that the injection zones are over-pressured. In fact, the formations appear to have achieved maximum capacity with formation(s) pressure build-up observed even at reduced injection rates.

OCD has determined that the 2010 FOT was unsuccessful, as were the 2008 and 2009 FOTs because the minimum pressure differential of 100 psig were not achieved (see FOT Figure 3 "Pressure vs. Time" Chart) as required under the "New Mexico Oil Conservation Division UIC Class I Fall Off Test Guidance" dated December 3, 2007. The requirement to achieve a minimum pressure differential of 100 psig is specified in Western's UIC Class I (non-hazardous) Test Plan, which was approved on June 11, 2008. Also, there has been a steady deterioration of differential pressure, since 2007 that indicates that the reservoir has reached maximum capacity. Consequently, the calculations in the FOT do not reflect the true characteristics of the injection zone(s) or formation(s). OCD hereby concludes that any existing formation fractures will continue to grow as the over-pressured injection intervals continue to propagate or grow even at the current reduced injection rate (see FOT Figure 11 Average Injection Pressure vs. Total Flow).

OCD also has two other issues concerning the Bloomfield Refinery Discharge Permit (GW-001); the nature of the remediation wastes that are disposed of in this Class I (NH) well and whether contaminated and/or treated ground water meets the UIC oilfield disposal criteria now that the facility is idle.

Therefore, in order to evaluate these issues, the OCD requests that Western provide the following information:

1. Western should identify the source(s) of fluids (*i.e.*, waste stream, daily injection volumes for each waste type, and percentage of total daily injection volume) injected into the Class I injection well. Please specify the volume from the refinery operations; oilfield "exempt vs. non-exempt" or neither; and the volume from "ground water remediation" in barrels per day.
2. Western should identify other RCRA remediation derived waste water treatment and disposition options, *i.e.*, surface treatment of waste water followed by Class V Injection, land

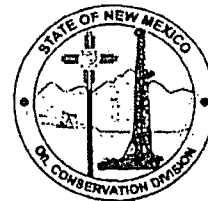


New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson
Governor

Jon Goldstein
Cabinet Secretary
Jim Noel
Deputy Cabinet Secretary

Mark Fesmire
Division Director
Oil Conservation Division



April 9, 2010

EDMUND H. KENDRICK
Montgomery & Andrews PA
P.O. Box 2307
Santa Fe, NM 87504-2307
Also via email: ekendrick@montand.com

Re: WESTERN REFINING SOUTHWEST, INC. – (OGRID 037218)
Class I Waste Disposal Well No. 1, API No. 30-045-29002
Discharge Plan Permit Renewal Application for UIC-I-9

Dear Mr. Kendrick,

This is in response to your correspondence dated March 25, 2010 regarding the request made by your client, Western Refining Southwest Inc. (WRSW), that the OCD withdraw public notice issued relating to the proposed Discharge Plan Permit Renewal of UIC-I-9.

In the OCD's view, there are two separate issues raised by the March 25, 2010 letter: the procedural issue of WRSW's notice obligations pursuant to WQCC Rules, and the substantive issue relating to what the appropriate maximum surface injection pressure is for this well should the permit be renewed by the OCD under WQCC Regulations. Vague reference was made to "other" substantive issues with the permit, but these were not specifically identified and are therefore not being addressed at this time. Each of the two issues specified in the March 25th letter is addressed in further detail, below.

PUBLIC NOTICE ISSUE:

As WRSW notes in its March 25th letter, WQCC Regulations require operators to provide public notice within 30 days of the OCD deeming an application for discharge permit renewal "administratively complete." 20.6.2.3108(C) NMAC. As you are aware, the OCD deemed WRSW's application for renewal of UIC-I-9 "administratively complete" on February 25, 2010, meaning WRSW's deadline to provide public notice was March 27, 2010. The OCD notes that WRSW waited until two days prior to its deadline to raise concerns regarding the notice.

WRSW's statement that it would be "impossible" to provide public notice in this case is incorrect. Despite WRSW's assertion to the contrary, WRSW is not required to specify a maximum surface injection pressure in the public notice made pursuant to WQCC Rules 20.6.2.3108(C) and (F). The Rules require only that it include the following:

- (1) the name and address of the proposed discharger;
- (2) the location of the discharge, including a street address, if available, and sufficient information to locate the facility with respect to surrounding landmarks;

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Mr. Schmaltz
Western Refining Southwest, Inc.
UICI-009
March 22, 2011
Page 3 of 3

discharge, and/or other proposed remedial processes need to be considered and proposed by the operator.

OCD has discussed the possibility of Western installing a new well since 2008 when the Environmental Protection Agency reviewed the 2008 FOT and also determined that the injection zones were over-pressured. Western may wish to consider the feasibility of a replacement Class I Injection Well? Western should also consider the two other issues specified above to ensure that its RCRA corrective action program is not disrupted by an alternative disposition than use of the Class I well at the facility.

To schedule a meeting (Tuesdays/Wednesdays), please contact Carl Chavez by COB April 1, 2011. If Western chooses not to meet with OCD, then OCD will move forward with the termination of Western's Class I Injection Well discharge permit. Please contact Mr. Carl Chavez of my staff at (505) 476-3490 or CarlJ.Chavez@state.nm.us to schedule a meeting or if you have questions.

Sincerely,



Daniel Sanchez
UIC Director & Acting OCD Division Director

DJS/cjc

Attachment: OCD Letter of April 9, 2010

xc: Carl Chavez, UIC Quality Assurance Officer
Richard Ezeanyim, Engineering and Geological Services Bureau Chief
Will Jones, Engineering and Geological Services Bureau
Glenn von Gonten, Acting Environmental Bureau Chief
Charlie Perrin, Aztec District Supervisor
David Cobrain, NMED- Hazardous Waste Bureau

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

See 20.6.2.3108(F) NMAC. Public notice made by the applicant does not need to "match" that made by the department. Indeed, the notice provided by the department is required by the WQCC Regulations to be more detailed as, when it is made in the way it was in this case, it constitutes *combined public notice* for purposes of Subsections "E" and "H" as provided by 20.6.2.3108(J) NMAC. While Subsection "E" only requires the department to provide the same above-enumerated information that the applicant is required to provide in its notice (as set out in Subsection "F"), Subsection "H" imposes an additional obligation on the department to provide more detailed and technically specific public notice than that required by Subsection "E" (or that which is required of the applicant) because the department must also make available a draft of the proposed permit. In this context, the department chooses to make the substance of its notice more technically detailed and specific than the minimum required by Subsection "F," and therefore, the public notice provided in this case by the department for WRSW's waste disposal well was technically detailed and included specifications such as the maximum surface injection pressure. In contrast, WRSW can (and could have) issue(d) public notice in this case without specifying the maximum surface injection pressure and will still meet the requirements of 20.6.2.3108(C) and (F) NMAC.

SUBSTANTIVE PERMIT ISSUES:

The March 25, 2010 correspondence goes into great detail regarding WRSW's objection to the reduction of the pressure limit for this well. As you know, the increased pressure of the reservoir is an issue of which WRSW has been aware since before the 2007 fall-off test (FOT), and which was specifically brought to the attention of WRSW by the OCD after the 2007 FOT. The OCD was assisted in the FOT data software evaluation by the EPA at the OCD's request in October of 2008. Further discussions continued into 2009 between the WRSW and OCD with the OCD discussing with WRSW the concerns of the OCD and the EPA regarding propagation of existing fractures and potential for new fractures at the current discharge permit limit. WRSW will recall that in June of 2009 a telephone conference call was conducted between WRSW and the OCD at which time this issue was specifically discussed. At that time WRSW informed the OCD that it felt that the pressure increase was due to a well bore "skin effect" problem and that it would like an opportunity to attempt stimulation of the well to address and overcome the "skin effect." The OCD advised WRSW at that time that neither it nor the EPA felt the problem was attributable to a wellbore "skin effect" as the FOT results were representative of the formation outward, away from the wellbore. However, the OCD agreed to give WRSW an opportunity to at least try the acid stimulation approach to see if it would be successful in remedying the situation. Also, during the June 2009 conference call with the OCD, WRSW acknowledged that if the acid stimulation was not successful it would then have to consider drilling another well for disposal.

In an email on June 18, 2009, the OCD further informed WRSW regarding additional concerns it had discussed with the EPA, and options for addressing those concerns. Also at that time the OCD informed WRSW that it appeared that WRSW was operating in violation of the conditions of its permit because, by continuing to inject at 1150 psig, WRSW was causing existing fractures to increase or actively inducing new fractures to grow or develop (a violation of the permit).

It appears that WRSW first attempted an acid stimulation in July 2009, which WRSW deemed unsuccessful, and that a second acid stimulation was then performed in September 2009. Our understanding is that the acid stimulation(s) yielded at best a short-lived and/or marginal improvement in the reduction of pressure and increase in injection rate, and that as of early February 2010, even at a reduced 50% rate of injection due to what WRSW has referred to as "idling of the facility," (which occurred in December of 2009) the well was again operating at a pressure approaching the maximum discharge permit limit. In fact, OCD reviewed the pressure, flow rate v. time chart from 1995 to 2010 and noticed that the operating pressure was approaching the 1150 psig discharge permit limit regardless of what the injection rate into the well was, indicating the formation was over-pressured or filled up. The radioactive survey and fall-off testing were conducted in September and October, 2009 with the FOT report being completed on November 18, 2009. An annual report was provided to the OCD by WRSW on January 29, 2010.

The OCD reviewed the FOT report results and annual report and concluded that the concerns regarding pressure were not assuaged by the data presented therein. On February 3, 2010 the OCD advised WRSW by email that it would be calculating the maximum allowable surface injection pressure for this well for purposes of the permit renewal by using the *pressure, flow rate v. time chart* from 1995 to 2010 for the history of the well operations and the FOT data completed in 2009, and requested some additional data from WRSW for purposes of performing these calculations. At that time, the OCD specifically informed WRSW that the new limit was likely to be significantly less than the current assigned limit. WRSW responded to the email by providing some of the requested materials for the calculations (the OCD was able to obtain the rest from OCD files), but at no time did WRSW comment regarding either the OCD's means for calculating the new maximum surface injection pressure limit or the fact that it was anticipated to be significantly less than before.

On February 22, 2010 the OCD informed WRSW via email that the OCD anticipated having a draft permit ready for dissemination later in the week and that it had completed the calculations for the maximum allowable surface injection pressure. The OCD advised that the new injection pressure limit for the UIC-I-9 renewal "...has been reduced to 600 psig in the discharge permit in order to prevent the half-fractures from growing in the present injection formation." On February 23, 2010, the OCD spoke with WRSW by telephone to further discuss the reduction in maximum surface injection pressure limit. The OCD advised WRSW regarding how the OCD arrived at the 600 psig figure and referred to and discussed a previously issued order under which WRSW was required to monitor and report fracturing, a step-rate test and a historical flow-rate, pressure v. time chart for the well, as well as the OCD's persisting concerns (including the concerns regarding fracturing). The OCD advised WRSW that the 600 psig was a final determination and that if WRSW disagreed, it could request a hearing on the matter.

Discharge permits for Class I nonhazardous waste disposal wells are issued and, when appropriate, renewed pursuant to Sections 20.6.2.3000-3999 (addressing discharge permits, generally) as well as

Sections 20.6.2.5000-5299 (addressing underground injection wells, specifically) of the WQCC Regulations, and must comply with both. Section 20.6.2.3109 NMAC sets out the basic framework for the approval, disapproval, renewal, modification and termination of discharge permits, and provides that "[t]he secretary shall, within 30 days after the administrative record is complete and all required information is available, approve, approve with conditions or disapprove the proposed discharge permit, modification or renewal based on the administrative record." *Emphasis added.* In order to be approved, in addition to meeting all other requirements, an operator seeking renewal of a Class I permit must establish in its application for renewal that "neither a hazard to public health nor undue risk to property will result" if approved. *Id.* at (C). *Emphasis added.* Subsection "H" specifically prohibits the approval of a discharge plan renewal which "may result in a hazard to public health." *Id.* at (H).

Indeed, even where an operator's permit is not on review for renewal, the department has the authority – and the duty – to require a modification of the permit (or if that is not adequate, to *terminate* that permit), where data submitted to the department reveals that the WQCC discharge permit regulations are being violated, or that continued operation under the current permit conditions may result in a hazard to public health or undue risk to property. Subsection "E" of Section 20.6.2.3109 NMAC provides in relevant part:

If data submitted pursuant to any monitoring requirements specified in the discharge permit or other information available to the secretary indicates that this part is being or may be violated

- (3) The secretary may require modification, or may terminate a discharge permit for a class I non-hazardous waste injection well, ...pursuant to the requirements of Subsection I of 20.6.2.5101 NMAC.

20.6.2.3109(E) NMAC. *Emphasis added.*

Subsection I of 20.6.2.5101, referenced above, provides in relevant part:

If data submitted pursuant to any monitoring requirements specified in the discharge permit or other information available to the secretary indicate that this Part are being or may be violated, the secretary may require modification or, if it is determined by the secretary that the modification may not be adequate, may terminate a discharge permit for a Class I non-hazardous waste injection Well, or Class III well or well field, that was approved pursuant to the requirements of this under Sections 20.6.2.5000 through 20.6.2.5299 NMAC for the following causes:

- (1) Noncompliance by the discharger with any condition of the discharge permit; or
- (2) The discharger's failure in the discharge permit application or during the discharge permit review process to disclose fully all relevant facts, or the discharger's misrepresentation of any relevant facts at any time; or
- (3) A determination that the permitted activity may cause a hazard to public health or undue risk to property and can only be regulated to acceptable levels by discharge permit modification or termination.

20.6.2.5101(I) NMAC. *Emphasis added.* Section 20.6.2.5206(A)(1), provides that "the maximum injection pressure at the wellhead shall not initiate new fractures or propagate existing fractures in the confining zone....," and Section 20.6.2.5206(B)(1) provides that "[e]xcept during well stimulation, the maximum

injection pressure shall not initiate new fractures or propagate existing fractures in the injection zone.” Section 20.6.2.5206(A)(1) and (B)(1) NMAC.

The regulatory duties of the department include ensuring that any discharge permit issued or renewed meets the specific requirements set out in the WQCC regulations. This includes ensuring that any permit issued or renewed will not create a hazard to public health or an undue risk to property. If such circumstances exist with regard to a currently in-force permit, these duties include the duty to impose modifications – or if appropriate, to terminate the permitted activity - in order to “regulate the risk to acceptable levels.” *Id.*

In this case, with regard to the application for renewal of UIC-I-9, the record reflects that WRSW is in fact violating Part 2 of the WQCC regulations. Specifically, the maximum injection pressure being used at the wellhead at this well (the 1150 psig for which it is currently permitted) is initiating new fractures and/or propagating existing fractures in the confining and/or injection zones at this location. Further, this poses a concern to all wells within one mile of the injection well that lack cement in the injection zone(s). WRSW was advised long ago that this was an issue and of concern for both the EPA and the OCD, and WRSW was given an opportunity to see if could remedy the pressure issue through well stimulation. The OCD has reviewed the most recent FOT data and has concluded that continued surface injection pressure greater than 637 psig may create a hazard to public health and/or an undue risk to property because continued injection at a rate above this parameter will result in continued fracturing, fracture growth, and possibly vertical fracturing to occur upward into regional aquifer systems, protectable ground water, and possibly even surface water discharges along the San Juan River. This continued fracturing will also constitute an ongoing violation of WQCC Section 20.6.2.5206 NMAC, as well as of the conditions of the discharge permit (which also prohibit injection at a rate that results in fracture creation or propagation).

The OCD has reviewed the current and historical data for this well and, applying a reasonable safety factor range to the upper-threshold determination of 637 psig as noted above, has determined that a safe surface injection pressure for this well would 600 psig or less, such that the risk of fracture propagation/creation would be cease if maintained at or below this level, but would be unacceptable above this pressure limit. This modification to the permit draft was made pursuant to the OCD’s regulatory obligations and authority, and WRSW’s request for a renewal of its permit was approved with conditions pursuant to Section 20.6.2.3109 NMAC. The OCD notes that based upon the most recent data for this well and the fact that WRSW is currently operating in violation of Section 20.6.2.5206 NMAC, even if the permit were not on review for renewal at this time, the department would be requiring a permit modification or termination pursuant to Sections 20.6.2.3109(E) and 20.6.2.5101(I) for the purpose of regulating this well to acceptable levels (such that the growth/creation of new fractures has ceased and the potential for a hazard to public health and/or undue risk to property has been minimized).

WRSW has proposed that the OCD withdraw the notice issued on February 25, 2010 so that it and the OCD can “meet and discuss any issues concerning an appropriate maximum injection pressure.” However, it is important to recognize that, as discussed above, discharge permits are issued pursuant to this agency’s regulatory authority and obligations. Permits are not contractual agreements between operators and the department, and do not represent the memorialization of a compromise between two parties. Rather, the OCD is obliged to review data and information submitted by parties within very specifically defined

Edmund H. Kendrick
Western Refining Southwest, Inc. – UIC-I-9
April 9, 2010
Page 6

parameters, to apply specific standards to that information, and to issue, decline to issue or issue modified versions of permits or even terminate the permit accordingly. Thus we respectfully decline WRSW's suggestion to meet to further discuss this matter.

That being said, the OCD feels that the matter has already been discussed in full between it and WRSW over the course of the past year, that it understands WRSW's position with regard to its perception that a higher injection pressure is justified, and, as the OCD has already advised WRSW, the OCD disagrees with the findings and conclusions of WRSW regarding this well. As you know, the OCD issued public notice regarding the draft permit. The public notice not only invited comments from interested parties, but also included a statement that interested parties could request a hearing regarding the proposed permit, and specification that such requests should be submitted in writing and should specify the basis for the request.

At this time, if WRSW feels that it would like to further address the contents of the proposed permit renewal for UIC-I-9, the appropriate course of action would be for WRSW to submit a written request for hearing as provided in the OCD's public notice. If WRSW has data or expert testimony it feels that the OCD has not considered or has failed to consider adequately in its review of the application for permit renewal, it can present such evidence at the hearing. WRSW also mentioned in the 3/25/10 letter, although not with any specificity, that there are "other" issues of concern with the permit draft. A hearing would also allow WRSW to address those concerns. Of course, WRSW will be required to take immediate steps to provide the public notice for which it has already technically missed the deadline.

If upon further reflection WRSW opts not to request a hearing, and prefers to simply allow the permit renewal process to proceed, if WRSW immediately remedies the applicant notice issue, the OCD will recalculate the public notice time period accordingly and proceed with issuance of the final permit thereafter. Conversely, if WRSW does not request a hearing and continues to refuse to fulfill its obligations for public notice, and if no public notice has been provided by WRSW by Friday April 16, 2010, the OCD will consider the application for renewal withdrawn, and the current permit, UIC-I-9, expired.

If WRSW is still concerned regarding meeting its obligations under the notice regulations and would like the OCD to review its public notice prior to publication, the OCD would be happy to review a draft and provide feedback regarding whether it appears to meet the requirements of the WQCC regulations. Please let us know if this is something with which WRSW would like assistance.

Sincerely,



Mikal Altomare
OCD Attorney

EC:

Carl Chavez, carl.chavez@state.nm.us

William Jones, William.v.jones@state.nm.us

Gail MacQuesten, Gail.macquesten@state.nm.us

Glenn von Gonten, glenn.vongonten@state.nm.us

Charlie Perrin, Charlie.perrin@state.nm.us

Chavez, Carl J, EMNRD

From: Altomare, Mikal, EMNRD
Sent: Monday, April 19, 2010 11:51 AM
To: VonGonten, Glenn, EMNRD; Macquesten, Gail, EMNRD; Chavez, Carl J, EMNRD; Perrin, Charlie, EMNRD
Subject: FW: Western Refining: Injection Well
Attachments: Letter to Mark Fesmire 4-19-10 (00180814).PDF

Fyi



Mikal M. Altomare

Assistant General Counsel
Oil Conservation Division
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mikal.altomare@state.nm.us

From: Edmund H. Kendrick [mailto:EKendrick@montand.com]
Sent: Monday, April 19, 2010 11:48 AM
To: Altomare, Mikal, EMNRD
Subject: Western Refining: Injection Well

Mikal,

Following up on my Friday (4/16) email, I am attaching Western's request for a public hearing on its discharge plan permit renewal application. The original is being hand delivered to Mr. Fesmire.

Ned

Edmund H. Kendrick
Attorney at Law
Montgomery & Andrews, P.A.
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& ANDREWS**
LAW FIRM

EDMUND H. KENDRICK

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Reply To: Santa Fe Office

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April 19, 2010

VIA HAND DELIVERY

Mark Fesmire, Director
Oil Conservation Division
State of New Mexico
1220 South St. Francis Drive
Santa Fe, NM 87505

**Re: Request for a Public Hearing
Western Refining Southwest, Inc.
Class I Waste Disposal Well No. 1, API No. 30-045-29002
Discharge Plan Permit Renewal Application for UIC-I-9**

Dear Mr. Fesmire:

I am writing on behalf of Western Refining Southwest, Inc. ("Western") to request a public hearing on the referenced Discharge Plan Permit Renewal Application ("Application") for the referenced injection well ("Injection Well"). The request is made under the New Mexico Water Quality Act, NMSA 1978, §74-6-5 and in accordance with New Mexico Water Quality Control Commission ("WQCC") Regulations, §20.6.2.3108.K.

A public hearing should be held for the following reasons:

- (1) Past discharge plan permits issued by the Oil Conservation Division ("OCD") to Western or Western's predecessors for the Injection Well have contained a surface injection pressure limit of 1,150 pounds per square inch gauge ("psig").
- (2) Western's Application contained a surface injection pressure limit of 1,150 psig.
- (3) OCD's draft renewed discharge plan permit dated February 25, 2010 contained an injection pressure limit of 600 psig. On the same date, OCD determined that the Application was administratively complete and issued a Notice of Publication.

{00180666-1}

REPLY TO:

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Mark E. Fesmire, Director
April 19, 2010
Page 2

(4) Western was unsure how to issue its public notice required by WCCC Regulations after reviewing OCD's public notice for a draft permit in which OCD reduced the surface injection pressure limit below the limit in Western's current permit. After communications between OCD and Western, Western agreed to complete its public notice requirements by April 16, 2010 with the knowledge that the company was not waiving its objection to the 600 psig surface injection pressure limit that OCD had placed in the draft permit.

(5) Western objects to the 600 psig surface injection pressure limit that OCD has placed in its draft permit. Western requests a continuation of the 1,150 psig injection pressure limit contained in its current permit. OCD has clearly stated that further informal discussion between OCD and Western would not be productive and that the only way to resolve the matter would be through a public hearing.

(6) In addition to addressing the issue of an appropriate surface injection pressure limit, Western requests a public hearing to address its "other concerns" with the draft permit mentioned in its March 25, 2010 letter to OCD. Western is concerned that the draft permit contains a number of conditions not directly related to the Injection Well. Further, many of the conditions in the draft permit duplicate conditions in Western's other discharge plan permit for the Bloomfield Refinery, GW-001.

Western urges OCD to grant its request for a public hearing because, as shown by the above points, the parties disagree about the proper terms of the discharge plan permit that they have not resolved by informal discussion. If Western's request for a hearing is granted, Western intends to file a statement of intent to present technical evidence in accordance with §20.6.2.3110.C of the WQCC Regulations. Such a statement will provide a detailed basis for Western's position.

Western appreciates OCD's consideration of its request for a public hearing.

Sincerely,



Edmund H. Kendrick

EHK/dho

cc: Mikal Altomare, OCD Attorney (via email)

Chavez, Carl J, EMNRD

From: Altomare, Mikal, EMNRD
Sent: Tuesday, August 03, 2010 9:02 AM
To: Chavez, Carl J, EMNRD; 'Schmaltz, Randy'
Cc: VonGonten, Glenn, EMNRD; Perrin, Charlie, EMNRD; 'Allen, Ann'; shall@montand.com
Subject: RE: Western Refining SW, Inc.- Waste Disposal Well No. 1 (API# 30-045-29002) UICI-009 Draft Discharge Permit Renewal

Mr. Schmaltz,

Please disregard the email from Mr. Chavez. I actually spoke with your counsel on Friday, and as he is aware, we are still awaiting formal appointment of an examiner for the hearing to proceed in this matter.

Mikal Altomare
OCD Counsel



Mikal M. Altomare

Assistant General Counsel
Oil Conservation Division
Energy, Minerals & Natural Resources Department
1220 South St. Francis Drive
Santa Fe, NM 87505
Tel 505.476.3480 ~ Fax 505.476.3462
mikal.altomare@state.nm.us

From: Chavez, Carl J, EMNRD
Sent: Tuesday, August 03, 2010 8:01 AM
To: Schmaltz, Randy
Cc: VonGonten, Glenn, EMNRD; Perrin, Charlie, EMNRD; Altomare, Mikal, EMNRD; Allen, Ann
Subject: Western Refining SW, Inc.- Waste Disposal Well No. 1 (API# 30-045-29002) UICI-009 Draft Discharge Permit Renewal

Randy:

On February 25, 2010 the OCD deemed your renewal application "Administratively Complete" and posted its public notice on its website and in the local newspaper and Santa Fe New Mexican Newspaper. To date the OCD has received no public comments. On April 26, 2010, Western mailed its public notice to the OCD and I recall that no public comments were received by Western.

As the Underground Injection Control (UIC) Quality Assurance/Quality Control Officer and permit writer for the above subject discharge permit facility, and to ensure the administrative process moves forward for this UIC Class I (non-hazardous) oilfield exempt and non-exempt waste disposal well, I request to know if Western has submitted any request for hearing associated with the permit to date. I am aware of Western's concerns about the OCD's new "maximum surface injection pressure" reduction; however, I have not been informed that Western has made any request(s) associated with the discharge permit for hearing to date.

If Western has submitted a request for hearing, please provide me (either scanned via e-mail or hardcopy) with a copy of the request and any OCD personnel Western has been in contact for the Administrative Record. If I do not receive a response to this message by COB on Friday, August 6, 2010, I will mail out 2 signed copies of new discharge permit for Western's signature with final remittance and final fee.

Thank you.

Carl J. Chavez, CHMM
New Mexico Energy, Minerals & Natural Resources Dept.
Oil Conservation Division, Environmental Bureau
1220 South St. Francis Dr., Santa Fe, New Mexico 87505
Office: (505) 476-3490
Fax: (505) 476-3462
E-mail: CarlJ.Chavez@state.nm.us
Website: <http://www.emnrd.state.nm.us/ocd/index.htm>
(Pollution Prevention Guidance is under "Publications")

Chavez, Carl J, EMNRD

From: Chavez, Carl J, EMNRD
Sent: Tuesday, August 03, 2010 8:01 AM
To: 'Schmaltz, Randy'
Cc: VonGonten, Glenn, EMNRD; Perrin, Charlie, EMNRD; Altomare, Mikal, EMNRD; 'Allen, Ann'
Subject: Western Refining SW, Inc.- Waste Disposal Well No. 1 (API# 30-045-29002) UICI-009 Draft Discharge Permit Renewal

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Thank you.

Carl J. Chavez, CHMM
New Mexico Energy, Minerals & Natural Resources Dept.
Oil Conservation Division, Environmental Bureau
1220 South St. Francis Dr., Santa Fe, New Mexico 87505
Office: (505) 476-3490
Fax: (505) 476-3462
E-mail: CarlJ.Chavez@state.nm.us
Website: <http://www.emnrd.state.nm.us/oed/index.htm>
(Pollution Prevention Guidance is under "Publications")

April 26, 2010

Carl Chavez
New Mexico Oil Conservation Division
Environmental Bureau
1220 South St. Francis Dr
Santa Fe, NM 87505

Certified Mail: 7007 2560 0002 5890 7253

RECEIVED OCD
2010 APR 28 A 11:30

RE: Western Refining Southwest, Inc. – Bloomfield Refinery's Class 1 (non-hazardous) Injection Well Discharge Permit UIC-009 (GW-130).

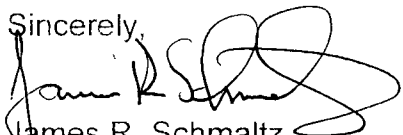
Dear Mr. Chavez,

Please find enclosed the "Affidavit of Publication" for Western Refining Southwest, Inc. – Bloomfield Refinery's Class 1 (non-hazardous) Injection Well Discharge Permit UIC-009 (GW-130) public notice that was published in the Farmington Daily Times on Friday April 16, 2010.

I have also included a certification for the additional postings at the locations approved by the OCD.

If you need additional information, please contact me at (505) 632-4171.

Sincerely,



James R. Schmaltz
Environmental Manager
Western Refining Southwest, Inc.
Bloomfield Refinery

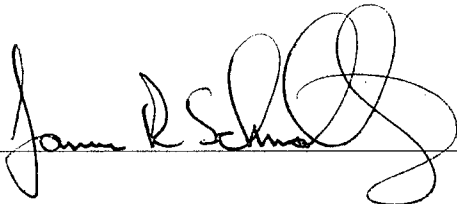
Cc: Allen Hains

Posting of Public Notice – Certification

I, James R. Schmaltz, the undersigned, certify that on April 14, 2010, I posted the Oil Conservation Division's approved public notice, stating that a renewal application had been submitted for Western Refining Southwest, Inc. – Bloomfield Refinery's Class 1 (non-hazardous) Injection Well Discharge Permit UIC-009 (GW-130). The "Public Notice" was posted in the following locations:

- Bloomfield Post Office
- Bloomfield Public Library

Signed this 14th day of April, 2010

Signature  Date 4/14/2010

Printed Name JAMES R. SCHMALTZ Title ENVIRO MGR.

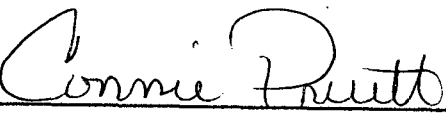
STATE OF NEW MEXICO
County of San Juan:

CONNIE PRUITT, being duly sworn says:

That she is the ADVERTISING DIRECTOR of THE DAILY TIMES, a daily newspaper of general circulation published in English at Farmington, said county and state, and that the hereto attached Legal Notice was published in a regular and entire issue of the said DAILY TIMES, a daily newspaper duly qualified for the purpose within the meaning of Chapter 167 of the 1937 Session Laws of the State of New Mexico for publication and appeared in The Daily Times on the following

Date: April 16, 2010

And the cost of the publication is \$ 621.67



ON 4/22/10 CONNIE PRUITT appeared before me, whom I know personally to be the person who signed the above document.


My Commission Expires 11/05/11

NOTICE OF PUBLICATION

Notice is hereby given that pursuant to New Mexico Water Quality Control Commission Regulations (20.6.23108 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:

(UICI - 009) Western Refining Southwest, Inc. - Bloomfield Refinery James R. Schmaltz, Environmental Manager, # 50 Road 4990 or PO Box 159, Bloomfield, New Mexico 87413 has submitted a renewal application for a Class 1 (non-hazardous) Injection Well Discharge Permit UIC-CLI-009 (GW-130) for Disposal Well No. 1 (API#30-045-29002) located in the NE/4, SE/4 of Section 7, Township 29 North, Range 11 West, NMPM, San Juan County, New Mexico. The injection well is located within the refinery property approximately 1.05 miles south of the intersection of Hwy-544 and Hwy 550 on Hwy-550 turn East on Road 4990 about 0.5 mile to the refinery. Oil field exempt and non-exempt non-hazardous industrial waste water generated through refining operations and remediation activities will be injected into Disposal Well No. 1 for disposal into the Cliff House Formation in the injection intervals from 3276 to 3408 feet and Menefee Formation in the injection interval from 3435 to 3460 feet. The Total Dissolved Solids (TDS) concentration of injected waste fluid is about 15,600 mg/L. The TDS of the formation fluids is about 25,000 mg/L. Groundwater most likely to be affected by a spill, leak or accidental discharge is at a depth of approximately 10 to 30 feet below the ground surface, with a TDS concentration of about 200 mg/L. The discharge plan addresses well construction, operation, monitoring, associated surface facilities, and provides a contingency plan in the event of accidental spills, leaks, and other accidental discharges in order to protect fresh water.

The NMOCD has determined that the application is administratively complete and has prepared a draft permit. The NMOCD will accept comments and statements of interest regarding this application and will create a facility-specific mailing list for persons who wish to receive future notices. Persons interested in obtaining further information, submitting comments or requesting to be on a facility-specific mailing list for future notices may contact the Environmental Bureau Chief of the Oil Conservation Division at the address given above. The administrative completeness determination and draft permit may be viewed at the above address between 8:00 a.m. and 4:00 p.m., Monday through Friday, or may be 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 address above. Prior to ruling on any proposed discharge permit or major modification, the Director shall allow a period of at least (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.

NOTIFICACION PUBLICA

Se Notifica por este medio que, de conformidad con los Reglamentos de Control de Calidad del Agua de Nuevo México (20.6.23108 NMAC, por sus siglas en inglés), la siguiente solicitud del permiso para descargar agua ha sido presentada a el Director de la División para la Conservación del Petróleo de Nuevo México (NMOCD, por sus siglas en inglés), 1220 S. Saint Francis Drive, Santa Fe, Nuevo México 87505, Teléfono (505) 476-3440:

(UICI - 009) Western Refining Southwest, Inc. - James R. Schmaltz, Gerente Ambiental de Bloomfield Refinery localizada # 50 Road 4990 o PO Box 159, Bloomfield, Nuevo México 87413 ha presentado una solicitud para renovar el Permiso UIC-CLI-009 (Gw-130) de un Pozo de Descarga por Inyección Clase 1 (no-peligroso) para el Pozo de Descarga No. 1 (API#30-045-29002) ubicado en los cuadrantes NE/4, SE/4 de la Sección 7, Distrito Municipal (Township) 29 Norte, Zona (Range) 11 Oeste, NMPM, Condado de San Juan, Nuevo México. El pozo de inyección está localizado dentro de la propiedad de la refinera aproximadamente 1.05 millas al sur de la intersección de las Autopistas Hwy-544 y Hwy-550, en la Hwy-550 dar vuelta al Este en la Carretera (Road) 4990 aproximadamente 0.5 millas de la refinera. Aguas residuales industriales, no-peligrosos exentos y no-exentos, generadas a través de operaciones de refinación y actividades de remediación en el campo de petróleo se inyectaran en el Pozo de Descarga No. 1 para su eliminación en la Formación Geológica Cliff House en los intervalos de inyección de 3276 a 3408 pies bajo la superficie y en la Formación Geológica Menefee en los intervalos de inyección de 3435 a 3460 pies. La concentración de Sólidos Totales Disueltos (TDS, por sus siglas en inglés) en el fluido de residuo inyectado es aproximadamente 15,600 mg/L. El TDS de los fluidos en la formación es aproximadamente 25,000 mg/L. El nivel del manto freático con mas probabilidad de ser afectado por un derrame, una fuga, o una descarga accidental se encuentra a una profundidad 10 a 30 pies aproximada bajo la superficie, con una concentración de TDS de aproximadamente 200 mg/L. El plan de desechos incluye información sobre la construcción del pozo, operación, monitoreo, instalaciones en superficie asociados al pozo, y a la vez proporciona un plan de contingencia en caso de derrames accidentales, fugas, y otras descargas accidentales con el fin de proteger el manto freático.

El NMOCD ha determinado que la solicitud está administrativamente completa y ha preparado un borrador del permiso. El NMOCD aceptará comentarios y declaraciones de interés respecto a esta solicitud y creará una lista de correo específica para estas instalaciones, se creará una lista de correo específica para las personas que deseen recibir anuncios posteriores. Las personas interesadas en obtener más información, enviar comentarios o solicitar a estar en una lista de correo de instalaciones específicas, para recibir anuncios posteriores pueden comunicarse con la Oficina Ambiental de Jefe de la División de Conservación del Petróleo (Environmental Bureau Chief of the Oil Conservation Division) en la dirección indicada más arriba. La determinación administrativa y el borrador del permiso podrá ser revisado o vistos en la dirección antes mencionada entre 8:00 AM y 4:00 PM, de lunes a viernes, o puede ser también ser visto en el sitio de Internet <http://www.emnrd.state.nm.us/ocd/>. Las personas interesadas en obtener una copia de la solicitud y el borrador del permiso pueden comunicarse a la dirección antes mencionada. Antes de dictar un fallo sobre la propuesta de cualquier permiso de descarga o alguna modificación mayor, el Director debe conceder un plazo de al menos (30) días después de la fecha de publicación del presente anuncio, durante el cual las personas interesadas podrán presentar comentarios o solicitar que NMOCD celebre una audiencia pública. Las solicitudes de audiencia pública deberán establecer las razones por las cuales se debería celebrar una audiencia. La audiencia se llevará a cabo si el Director determina que existe un interés público significativo.

De no celebrarse una audiencia publica, el Director aprobará o rechazará el permiso propuesto basado en la información disponible, incluyendo todos los comentarios recibidos. Si una audiencia pública se lleva a cabo, el Director aprobará o rechazará la propuesta del permiso basado en la información de la solicitud del permiso y la información presentada en la audiencia.

RECEIVED
APR 26 2010
BY: _____

Chavez, Carl J, EMNRD

From: Chavez, Carl J, EMNRD
Sent: Thursday, February 25, 2010 1:42 PM
To: 'legals@daily-times.com'; 'legals@sfnewmexican.com'
Subject: Public Notice Request to Farmington Daily Times and Santa Fe New Mexican Newspapers
Attachments: UICI-9 WDW-1 PN.doc

Dear Sir or Madam:

Please publish (**for one day only**) the attached Public Notice in the classified notice section of your respective newspapers.

For billing purposes, the New Mexico Oil Conservation Division billing information is as follows:

Farmington Daily Times: PO# is 52100-0000020603 and Account # is 781442.

Santa Fe New Mexican: PO# is 52100-0000020600 and Account # is 56689.

Please send me an affidavit of proof of publication for each notice that you process and contact me if you have questions.
Thank you.

Carl J. Chavez, CHMM
New Mexico Energy, Minerals & Natural Resources Dept.
Oil Conservation Division, Environmental Bureau
1220 South St. Francis Dr., Santa Fe, New Mexico 87505
Office: (505) 476-3490
Fax: (505) 476-3462
E-mail: CarlJ.Chavez@state.nm.us
Website: <http://www.emnrd.state.nm.us/ocd/index.htm>
(Pollution Prevention Guidance is under "Publications")

Chavez, Carl J, EMNRD

From: Chavez, Carl J, EMNRD
Sent: Thursday, February 25, 2010 2:23 PM
To: Stevenson, Tod, DGF; Wunder, Matthew, DGF; Warren, Alvin, DIA; 'ddapr@nmda.nmsu.edu'; 'Linda_Rundell@nm.blm.gov'; 'psisneros@nmag.gov'; 'r@rthicksconsult.com'; 'sricdon@earthlink.net'; 'nmparks@state.nm.us'; Dantonio, John, OSE; 'seligman@nmoga.org'; Fetner, William, NMENV; 'lazarus@glorietageo.com'; 'marissa.stone@state.nm.us'; 'ron.dutton@xcelenergy.com'; 'cgarcia@fs.fed.us'; Kieling, John, NMENV; 'bsg@garbhall.com'; Olson, Bill, NMENV; 'claudette.horn@pnm.com'; 'ekendrick@montand.com'; 'staff@ipanm.org'; 'dseawright@gmail.com'; 'jharris@rwdhc.com'; Hill, Larry, EMNRD; Johnson, Larry, EMNRD; Bonham, Sherry, EMNRD; 'Dade.Randy@state.nm.us'; Bratcher, Mike, EMNRD; Perrin, Charlie, EMNRD; Powell, Brandon, EMNRD; Martin, Ed, EMNRD; 'lynnb@nmt.edu'
Subject: New Mexico Oil Conservation Division (OCD) Public Notice (Western Refining Southwest, Inc. UIC Class I (non-hazardous) Disposal Well Discharge Permit Renewal (UICI-009)

Dear Sir or Madam:

I am writing to inform you that the OCD has posted a "Administratively Complete" Letter, Public Notice, and Draft Discharge Permit for Western Refining Southwest, Inc., Bloomfield Refinery Underground Injection Control (UIC) Class I (non-hazardous) Disposal Well.

To see the posted documents on the OCD Website, please go to: <http://www.emnrd.state.nm.us/ocd/ENV-DraftPublicEtc.htm>.

Please allow a two day period for documents to actually be posted due to the OCD's Administrative Process in posting documents onto its website.

Please contact me if you have questions. Thank you.

Carl J. Chavez, CHMM
New Mexico Energy, Minerals & Natural Resources Dept.
Oil Conservation Division, Environmental Bureau
1220 South St. Francis Dr., Santa Fe, New Mexico 87505
Office: (505) 476-3490
Fax: (505) 476-3462
E-mail: CarlJ.Chavez@state.nm.us
Website: <http://www.emnrd.state.nm.us/ocd/index.htm>
(Pollution Prevention Guidance is under "Publications")



New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson
Governor

Jon Goldstein
Cabinet Secretary

Mark Fesmire
Division Director
Oil Conservation Division



February 25, 2010

Mr. James R. Schmaltz
Western Refining Southwest, Inc.
#50 Road 4990, P.O. Box 159
Bloomfield, New Mexico 87413

**Re: Discharge Plan Permit (UICI-009 [I-009])
Western Refining Southwest, Inc.
Class I Non-Hazardous Oil Field Waste Disposal Well
Waste Disposal Well No. 1, API No. 30-045-29002
2442 FSL and 1250 FEL UL: 1 Section 27, T29 N, R 11 W
San Juan County, New Mexico**

Dear Mr. Schmaltz:

The New Mexico Oil Conservation Division (OCD) has received Western Refining Southwest, Inc.'s application for Waste Disposal Well No. 1 to inject oil field exempt/non-exempt non-hazardous wastes into the Cliff House and Menefee Formations at the intervals from 3276 to 3408 feet and 3435 to 3460 feet, respectively at a maximum surface injection pressure of 600 psig. The Class I waste disposal injection well is located in the NE/4 SE/4 of Section 27, Township 29 North, Range 11 West, NMPM, San Juan 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 OCD. OCD will provide public notice pursuant to the WQCC notice requirements of 20.6.2.3108 NMAC to determine if there is any public interest.

Please contact me at (505) 476-3490 or carlj.chavez@state.nm.us if you have questions. Thank you for your cooperation during this discharge permit review.

Sincerely,

Carl J. Chavez
Environmental Engineer

CJC/cjc

xc: OCD District III Office, Aztec





New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson
Governor

Jon Goldstein
Cabinet Secretary

Mark Fesmire
Division Director
Oil Conservation Division



February 25, 2010

Mr. James R. Schmaltz
Western Refining Southwest, Inc.
#50 Road 4990, P.O. Box 159
Bloomfield, New Mexico 87413

**Re: DRAFT Discharge Plan Permit (UICI-009 [I-009])
Western Refining Southwest, Inc.
Class I Non-Hazardous Oil Field Waste Disposal Well
Waste Disposal Well No. 1, API No. 30-045-29002
2442 FSL and 1250 FEL UL: I Section 27, T29 N, R 11 W
San Juan County, New Mexico**

Dear Mr. Schmaltz:

Pursuant to the Water Quality Control Commission (WQCC) Regulations 20.6.2 NMAC and more specifically 20.6.2.3104 - 20.6.2.3999 and 20.6.2.5000-.5299, the Oil Conservation Division (OCD) hereby authorizes Western Refining Southwest, Inc.'s Class I Waste Disposal Well No. 1 (API No. 30-045-29002) in San Juan County, New Mexico, under the conditions specified in the enclosed **Attachment To The Class I Injection Well Discharge Permit**.

Enclosed are two copies of the conditions of approval. **Please sign and return one copy to the New Mexico Oil Conservation Division (OCD) Environmental Bureau within 30 working days of receipt of this letter including permit fees.**

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

If you have any questions, please contact Carl Chavez of my staff at (505-476-3490) or E-mail address: carlj.chavez@state.nm.us. On behalf of the staff of the OCD, I wish to thank you and your staff for your cooperation during this discharge permit review.

Sincerely,

Glenn von Gonten
Acting Environmental Bureau Chief

GvG/cc
Attachments-1

xc: OCD District III Office, Aztec



ATTACHMENT TO THE DISCHARGE PERMIT
Western Refining Southwest, Inc. Waste Disposal Well No. 1 Class I Waste Disposal Well
UIC-CLI-009 (UICI-009)
DISCHARGE PERMIT APPROVAL CONDITIONS

February 24, 2010

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

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

- 1. Payment of Discharge Plan Fees:** All discharge permits are subject to WQCC Regulations. Every billable facility that submits a discharge permit application will be assessed a filing fee of \$100.00, plus a renewal flat fee (*see* WQCC Regulation 20.6.2.3114 NMAC). The Oil Conservation Division ("OCD") has received the required \$100.00 filing fee and the Western Refining Southwest, Inc. shall pay the remaining \$4500.00 permit fee. The total fee amount due is \$4500 for the Class I Well.
- 2. Permit Expiration and Renewal Conditions and Penalties:** Pursuant to WQCC Regulation 20.6.2.3109.H.4 NMAC, this permit is valid for a period of five years. **The permit will expire on November 4, 2013** and an application for renewal should be submitted no later than 120 days before that expiration date. Pursuant to WQCC Regulation 20.6.2.3106.F NMAC, if a discharger submits a discharge permit renewal application at least 120 days before the discharge permit expires and is in compliance with the approved permit, then the existing discharge permit will not expire until the application for renewal has been approved or disapproved. *Expired permits are a violation of the Water Quality Act (Chapter 74, Article 6, NMSA 1978) and civil penalties may be assessed accordingly.*
- 3. Permit Terms and Conditions:** Pursuant to WQCC Regulation 20.6.2.3104 NMAC, when a permit has been issued, the 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. All injection operations related to oil and natural gas production in New Mexico are regulated under the provisions of the Oil and Gas Act, NMSA 1978, Sections 70-2-1 *et seq.* and the Water Quality Act, NMSA 1978, Sections 74-6-1 *et seq.* These Acts delegate authority for enforcement of their provisions relating to oil and natural gas drilling, production, processing, and transportation to the Oil Conservation Division (OCD) of the New Mexico Energy, Minerals and Natural Resources Department, and to the Oil Conservation Commission (OCC) and the Water Quality Control Commission (WQCC). To carry out its authority, the OCC has promulgated rules (19 NMAC) and numerous orders. Western Refining Southwest, Inc. shall comply with WQCC Regulations 20.6.2 *et seq.* NMAC relating to Class I Waste Disposal Wells.

4. Operator Commitments: The owner/operator shall abide by the recommendations cited in the William Cobb & Associates, Inc. Report "2009 Annual Bottom hole Surveys and Pressure Fall-Off Tests for Waste Disposal Well #1" dated November 2, 2009 within 12 months of permit issuance, or other alternative as approved by the OCD. In addition, the owner/operator shall comply with Section 17(A)(B)(C) herein. 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, 20.6.2.3109 and 20.6.2.5101.I 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 or will be exceeded, or if a toxic pollutants as defined in WQCC Regulation 20.6.2.7 NMAC is present in ground water at any place of withdrawal for present or reasonably foreseeable future use, or that the Water Quality Standards for Interstate and Intrastate streams as specified in 20.6.4 NMAC are being or may be violated in surface water in New Mexico.

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

A. OCD Part 35 Waste: Pursuant to OCD Part 35 (19.15.35 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 Waste Disposal Wells under the EPA UIC program. Class V wells that inject domestic waste only must be permitted by the New Mexico Environment Department (NMED).

14. Housekeeping: The 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 Part 29 (19.15.29 et seq. NMAC). The owner/operator shall notify both the OCD District Office and the Environmental Bureau within 24 hours and file a written report within 15 days.

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

17. Other Requirements:

A. Corrective action **shall be taken within 12 months of permit issuance** to cement the interval(s) of injection at the Calvin Well No. 1 (API# 30-045-12003) approximately 0.51 miles away from the injection well.

B. An injection well filtration system **shall be installed within 6 months of permit issuance** to prohibit debris from clogging the formation interval(s).

C. The operator **shall upgrade its current well bond amount within 3 months of permit issuance** to comply with Section 22(J).

18. 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.

19. 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 approved herein.

An unauthorized discharge is a violation of this permit.

20. 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.

21. Additional Site Specific Conditions: The owner/operator shall notify the OCD within 24 hours after having knowledge of ground water pollution complaints or well problems within a 1-mile radius of WDW-2.

A. Notification: The owner/operator shall notify the OCD within 24 hours after having knowledge of ground water pollution complaints or well problems within a 1-mile radius of WDW-2.

- B. Hydrogen Sulfide (H₂S) Contingency Plan: If concentrations of H₂S at the facility may exceed 100 ppm as specified in 19.15.11.12 et seq. NMAC, a H₂S Contingency Plan per 19.15.11.9 et seq. NMAC shall be submitted within 3 months of permit issuance.

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

- A. Well Identification: API # 30-045-29002
- B. Well Work Over Operations: OCD approval will be obtained prior to performing remedial work, pressure test or any other work. Approval will be requested on OCD Form C-103 "Sundry Notices and Reports on Wells" (OCD Rule 1103.A) with appropriate copies sent to the OCD Environmental Bureau and District Office.
- C. Injection Formation, Interval & Waste: Injected refinery exempt/non-exempt non-hazardous wastes will be injected into the Cliff House Formation in the injection intervals from 3276 to 3408 feet and Menefee Formation in the injection interval from 3435 to 3460 feet. Tubing shall be surrounded by surface casing set to a depth protective of fresh ground water (< 10,000 ppm TDS). The owner/operator shall take all steps necessary to ensure that the injected waste enters only the above specified injection intervals and is not permitted to escape to other formations or onto the surface. The operator shall provide written notice of the date of commencement of injection to the OCD Environmental Bureau of the Division.
- D. Well Injection Pressure Limits: The wellhead surface injection pressure on the well shall be limited to no more than 600 psig. In addition, the injection well or system shall be equipped with a pressure limiting device which shall, at all times, limit surface injection pressure to the maximum allowable pressure for this well. A 72-hr. or longer pressure vs. flow rate chart recorder device shall be installed and used to record pressure (i.e., max. 1000 lb. spring on 7-day chart recorder) and flow. The charts shall be maintained and available to the OCD for a period of five (5) years. The well pressure and flow rate shall be reported quarterly or submitted in the Annual Report to the OCD. The operator shall take all steps necessary to ensure that the injected fluids enter only the proposed injection intervals and is not permitted to escape to other formations or onto the ground surface. Any pressure that causes new fractures or propagation in existing fractures or causes damage to the system shall be reported to OCD within 24 hours of discovery.

The Director of the OCD may authorize an increase in injection pressure upon demonstration by the operator of said well that such higher pressure will not result in fracturing. Such demonstration shall consist of a valid step-rate test conducted in association with a pressure fall-off test with required corrective action(s) to uncemented injection zone wells within a one-mile AOR.

E. Mechanical Integrity Testing (MIT):

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

The owner/operator shall complete an annual pressure fall-off test to monitor the pressure buildup in the injection zone. The well shall be shut down for a period sufficient to conduct the test and shall be submitted to the OCD in the annual report (see Section 22(K)(11)). All well testing shall be performed annually or shall also be performed whenever the tubing is pulled or the packer reseated or when the injection formation will be isolated from the casing/tubing annulus. The operator shall notify the OCD Santa Fe Environmental Bureau and the Aztec District Office of the date, time and time of the installation of disposal equipment and of any MIT so that it may be inspected and witnessed.

1. General Requirements:

- a. If the testing requires a packer then casing-tubing annulus must be loaded with inert fluid 24 hours prior to testing.
- b. Have manpower and equipment available for pressure test. Wellhead shall be prepared for test and all valves and gauges should be in good working order.
- c. Pumps, tanks, external lines etc. must be isolated from the wellhead during test.
- d. A continuous recording pressure device with a maximum 4-hour clock shall be installed on the casing-tubing annulus. The pressure range shall not be greater than 500 psig. The operator must provide proof that the pressure-recording device has been calibrated within the past 6 months.
- e. A minimum of one pressure gauge shall be installed on the casing/tubing annulus.
- f. OCD must witness the beginning of test (putting chart on) and ending of test (removing chart). At the end of test, the operator may be required to bleed-off well pressure to demonstrate recorder and gauge response.

- g. The owner/operator shall supply the following information on the pressure chart that the inspector will file in the well records:
 - 1. Company Name, Well Name, API #, Legal Location.
 - 2. Test Procedure with "Pass/Fail" designation.
 - 3. Testing Media: Water, Gas, Oil, Etc.
 - 4. Date, time started and ending.
 - 5. Name (printed) and signature of company representative and OCD Inspector

2. Test Acceptance:

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

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

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

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

- F. Loss of Mechanical Integrity: The operator shall report within 24 hours of discovery any failure of the casing, tubing or packer, or movement of fluids outside of the injection zone. The operator shall cease operations until proper repairs are made and receive OCD approval to re-start injection operations. In addition, any associated fresh ground water monitor wells, which exhibit anomalous static water levels,

detection of elevated general chemistry constituents, public health issues, etc. shall be immediately reported to the OCD.

- G. Injection Record Volumes and Pressures:** The owner/operator shall submit quarterly reports of its disposal, operation and well workovers provided herein. The minimum, maximum, average disposal volumes (including total volumes) and surface injection pressures of waste (oil field exempt/non-exempt non-hazardous waste) injected shall be recorded monthly and submitted to the OCD Environmental Bureau on a quarterly basis or in the Annual Report.

The casing-tubing annulus shall contain fluid and be equipped with a pressure gauge or an approved leak detection device in order to determine leakage in the casing, tubing, or packer. The well shall be equipped with an expansion tank or other approved device under constant 100 psig pressure connected to the casing-annulus **within 6 months of permit issuance**. The expansion tank shall initially be filled half-full (250 gallon expansion tank) with an approved fluid to establish an equilibrium volume and fluid level. Weekly monitoring of fluid levels in the expansion tank coupled with documented additions/ removals of fluids into or out of the expansion tank is required to maintain the equilibrium volume. Any loss or gain of fluids in the expansion tank shall be recorded, and if significant, reported to the OCD within 24 hours of discovery. The owner/operator shall provide the following information on a quarterly basis: weekly expansion tank volume readings shall be provided in a table in the cover letter of each quarterly report. The owner/operator shall monitor, record and note any fluid volume additions or removals from the expansion tank on a quarterly basis. In addition, any well activity (i.e., plugging, changing injection intervals, etc.) shall be conducted in accordance with all applicable New Mexico OCD regulations.

- H. Analysis of Injected Waste:** Provide an analytical data or test results summary of the injection waste water with each annual report. The analytical testing shall be conducted on a quarterly basis with any exceedence reported to the OCD within 24 hours after having knowledge of an exceedence(s). Records shall be maintained at the facility for the life of the well. The required analytical test methods are:
- a. Aromatic and halogenated volatile hydrocarbon scan by EPA Method 8260C GC/MS. Semi-volatile Organics GC/MS EPA Method 8270B including 1 and 2-methylnaphthalene.
 - b. General water chemistry (Method 40 CFR 136.3) to include calcium, potassium, magnesium, sodium, bicarbonate, carbonate, chloride, sulfate, total dissolved solids (TDS), pH, and conductivity.
 - c. Heavy metals using the ICP scan (EPA Method 6010) and Arsenic and Mercury using atomic absorption (EPA Methods 7060 and 7470).

- d. EPA RCRA Characteristics for Ignitability, Corrosivity and Reactivity (40 CFR part 261 Subpart C Sections 261.21 – 261.23, July 1, 1992).
- I. Area of Review (AOR): The owner/operator shall report within 24 hours of discovery of any new wells, conduits, or any other device that penetrates or may penetrate the injection zone within a 1-mile radius from the Class I Well. Documentation of new wells shall be added to the existing AOR information in the well file within 30 days of the discovery.
- J. Bonding or Financial Assurance: The owner/operator shall maintain at a minimum, a one well plugging bond in the amount of \$95,000 or the actual amount required to plug/abandon the well pursuant to OCD and WQCC rules and regulations **within 3 months of permit issuance**. If warranted, OCD may require additional financial assurance to ensure adequate funding to plug and abandon the well or for any corrective actions.
- K. Annual Report: All operators shall submit an annual report due on January 31 of each year. The report shall include the following information:
1. Cover sheet marked as "Annual Class I Well Report, name of operator, permit #, API# of well(s), date of report, and person submitting report.
 2. Brief summary of Class I Well(s) operations including description and reason for any remedial or major work on the well with a copy of OCD Form C-103.
 3. Production volumes as required above in 22(G) including a running total should be carried over to each year. The maximum and average injection pressure vs. flow rate. A copy of any expansion tank monitoring pressure, fluid removals/additions, well problems, drinking water impacts, leaks and spills reports.
 4. A copy of the chemical analysis as required above in 22(H)
 5. A copy of any mechanical integrity test chart, including the type of test, i.e. duration, gauge pressure, etc.
 6. Brief explanation describing deviations from normal production methods.
 7. If applicable, results of any groundwater monitoring.
 8. An Area of Review (AOR) update summary.
 9. Sign-off requirements pursuant to WQCC Subsection G 20.6.2.5101.
 10. A summary with interpretation of MITs, Fall-Off Tests, etc., with conclusion(s) and recommendation(s).
 11. Annual facility training.
23. **Transfer of Discharge Permit**: Pursuant to WQCC 20.6.2.5101(H) the owner/operator and any new owner/operator shall provide written notice of any transfer of the permit in accordance with WQCC 20.6.2.3104 (Discharge Permit Required), 20.6.2.3111 (Transfer of Discharge Permit), 20.6.2.5101 (Discharge Permit and Other Requirements for Class I Non-Hazardous Waste Disposal Wells, and Class III Wells). Both parties shall sign the notice 30 days prior to any transfer of ownership, control or possession of a Class I Well with an approved discharge permit. In addition, the purchaser shall include a written commitment to comply with

the terms and conditions of the previously approved discharge permit. OCD will not transfer Class I Well operations until: correspondence between the transferor and transferee is submitted along with a signed certification of acceptance by the transferee, and proper bonding or financial assurance is in place and approved by the division. OCD reserves the right to require a major modification of the permit during the transfer process.

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

25. Closure: The 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 C-103 form for plugging and abandonment of the well(s). Closure and waste disposal shall be in accordance with the statutes, rules and regulations in effect at the time of closure.

26. CERTIFICATION: (OWNER/OPERATOR) by the officer whose signature appears below, acknowledges receipt of this Discharge Permit, and has reviewed its terms and conditions.

Company Name- print name above

Company Representative- print name

Company Representative- Signature

Title _____

Date: _____

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 (20.6.2.3108 NMAC), the following discharge permit application(s) has been submitted to the Director of the New Mexico Oil Conservation Division ("NMOCD"), 1220 S. Saint Francis Drive, Santa Fe, New Mexico 87505, Telephone (505) 476-3440:

(UICI-009) Western Refining Southwest, Inc.- Bloomfield Refinery James R. Schmaltz, Environmental Manager, #50 Road 4990 or P.O. Box 159, Bloomfield, New Mexico 87413 has submitted a renewal application for a Class I (non-hazardous) Injection Well Discharge Permit (UIC-CLI-009) for Disposal Well No. 1 (API# 30-045-29002) located in the NE/4, SE/4 of Section 27, Township 29 North, Range 11 West, NMPM, San Juan County, New Mexico. The injection well is located within the refinery property approximately 1.05 miles south of the intersection of Hwy-544 and Hwy-550 on Hwy-550 turn East on Road 4990 about 0.5 mile to the refinery. Oil field exempt and non-exempt non-hazardous industrial waste will be injected from the raw water evaporation pond into Disposal Well No. 1 for disposal into the Cliff House Formation in the injection intervals from 3276 to 3408 feet and Menefee Formation in the injection interval from 3435 to 3460 feet. The Total Dissolved Solids (TDS) concentration of injected waste fluid is about 15,600 mg/L and the injection rate shall not exceed 100 gpm and a maximum surface injection pressure of 600 psig during operations. The TDS of the formation fluids is about 25,000 mg/L. Groundwater most likely to be affected by a spill, leak or accidental discharge is at a depth of approximately 10 to 30 feet below the ground surface, with a TDS concentration of about 200 mg/L. The San Juan River is within about 0.3 mile W-NW of the well at it closest point. The discharge plan addresses well construction, operation, monitoring, associated surface facilities, and provides a contingency plan in the event of accidental spills, leaks, and other accidental discharges in order to protect fresh water.

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

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

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

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

GIVEN under the Seal of New Mexico Oil Conservation Commission at Santa Fe, New Mexico, on this 25th day of February 2010.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

S E A L

Mark Fesmire, Director

AFFIDAVIT OF PUBLICATION

Ad No. 64227

STATE OF NEW MEXICO County of San Juan:

TIA AVILES, being duly sworn says: That she is the CLASSIFIED MANAGER of THE DAILY TIMES, a daily newspaper of general circulation published in English at Farmington, said county and state, and that the hereto attached Legal Notice was published in a regular and entire issue of the said DAILY TIMES, a daily newspaper duly qualified for the purpose within the meaning of Chapter 167 of the 1937 Session Laws of the State of New Mexico for publication and appeared in the Internet at The Daily Times web site on the following day(s):

Wednesday, March 3, 2010

And the cost of the publication is \$170.80

Tia Aviles

ON 3/12/10 TIA AVILES appeared before me, whom I know personally to be the person who signed the above document.

Christine Sellers

My Commission Expires - 11/05/11

ok to pay
and check
3/29/2010

COPY OF PUBLICATION

NOTICE OF PUBLICATION

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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

TIA AVILES, being duly sworn says: That she is the CLASSIFIED MANAGER of THE DAILY TIMES, a daily newspaper of general circulation published in English at Farmington, said county and state, and that the hereto attached Legal Notice was published in a regular and entire issue of the said DAILY TIMES, a daily newspaper duly qualified for the purpose within the meaning of Chapter 167 of the 1937 Session Laws of the State of New Mexico for publication and appeared in the Internet at The Daily Times web site on the following day(s):

Wednesday, March 3, 2010

And the cost of the publication is \$170.80

Tia Aviles

ON 3/12/10 TIA AVILES appeared before me, whom I know personally to be the person who signed the above document.

Christine Sellers

My Commission Expires - 11/05/11

*ok to pay
but check
3/29/2010*

ervation Division ("NMOCD"), 1220 S. Saint Francis Drive, Santa Fe, New Mexico 87505, Telephone (505) 476-3440: (UICI-009) Western Refining South-west, Inc., Bloomfield Refinery James R. Schmaltz, Environmental Manager, #50 Road 4990 or P.O. Box 159, Bloomfield, New Mexico 87413 has submitted a renewal application for a Class I (non-hazardous) Injection Well Discharge Permit (UIC-CL1-009) for Disposal Well No. 1 (API# 30-045-29002) located in the NE/4, SE/4 of Section 27, Township 29 North, Range 11 West, NMPM, San Juan County, New Mexico. The injection well is located within the refinery property approximately 1.05 miles south of the intersection of Hwy-544 and Hwy-550 on Hwy-550 turn East on Road 4990 about 0.5 mile to the refinery. Oil field exempt and non-exempt non-hazardous industrial waste will be injected from the raw water evaporation pond into Disposal Well No. 1 for disposal into the Cliff House Formation in the injection intervals from 3276 to 3408 feet and Menefee Formation in the injection interval from 3435 to 3460 feet. The Total Dissolved Solids (TDS) concentration of injected waste fluid is about 15,600 mg/L and the injection rate shall not exceed 100 gpm and a maximum surface injection pressure of 600 psig during operations. The TDS of the formation fluids is about 25,000 mg/L. Groundwater most likely to be affected by a spill, leak or accidental discharge is at a depth of approximately 10 to 30 feet below the ground surface, with a TDS concentration of about 200 mg/L. The San Juan River is within about 0.3 mile W-NW of the well at its closest point. The discharge plan addresses well construction, operation, monitoring, associated surface facilities, and provides a contingency plan in the event of accidental spills, leaks, and other accidental discharges in order to protect fresh water.

The NMOCD has determined that the application is administratively complete and has prepared a draft permit. The NMOCD will accept comments and statements of interest regarding this application and will create a facility-specific mailing list for persons who wish to receive future notices. Persons interested in obtaining further information, submitting comments or requesting to be on a facility-specific mailing list for future notices may contact the Environmental Bureau Chief of the Oil Conservation Division at the address given above. The administrative completeness determination and draft permit may be viewed at the above address between 8:00 a.m. and 4:00 p.m., Monday through Friday, or may also be viewed at the NMOCD web site <http://www.emnrd.state.nm.us/ocd/>. Persons interested in obtaining a copy of the application and draft permit may contact the NMOCD at the address given above. Prior to ruling on any proposed discharge permit or major modification, the Director shall allow a period of at least thirty (30) days after the date of publication of this notice, during which interested persons may submit comments or request that NMOCD hold a public hearing. Requests for a public hearing shall set forth the reasons why a hearing should be held. A hearing will be held if the Director determines that there is significant public interest. If no public hearing is held, the Director will approve or disapprove the proposed permit based on information available, including all comments received. If a public hearing is held, the director will approve or disapprove the proposed permit based on information in the permit application and information submitted at the hearing. Para obtener más información sobre esta solicitud en español, sírvase comunicarse por favor: New Mexico Energy, Minerals and Natural Resources Department (Depto. Del Energía, Minerías 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 25th day of February 2010.
STATE OF NEW MEXICO
OIL CONSERVATION DIVISION
S E A L
Mark Fesmire, Director.

Legal No. 64227 published in The Daily Times on March 3, 2010.

Order Confirmation

<u>Ad Order Number</u> 0000331964	<u>Customer</u> OIL CONSERVATION DIVISION	<u>Customer Account</u> 49617	<u>Ordered By</u> Carl Chavez	<u>PO Number</u> 52100-0000020603
<u>Sales Rep.</u> semmer	<u>Customer Address</u> 1220 S SAINT FRANCIS DR SANTA FE, NM, USA 87505	<u>Customer Phone #1</u> 505-476-3440	<u>Customer Phone #2</u>	
<u>Order Taker</u> semmer		<u>Customer Fax</u>	<u>Customer Email</u>	
<u>Order Source</u> OIL CONSERVATION DIVISION	<u>Payor Customer</u> OIL CONSERVATION DIVISION	<u>Payor Account</u> 49617	<u>Special Pricing</u> None	

<u>Tear Sheets</u> 2	<u>Proofs</u> 0	<u>Affidavits</u> 1	<u>Blind Box</u>	<u>Promo Type</u> Official	<u>Materials</u>
<u>Invoice Text</u> Notice of Publication, 3/3			<u>Ad Order Notes</u>		

<u>Net Amount</u> \$170.80	<u>Tax Amount</u> \$0.00	<u>Total Amount</u> \$170.80
<u>Payment Method</u>	<u>Payment Amount</u> \$0.00	<u>Amount Due</u> \$170.80

<u>Ad Number</u> 0000331964-01	<u>Ad Type</u> CLS Legal liner	<u>Ad Size</u> 2.0 X 165 Li	<u>Color</u> <NONE>	<u>Production</u> AdBooker	<u>Production Notes</u>
<u>Ad Attributes</u>	<u>Ad Released</u> No	<u>Pick Up</u>			

<u>Product Information</u> FM Daily-Times-Farmington Daily-Times:: Legal	<u>Placement/Classification</u> Legal
<u>Run Schedule Invoice Text</u> NOTICE OF PUBLICATION STATE OF	<u>Sort Text</u> NOTICEOFPUBLICATIONSTATEOFNEWMEXICOENER
<u>Run Dates</u> 3/3/2010	<u># Inserts</u> 1
<u>Cost</u> \$163.80	

<u>Product Information</u> FM Online-Farmington Online::	<u>Placement/Classification</u> Legal
<u>Run Schedule Invoice Text</u> NOTICE OF PUBLICATION STATE OF	<u>Sort Text</u> NOTICEOFPUBLICATIONSTATEOFNEWMEXICOENER
<u>Run Dates</u> 3/3/2010	<u># Inserts</u> 1
<u>Cost</u> \$0.00	

THE SANTA FE
NEW MEXICAN
Founded 1849

RECEIVED

2010 MAR 4 PM 1 23

NM EMNRD OIL CONSERV
1220 S ST FRANCIS DR
SANTA FE NM 87505

ALTERNATE ACCOUNT: 56689
AD NUMBER: 00310857 ACCOUNT: 00002212
LEGAL NO: 88860 P.O. #: 227.50
225 LINES 1 TIME(S)
AFFIDAVIT: 0.00
TAX: 18.34
TOTAL: 245.84

3/4/2010
OK to pay
the 1st bill

AFFIDAVIT OF PUBLICATION

STATE OF NEW MEXICO
COUNTY OF SANTA FE

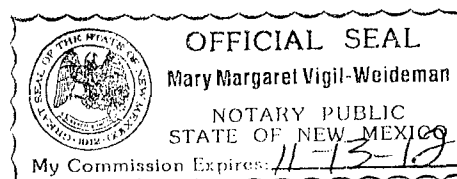
I, V. Wright, being first duly sworn declare and say that I am Legal Advertising Representative of THE SANTA FE NEW MEXICAN, a daily newspaper published in the English language, and having a general circulation in the Counties of Santa Fe and Los Alamos, State of New Mexico and being a newspaper duly qualified to publish legal notices and advertisements under the provisions of Chapter 167 on Session Laws of 1937; that the publication # 88860 a copy of which is hereto attached was published in said newspaper 1 day(s) between 03/03/2010 and 03/03/2010 and that the notice was published in the newspaper proper and not in any supplement; the first date of publication being on the 3rd day of March, 2010 and that the undersigned has personal knowledge of the matter and things set forth in this affidavit.

/S/ V. Wright
LEGAL ADVERTISEMENT REPRESENTATIVE

Subscribed and sworn to before me on this 3rd day of March, 2010

Notary Mary Margaret Vigil-Weideman

Commission Expires: 11-13-2012



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 (20.6.2.3108 NMAC), the following discharge permit application(s) has been submitted to the Director of the New Mexico Oil Conservation Division ("NMOCD"), 1220 S. Saint Francis Drive, Santa Fe, New Mexico 87505, Telephone (505) 476-3440:

(UICI-009) Western Refining Southwest, Inc.-Bloomfield Refinery James R. Schmaltz, Environmental Manager, #50 Road 4990 or P.O. Box 159, Bloomfield, New Mexico 87413 has submitted a renewal application for a Class I (non-hazardous) Injection Well Discharge Permit (UIC-CLI-009) for Disposal Well No. 1 (API# 30-045-29002) located in the NE/4, SE/4 of Section 27, Township 29 North, Range 11 West, NMPM, San Juan County, New Mexico. The injection well is located within the refinery property approximately 1.05 miles south of the intersection of Hwy 544 and Hwy 550 on Hwy 550 turn East on Road 4990 about 0.5 mile to the refinery. Oil field exempt and non-exempt non-hazardous industrial waste will be injected from the raw water evaporation pond into Disposal Well No. 1 for disposal into the Cliff House Formation in the injection intervals from 3276 to 3408 feet and Menefee Formation in the injection interval from 3435 to 3460 feet. The Total Dissolved Solids (TDS) concentration of injected waste fluid is about 15,600 mg/L and the injection rate shall not exceed 100 gpm and a maximum surface injection pressure of 600 psig during operations. The TDS of the formation fluids is about 25,000 mg/L. Groundwater most likely to be affected by a spill, leak or accidental discharge is at a depth of approximately 10 to 30 feet below the ground surface, with a TDS concentration

of about 200 mg/L. The San Juan River is within about 0.3 mile W-NW of the well at its closest point. The discharge plan addresses well construction, operation, monitoring, associated surface facilities, and provides a contingency plan in the event of accidental spills, leaks, and other accidental discharges in order to protect fresh water.

The NMOCD has determined that the application is administratively complete and has prepared a draft permit. The NMOCD will accept comments and statements of interest regarding this application and will create a facility-specific mailing list for persons who wish to receive future notices. Persons interested in obtaining further information, submitting comments or requesting to be on a facility-specific mailing list for future notices may contact the Environmental Bureau Chief of the Oil Conservation Division at the address given above. The administrative completeness determination and draft permit may be viewed at the above address between 8:00 a.m. and 4:00 p.m., Monday through Friday, or may also be viewed at the NMOCD web site <http://www.emnrd.state.nm.us/ocd/>. Persons interested in obtaining a copy of the application and draft permit may contact the NMOCD at the address given above. Prior to ruling on any proposed discharge permit or major modification, the Director shall allow a period of at least thirty (30) days after the date of publication of this notice, during which interested persons may submit comments or request that NMOCD hold a public hearing. Requests for a public hearing shall set forth the reasons why a hearing should be held. A hearing will be held if the Director determines that there is significant public interest. If no public hearing is held, the Director will approve or disapprove the proposed permit based on information available, including all comments received. If a public hearing is held, the director will approve or disapprove the proposed permit based on information in the permit applica-

tion 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,

Minerals 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 25th day of February 2010.

STATE OF
NEW MEXICO
OIL CONSERVATION
DIVISION
Mark Fesmire,
Director
Legal #88860
Pub. Mar. 3, 2010

THE DAILY TIMES
201 NORTH ALLEN
FARMINGTON NM 87401
P-(505)564-4566 F-(505)564-4567

FACSIMILE TRANSMITTAL SHEET

TO:	Carl Chavez	FROM:	Sarah Emmert
COMPANY:	Oil And Conservation Division	DATE:	2/26/10
FAX NUMBER:	505-476-3462	TOTAL NO. OF PAGES INCLUDING COVER:	3 with cover
PHONE NUMBER:		SENDER'S REFERENCE NUMBER:	
RE:	Ad: Notice of Publication Acct #: 49617 Ad. #: 331964	YOUR REFERENCE NUMBER:	PO# 52100-0000020603

☐ URGENT ☒ FOR REVIEW ☐ PLEASE COMMENT ☐ PLEASE REPLY ☐ PLEASE RECYCLE

NOTES/COMMENTS:

Attached is a copy of your legal notice as it will appear in The Daily Times on March 3rd 2010. Also attached is an Order Confirmation with the total cost.

Please review and contact me as soon as possible. Have A Great Day!

Approval Required before publication.

Thanks,

Sarah Emmert
Legal Clerk
505.564.4566

NOTICE OF PUBLICATION**STATE OF NEW MEXICO
ENERGY, MINERALS AND NATU-
RAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION**

Notice is hereby given that pursuant to New Mexico Water Quality Control Commission Regulations (20.6.2.3108 NMAC), the following discharge permit application(s) has been submitted to the Director of the New Mexico Oil Conservation Division ("NMOCD"), 1220 S. Saint Francis Drive, Santa Fe, New Mexico 87505, Telephone (505) 476-3440: (UICI-009) Western Refining South-west, Inc., Bloomfield Refinery James R. Schmaltz, Environmental Manager, #50 Road 4990 or P.O. Box 159, Bloomfield, New Mexico 87413 has submitted a renewal application for a Class 1 (non-hazardous) Injection Well Discharge Permit (UIC-CL1-009) for Disposal Well No. 1 (API# 30-045-29002) located in the NE/4, SE/4 of Section 27, Township 29 North, Range 11 West, NMPM, San Juan County, New Mexico. The injection well is located within the refinery property approximately 1.05 miles south of the intersection of Hwy-644 and Hwy-550 on Hwy-550 turn East on Road 4990 about 0.5 mile to the refinery. Oil field exempt and non-exempt non-hazardous industrial waste will be injected from the raw water evaporation pond into Disposal Well No. 1 for disposal into the Cliff House Formation in the injection intervals from 3276 to 3408 feet and Menefee Formation in the injection interval from 3435 to 3460 feet. The Total Dissolved Solids (TDS) concentration of injected waste fluid is about 15,600 mg/L and the injection rate shall not exceed 100 gpm and a maximum surface injection pressure of 600 psig during operations. The TDS of the formation fluids is about 25,000 mg/L. Groundwater most likely to be affected by a spill, leak or accidental discharge is at a depth of approximately 10 to 30 feet below the ground surface, with a TDS concentration of about 200 mg/L. The San Juan River is within about 0.3 mile W-NW of the well at its closest point. The discharge plan addresses well construction, operation, monitoring, associated surface facilities, and provides a contingency plan in the event of accidental spills, leaks, and other accidental discharges in order to protect fresh water.

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

posed 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 NMOC 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 Mexico (Contacto: Dorothy Phillips, 505-476-3461)

GIVEN under the Seal of New Mexico Oil Conservation Commission at Santa Fe, New Mexico, on this 25th day of February 2010.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

S E A L
Mark Fesmire, Director

Legal No. 64227 published in The Daily Times on March 3, 2010.

Order Confirmation

<u>Ad Order Number</u>	<u>Customer</u>	<u>Customer Account</u>	<u>Ordered By</u>	<u>PO Number</u>
0000331964	OIL CONSERVATION DIVISION	49617	Carl Chavez	52100-0000020603
<u>Sales Rep.</u>	<u>Customer Address</u>	<u>Customer Phone #1</u>	<u>Customer Phone #2</u>	
semment	1220 S SAINT FRANCIS DR	505-476-3440		
<u>Order Taker</u>	<u>Customer Fax</u>	<u>Payor Account</u>	<u>Special Pricing</u>	
semment	SANTA FE, NM, USA 87505	49617	None	

<u>Year Sheets</u>	<u>Proofs</u>	<u>Ad Ids/Avs</u>	<u>Blind Box</u>	<u>Promo Type</u>	<u>Materials</u>
2	0	1		Official	
<u>Invoice Text</u>	<u>Ad Order Notes</u>				
Notice of Publication, 3/3	<u>Net Amount</u>	<u>Tax Amount</u>	<u>Total Amount</u>	<u>Payment Method</u>	<u>Amount Due</u>
	\$170.80	\$0.00	\$170.80	\$0.00	\$170.80

<u>Ad Number</u>	<u>Ad Type</u>	<u>Ad Size</u>	<u>Color</u>	<u>Production</u>	<u>Production Notes</u>
0000331964-01	CLS Legal liner	2.0 X 165 LI	<NONE>	AdBooker	
<u>Ad Attributes</u>	<u>Ad Released</u>	<u>Pick Up</u>			
	No				

<u>Product Information</u>	<u>Placement/Classification</u>	<u>Run Dates</u>	<u># Inserts</u>	<u>Cost</u>
FM Daily-Times-Farmington Daily-Times:: Legal		3/3/2010	1	\$163.80
<u>Run Schedule Invoice Text</u>	<u>Sort Text</u>			
NOTICE OF PUBLICATION STATE OF	NOTICEOFFUBLICATIONSTATEOFNEWMEXICOENER			

<u>Product Information</u>	<u>Placement/Classification</u>	<u>Run Dates</u>	<u># Inserts</u>	<u>Cost</u>
FM Online-Farmington Online:: Legal		3/3/2010	1	\$0.00
<u>Run Schedule Invoice Text</u>	<u>Sort Text</u>			
NOTICE OF PUBLICATION STATE OF	NOTICEOFFUBLICATIONSTATEOFNEWMEXICOENER			

Chavez, Carl J, EMNRD

From: Legals [legals@sfnewmexican.com]
Sent: Thursday, February 25, 2010 3:48 PM
To: Chavez, Carl J, EMNRD
Subject: Re: Public Notice Request to Farmington Daily Times and Santa Fe New Mexican Newspapers
Attachments: receipt_ad #310857.pdf; proof_ad #310857.pdf

Hello Carl:
Attached is the proof and the receipt for ad #310857.
Scheduled for: Mar. 3rd

Thank You,
Valerie Wright
Legal Clerk
The New Mexican
(505)995.3818

On 2/25/10 1:41 PM, "Chavez, Carl J, EMNRD" <CarlJ.Chavez@state.nm.us> wrote:

Dear Sir or Madam:

Please publish (**for one day only**) the attached Public Notice in the classified notice section of your respective newspapers.

For billing purposes, the New Mexico Oil Conservation Division billing information is as follows:

Farmington Daily Times: PO# is 52100-0000020603 and Account # is 781442.

Santa Fe New Mexican: PO# is 52100-0000020600 and Account # is 56689.

Please send me an affidavit of proof of publication for each notice that you process and contact me if you have questions.
Thank you.

Carl J. Chavez, CHMM
New Mexico Energy, Minerals & Natural Resources Dept.
Oil Conservation Division, Environmental Bureau
1220 South St. Francis Dr., Santa Fe, New Mexico 87505
Office: (505) 476-3490
Fax: (505) 476-3462
E-mail: CarlJ.Chavez@state.nm.us <<mailto:CarlJ.Chavez@state.nm.us>>
Website: <http://www.emnrd.state.nm.us/ocd/> <<http://www.emnrd.state.nm.us/ocd/>> index.htm
(Pollution Prevention Guidance is under "Publications")

Confidentiality Notice: This e-mail, including all attachments is for the sole use of the intended recipient(s) and may contain confidential and privileged information. Any unauthorized review, use, disclosure or distribution is prohibited unless specifically provided under the New Mexico Inspection of Public Records Act. If you are not the intended recipient, please contact the sender and destroy all copies of this message. -- This email has been scanned by the Sybari - Antigen Email System.

Confidentiality Notice: This e-mail, including all attachments is for the sole use of the intended recipient(s) and may contain confidential and privileged information. Any unauthorized review, use, disclosure or distribution is prohibited unless specifically provided under the New Mexico Inspection of Public Records Act. If you are not the intended recipient, please contact the sender and destroy all copies of this message.

This email has been scanned using Webroot Email Security.

This inbound email has been scanned for malicious software and transmitted safely to you using Webroot Email Security.

Advertising Receipt

The New Mexican
202 E. Marcy
P.O. Box 2048
Santa Fe, NM 87504-204
Phone: (505) 983-3303
Fax: (505) 820-1635

NM EMNRD OIL CONSERVATION DIV

1220 S ST FRANCIS DR

SANTA FE , NM 87505

Alt #: 56689

Cust#: 00002212

Ad#: 00310857

Phone: (505)476-3492

Date: 02/25/2010

Ad taker: 38

Salesperson: 40

Classification: 6000

Sort Line	Start	Stop	Runs	Lines	Cost
NOTICE OF PUBLICATION STATE O	03/03/2010	03/03/2010	1	225	227.50

Ad Text:
NOTICE OF

Tax: 18.34
Net: 245.84
Prepaid: 0.00

Total Due 245.84

**NOTICE OF
PUBLICATION**

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

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<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.

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Para obtener más información sobre esta solicitud en espan_ol, 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 Mexico (Contacto: Dorothy Phillips, 505-476-3461)

GIVEN under the Seal of New Mexico Oil Conservation Commission at Santa Fe, New Mexico, on this 25th day of February 2010.

STATE OF
NEW MEXICO
OIL CONSERVATION

DIVISION
Mark Fesmire,
Director
Legal #
Pub. Mar. 3, 2010

Chavez, Carl J, EMNRD

From: Chavez, Carl J, EMNRD
Sent: Thursday, February 25, 2010 2:23 PM
To: Stevenson, Tod, DGF; Wunder, Matthew, DGF; Warren, Alvin, DIA; 'ddapr@nmda.nmsu.edu'; 'Linda_Rundell@nm.blm.gov'; 'psisneros@nmag.gov'; 'r@rthicksconsult.com'; 'sricdon@earthlink.net'; 'nmparks@state.nm.us'; Dantonio, John, OSE; 'seligman@nmoga.org'; Fetner, William, NMENV; 'lazarus@glorietageo.com'; 'marissa.stone@state.nm.us'; 'ron.dutton@xcelenergy.com'; 'cgarcia@fs.fed.us'; Kieling, John, NMENV; 'bsg@garbhall.com'; Olson, Bill, NMENV; 'claudette.horn@pnm.com'; 'ekendrick@montand.com'; 'staff@ipanm.org'; 'dseawright@gmail.com'; 'jharris@rwdhc.com'; Hill, Larry, EMNRD; Johnson, Larry, EMNRD; Bonham, Sherry, EMNRD; 'Dade.Randy@state.nm.us'; Bratcher, Mike, EMNRD; Perrin, Charlie, EMNRD; Powell, Brandon, EMNRD; Martin, Ed, EMNRD; 'lynnb@nmt.edu'
Subject: New Mexico Oil Conservation Division (OCD) Public Notice (Western Refining Southwest, Inc. UIC Class I (non-hazardous) Disposal Well Discharge Permit Renewal (UICI-009)

Dear Sir or Madam:

I am writing to inform you that the OCD has posted a "Administratively Complete" Letter, Public Notice, and Draft Discharge Permit for Western Refining Southwest, Inc., Bloomfield Refinery Underground Injection Control (UIC) Class I (non-hazardous) Disposal Well.

To see the posted documents on the OCD Website, please go to: <http://www.emnrd.state.nm.us/ocd/ENV-DraftPublicEtc.htm>.

Please allow a two day period for documents to actually be posted due to the OCD's Administrative Process in posting documents onto its website.

Please contact me if you have questions. Thank you.

Carl J. Chavez, CHMM
New Mexico Energy, Minerals & Natural Resources Dept.
Oil Conservation Division, Environmental Bureau
1220 South St. Francis Dr., Santa Fe, New Mexico 87505
Office: (505) 476-3490
Fax: (505) 476-3462
E-mail: CarlJ.Chavez@state.nm.us
Website: <http://www.emnrd.state.nm.us/ocd/index.htm>
(Pollution Prevention Guidance is under "Publications")

Chavez, Carl J, EMNRD

From: Chavez, Carl J, EMNRD
Sent: Thursday, February 25, 2010 1:42 PM
To: 'legals@daily-times.com'; 'legals@sfnewmexican.com'
Subject: Public Notice Request to Farmington Daily Times and Santa Fe New Mexican Newspapers
Attachments: UICI-9 WDW-1 PN.doc

Dear Sir or Madam:

Please publish (**for one day only**) the attached Public Notice in the classified notice section of your respective newspapers.

For billing purposes, the New Mexico Oil Conservation Division billing information is as follows:

Farmington Daily Times: PO# is 52100-0000020603 and Account # is 781442.

Santa Fe New Mexican: PO# is 52100-0000020600 and Account # is 56689.

Please send me an affidavit of proof of publication for each notice that you process and contact me if you have questions.
Thank you.

Carl J. Chavez, CHMM
New Mexico Energy, Minerals & Natural Resources Dept.
Oil Conservation Division, Environmental Bureau
1220 South St. Francis Dr., Santa Fe, New Mexico 87505
Office: (505) 476-3490
Fax: (505) 476-3462
E-mail: CarlJ.Chavez@state.nm.us
Website: <http://www.emnrd.state.nm.us/ocd/index.htm>
(Pollution Prevention Guidance is under "Publications")



New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson
Governor

Jon Goldstein
Cabinet Secretary

Mark Fesmire
Division Director
Oil Conservation Division



February 25, 2010

Mr. James R. Schmaltz
Western Refining Southwest, Inc.
#50 Road 4990, P.O. Box 159
Bloomfield, New Mexico 87413

Re: Discharge Plan Permit (UICI-009 [I-009])
Western Refining Southwest, Inc.
Class I Non-Hazardous Oil Field Waste Disposal Well
Waste Disposal Well No. 1, API No. 30-045-29002
2442 FSL and 1250 FEL UL: I Section 27, T29 N, R 11 W
San Juan County, New Mexico

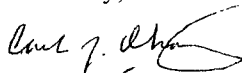
Dear Mr. Schmaltz:

The New Mexico Oil Conservation Division (OCD) has received Western Refining Southwest, Inc.'s application for Waste Disposal Well No. 1 to inject oil field exempt/non-exempt non-hazardous wastes into the Cliff House and Menefee Formations at the intervals from 3276 to 3408 feet and 3435 to 3460 feet, respectively at a maximum surface injection pressure of 600 psig. The Class I waste disposal injection well is located in the NE/4 SE/4 of Section 27, Township 29 North, Range 11 West, NMPM, San Juan 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 OCD. OCD will provide public notice pursuant to the WQCC notice requirements of 20.6.2.3108 NMAC to determine if there is any public interest.

Please contact me at (505) 476-3490 or carlj.chavez@state.nm.us if you have questions. Thank you for your cooperation during this discharge permit review.

Sincerely,



Carl J. Chavez
Environmental Engineer

CJC/cjc

xc: OCD District III Office, Aztec



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 (20.6.2.3108 NMAC), the following discharge permit application(s) has been submitted to the Director of the New Mexico Oil Conservation Division ("NMOCD"), 1220 S. Saint Francis Drive, Santa Fe, New Mexico 87505, Telephone (505) 476-3440:

(UICI-009) Western Refining Southwest, Inc.- Bloomfield Refinery James R. Schmaltz, Environmental Manager, #50 Road 4990 or P.O. Box 159, Bloomfield, New Mexico 87413 has submitted a renewal application for a Class I (non-hazardous) Injection Well Discharge Permit (UIC-CLI-009) for Disposal Well No. 1 (API# 30-045-29002) located in the NE/4, SE/4 of Section 27, Township 29 North, Range 11 West, NMPM, San Juan County, New Mexico. The injection well is located within the refinery property approximately 1.05 miles south of the intersection of Hwy-544 and Hwy-550 on Hwy-550 turn East on Road 4990 about 0.5 mile to the refinery. Oil field exempt and non-exempt non-hazardous industrial waste will be injected from the raw water evaporation pond into Disposal Well No. 1 for disposal into the Cliff House Formation in the injection intervals from 3276 to 3408 feet and Menefee Formation in the injection interval from 3435 to 3460 feet. The Total Dissolved Solids (TDS) concentration of injected waste fluid is about 15,600 mg/L and the injection rate shall not exceed 100 gpm and a maximum surface injection pressure of 600 psig during operations. The TDS of the formation fluids is about 25,000 mg/L. Groundwater most likely to be affected by a spill, leak or accidental discharge is at a depth of approximately 10 to 30 feet below the ground surface, with a TDS concentration of about 200 mg/L. The San Juan River is within about 0.3 mile W-NW of the well at it closest point. The discharge plan addresses well construction, operation, monitoring, associated surface facilities, and provides a contingency plan in the event of accidental spills, leaks, and other accidental discharges in order to protect fresh water.

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

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

Para obtener más información sobre esta solicitud en español, sirvase comunicarse por favor: New Mexico Energy, Minerals and Natural Resources Department (Depto. Del Energía, 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 25th day of February 2010.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

S E A L

Mark Fesmire, Director

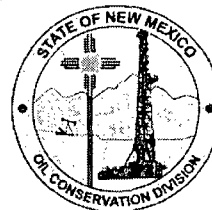


New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson
Governor

Jon Goldstein
Cabinet Secretary

Mark Fesmire
Division Director
Oil Conservation Division



February 25, 2010

Mr. James R. Schmaltz
Western Refining Southwest, Inc.
#50 Road 4990, P.O. Box 159
Bloomfield, New Mexico 87413

**Re: DRAFT Discharge Plan Permit (UICI-009 [I-009])
Western Refining Southwest, Inc.
Class I Non-Hazardous Oil Field Waste Disposal Well
Waste Disposal Well No. 1, API No. 30-045-29002
2442 FSL and 1250 FEL UL: I Section 27, T29 N, R 11 W
San Juan County, New Mexico**

Dear Mr. Schmaltz:

Pursuant to the Water Quality Control Commission (WQCC) Regulations 20.6.2 NMAC and more specifically 20.6.2.3104 - 20.6.2.3999 and 20.6.2.5000-.5299, the Oil Conservation Division (OCD) hereby authorizes Western Refining Southwest, Inc.'s Class I Waste Disposal Well No. 1 (API No. 30-045-29002) in San Juan County, New Mexico, under the conditions specified in the enclosed **Attachment To The Class I Injection Well Discharge Permit**.

Enclosed are two copies of the conditions of approval. **Please sign and return one copy to the New Mexico Oil Conservation Division (OCD) Environmental Bureau within 30 working days of receipt of this letter including permit fees.**

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

If you have any questions, please contact Carl Chavez of my staff at (505-476-3490) or E-mail address: carlj.chavez@state.nm.us. On behalf of the staff of the OCD, I wish to thank you and your staff for your cooperation during this discharge permit review.

Sincerely,

Glenn von Gonten
Acting Environmental Bureau Chief

GvG/cc
Attachments-1

xc: OCD District III Office, Aztec



ATTACHMENT TO THE DISCHARGE PERMIT
Western Refining Southwest, Inc. Waste Disposal Well No. 1 Class I Waste Disposal Well
UIC-CLI-009 (UICI-009)
DISCHARGE PERMIT APPROVAL CONDITIONS

February 24, 2010

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

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

1. Payment of Discharge Plan Fees: All discharge permits are subject to WQCC Regulations. Every billable facility that submits a discharge permit application will be assessed a filing fee of \$100.00, plus a renewal flat fee (*see* WQCC Regulation 20.6.2.3114 NMAC). The Oil Conservation Division ("OCD") has received the required \$100.00 filing fee and the Western Refining Southwest, Inc. shall pay the remaining \$4500.00 permit fee. The total fee amount due is \$4500 for the Class I Well.

2. Permit Expiration and Renewal Conditions and Penalties: Pursuant to WQCC Regulation 20.6.2.3109.H.4 NMAC, this permit is valid for a period of five years. **The permit will expire on November 4, 2013** and an application for renewal should be submitted no later than 120 days before that expiration date. Pursuant to WQCC Regulation 20.6.2.3106.F NMAC, if a discharger submits a discharge permit renewal application at least 120 days before the discharge permit expires and is in compliance with the approved permit, then the existing discharge permit will not expire until the application for renewal has been approved or disapproved. *Expired permits are a violation of the Water Quality Act (Chapter 74, Article 6, NMSA 1978) and civil penalties may be assessed accordingly.*

3. Permit Terms and Conditions: Pursuant to WQCC Regulation 20.6.2.3104 NMAC, when a permit has been issued, the 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. All injection operations related to oil and natural gas production in New Mexico are regulated under the provisions of the Oil and Gas Act, NMSA 1978, Sections 70-2-1 *et seq.* and the Water Quality Act, NMSA 1978, Sections 74-6-1 *et seq.* These Acts delegate authority for enforcement of their provisions relating to oil and natural gas drilling, production, processing, and transportation to the Oil Conservation Division (OCD) of the New Mexico Energy, Minerals and Natural Resources Department, and to the Oil Conservation Commission (OCC) and the Water Quality Control Commission (WQCC). To carry out its authority, the OCC has promulgated rules (19 NMAC) and numerous orders. Western Refining Southwest, Inc. shall comply with WQCC Regulations 20.6.2 *et seq.* NMAC relating to Class I Waste Disposal Wells.

4. Operator Commitments: The owner/operator shall abide by the recommendations cited in the William Cobb & Associates, Inc. Report "2009 Annual Bottom hole Surveys and Pressure Fall-Off Tests for Waste Disposal Well #1" dated November 2, 2009 within 12 months of permit issuance, or other alternative as approved by the OCD. In addition, the owner/operator shall comply with Section 17(A)(B)(C) herein. 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, 20.6.2.3109 and 20.6.2.5101.I 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 or will be exceeded, or if a toxic pollutants as defined in WQCC Regulation 20.6.2.7 NMAC is present in ground water at any place of withdrawal for present or reasonably foreseeable future use, or that the Water Quality Standards for Interstate and Intrastate streams as specified in 20.6.4 NMAC are being or may be violated in surface water in New Mexico.

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

A. OCD Part 35 Waste: Pursuant to OCD Part 35 (19.15.35 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 Waste Disposal Wells under the EPA UIC program. Class V wells that inject domestic waste only must be permitted by the New Mexico Environment Department (NMED).

14. Housekeeping: The 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 Part 29 (19.15.29 et seq. NMAC). The owner/operator shall notify both the OCD District Office and the Environmental Bureau within 24 hours and file a written report within 15 days.

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

17. Other Requirements:

A. Corrective action **shall be taken within 12 months of permit issuance** to cement the interval(s) of injection at the Calvin Well No. 1 (API# 30-045-12003) approximately 0.51 miles away from the injection well.

B. An injection well filtration system **shall be installed within 6 months of permit issuance** to prohibit debris from clogging the formation interval(s).

C. The operator **shall upgrade its current well bond amount within 3 months of permit issuance** to comply with Section 22(J).

18. 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.

19. 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 approved herein.

An unauthorized discharge is a violation of this permit.

20. 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.

21. Additional Site Specific Conditions: The owner/operator shall notify the OCD within 24 hours after having knowledge of ground water pollution complaints or well problems within a 1-mile radius of WDW-2.

A. Notification: The owner/operator shall notify the OCD within 24 hours after having knowledge of ground water pollution complaints or well problems within a 1-mile radius of WDW-2.

- B. Hydrogen Sulfide (H₂S) Contingency Plan:** If concentrations of H₂S at the facility may exceed 100 ppm as specified in 19.15.11.12 et seq. NMAC, a H₂S Contingency Plan per 19.15.11.9 et seq. NMAC shall be submitted within 3 months of permit issuance.

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

- A. Well Identification:** API # 30-045-29002
- B. Well Work Over Operations:** OCD approval will be obtained prior to performing remedial work, pressure test or any other work. Approval will be requested on OCD Form C-103 "Sundry Notices and Reports on Wells" (OCD Rule 1103.A) with appropriate copies sent to the OCD Environmental Bureau and District Office.
- C. Injection Formation, Interval & Waste:** Injected refinery exempt/non-exempt non-hazardous wastes will be injected into the Cliff House Formation in the injection intervals from 3276 to 3408 feet and Menefee Formation in the injection interval from 3435 to 3460 feet. Tubing shall be surrounded by surface casing set to a depth protective of fresh ground water (< 10,000 ppm TDS). The owner/operator shall take all steps necessary to ensure that the injected waste enters only the above specified injection intervals and is not permitted to escape to other formations or onto the surface. The operator shall provide written notice of the date of commencement of injection to the OCD Environmental Bureau of the Division.
- D. Well Injection Pressure Limits:** The wellhead surface injection pressure on the well shall be limited to no more than 600 psig. In addition, the injection well or system shall be equipped with a pressure limiting device which shall, at all times, limit surface injection pressure to the maximum allowable pressure for this well. A 72-hr. or longer pressure vs. flow rate chart recorder device shall be installed and used to record pressure (i.e., max. 1000 lb. spring on 7-day chart recorder) and flow. The charts shall be maintained and available to the OCD for a period of five (5) years. The well pressure and flow rate shall be reported quarterly or submitted in the Annual Report to the OCD. The operator shall take all steps necessary to ensure that the injected fluids enter only the proposed injection intervals and is not permitted to escape to other formations or onto the ground surface. Any pressure that causes new fractures or propagation in existing fractures or causes damage to the system shall be reported to OCD within 24 hours of discovery.

The Director of the OCD may authorize an increase in injection pressure upon demonstration by the operator of said well that such higher pressure will not result in fracturing. Such demonstration shall consist of a valid step-rate test conducted in association with a pressure fall-off test with required corrective action(s) to uncemented injection zone wells within a one-mile AOR.

E. Mechanical Integrity Testing (MIT):

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

The owner/operator shall complete an annual pressure fall-off test to monitor the pressure buildup in the injection zone. The well shall be shut down for a period sufficient to conduct the test and shall be submitted to the OCD in the annual report (see Section 22(K)(11)). All well testing shall be performed annually or shall also be performed whenever the tubing is pulled or the packer reseated or when the injection formation will be isolated from the casing/tubing annulus. The operator shall notify the OCD Santa Fe Environmental Bureau and the Aztec District Office of the date, time and time of the installation of disposal equipment and of any MIT so that it may be inspected and witnessed.

1. General Requirements:

- a. If the testing requires a packer then casing-tubing annulus must be loaded with inert fluid 24 hours prior to testing.
- b. Have manpower and equipment available for pressure test. Wellhead shall be prepared for test and all valves and gauges should be in good working order.
- c. Pumps, tanks, external lines etc. must be isolated from the wellhead during test.
- d. A continuous recording pressure device with a maximum 4-hour clock shall be installed on the casing-tubing annulus. The pressure range shall not be greater than 500 psig. The operator must provide proof that the pressure-recording device has been calibrated within the past 6 months.
- e. A minimum of one pressure gauge shall be installed on the casing/tubing annulus.
- f. OCD must witness the beginning of test (putting chart on) and ending of test (removing chart). At the end of test, the operator may be required to bleed-off well pressure to demonstrate recorder and gauge response.

- g. The owner/operator shall supply the following information on the pressure chart that the inspector will file in the well records:
 - 1. Company Name, Well Name, API #, Legal Location.
 - 2. Test Procedure with "Pass/Fail" designation.
 - 3. Testing Media: Water, Gas, Oil, Etc.
 - 4. Date, time started and ending.
 - 5. Name (printed) and signature of company representative and OCD Inspector

2. Test Acceptance:

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

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

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

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

F. Loss of Mechanical Integrity: The operator shall report within 24 hours of discovery any failure of the casing, tubing or packer, or movement of fluids outside of the injection zone. The operator shall cease operations until proper repairs are made and receive OCD approval to re-start injection operations. In addition, any associated fresh ground water monitor wells, which exhibit anomalous static water levels,

detection of elevated general chemistry constituents, public health issues, etc. shall be immediately reported to the OCD.

- G. Injection Record Volumes and Pressures:** The owner/operator shall submit quarterly reports of its disposal, operation and well workovers provided herein. The minimum, maximum, average disposal volumes (including total volumes) and surface injection pressures of waste (oil field exempt/non-exempt non-hazardous waste) injected shall be recorded monthly and submitted to the OCD Environmental Bureau on a quarterly basis or in the Annual Report.

The casing-tubing annulus shall contain fluid and be equipped with a pressure gauge or an approved leak detection device in order to determine leakage in the casing, tubing, or packer. The well shall be equipped with an expansion tank or other approved device under constant 100 psig pressure connected to the casing-annulus **within 6 months of permit issuance**. The expansion tank shall initially be filled half-full (250 gallon expansion tank) with an approved fluid to establish an equilibrium volume and fluid level. Weekly monitoring of fluid levels in the expansion tank coupled with documented additions/ removals of fluids into or out of the expansion tank is required to maintain the equilibrium volume. Any loss or gain of fluids in the expansion tank shall be recorded, and if significant, reported to the OCD within 24 hours of discovery. The owner/operator shall provide the following information on a quarterly basis: weekly expansion tank volume readings shall be provided in a table in the cover letter of each quarterly report. The owner/operator shall monitor, record and note any fluid volume additions or removals from the expansion tank on a quarterly basis. In addition, any well activity (i.e., plugging, changing injection intervals, etc.) shall be conducted in accordance with all applicable New Mexico OCD regulations.

- H. Analysis of Injected Waste:** Provide an analytical data or test results summary of the injection waste water with each annual report. The analytical testing shall be conducted on a quarterly basis with any exceedence reported to the OCD within 24 hours after having knowledge of an exceedence(s). Records shall be maintained at the facility for the life of the well. The required analytical test methods are:
- a.** Aromatic and halogenated volatile hydrocarbon scan by EPA Method 8260C GC/MS. Semi-volatile Organics GC/MS EPA Method 8270B including 1 and 2-methylnaphthalene.
 - b.** General water chemistry (Method 40 CFR 136.3) to include calcium, potassium, magnesium, sodium, bicarbonate, carbonate, chloride, sulfate, total dissolved solids (TDS), pH, and conductivity.
 - c.** Heavy metals using the ICP scan (EPA Method 6010) and Arsenic and Mercury using atomic absorption (EPA Methods 7060 and 7470).

- d. EPA RCRA Characteristics for Ignitability, Corrosivity and Reactivity (40 CFR part 261 Subpart C Sections 261.21 – 261.23, July 1, 1992).
- I. Area of Review (AOR): The owner/operator shall report within 24 hours of discovery of any new wells, conduits, or any other device that penetrates or may penetrate the injection zone within a 1-mile radius from the Class I Well. Documentation of new wells shall be added to the existing AOR information in the well file within 30 days of the discovery.
- J. Bonding or Financial Assurance: The owner/operator shall maintain at a minimum, a one well plugging bond in the amount of \$95,000 or the actual amount required to plug/abandon the well pursuant to OCD and WQCC rules and regulations **within 3 months of permit issuance**. If warranted, OCD may require additional financial assurance to ensure adequate funding to plug and abandon the well or for any corrective actions.
- K. Annual Report: All operators shall submit an annual report due on January 31 of each year. The report shall include the following information:
1. Cover sheet marked as “Annual Class I Well Report, name of operator, permit #, API# of well(s), date of report, and person submitting report.
 2. Brief summary of Class I Well(s) operations including description and reason for any remedial or major work on the well with a copy of OCD Form C-103.
 3. Production volumes as required above in 22(G) including a running total should be carried over to each year. The maximum and average injection pressure vs. flow rate. A copy of any expansion tank monitoring pressure, fluid removals/additions, well problems, drinking water impacts, leaks and spills reports.
 4. A copy of the chemical analysis as required above in 22(H)
 5. A copy of any mechanical integrity test chart, including the type of test, i.e. duration, gauge pressure, etc.
 6. Brief explanation describing deviations from normal production methods.
 7. If applicable, results of any groundwater monitoring.
 8. An Area of Review (AOR) update summary.
 9. Sign-off requirements pursuant to WQCC Subsection G 20.6.2.5101.
 10. A summary with interpretation of MITs, Fall-Off Tests, etc., with conclusion(s) and recommendation(s).
 11. Annual facility training.

23. Transfer of Discharge Permit: Pursuant to WQCC 20.6.2.5101(H) the owner/operator and any new owner/operator shall provide written notice of any transfer of the permit in accordance with WQCC 20.6.2.3104 (Discharge Permit Required), 20.6.2.3111 (Transfer of Discharge Permit), 20.6.2.5101 (Discharge Permit and Other Requirements for Class I Non-Hazardous Waste Disposal Wells, and Class III Wells). Both parties shall sign the notice 30 days prior to any transfer of ownership, control or possession of a Class I Well with an approved discharge permit. In addition, the purchaser shall include a written commitment to comply with

the terms and conditions of the previously approved discharge permit. OCD will not transfer Class I Well operations until: correspondence between the transferor and transferee is submitted along with a signed certification of acceptance by the transferee, and proper bonding or financial assurance is in place and approved by the division. OCD reserves the right to require a major modification of the permit during the transfer process.

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

25. Closure: The 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 C-103 form for plugging and abandonment of the well(s). Closure and waste disposal shall be in accordance with the statutes, rules and regulations in effect at the time of closure.

26. CERTIFICATION: (OWNER/OPERATOR) by the officer whose signature appears below, acknowledges receipt of this Discharge Permit, and has reviewed its terms and conditions.

Company Name- print name above

Company Representative- print name

Company Representative- Signature

Title _____

Date: _____



BLOOMFIELD REFINERY

WNR
LISTED
NYSE

RECEIVED

2008 OCT 6 PM 3 33

Carl Chavez
New Mexico Oil Conservation Division
Environmental Bureau
1220 South St. Francis Dr
Santa Fe, NM 87505

Certified Mail: 7006 0810 0003 7020 7148

October 2, 2008

RE: Bloomfield Refinery – Western Refining Southwest, Inc.
Renewal Application for Class I
Non-Hazardous Injection Well
UICL-9
EPA ID #NMD089416416

*To: CARL
I APPROVED THIS
PROCESS & PROCEDURES
R. Price*

Mr. Chavez,

Bloomfield Refinery submits this notice of application for renewal of the Discharge Permit for the Bloomfield Refinery Class I (Non-Hazardous) Disposal Well UICL-9 operated by Western Refining Southwest, Inc. The well is located in the NE/4, SE/4 of Section 27, Township 29 North, Range 11 West, NMPM, San Juan County, New Mexico.

No elements of the Discharge Plan have been changed.

Enclosed is a check for \$100.00 for the filing fee.

If you need more information, please contact me at (505) 632-4171.

Sincerely,

James R. Schmaltz
Environmental Manager
Western Refining Southwest, Inc. - Bloomfield Refinery

Check for \$100

Cc: Wayne Price – NMOCD Santa Fe
Brandon Powell – NMOCD Aztec District Office
Todd Doyle – Bloomfield Refinery

Chavez, Carl J, EMNRD

From: Chavez, Carl J, EMNRD
Sent: Tuesday, October 07, 2008 8:43 AM
To: Schmaltz, Randy
Cc: Price, Wayne, EMNRD; Perrin, Charlie, EMNRD
Subject: EPA UIC Class I Well (UICL-9) Renewal Application

Randy:

Re:

SAN JUAN REFINING CO	GIANT BLOOMFIELD CLASS I	30-045-29002	-27-29 N-11 W	I-9	San Juan	Aztec
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After talking to Wayne, he indicated that you spoke to him about the renewal and not completing an application for the renewal because everything is the same.

Please double check to make sure a new AOR was recently completed and that nothing has changed (no new wells drilled within a 1-mile radius, etc.). This may have been performed during the EPA Fall-Off test?

If anything has changed in the application, Western Refining SW- Bloomfield Refinery will need to submit a signed application and attach anything that has changed from past applications for the well.

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/ocd/index.htm>
 (Pollution Prevention Guidance is under "Publications")

10/7/2008

ACKNOWLEDGEMENT OF RECEIPT
OF CHECK/CASH

I hereby acknowledge receipt of check No. _____ dated 10/15/08

or cash received on _____ in the amount of \$ 100⁰⁰

from GIANT INDUSTRIES ARIZONA INC.

for UTCL-9

Submitted by: LAWRENCE ROMERO Date: 10/17/08

Submitted to ASD by: JANINA ROMERO Date: 10/17/08

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 _____

2008 OCT 3 PM 1 47

Carl Chavez
New Mexico Oil Conservation Division
Environmental Bureau
1220 South St. Francis Dr
Santa Fe, NM 87505

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Mr. Chavez,

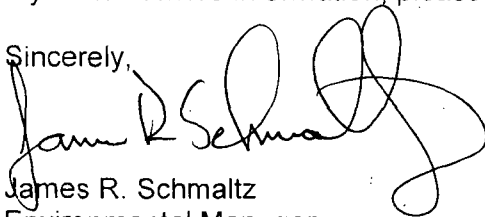
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James R. Schmaltz
Environmental Manager
Western Refining Southwest, Inc. - Bloomfield Refinery

Cc: Wayne Price– NMOCD Santa Fe
Brandon Powell – NMOCD Aztec District Office
Todd Doyle – Bloomfield Refinery

GIANT INDUSTRIES ARIZONA, INC.
DBA GIANT REFINING COMPANY - BLOOMFIELD

P.O. BOX 159 PH. 632-8013
BLOOMFIELD, NM 87413

4254

95-207/1022

DATE 10-2-08

PAY
TO THE
ORDER OF State of NM oil Conservation

\$ 100.00

one hundred dollars + 00/100

DOLLARS

AMOUNTS OVER 500.00 REQUIRE COUNTER



Citizens Bank

Bloomfield Branch
320 West Broadway
Bloomfield, NM 87413

FOR

[Signature]

MP

⑈004254⑈ ⑆102202078⑆

0314557306⑈