

**BW - 2**

**GENERAL  
CORRESPONDENCE**

**YEAR(S):**

2004 → 1994

# Cash Remittance Report (CRR)

**RECEIVED**

Appendix 8-14 revised 11/27/01

FEB 26 2004

## Energy, Minerals & Natural Resources Department CASH REMITTANCE REPORT (CRR)



OIL CONSERVATION  
DIVISION

Location Name ①

Location Code ②

OCD ENV. BUR

0740

Today's Date: 2 / 24 / 2004  
MONTH DAY YEAR

Collection Period: \_\_\_ / \_\_\_ / \_\_\_ through \_\_\_ / \_\_\_ / \_\_\_  
MM DD YYYY MM DD YYYY

Cost Center ⑤	Revenue Code ⑤	Receipt Amount ⑦	Collected Amount ⑧
<u>0740</u>			
		<u>400 ✓</u>	<u>400 ✓</u>
		<u>100 ✓</u>	<u>100 ✓</u>

**POSTED**

Total ==> \$ 500 ✓ ⑨ \$ 500 ✓ ⑩

Over/Short Amount \$ ⑪

CRR Deposit Amount \$ 500.00 ⑫

Print Name: R PRIZE ⑬ Signature: [Signature] ⑬

Print Name: E MARTIN ⑬ Signature: [Signature] ⑬

Distribution: White and Yellow copy to Accounts Receivable-ASD.  
Pink copy retained at CRR submitting location.

### Official Use Only

Completed by the Accounts Receivable

Date Received: 2-25-04 ①

Notes: \_\_\_\_\_ ②

Amount Received: 500.00 ③

State Treasurer Deposit Number: \_\_\_\_\_ ④

Verified by: [Signature] ⑥

Deposit Date: 2-26-04 ⑤

STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OFFICIAL RECEIPT

Date: 2/24/04

Received From: M/S BRINE AW-03



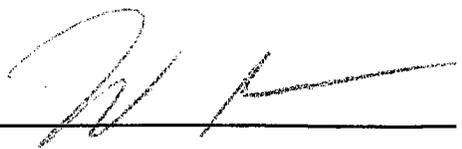
Center Code	Revenue Code	Amount	Work Order No.
790		100	
0		4	

Center Code	Revenue Code	Amount	Work Order No.

State Treasurer Deposit Number \_\_\_\_\_

Total \$ 100<sup>00</sup>

Description: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Signed: 

ASD-White Copy / Customer-Yellow Copy / Retained in Book-

STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OFFICIAL RECEIPT

Date: 2/24/04

Received From: COPICO PHILIPS  
AW-296



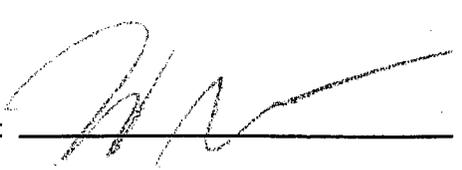
Center Code	Revenue Code	Amount	Work Order No.
0790		400	

Center Code	Revenue Code	Amount	Work Order No.

State Treasurer Deposit Number \_\_\_\_\_

Total \$ 400<sup>00</sup>

Description: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Signed: 

ASD-White Copy / Customer-Yellow Copy / Retained in Bo

State of New Mexico  
Energy, Minerals and Natural Resources Department  
OIL CONSERVATION DIVISION  
P.O. Box 2088  
Santa Fe, NM 87501

FEB 19 2004  
OIL CONSERVATION  
DIVISION

DISCHARGE PLAN APPLICATION FOR BRINE EXTRACTION FACILITIES

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

NEW  RENEWAL

- I. FACILITY NAME: P & S BRINE SALES, LIMITED PARTNERSHIP
- II. OPERATOR: P & S BRINE SALES (PAUL PRATHER)  
ADDRESS: P. O. BOX 7169 EUNICE, NM 88231  
CONTACT PERSON: PAUL PRATHER PHONE: 394 2545
- III. LOCATION:     /4     /4 Section 34 Township 21 Range 37  
*Submit large scale topographic map showing exact location.*
- IV. Attach the name and address of the landowner of the facility site.  
WILLIAM O. STEPHENS P. O. BOX 115 EUNICE, NM 88231
- V. Attach a description of the types and quantities of fluids at the facility.  
FRESH WATER & BRINE WATER - TOTAL OF 4,000 BBLs.
- VI. Attach a description of all fluid transfer and storage and fluid and solid disposal facilities.  
FRESH & BRINE WATER  
FLUIDS & SOLIDS DISPOSAL HAULED TO PARABO P. O. BOX 1737 EUNICE, NM 88231
- VII. Attach a description of underground facilities (i.e. brine extraction well).  
NO CHANGE
- VIII. Attach a contingency plan for reporting and clean-up of spills or releases.  
NO CHANGE
- IX. Attach geological/hydrological evidence demonstrating that brine extraction operations will not adversely impact fresh water.  
NO CHANGE
- X. Attach such other information as is necessary to demonstrate compliance with any other OCD rules, regulations and/or orders.  
NO CHANGE
- XI. CERTIFICATION

*I hereby certify under penalty of law that I have personally examined and am familiar with the information submitted in this document and all attachments and that, based on my inquiry of those individuals immediately responsible for obtaining the information, I believe that the information is true, accurate and complete. I am aware that there are significant penalties for submitting false information including the possibility of fine and imprisonment.*

Name: PAUL PRATHER Title: PARTNER

Signature:  Date: 01-05-04

AFFIDAVIT OF PUBLICATION

State of New Mexico,  
County of Lea.

I, KATHI BEARDEN

Publisher

of the Hobbs News-Sun, a newspaper published at Hobbs, New Mexico, do solemnly swear that the clipping attached hereto was published once a week in the regular and entire issue of said paper, and not a supplement thereof for a period

of 1 weeks.

Beginning with the issue dated

February 5 2004

and ending with the issue dated

February 5 2004

*Kathi Bearden*

Publisher

Sworn and subscribed to before

me this 5th day of

February 2004

*Imyia M. Sawyer*

Notary Public.

My Commission expires  
~~November 27, 2004~~



This newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Laws of 1937, and payment of fees for said publication has been made.

LEGAL NOTICE  
February 5, 2004

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

(BW-02) - P&S Brine Sales, Paul Prather, P.O. Box 7169, Eunice, New Mexico 88231, has submitted an application for the renewal of a discharge plan for the P&S Brine Sales Station, located in the SW/4 SE/4 of Section 34, Township 21 South, Range 37 East, NMPM, Lea County, New Mexico. An average of 250 barrels per day of brine water with a TDS of approximately 300,000 mg/l is produced for use in the oil industry. Groundwater most likely to be affected by a spill, leak, or accidental discharge to the surface is at a depth of approximately 45 feet with a total dissolved solids concentration of approximately 1400 mg/l. The discharge plan addresses how spills, leaks, and other accidental discharges to the surface will be managed.

Any interested person may obtain further information from the Oil Conservation Division and may submit written comments to the Director of the Oil Conservation Division at the address given above. The discharge permit application and draft discharge permit may be viewed at the above address between 8:00 a.m. and 4:00 p.m., Monday through Friday. The draft discharge permit may also be viewed at OCD's web site <http://www.emnrd.state.nm.us/ocd/>. Prior to ruling on any proposed discharge permit or its modification, the Director of the Oil Conservation Division shall allow at least thirty (30) days after the date of publication of this notice during which comments may be submitted and a public hearing may be requested by any interested person. 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 there is significant public interest.

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

GIVEN under the Seal of New Mexico Oil Conservation Commission at Santa Fe, New Mexico, on this 28th day of January 2004.

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION

LORI WROTENBERY, Director  
#20409

01100060000 02568645

State of New Mexico Oil &  
1220 S. St. Francis  
Santa Fe, NM 87505

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

S E A L

LORI WROTENBERY,  
Director  
Legal #76064  
Pub. February 3, 2004

ACKNOWLEDGEMENT OF RECEIPT  
OF CHECK/CASH

I hereby acknowledge receipt of check No. [redacted] dated 2-5-02  
or cash received on \_\_\_\_\_ in the amount of \$ 1700<sup>00</sup>  
from PS BRINE LTD PARTNERSHIP  
for EUNICE BRINE STATION BW-002  
Submitted by: WAYNE PRICE (Family Name) Date: 2/19/09  
Submitted to ASD by: [Signature] Date: "  
Received in ASD by: \_\_\_\_\_ Date: \_\_\_\_\_

Filing Fee \_\_\_\_\_ New Facility \_\_\_\_\_ Renewal   
Modification \_\_\_\_\_ Other \_\_\_\_\_  
(Optional)

Organization Code 521.07 Applicable FY 2001

To be deposited in the Water Quality Management Fund.

Full Payment  or Annual Increment \_\_\_\_\_

**P S BRINE LIMITED PARTNERSHIP**  
P.O. BOX 1769  
EUNICE, NM 88231-1769

02-05-04 19 95-183/1122-5

Pay to the order of (OIL CONSERVATION DIVISION) WATER QUALITY MANAGEMENT FUND \$ 1,700.00

ONE THOUSAND SEVEN HUNDRED DOLLARS AND NO/100 Dollars

 **Lea County State Bank**  
P.O. Box 400 • Hobbs, New Mexico 88241

For DISCHARGE PERMIT BW-002

*Suzanne M Reynolds*

DRAFT

RECEIVED

FEB 09 2004

January 28, 2004

OIL CONSERVATION  
DIVISION

**CERTIFIED MAIL**  
**RETURN RECEIPT NO. 7923 4351**

Mr. Paul Prather  
P & S Brine Sales  
P.O. Box 7169  
Eunice, NM 88231

**Re: Discharge Plan BW-002  
Eunice Brine Station  
Lea County, New Mexico**

Dear Mr. Prather,

The groundwater discharge renewal permit for the P & S Brine Sales Eunice Brine Station BW-002, located 630 feet FSL and 2427 feet FEL in Section 34, Township 21 South, Range 37 East, NMPM, Lea County, New Mexico **is hereby approved** to operate under the conditions contained in the enclosed attachment. The original discharge plan was approved on December 18, 1982 and subsequently renewed as DP-319 by the Environmental Improvement Division (EID) on January 6, 1989, and renewed by the Oil Conservation Division on May 16, 1994 and November 17, 1999. The discharge plan renewal consists of the renewal application dated January 05, 2004 and attachments. Enclosed are two copies of the conditions of approval. **Please sign and return one copy to the New Mexico Oil Conservation Division (OCD) Santa Fe Office within 30 working days of receipt of this letter.**

The discharge permit renewal application was submitted pursuant to Section 20.6.2.5101 of the New Mexico Water Quality Control Commission (WQCC) Regulations. The discharge permit is issued pursuant to Section 5101 and 3109.C. Please note Section 3109.G., which provides for possible future amendment of the permit. Please be advised that approval of this permit does not relieve Key Energy Services, Inc. of liability should operations result in pollution of surface or ground waters, or the environment.

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

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

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ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION**

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GIVEN under the Seal of New Mexico Oil Conservation Commission at Santa Fe, New Mexico, on this 28<sup>th</sup> day of January 2004.

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION

SEAL

LORI WROTENBERY, Director

Pursuant to Section 3109.H.4., this approval is for a period of five years. **This approval will expire January 06, 2009** and an application for renewal should be submitted in ample time before that date. Pursuant to Section 5101.F. of the regulations, if a discharger submits a discharge permit renewal application at least 120 days before the discharge permit expires and is in compliance with the approved permit, then the existing discharge permit will not expire until the application for renewal has been approved or disapproved.

The discharge permit application for the P&S Brine Sales Eunice Brine Station is subject to the WQCC Regulation 3114. Every billable facility submitting a discharge permit will be assessed a fee equal to the filing fee of \$100.00 plus a flat fee of \$1700.00 for brine stations.

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

If you have any questions, please contact Wayne Price of my staff at (505-476-3487). On behalf of the staff of the OCD, I wish to thank you and your staff for your cooperation during this discharge permit review.

Sincerely,

Roger C. Anderson  
Environmental Bureau Chief  
RCA/lwp  
xc: OCD Hobbs Office

ATTACHMENT TO THE DISCHARGE PERMIT BW-002 APPROVAL  
P&S Brine Sales Eunice Brine Station  
DISCHARGE PERMIT APPROVAL CONDITIONS  
January 28, 2004

1. Payment of Discharge Permit Fees: The \$100.00 filing fee has not been received by OCD. The \$1700.00 flat fee shall be submitted upon receipt of this approval. The required flat fee may be paid in a single payment due at the time of approval, or in equal annual installments over the duration of the permit, with the first payment due upon receipt of this approval.
2. Commitments: P&S Brine Sales will abide by all commitments submitted in the discharge permit

application, subsequent information supplied and these conditions for approval.

3. Production Method: Fresh water will be injected down the casing and brine shall be recovered up the tubing. Reverse flow will be allowed only once a month for up to 24 hours for clean out.
4. Maximum Injection Pressure: The maximum operating injection and/or test pressure at the well head will be such that the fracture pressure of the injection formation will not be exceeded and will not cause new fractures or propagate existing fractures or cause damage to the system.
5. Mechanical Integrity Testing: Conduct an annual open to formation pressure test by pressuring up the formation with fluids to one and one-half times the normal operating pressure or 300 psig whichever is greater for four hours. However, no operator may exceed surface injection or test pressures that may cause formation fracturing (see item 4 above) or system failures. Systems requiring test pressures less than 300 psig or methods that use testing media other than fluids, i.e. gas, must be approved by OCD prior to testing. Brine supply wells operating with isolation packers will have to pressure test both the cavern formation and casing/tubing annuals.

At least once every five years and during well work-overs the cavern formation will be isolated from the casing/tubing annuals and the casing pressure tested at 300 psig for 30 minutes. All pressure tests must be witnessed by OCD.

6. Production/Injection Volumes/Annual Report: The volumes of fluids injected (fresh water) and produced (brine) will be recorded monthly and submitted to the OCD Santa Fe Office in an annual report due on the thirty-first (31) day of January of each year.
7. Analysis of Injection Fluid and Brine: Provide an analysis of the injection fluid and brine with each annual report. Analysis will be for General Chemistry (Method 40 CFR 136.3) using EPA methods.
8. Drum Storage: All drums containing materials other than fresh water must be stored on an impermeable pad with curbing. All empty drums should be stored on their sides with the bungs in place and lined up on a horizontal plane. Chemicals in other containers such as sacks or buckets must also be stored on an impermeable pad with curbing.
9. Process Areas: All process and maintenance areas which show evidence that leaks and spills are reaching the ground surface must be either paved and curbed or have some type of spill collection device incorporated into the design.
10. Above Ground Tanks: All above ground tanks which contain fluids other than fresh water must be bermed to contain a volume of one-third more than the total volume of the largest tank or of all interconnected tanks. All new facilities or modifications to existing facilities must place the tank on an impermeable type pad within the berm.
11. Above Ground Saddle Tanks: Above ground saddle tanks must have impermeable pad and curb

type containment unless they contain fresh water or fluids that are gases at atmospheric temperature and pressure.

12. Labeling: All tanks, drums, and other containers should be clearly labeled to identify their contents and other emergency information necessary if the tank were to rupture, spill, or ignite.
13. Below Grade Ponds/Pits/Tanks/Sumps: All below grade tanks, sumps, and pits must be approved by the OCD prior to installation or upon modification and must incorporate secondary containment and leak-detection into the design. All below grade tanks, sumps and pits must be tested annually, except systems that have secondary containment with leak detection. These systems with leak detection shall have a monthly inspection of the leak detection to determine if the primary containment is leaking. Results of tests and inspections shall be maintained at the facility covered by this discharge plan and available for NMOCD inspection. Any system found to be leaking shall be reported pursuant to Item # 18. Permit holders may propose various methods for testing such as pressure testing to 3 pounds per square inch above normal operating pressure and/or visual inspection of cleaned out tanks and/or sumps, or other OCD approved methods. The OCD will be notified at least 72 hours prior to all testing.
14. Underground Process/Wastewater Lines: All underground process/wastewater pipelines must be approved by the OCD prior to installation and must be tested to demonstrate their mechanical integrity every five (5) years. Results of such tests shall be maintained at the facility covered by this discharge plan and available for NMOCD inspection. Permit holders may propose various methods for testing such as pressure testing to 3 pounds per square inch above normal operating pressure or other means acceptable to the OCD. The OCD will be notified at least 72 hours prior to all testing.
15. Class V Wells: No Class V wells that inject non-hazardous industrial wastes or a mixture of industrial wastes and domestic wastes will be approved for construction and/or operation unless it can be demonstrated that groundwater will not be impacted in the reasonably foreseeable future. Leach fields and other wastewater disposal systems at OCD regulated facilities which inject non-hazardous fluid into or above an underground source of drinking water are considered Class V injection wells under the EPA UIC program. Class V wells that inject domestic waste only must be permitted by the New Mexico Environment Department.
16. Well Work Over Operations: OCD approval will be obtained from the Director prior to performing remedial work, pressure test or any other Work over. 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 Hobbs District Office.
17. Housekeeping: All systems designed for spill collection/prevention, and leak detection will be inspected daily to ensure proper operation and to prevent overtopping or system failure. All spill collection and/or secondary containment devices will be emptied of fluids within 48 hours of discovery. A record of inspections will be retained on site for a period of five years.
18. Spill Reporting: All spills/releases shall be reported pursuant to OCD Rule 116. and WQCC 1203. to the OCD Hobbs District Office.
19. Waste Disposal: All wastes will be disposed of at an OCD approved facility. Only oilfield exempt wastes shall be disposed of down Class II injection wells. Non-exempt oilfield wastes that are non-hazardous may be disposed of at an OCD approved facility upon proper waste

26. Certification: **P&S Brine Sales** by the officer whose signature appears below, accepts this permit and agrees to comply with all terms and conditions contained herein. **P&S Brine Sales** further acknowledges that these conditions and requirements of this permit may be changed administratively by the Division for good cause shown as necessary to protect fresh water, human health and the environment.

Conditions accepted by:

**P&S Brine Sales**

Paul TRATHER  
Company Representative- print name

Paul Trather Date 2-5-04  
Company Representative- Sign

Title Partner

59

State of New Mexico  
Energy, Minerals and Natural Resources Department  
OIL CONSERVATION DIVISION  
P.O. Box 2088  
Santa Fe, NM 87501

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**DISCHARGE PLAN APPLICATION FOR BRINE EXTRACTION FACILITIES**  
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*I hereby certify under penalty of law that I have personally examined and am familiar with the information submitted in this document and all attachments and that, based on my inquiry of those individuals immediately responsible for obtaining the information, I believe that the information is true, accurate and complete. I am aware that there are significant penalties for submitting false information including the possibility of fine and imprisonment.*

Name: PAUL PRATHER

Title: PARTNER

Signature: 

Date: 01-05-04

---

DISTRIBUTION: Original and one copy to Santa Fe with one copy to appropriate Division District Office.

State of New Mexico  
Energy, Minerals and Natural Resources Department  
OIL CONSERVATION DIVISION  
P.O. Box 2088  
Santa Fe, NM 87501

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Name: PAUL PRATHER Title: PARTNER

Signature:  Date: 01-05-04

## Price, Wayne

---

**From:** Price, Wayne  
**Sent:** Wednesday, January 14, 2004 1:15 PM  
**To:** Eddie Seay (E-mail)  
**Subject:** P&S Brine sales BW-02

Expired Jan 06, 2004 please renew.

Sincerely:

Wayne Price  
New Mexico Oil Conservation Division  
1220 S. Saint Francis Drive  
Santa Fe, NM 87505  
505-476-3487  
fax: 505-476-3462  
E-mail: [WPRICE@state.nm.us](mailto:WPRICE@state.nm.us)

ACKNOWLEDGEMENT OF RECEIPT  
OF CHECK/CASH

I hereby acknowledge receipt of check No. [redacted] dated 12-1-99,  
or cash received on \_\_\_\_\_ in the amount of \$ 690<sup>00</sup>  
from P S BRINE LIMITED PARTNERSHIP  
for EUNICE BRINE STATION BW-002  
Submitted by: (Facility Name) WAYNE PRICE Date: (CF No.) 12/3/99  
Submitted to ASD by: [Signature] Date: 12/3/99  
Received in ASD by: \_\_\_\_\_ Date: \_\_\_\_\_

Filing Fee \_\_\_\_\_ New Facility \_\_\_\_\_ Renewal   
Modification \_\_\_\_\_ Other \_\_\_\_\_  
(specify)

Organization Code 521.07 Applicable FY 2000

To be deposited in the Water Quality Management Fund.  
Full Payment  or Annual Increment \_\_\_\_\_

<b>P S BRINE LIMITED PARTNERSHIP</b> P. O. BOX 1769 EUNICE, NM 88231-1769		12-1 1999	95-183/1122 5
Pay to the order of	STATE OF NEW MEXICO	\$ 690.00	
SIX HUNDRED NINETY DOLLARS AND NO/100-----		Dollars	<input type="checkbox"/> Security Features See Back of Card
 <b>Lea County State Bank</b> P.O. Box 400 • Hobbs, New Mexico 88241			
For	BW-002 DISCHARGE PLAN	<u>[Signature]</u>	

State of New Mexico  
Energy, Minerals and Natural Resources Department  
OIL CONSERVATION DIVISION  
P.O. Box 2088  
Santa Fe, NM 87501

DISCHARGE PLAN APPLICATION FOR BRINE EXTRACTION FACILITIES

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

NEW  RENEWAL

RECEIVED  
AUG 24 1999  
ENVIRONMENTAL BUREAU  
OIL CONSERVATION DIVISION

- I. FACILITY NAME: P & S BRINE SALES, LIMITED PARTNERSHIP
- II. OPERATOR: P & S BRINE SALES (PAUL PRATHER)  
ADDRESS: P. O. BOX 7169 EUNICE, NM 88231  
CONTACT PERSON: PAUL PRATHER PHONE: 394 2545
- III. LOCATION:    /   /    Section 34 Township 21 Range 37  
*Submit large scale (topographic map) showing exact location.  
COPY ATTACHED TO ORIGINAL*
- IV. Attach the name and address of the landowner of the facility site.  
WILLIAM O. STEPHENS P. O. BOX 115 EUNICE, NM 88231
- V. Attach a description of the types and quantities of fluids at the facility.  
FRESH WATER & BRINE WATER - TOTAL OF 4,000 BBLs.
- VI. Attach a description of all fluid transfer and storage and fluid and solid disposal facilities.  
FRESH & BRINE WATER SUNDANCE SERVICES, INC.  
FLUIDS & SOLIDS DISPOSAL HAULED TO P. O. BOX 1737 EUNICE, NM 88231
- VII. Attach a description of underground facilities (i.e. brine extraction well).  
ATTACHED
- VIII. Attach a contingency plan for reporting and clean-up of spills or releases.  
ATTACHED
- IX. Attach geological/hydrological evidence demonstrating that brine extraction operations will adversely impact fresh water.
- X. ATTACHED  
Attach such other information as is necessary to demonstrate compliance with any other OCD rules, regulations and/or orders.  
ATTACHED
- XI. CERTIFICATION

*I hereby certify under penalty of law that I have personally examined and am familiar with the information submitted in this document and all attachments and that, based on my inquiry of the individuals immediately responsible for obtaining the information, I believe that the information is true, accurate and complete. I am aware that there are significant penalties for submitting false information including the possibility of fine and imprisonment.*

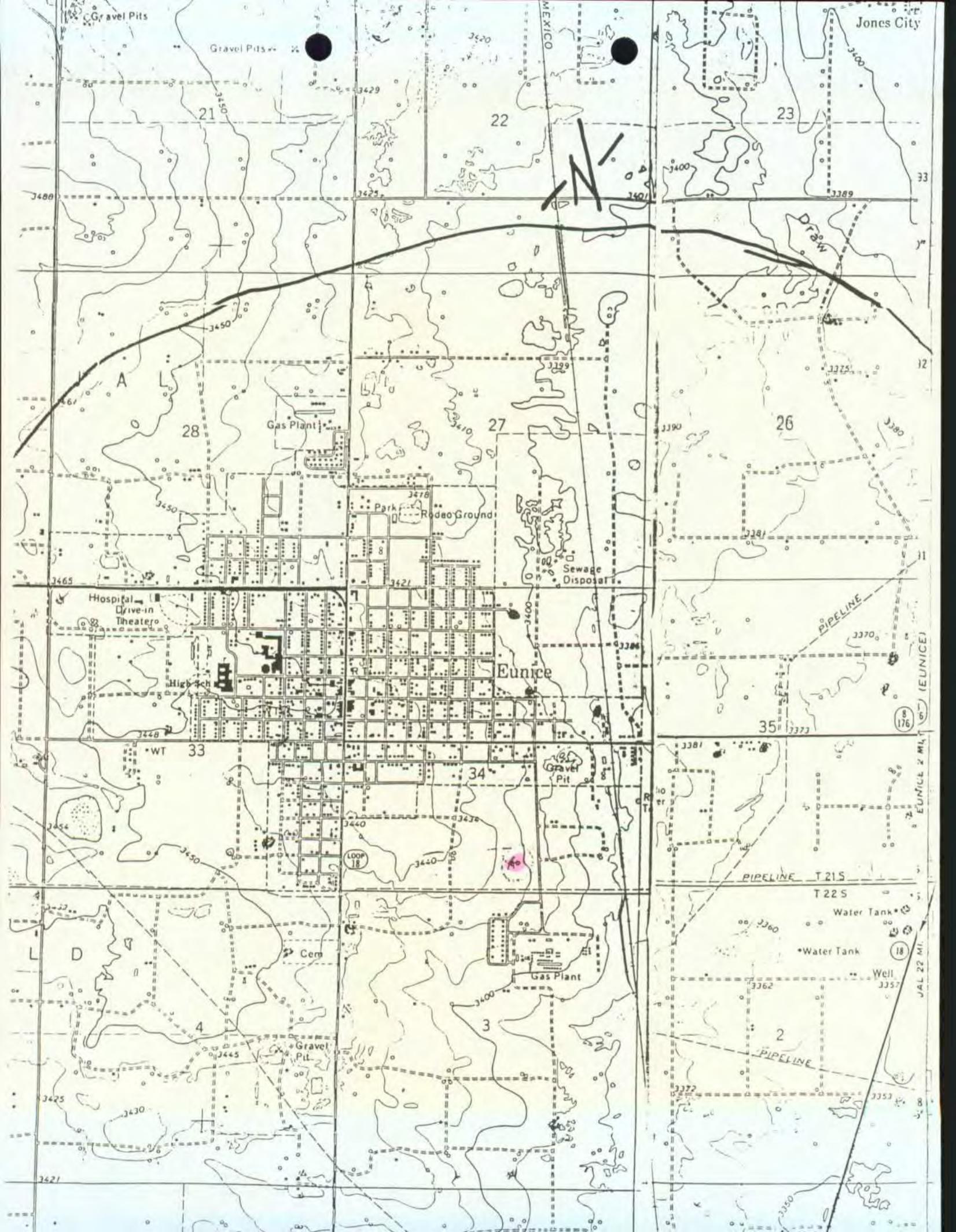
Name: PAUL PRATHER

Title: PARTNER

Signature: Paul Prather

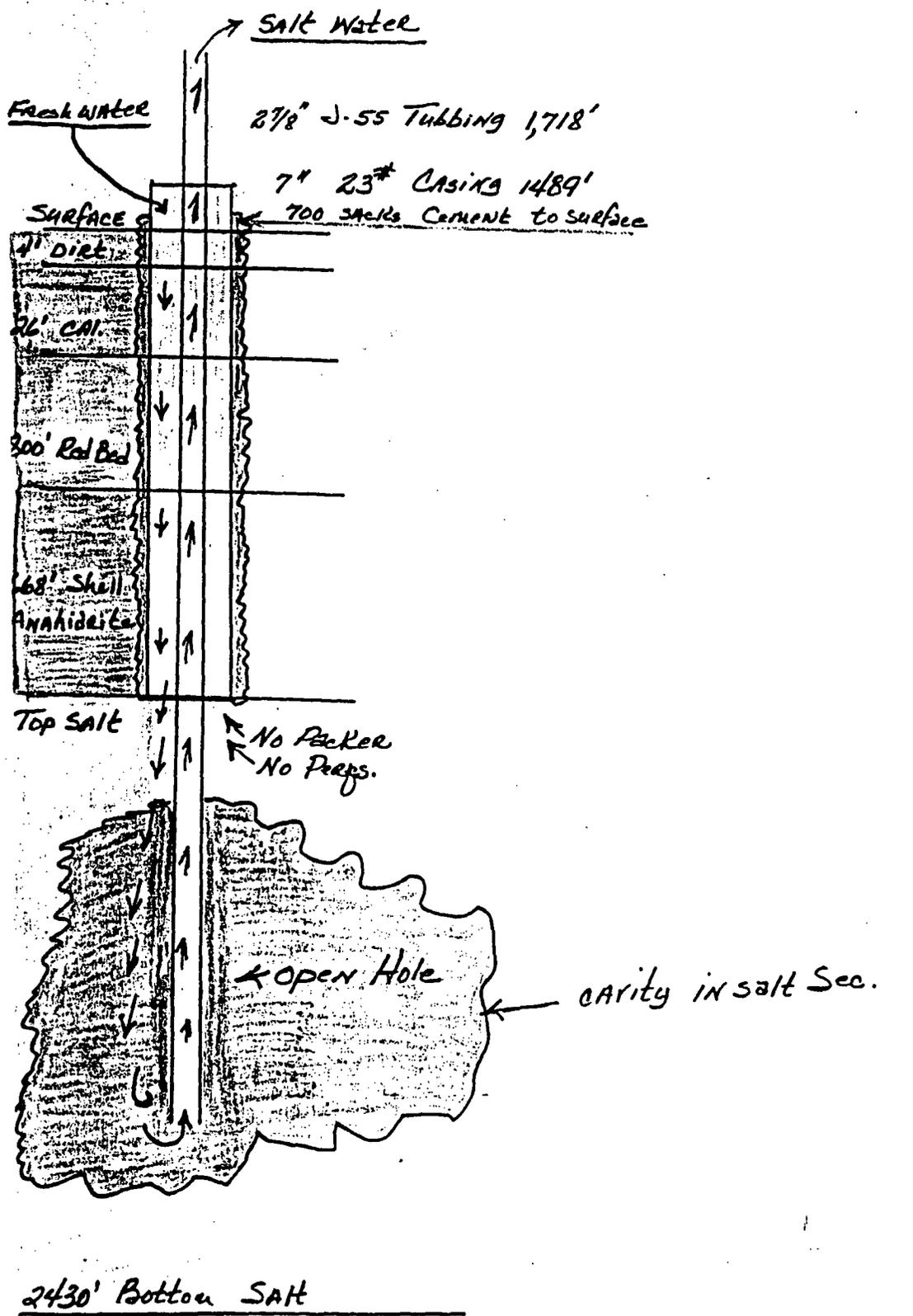
Date: 8/23/99

DISTRIBUTION: Original and one copy to Santa Fe with one copy to appropriate Division District Office



7

# F.S. Brine Well #1



Fresh WATER is pumped down casing All Time to Keep SALT  
 from EATING up casing. SALT water comes out Tubbing.  
 1,718' 2 7/8" J-55 Tubbing NONCOATED  
 1,489' 7" 23# CASING

8. Spill containment and collecting system presently is use at the brine system is an underground steel vessel with a pump which has a water level shut off switch. When water runs into sump, the pump puts it back into the brine pit. This system was in use when P & S took operation. The driving area was contoured so spillage would drain to the sump and be pumped back into brine storage pit. P & S will clean out and inspect sump.
9. Loading areas were installed with poly tubs to contain leaks and spills from loading. Also a PVC line was run from each tub to the sump to prevent overflow at loading tubs. Area has been cleaned up and maintained and will be kept maintained.
10. See enclosed

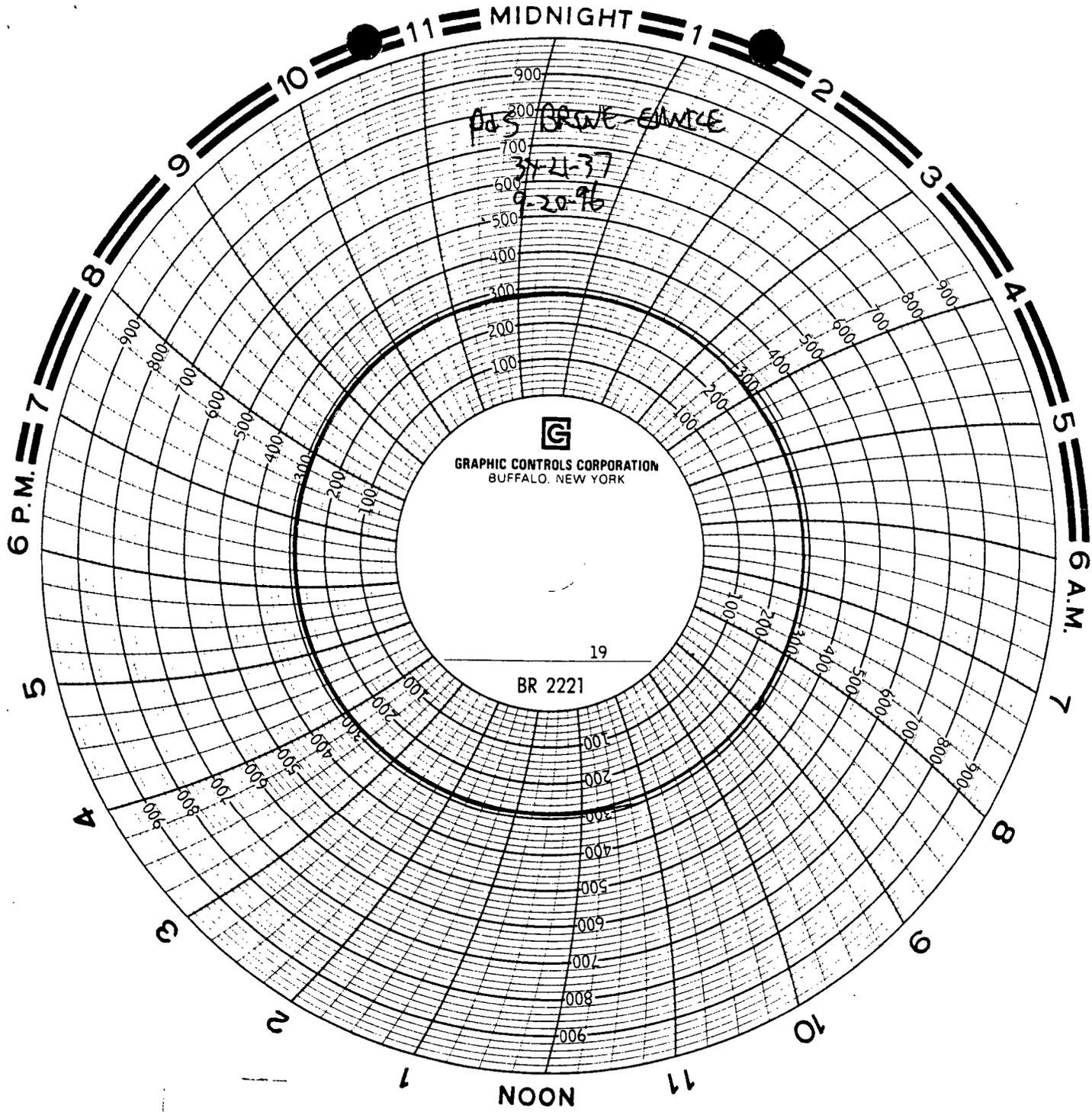
P. & S. BRINE SALES, L.P.  
(EUNICE)

<u>MONTH</u>	<u>BBLs. INJECTED</u>	<u>BBLs. SOLD</u>
JANUARY	<u>8,408</u>	<u>2,193</u>
FEBRUARY	<u>4,115</u>	<u>4,078</u>
MARCH	<u>3,893</u>	<u>4,575</u>
APRIL	<u>4,178</u>	<u>2,720</u>
MAY	<u>8,921</u>	<u>9,009</u>
JUNE	<u>17,350</u>	<u>22,321</u>
JULY	<u>20,421</u>	<u>20,150</u>
AUGUST	_____	_____
SEPTEMBER	_____	_____
OCTOBER	_____	_____
NOVEMBER	_____	_____
DECEMBER	_____	_____
<u>TOTALS BY QUARTER:</u>	<u>16,416</u>	1st QRTR. <u>10,846</u>
<u>1999</u>	<u>25,449</u>	2nd QRTR. <u>34,050</u>
	_____	3rd QRTR. _____
	_____	4th QRTR. _____

OFFICE MANAGER

DATE

P. & S. BRINE SALES, L.P.  
P. O. BOX 1769  
EUNICE, NM 88231



Pos BRWE - EAMICE

37-21-37

9-20-96



GRAPHIC CONTROLS CORPORATION  
BUFFALO, NEW YORK

19

BR 2221



**THE REPRODUCTION OF**

**THE**

**FOLLOWING**

**DOCUMENT (S)**

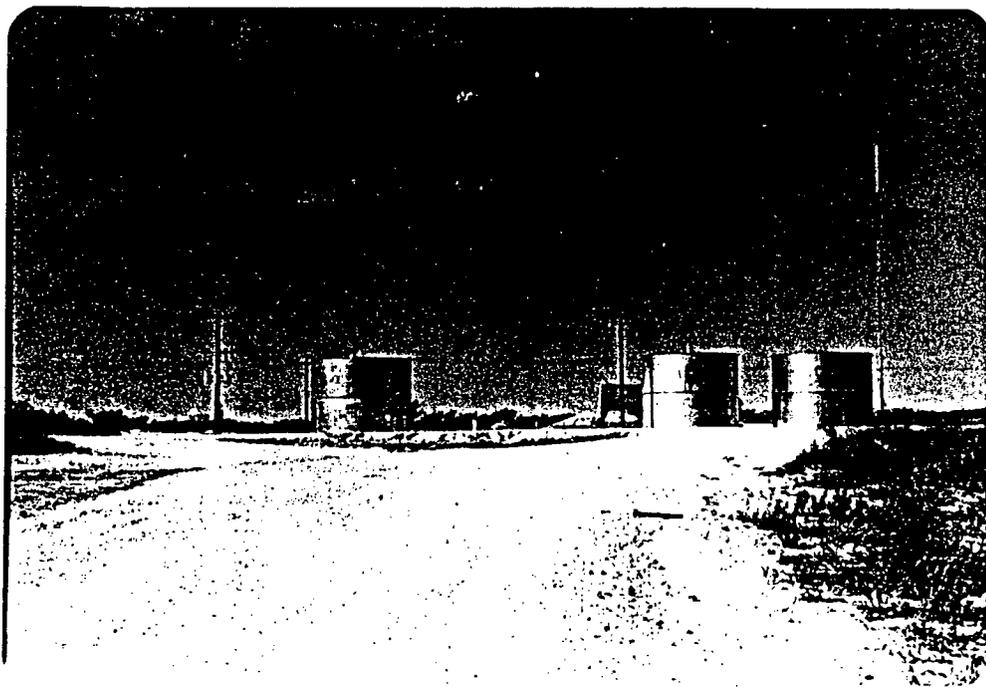
**CANNOT BE IMPROVED**

**DUE TO**

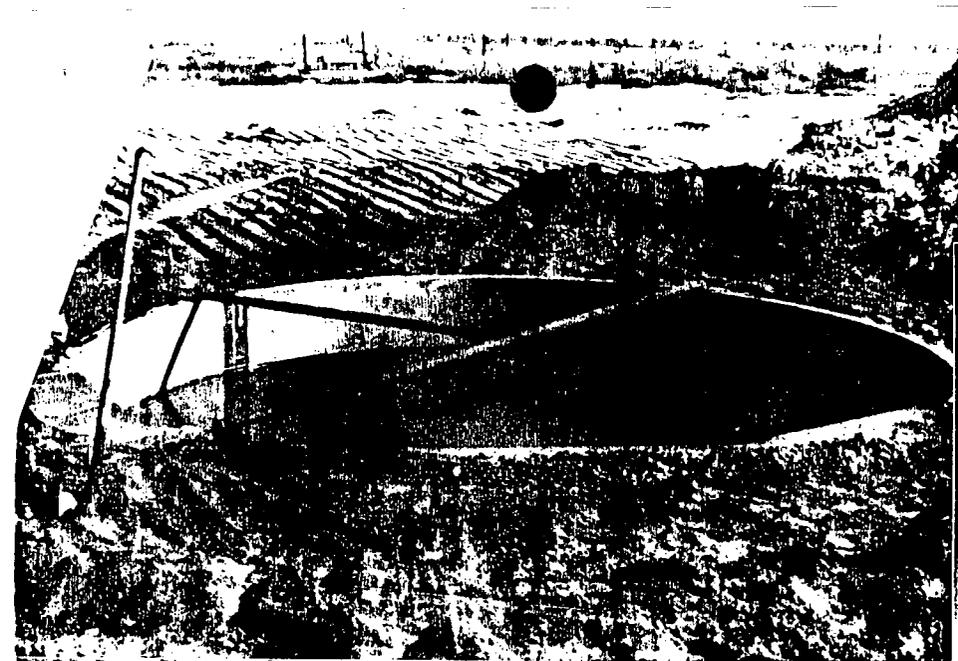
**THE CONDITION OF**

**THE ORIGINAL**

P+S. Brine Fcc.



↑  
over flow pit.





Aon Risk Services

6000 UPTOWN BLVD NE, SUITE 200  
P.O. BOX A  
ALBUQUERQUE, NM 871030020

635

Mitchie, David C  
(505) 869-6700

Page 1 of 1

# Statement of Account

TO | P&S Brine Sales Db  
Paul Prather  
Po Box 769  
Eunice, NM 88231

Statement Date: 02/01/1999  
Statement Period: 01/01/1999 - 01/31/1999  
Account Number: 10018907

ACTIVITY TYPE	TRANS TYPE	DESCRIPTION	INVOICE NUMBER	EFFECTIVE DATE	INVOICE DATE	AMOUNT	BALANCE DUE
**OUTSTANDING ITEMS**							
Current							
	RENL	BOND MISCELLANEOUS	000635061528	08-DEC-98	08-JAN-99	250.00	250.00
Outstanding Items Total						250.00	250.00

STATEMENT TOTAL 250.00

PAST DUE TOTAL 0.00

\*NPOL = New Policy, ENDR = Endorsement, CANC = Cancellation, INST = Installment, RENL = Renewal Policy, AUDT = Audit, REPT = Report, RETR = Retrospective Policy  
Payments and billings in transit on the above date are not included herein. Please be assured your account will be adjusted promptly. All payments should be directed to the address referenced above. Any questions you may have should be referred to your account representative.

STATE OF NEW MEXICO  
ONE-WELL PLUGGING BOND

BOND NO. BO2067



FOR CHAVES, EDDY, LEA, MCKINLEY, RIO ARRIBA, ROOSEVELT,  
SANDOVAL, AND SAN JUAN COUNTIES ONLY

BOND NO. BO2067  
AMOUNT OF BOND \$5,000  
COUNTY Lea

NOTE: For wells less than 5,000 feet deep, the minimum bond is \$5,000.00\*  
For wells 5,000 to 10,000 feet deep, the minimum bond is \$7,500.00\*  
For wells more than 10,000 feet deep, the minimum bond is \$10,000.00

\*Under certain conditions, a well being drilled under a \$5,000.00 or \$7,500 bond may be permitted to be drilled as much as 500 feet deeper than the normal maximum depth, i.e., a well being drilled under a \$5,000.00 bond may be permitted to go to 5,500 feet, and a well being drilled under a \$7,500.00 bond may be permitted to go to 10,500 feet. (See Rule 101)

File with Oil Conservation Division, P. O. Box 2088, Santa Fe 87501

KNOW ALL MEN BY THESE PRESENTS:

That P&S BRINE SALES dba Paul Prather, (An individual) ~~XXXXXXXXXX~~  
~~XXXXXXXXXX~~ organized in the State of New Mexico, with its principal office in the city  
of Eunice, State of New Mexico, and authorized to do business  
in the State of New Mexico), as PRINCIPAL, and UNDERWRITERS INDEMNITY COMPANY,  
a corporation organized and existing under the laws of the State of  
Texas, and authorized to do business in the State of New  
Mexico, as SURETY, are held firmly bound unto the State of New Mexico, for the use and benefit of the Oil  
Conservation Division of New Mexico pursuant to Section 70-2-12, New Mexico Statutes Annotated, 1978  
Compilation, as amended, in the sum of FIVE THOUSAND Dollars lawful money of the United  
States, for the payment of which, well and truly to be made, said PRINCIPAL and SURETY hereby bind  
themselves, their successors and assigns, jointly and severally, firmly by these presents.

The conditions of this obligation are such that:

WHEREAS, The above principal has heretofore or may hereafter enter into oil and gas lease, or carbon dioxide (CO<sub>2</sub>) gas leases, or helium gas leases, or brine mineral leases with the State of New Mexico; and

WHEREAS, The above principal has heretofore or may hereafter enter into oil and gas leases, or carbon dioxide (CO<sub>2</sub>) gas leases, or helium gas leases, or brine mineral leases on lands patented by the United States of America to private individuals, and on lands otherwise owned by private individuals; and

WHEREAS, The above principal, individually, or in association with one or more other parties, has commenced or may commence the drilling of one well not to exceed a depth of 2,430' feet, to prospect for and produce oil or gas, or carbon dioxide (CO<sub>2</sub>) gas or helium gas, or does own or may acquire, own or operate such well, or such well started by others on land embraced in said State oil and gas leases, or carbon dioxide (CO<sub>2</sub>) leases, or helium gas leases, or brine minerals, and on land patented by the United States of America to private individuals, and on land otherwise owned by private individuals, the identification and location of said well being being Well #1 630' S. Line; 2,427' E. Line, Section 34, Township 21S (North)(South)

(Here state exact legal footage description)

Range 37E (East)(West), N.M.P.M., Lea County, New Mexico.

NOW, THEREFORE, If the above bounden principal and surety or either of them or their successors or assigns, or any of them, shall plug said well when dry or when abandoned in accordance with the rules, regulations, and orders of the Oil Conservation Division of New Mexico in such way as to confine the oil, gas, brine, and water in the strata in which they are found, and to prevent them from escaping into other strata;

THEN, THEREFORE, This obligation shall be null and void; otherwise and in default of complete compliance with any and all of said obligations, the same shall remain in full force and effect.

P&S BRINE SALES dba  
Paul Prather

UNDERWRITERS INDEMNITY COMPANY

PRINCIPAL

SURETY

P.O. Box 769, Eunice, NM 88231

8 Greenway Plaza, Suite 1450, Houston, TX 77046

Address

Address

By \_\_\_\_\_  
Signature

*Mildred L. Massey*  
Attorney-In-Fact

Mildred L. Massey

Title

(Note: Principal, if corporation, affix corporate seal here.)

(Note: Corporate surety affix corporate seal here.)

ACKNOWLEDGEMENT FORM FOR NATURAL PERSONS

STATE OF New Mexico )  
COUNTY OF Lea ) ss.

On this 8th day of December, 1989, before me personally appeared Paul Prather, to me known to be the person (persons) described in and who executed the foregoing instrument and acknowledged that he (they) executed the same as his (their) free act and deed.

IN WITNESS WHEREOF, I have hereunto set my hand and seal on the day and year in this certificate first above written.

*Rhonda Danford*  
Notary Public  
Rhonda Danford

June 17, 1993

My Commission Expires

ACKNOWLEDGEMENT FORM FOR CORPORATION

STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ ) ss.

On this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, before me personally appeared \_\_\_\_\_, to me personally known who, being by me duly sworn, did say that he is \_\_\_\_\_ of \_\_\_\_\_ and that the foregoing instrument was signed and sealed on behalf of said corporation by authority of its board of directors, and acknowledged said instrument to be the free act and deed of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and seal on the day and year in this certificate first above written.

\_\_\_\_\_  
Notary Public

My Commission Expires

ACKNOWLEDGEMENT FORM FOR CORPORATE SURETY

STATE OF Texas )  
COUNTY OF Harris ) ss.

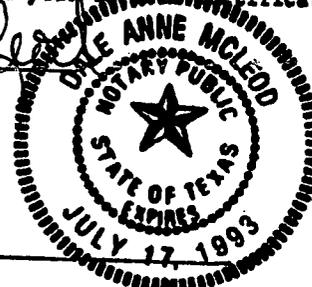
On this 8th day of December, 1989, before me appeared Mildred L. Massey, to me personally known, who, being by me duly sworn, did say that he is Attorney-in-Fact of Underwriters Indemnity Company and that the foregoing instrument was signed and sealed on behalf of said corporation by authority of its board of directors, and acknowledged said instrument to be the free act and deed of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and seal on the day and year in this certificate first above written.

*Dale Anne McLeod*  
Notary Public

July 17, 1993

My Commission Expires



(Note: Corporate surety attach power of attorney.)

APPROVED BY:

OIL CONSERVATION DIVISION OF NEW MEXICO

By: \_\_\_\_\_

Date: \_\_\_\_\_

State of New Mexico  
Energy, Minerals and Natural Resources Department  
OIL CONSERVATION DIVISION  
P.O. Box 2088  
Santa Fe, NM 87501

DISCHARGE PLAN APPLICATION FOR BRINE EXTRACTION FACILITIES

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

NEW  RENEWAL

RECEIVED  
AUG 24 1999  
ENVIRONMENTAL BUREAU  
OIL CONSERVATION DIVISION

- I. FACILITY NAME: P & S BRINE SALES, LIMITED PARTNERSHIP
- II. OPERATOR: P & S BRINE SALES (PAUL PRATHER)  
ADDRESS: P. O. BOX 7169 EUNICE, NM 88231  
CONTACT PERSON: PAUL PRATHER PHONE: 394 2545
- III. LOCATION:    /4    /4 Section 34 Township 21 Range 37  
*Submit large scale (topographic map) showing exact location.*  
*COPY ATTACHED TO ORIGINAL*
- IV. Attach the name and address of the landowner of the facility site.  
WILLIAM O. STEPHENS P. O. BOX 115 EUNICE, NM 88231
- V. Attach a description of the types and quantities of fluids at the facility.  
FRESH WATER & BRINE WATER - TOTAL OF 4,000 BBLs.
- VI. Attach a description of all fluid transfer and storage and fluid and solid disposal facilities.  
FRESH & BRINE WATER SUNDANCE SERVICES, INC.  
FLUIDS & SOLIDS DISPOSAL HAULED TO P. O. BOX 1737 EUNICE, NM 88231
- VII. Attach a description of underground facilities (i.e. brine extraction well).  
ATTACHED
- VIII. Attach a contingency plan for reporting and clean-up of spills or releases.  
ATTACHED
- IX. Attach geological/hydrological evidence demonstrating that brine extraction operations will not adversely impact fresh water.
- X. ATTACHED  
Attach such other information as is necessary to demonstrate compliance with any other OCD rules, regulations and/or orders.  
ATTACHED
- XI. CERTIFICATION

*I hereby certify under penalty of law that I have personally examined and am familiar with the information submitted in this document and all attachments and that, based on my inquiry of those individuals immediately responsible for obtaining the information, I believe that the information is true, accurate and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment.*

Name: PAUL PRATHER

Title: PARTNER

Signature: \_\_\_\_\_

*Paul Prather*

Date: 8/23/99

DISTRIBUTION: Original and one copy to Santa Fe with one copy to appropriate Division District Office.

GENERAL POWER OF ATTORNEY

CERTIFIED COPY

KNOW ALL MEN BY THESE PRESENTS: That UNDERWRITERS INDEMNITY COMPANY, a corporation organized and existing under the laws of the State of Texas, and having its principal office in the City of Houston, Texas, does hereby constitute and appoint:

MILDRED L. MASSEY

its true and lawful attorney-in-fact to execute, seal and deliver for and on its behalf as surety, any and all bonds and undertakings, recognizances, contracts of indemnity and other writings obligatory in the nature thereof, which are or may be allowed, required or permitted by law, statute, rule, regulation, contract or otherwise, in an amount not to exceed:

\*\*\*\*\*FIFTY THOUSAND AND NO/100 DOLLARS\*\*\*\*\*

and the execution of all such instrument(s) in pursuance of these presents, shall be binding upon said UNDERWRITERS INDEMNITY COMPANY as fully and amply, to all intents and purposes, as if the same had been duly executed and acknowledged by its regularly elected officers at its principal office.

This Power of Attorney is executed, and may be certified to and may be revoked, pursuant to and by authority of Article V, Section 6(C) of the By-Laws adopted by the Board of Directors of UNDERWRITERS INDEMNITY COMPANY, at a meeting called and held on the 23rd day of January 1985, of which the following is a true transcript of said Section 6(C):

- "The President or any Vice President, Assistant Vice President, Secretary or Resident Secretary shall have power and authority
- (1) To appoint Attorneys-in-fact, and to authorize them to execute on behalf of the Company, and attach the Seal of the Company thereto, bonds and undertakings, recognizances, contracts of indemnity and other writings obligatory in the nature thereof, and
  - (2) to appoint special Attorneys-in-fact, who are hereby authorized to certify to copies of any power-of-attorney issued in pursuance of this section and/or any of the By-laws of the Company, and
  - (3) to remove, at any time, any such Attorney-in-fact or Special Attorney-in-fact and revoke the authority given to him."

Further, this Power of Attorney is signed and sealed by facsimile pursuant to resolution of the Board of Directors of said Company adopted at a meeting duly called and held on the 23rd day of January, 1985, of which the following is a true excerpt:

"Now therefore the signatures of such officers and the seal of the Company may be affixed to any such power of attorney or any certificate relating thereto by facsimile, and any such power of attorney or certificate bearing such facsimile signatures or facsimile seal shall be valid and binding upon the Company and any such power so executed and certified by facsimile signatures and facsimile seal shall be valid and binding upon the Company in the future with respect to any bond or undertaking to which it is attached."

IN TESTIMONY WHEREOF, UNDERWRITERS INDEMNITY COMPANY has caused this instrument to be signed and its corporate seal to be affixed by its authorized officer, E. H. Frank, III, on this the third day of March, 1987.



*E. H. Frank III* President

STATE OF TEXAS  
COUNTY OF HARRIS

On this the 3rd day of March, 1987, before me came the individual who executed the preceding instrument, to me personally known, and, being duly sworn, said that he is the therein described and authorized officer of UNDERWRITERS INDEMNITY COMPANY; that the seal affixed to said instrument is the Corporate Seal of said Company; that the said Corporate Seal and his signature were duly affixed by order of the Board of Directors of said Company.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my Official Seal, at the City of Houston, Texas, the day and year first above written.



*Mary Williams* NOTARY PUBLIC, Harris County, Texas

CERTIFICATION

I, the undersigned officer of UNDERWRITERS INDEMNITY COMPANY, do hereby certify that I have compared the foregoing copy of the Power of Attorney and affidavit, and the copy of the Section of the By-Laws of said Company as set forth in said Power of Attorney, and that the same are correct transcripts thereof, and of the whole of the said originals, and that the said Power of Attorney has not been revoked and is now in full force and effect.

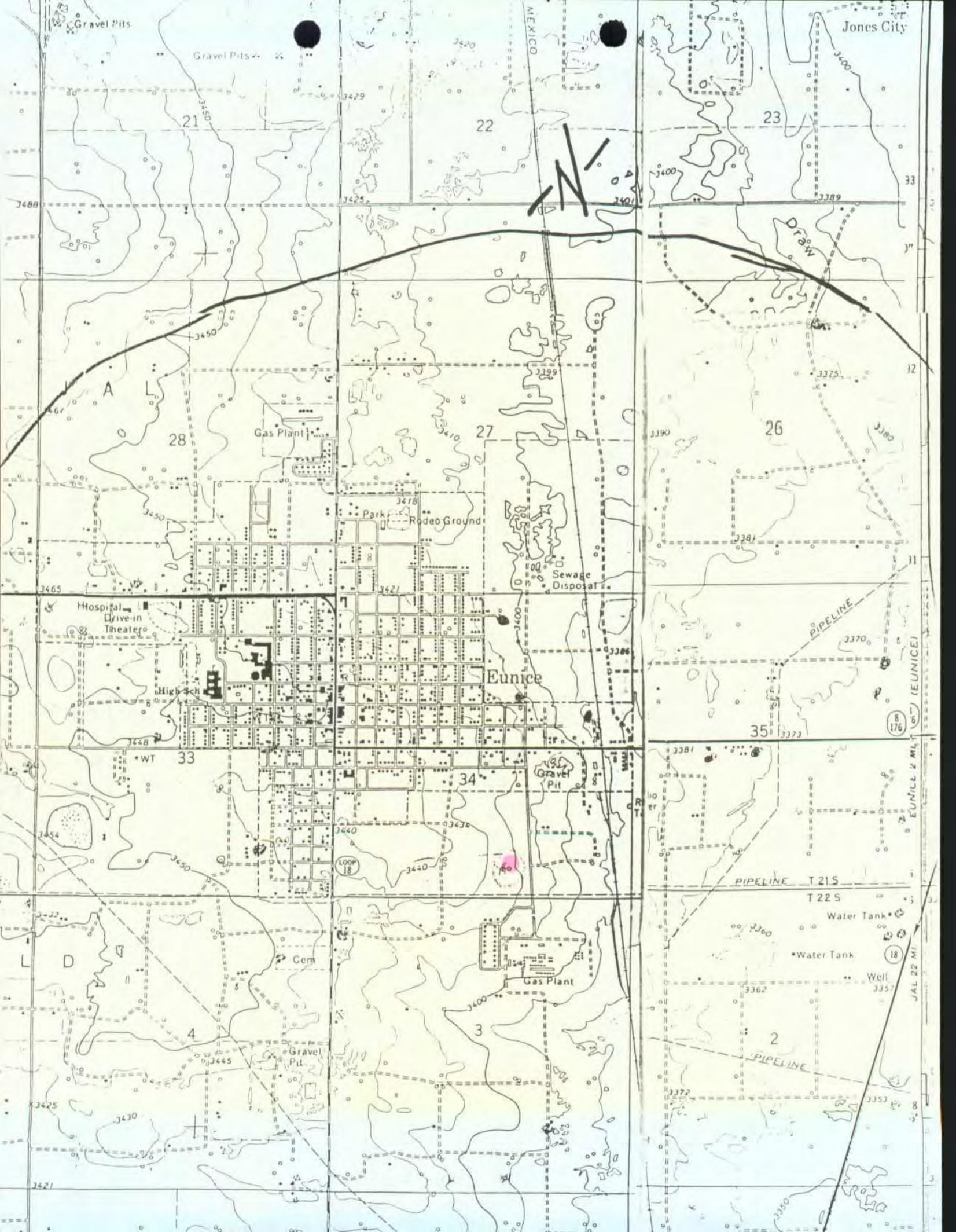
IN TESTIMONY WHEREOF, I have hereunto set my hand this 8th day of December, 19 89



*Pat Doehring* Assistant Secretary  
Pat Doehring

Only a certified copy of Power of Attorney bearing the Certificate of Authority No. printed in red on the upper right corner is binding. Photocopies, carbon copies or other reproductions of this document are invalid and not binding upon the Company.

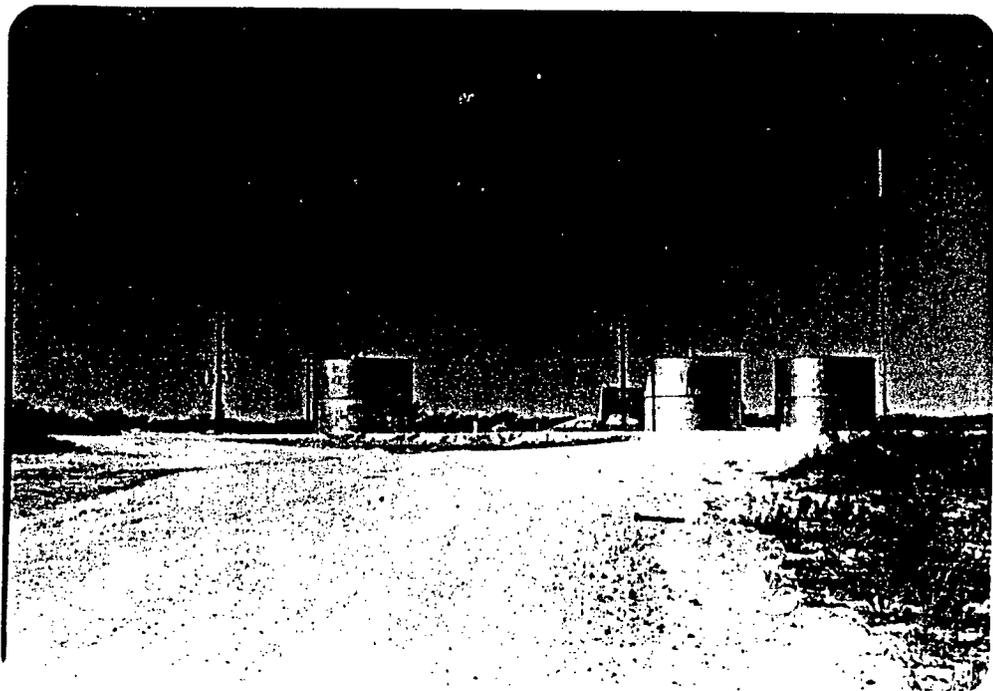
ANY INSTRUMENT ISSUED IN EXCESS OF THE PENALTY AMOUNT STATED ABOVE IS TOTALLY VOID AND WITHOUT VALIDITY.



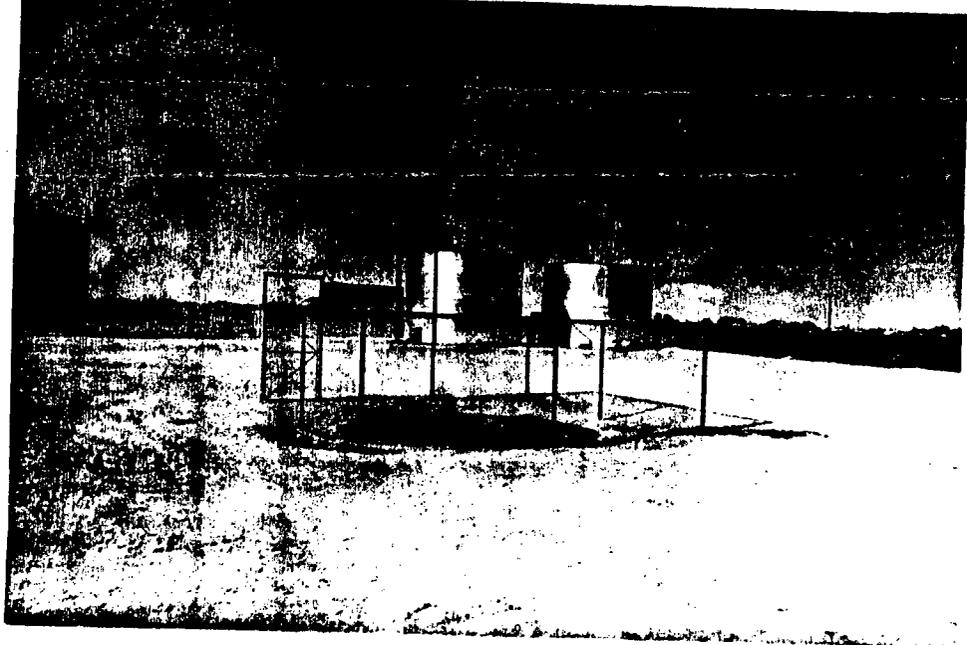
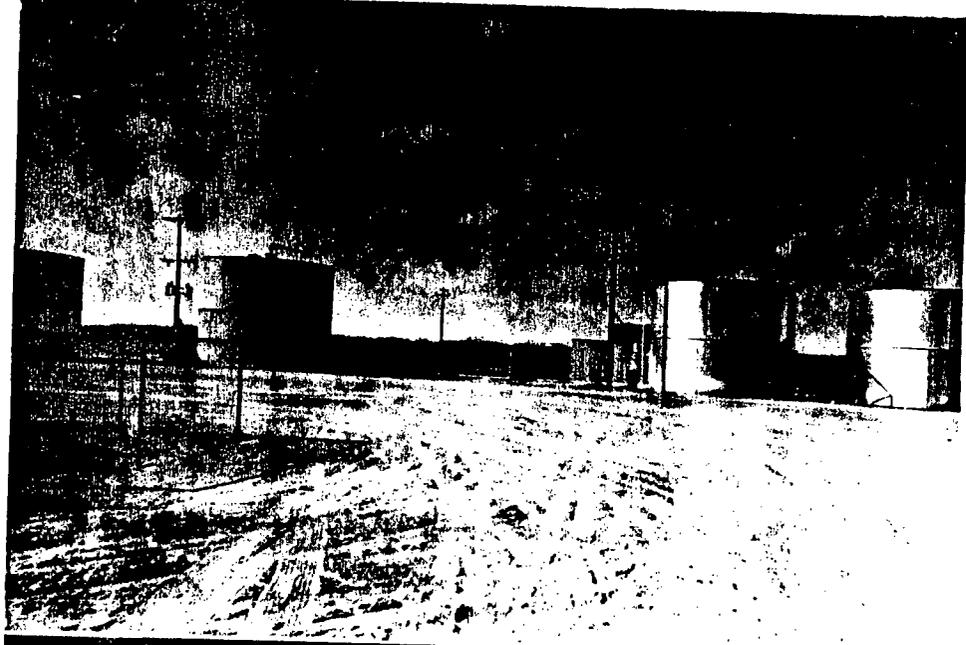
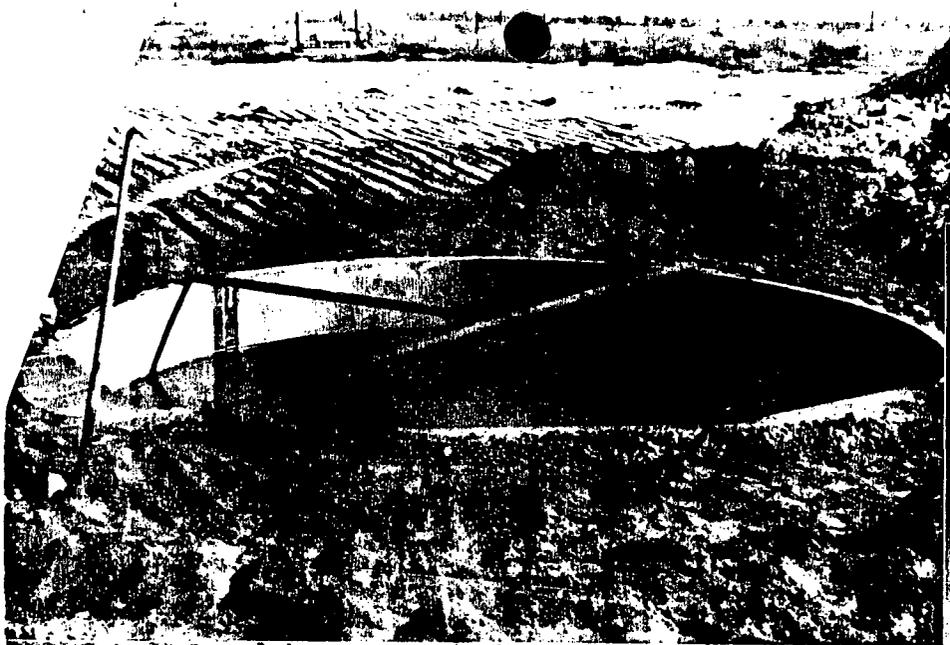


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9. Loading areas were installed with poly tubs to contain leaks and spills from loading. Also a PVC line was run from each tub to the sump to prevent overflow at loading tubs. Area has been cleaned up and maintained and will be kept maintained.
10. See enclosed

P+S. Brine Fac.



↑  
over flow pit.





Aon Risk Services

6000 UPTOWN BLVD NE, SUITE 200  
P.O. BOX A  
ALBUQUERQUE, NM 871030020

835

Mitchie, David C  
(505) 889-6700

Page 1 of 1

# Statement of Account

TO | P&S Brine Sales Db  
Paul Prather  
Po Box 769  
Eunice, NM 88231

Statement Date: 02/01/1999  
Statement Period: 01/01/1999 - 01/31/1999  
Account Number: 10018907

ACTIVITY TYPE	TRANS TYPE	DESCRIPTION	INVOICE NUMBER	EFFECTIVE DATE	INVOICE DATE	AMOUNT	BALANCE DUE
**OUTSTANDING ITEMS**							
Current	RENL	BOND MISCELLANEOUS	000635061528	08-DEC-98	08-JAN-99	250.00	250.00
Outstanding Items Total						250.00	250.00

STATEMENT TOTAL

250.00

PAST DUE TOTAL

0.00

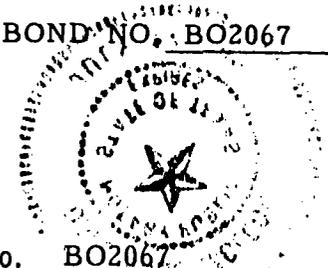
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Payments and billings in transit on the above date are not included herein. Please be assured your account will be adjusted promptly. All payments should be directed to the address referenced above. Any questions you may have should be referred to your account representative.

STATE OF NEW MEXICO  
ONE-WELL PLUGGING BOND

BOND NO. BO2067

FOR CHAVES, EDDY, LEA, MCKINLEY, RIO ARRIBA, ROOSEVELT,  
SANDOVAL, AND SAN JUAN COUNTIES ONLY

BOND NO. BO2067  
AMOUNT OF BOND \$5,000  
COUNTY Lea



NOTE: For wells less than 5,000 feet deep, the minimum bond is \$5,000.00\*  
For wells 5,000 to 10,000 feet deep, the minimum bond is \$7,500.00\*  
For wells more than 10,000 feet deep, the minimum bond is \$10,000.00

\*Under certain conditions, a well being drilled under a \$5,000.00 or \$7,500 bond may be permitted to be drilled as much as 500 feet deeper than the normal maximum depth, i.e., a well being drilled under a \$5,000.00 bond may be permitted to go to 5,500 feet, and a well being drilled under a \$7,500.00 bond may be permitted to go to 10,500 feet. (See Rule 101)

File with Oil Conservation Division, P. O. Box 2088, Santa Fe 87501

KNOW ALL MEN BY THESE PRESENTS:

That P&S BRINE SALES dba Paul Prather, (An individual) ~~XXXXXXXXXX~~  
~~XXXXXXXXXX~~ organized in the State of New Mexico, with its principal office in the city  
of Eunice, State of New Mexico, and authorized to do business  
in the State of New Mexico), as PRINCIPAL, and UNDERWRITERS INDEMNITY COMPANY,  
a corporation organized and existing under the laws of the State of  
Texas, and authorized to do business in the State of New  
Mexico, as SURETY, are held firmly bound unto the State of New Mexico, for the use and benefit of the Oil  
Conservation Division of New Mexico pursuant to Section 70-2-12, New Mexico Statutes Annotated, 1978  
Compilation, as amended, in the sum of FIVE THOUSAND Dollars lawful money of the United  
States, for the payment of which, well and truly to be made, said PRINCIPAL and SURETY hereby bind  
themselves, their successors and assigns, jointly and severally, firmly by these presents.

The conditions of this obligation are such that:

WHEREAS, The above principal has heretofore or may hereafter enter into oil and gas lease, or carbon dioxide (CO<sub>2</sub>) gas leases, or helium gas leases, or brine mineral leases with the State of New Mexico; and

WHEREAS, The above principal has heretofore or may hereafter enter into oil and gas leases, or carbon dioxide (CO<sub>2</sub>) gas leases, or helium gas leases, or brine mineral leases on lands patented by the United States of America to private individuals, and on lands otherwise owned by private individuals; and

WHEREAS, The above principal, individually, or in association with one or more other parties, has commenced or may commence the drilling of one well not to exceed a depth of 2,430' feet, to prospect for and produce oil or gas, or carbon dioxide (CO<sub>2</sub>) gas or helium gas, or does own or may acquire, own or operate such well, or such well started by others on land embraced in said State oil and gas leases, or carbon dioxide (CO<sub>2</sub>) leases, or helium gas leases, or brine minerals, and on land patented by the United States of America to private individuals, and on land otherwise owned by private individuals, the identification and location of said well being being Well #1 630' S. Line; 2,427' E. Line, Section 34, Township 21S (North)(South)

(Here state exact legal footage description)

Range 37E (East)(West), N.M.P.M., Lea County, New Mexico.

NOW, THEREFORE, If the above bounden principal and surety or either of them or their successors or assigns, or any of them, shall plug said well when dry or when abandoned in accordance with the rules, regulations, and orders of the Oil Conservation Division of New Mexico in such way as to confine the oil, gas, brine, and water in the strata in which they are found, and to prevent them from escaping into other strata;

THEN, THEREFORE, This obligation shall be null and void; otherwise and in default of complete compliance with any and all of said obligations, the same shall remain in full force and effect.

P&S BRINE SALES dba  
Paul Prather  
PRINCIPAL  
P.O. Box 769, Eunice, NM 88231  
Address  
By \_\_\_\_\_  
Signature  
\_\_\_\_\_  
Title

UNDERWRITERS INDEMNITY COMPANY  
SURETY  
8 Greenway Plaza, Suite 1450, Houston, TX 77046  
Address  
*Mildred L. Massey*  
Attorney-In-Fact  
Mildred L. Massey

(Note: Principal, if corporation, affix corporate seal here.)

(Note: Corporate surety affix corporate seal here.)

ACKNOWLEDGEMENT FORM FOR NATURAL PERSONS

STATE OF New Mexico )  
COUNTY OF Lea ) ss.

On this 8th day of December, 1989, before me personally appeared Paul Prather, to me known to be the person (persons) described in and who executed the foregoing instrument and acknowledged that he (they) executed the same as his (their) free act and deed.

IN WITNESS WHEREOF, I have hereunto set my hand and seal on the day and year in this certificate first above written.

*Rhonda Danford*  
Notary Public  
Rhonda Danford

June 17, 1993  
My Commission Expires

ACKNOWLEDGEMENT FORM FOR CORPORATION

STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ ) ss.

On this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, before me personally appeared \_\_\_\_\_, to me personally known who, being by me duly sworn, did say that he is \_\_\_\_\_ of \_\_\_\_\_ and that the foregoing instrument was signed and sealed on behalf of said corporation by authority of its board of directors, and acknowledged said instrument to be the free act and deed of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and seal on the day and year in this certificate first above written.

\_\_\_\_\_  
Notary Public

My Commission Expires

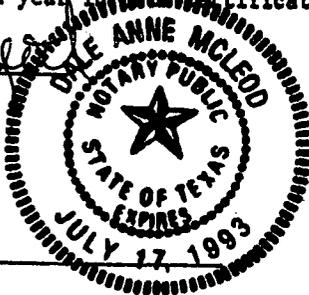
ACKNOWLEDGEMENT FORM FOR CORPORATE SURETY

STATE OF Texas )  
COUNTY OF Harris ) ss.

On this 8th day of December, 1989, before me appeared Mildred L. Massey, to me personally known, who, being by me duly sworn, did say that he is Attorney-in-Fact of Underwriters Indemnity Company and that the foregoing instrument was signed and sealed on behalf of said corporation by authority of its board of directors, and acknowledged said instrument to be the free act and deed of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and seal on the day and year in this certificate first above written.

*Dale Anne McLeod*  
Notary Public



July 17, 1993  
My Commission Expires

(Note: Corporate surety attach power of attorney.)

APPROVED BY:  
OIL CONSERVATION DIVISION OF NEW MEXICO

By: \_\_\_\_\_  
Date: \_\_\_\_\_

GENERAL POWER OF ATTORNEY

CERTIFIED COPY

KNOW ALL MEN BY THESE PRESENTS: That UNDERWRITERS INDEMNITY COMPANY, a corporation organized and existing under the laws of the State of Texas, and having its principal office in the City of Houston, Texas, does hereby constitute and appoint:

MILDRED L. MASSEY

its true and lawful attorney-in-fact to execute, seal and deliver for and on its behalf as surety, any and all bonds and undertakings, recognizances, contracts of indemnity and other writings obligatory in the nature thereof, which are or may be allowed, required or permitted by law, statute, rule, regulation, contract or otherwise, in an amount not to exceed:

\*\*\*\*\*FIFTY THOUSAND AND NO/100 DOLLARS\*\*\*\*\*

and the execution of all such instrument(s) in pursuance of these presents, shall be binding upon said UNDERWRITERS INDEMNITY COMPANY as fully and amply, to all intents and purposes, as if the same had been duly executed and acknowledged by its regularly elected officers at its principal office.

This Power of Attorney is executed, and may be certified to and may be revoked, pursuant to and by authority of Article V, Section 6(C) of the By-Laws adopted by the Board of Directors of UNDERWRITERS INDEMNITY COMPANY, at a meeting called and held on the 23rd day of January 1985, of which the following is a true transcript of said Section 6(C):

- "The President or any Vice President, Assistant Vice President, Secretary or Resident Secretary shall have power and authority
- (1) To appoint Attorneys-in-fact, and to authorize them to execute on behalf of the Company, and attach the Seal of the Company thereto, bonds and undertakings, recognizances, contracts of indemnity and other writings obligatory in the nature thereof, and
  - (2) to appoint special Attorneys-in-fact, who are hereby authorized to certify to copies of any power-of-attorney issued in pursuance of this section and/or any of the By-laws of the Company, and
  - (3) to remove, at any time, any such Attorney-in-fact or Special Attorney-in-fact and revoke the authority given to him."

Further, this Power of Attorney is signed and sealed by facsimile pursuant to resolution of the Board of Directors of said Company adopted at a meeting duly called and held on the 23rd day of January, 1985, of which the following is a true excerpt:

"Now therefore the signatures of such officers and the seal of the Company may be affixed to any such power of attorney or any certificate relating thereto by facsimile, and any such power of attorney or certificate bearing such facsimile signatures or facsimile seal shall be valid and binding upon the Company and any such power so executed and certified by facsimile signatures and facsimile seal shall be valid and binding upon the Company in the future with respect to any bond or undertaking to which it is attached."

IN TESTIMONY WHEREOF, UNDERWRITERS INDEMNITY COMPANY has caused this instrument to be signed and its corporate seal to be affixed by its authorized officer, E. H. Frank, III, on this the third day of March, 1987.



*E. H. Frank III* President

STATE OF TEXAS  
COUNTY OF HARRIS

On this the 3rd day of March, 1987, before me came the individual who executed the preceding instrument, to me personally known, and, being duly sworn, said that he is the therein described and authorized officer of UNDERWRITERS INDEMNITY COMPANY; that the seal affixed to said instrument is the Corporate Seal of said Company; that the said Corporate Seal and his signature were duly affixed by order of the Board of Directors of said Company.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my Official Seal, at the City of Houston, Texas, the day and year first above written.



*Mary Williams* NOTARY PUBLIC, Harris County, Texas

CERTIFICATION

I, the undersigned officer of UNDERWRITERS INDEMNITY COMPANY, do hereby certify that I have compared the foregoing copy of the Power of Attorney and affidavit, and the copy of the Section of the By-Laws of said Company as set forth in said Power of Attorney, and that the same are correct transcripts thereof, and of the whole of the said originals, and that the said Power of Attorney has not been revoked and is now in full force and effect.

IN TESTIMONY WHEREOF, I have hereunto set my hand this 8th day of December, 19 89



*Pat Doehring* Assistant Secretary

Only a certified copy of Power of Attorney bearing the Certificate of Authority No. printed in red on the upper right corner is binding. Photocopies, carbon copies or other reproductions of this document are invalid and not binding upon the Company.  
ANY INSTRUMENT ISSUED IN EXCESS OF THE PENALTY AMOUNT STATED ABOVE IS TOTALLY VOID AND WITHOUT VALIDITY.

# The Santa Fe New Mexican

Since 1849. We Read You.

7 1999

NM OIL CONSERVATION DIVISION

*APPROVED BY W. PROSS-SCD  
10/10/99*

AD NUMBER: 111198      ACCOUNT: 56689  
LEGAL NO: 66147      P.O.#: 00199000278  
278 LINES      1 time(s) at \$ 122.39  
AFFIDAVITS:      5.25  
TAX:      7.98  
TOTAL:      135.62

### AFFIDAVIT OF PUBLICATION

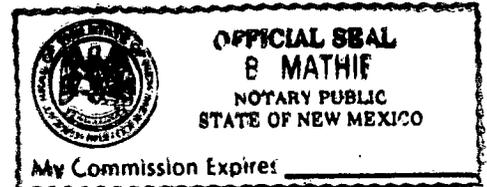
STATE OF NEW MEXICO  
COUNTY OF SANTA FE

I, B. Penner being first duly sworn declare and say that I am Legal Advertising Representative of THE SANTE 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 #66147 a copy of which is hereto attached was published in said newspaper 1 day(s) between 09/29/1999 and 09/29/1999 and that the notice was published in the newspaper proper and not in any supplement; the first publication being on the 29 day of September, 1999 and that the undersigned has personal knowledge of the matter and things set forth in this affidavit.

/s/ Betsy Penner  
LEGAL ADVERTISEMENT REPRESENTATIVE

Subscribed and sworn to before me on this  
30 day of September A.D., 1999

Notary B Mathie  
Commission Expires 3-13-2001



**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, the following discharge plan applications have been submitted to the Director of the Oil Conservation Division, 2040 South Pacheco, Santa Fe, New Mexico 87505, Telephone (505) 827-7131

(BW-02) - P&S Brine Sales, Paul Prather, P.O. Box 7169, Eunice, New Mexico 88231, has submitted an application for the renewal of a discharge plan for the P&S Brine Sales Station, located in the SW/4 SE/4 of Section 34, Township 21 South, Range 37 East, NMPM, Lea County, New Mexico. An average of 250 barrels per day of brine water with a TDS of approximately 300,000 mg/l is produced for use in the oil industry. Groundwater most likely to be affected by a spill, leak, or accidental discharge to the surface is at a depth of approximately 45 feet with a total dissolved solids concentration of approximately 1400 mg/l. The discharge plan addresses how spills, leaks, and other accidental discharges to the surface will be managed.

(BW-012) - Scurlock Permian Corporation, James C. Ephraim II, Senior Project Engineer, P.O. Box 4648, Houston, Texas, 77210-4648, has submitted an application for the renewal of a discharge plan for the SPC Saline NO. 1 Brine Station, located in the SW/4 SW/4 of Section 36, Township 18 South, Range 37 East, NMPM, Lea County, New Mexico. Up to 400 barrels per day of brine water with a TDS of approximately 300,000 mg/l is produced for use in the oil industry. Groundwater most likely to be affected by a spill, leak, or accidental discharge to the surface is at a depth of approximately 40 feet with a total dissolved solids concentration of approximately 400 mg/l. The discharge plan addresses how spills, leaks, and other accidental discharges to the surface will be managed.

(BW-027) - Scurlock Per-

man corporation, James C. Ephraim II, Senior Project Engineer, P.O. Box 4648, Houston, Texas, 77210-4648, has submitted an application for the renewal of a discharge plan for the Carlsbad Brine Station, located in the SE/4 NW/4 of Section 23, Township 22 South, Range 27 East, NMPM, Eddy County, New Mexico. An average of 1000 barrels per day of brine water with a TDS of approximately 300,000 mg/l is produced for use in the oil industry. Groundwater most likely to be affected by a spill, leak, or accidental discharge to the surface is at a depth from approximately 50 to 200 feet with a total dissolved solids concentration of approximately 4000 mg/l. The discharge plan addresses how spills, leaks, and other accidental discharges to the surface will be managed.

Any interested person may obtain further information from the Oil Conservation Division and may submit written comments to the Director of the Oil Conservation Division at the address given above. The discharge plan application may be viewed at the above address between 8:00 a.m. and 4:00 p.m., Monday through Friday. Prior to ruling on any proposed discharge plan or its modification, the Director of the Oil Conservation Division shall allow at least thirty (30) days after the date of publication of this notice during which comments may be submitted to him and a public hearing may be requested by any interested person. 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 there is significant public interest.

If no public hearing is held, the Director will approve or disapprove the proposed plan based on information available. If a public hearing is held, the director will approve or disapprove the proposed plan based on information in the plan and information submitted at the hearing.

GIVEN under the Seal of New Mexico Oil Conservation Commission at Santa Fe, New Mexico, on this 22th day of September, 1999.

STATE OF NEW MEXICO  
OIL CONSERVATION  
DIVISION  
Will Olson  
for LORI WROTENBERY,  
Director

Legal 66147  
Pub. September 29, 1999



NOTICE OF PUBLICATION

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

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If no public hearing is held, the Director will approve or disapprove the proposed plan based on information available. If a public hearing is held, the director will approve or disapprove the proposed plan based on information in the plan and information submitted at the hearing.

GIVEN under the Seal of New Mexico Oil Conservation Commission at Santa Fe, New Mexico, on this 22th day of September, 1999.

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION



for LORI WROTENBERY, Director

SEAL

ACKNOWLEDGEMENT OF RECEIPT  
OF CHECK/CASH

I hereby acknowledge receipt of check No. [redacted] dated 8-23-99,

or cash received on \_\_\_\_\_ in the amount of \$ 50<sup>00</sup>

from PS BRINE LIMITED PARTNERSHIP

for PS BRINE (EUNICE FACILITY) BW-002

Submitted by: WAYNE PRICE (Facility Name) Date: 9/13/99 (DP No.)

Submitted to ASD by: [Signature] Date: 9/13/99

Received in ASD by: \_\_\_\_\_ Date: \_\_\_\_\_

Filing Fee  New Facility \_\_\_\_\_ Renewal   
Modification \_\_\_\_\_ Other \_\_\_\_\_ (specify)

Organization Code 521.07 Applicable FY 2000

To be deposited in the Water Quality Management Fund.

Full Payment \_\_\_\_\_ or Annual Increment \_\_\_\_\_

**P S BRINE LIMITED PARTNERSHIP**  
P. O. BOX 1769  
EUNICE, NM 88231-1769

8-23 1999 95-183/1122 5

Pay to the order of NMED - WATER QUALITY MANAGEMENT \$ 50.00

FIFTY DOLLARS AND NO/100-----Dollars

**Lea County State Bank**  
P.O. Box 400 • Hobbs, New Mexico 88241

For DISCHARGE PLAN BW-002 [Signature]

[redacted]

**OIL CONSERVATION DIVISION**

**2040 South Pacheco  
Santa Fe, NM 87505  
(505) 827-7133  
Fax: (505) 827-8177**



**(PLEASE DELIVER THIS FAX)**

**To:** CHRIS LISTER - EPA FAX# 214-665-2191

**From:** OCD

**Date:** 9/10/99

**Number of Pages (Includes Cover Sheet)** 2

**Message:** PER YOUR REQUEST cc of

ATS BRINE WELL SCHEMATIC!

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**If you have any trouble receiving this, please call:  
(505) 827-7133**



NEW MEXICO ENERGY, MINERALS  
& NATURAL RESOURCES DEPARTMENT

Jennifer A. Salisbury  
CABINET SECRETARY

Oil Conservation Div.  
Environmental Bureau  
2040 S. Pacheco  
Santa Fe, NM 87505

Memorandum of Meeting or Conversation

Telephone   X  

Personal       

Time: 10:45 am

Date: 8/20/99

Originating Party: Wayne Price-OCD

Other Parties: Zach Prather and Helen Holt 505-394-2545 fax 505-394-2926 3:57 JA

Subject: P&S Brine Sales BW-002

**Discussion:**

Notified Ms. Holt that Discharge Plan BW-002 expired on Jan 06, 1999.

**Conclusions or Agreements:**

They will Notify Mr. Paul Prather (owner).

Signed: *Wayne Price*

CC:

**May 11, 1999**

**To: David Catanach**

**From: Roger Anderson**

**EPA UIC Audit**

**23. Colman Oil & Gas UIC-CLI-005**

Application was made on 2/1/96, received on 2/6/96, public notice was published on 2/9/96 and 2/12/96.

MIT has not been performed, company has been advised to perform test within one month, OCD will witness.

Injection pressure increase approved on Jan. 19, 1993 from 868 psi to 1350 psi based on step rate test performed on Jan. 14, 1993.

Injection pressure increase approved on Dec. 22, 1993 from 1350 psi to 2850 psi based on step rate test performed on Dec. 7, 1993.

Closure: This is covered in Discharge Plan Requirements (Amended) March 20, 1997 Item 22. (copy enclosed).

**24. Navajo Refining Company/ WDW-1 UIC-CLI-008-1**

Public Notice Issue: Public Notice was issued on March 29, 1998 for re-entering the well and Discharge Plan notice was issued on May 20, 1998 and May 19, 1998. (Copies enclosed).

Question concerning lowest USDW: The lowest USDW occurs at approximately 3200 feet above sea level, not 3200 feet below surface. This places the base of the USDW at approximately 493 below surface and continues upward to the surface. The WDW-1 well is completed with two strings of casing both cemented to surface and an additional (third) surface casing string cemented to surface from 390' Below surface to surface. Please find enclosed figure 2.0-2 showing the completed well schematic.

**25. P&S Brine Sales/Eunice Brine Station/ Class III Well/ BW-002**

Depth of Lowest USDW? Original Discharge Plan indicates ground water conditions beneath facility to be 90-120 feet. OCD checked local red bed maps and show top of red bed or base of the ogallala formation to be approximately 145 feet below surface.

Maximum injection pressure is not calculated or specified by OCD.  
Is it normal Practice to allow a single string of casing? Present requirements do not allow.

MIT requirements? This company is presently in Violation of its Discharge Plan. Compliance letter will be sent within one month.

Closure Plan \$6000.00 plugging bond, is this adequate? Yes

**22. Yates Petroleum Corporation / Osage #1 / API: 30-015-20890 / 21-T19S-R25E / SWD-336 (Artesia District Office) (continued)**

??Has this well been properly TA'd, or P&A'd?

\*\*No MIT since 2/24/90.

\*\* No completion report found in well file for conversion to SWD well.

??No indication of depth of lowest USDW.

\*\* Reported injection volumes 9/94 - 1/95 and 3/95 - 4/95, no volumes reported in any other months. No injection pressures reported for any month.

**23. Coleman Oil and Gas / Sunco Well #1 / UIC-CLI-005 / Class I non-hazardous/ (OCD - Environmental Bureau)**

Permit Dates:

Application Received	Notice Published	Permit Granted
5/6, 5/16, 6/21/96	2/7, 2/12, 2/14, 2/23/96	1/13/92(original), temp. 2/7/96 - 6/7/96, re-issued 8/26/96

??Public Notice appears to have been made prior to OCD receipt of the application. Please confirm or correct the above dates.

MITs: 6/11/96 passed, witnessed,  
6/30/97 passed, witnessed.

\*\*MIT for 1998 (normally done in June) not found.

Well casing and cementing looks good. Cement quality of long string, above injection perforations, based on CBL looks very good (4350-4460).

Samples taken and analysis performed and reported as required.

Injection volume, injection pressures, and casing pressure reported as required.

On-site inspection are adequate.

??The maximum allowable surface injection pressure was originally set at 868 psig, was increased to 1350 psig on 1/15/93, and increased again to 2850 psig on 2/7/96. What was the allowed increase based upon - step-rate tests, formation fracture pressure analysis, build-up test analysis indicating excessive skin damage, or some other analysis?

??What were closure requirements for this well?

**24. Navajo Refining Company / WDW-1 / API: 30-015-27592 / 31-T17S-R28E / UIC-CLI-008-1 / Class I non-hazardous / (OCD - Environmental Bureau)**

Permit Dates:

Application Received	Notice Published	Permit Granted
5/1/98	?	7/4/98

??Could not find any evidence that public notice was published.

Operator has been given authorization to inject but injection had not yet begun as of 4/7/98

??Well casing and cementing looks good. Cement quality of long string 7", above injection

perforations, based on CBL looks very good. The file indicates that the lowest USDW is at 24. Navajo Refining Company / WDW-1 / API: 30-015-27592 / 31-T17S-R28E / UIC-CLI-008-1 / Class I non-hazardous / (OCD - Environmental Bureau) (continued) 3200'. Is this formation protected? Intermediate casing (9 5/8") is set from surface to 2555'. A CBL of this casing string indicates good cement from set point to approximately 400' subsurface, does an USDW exist from 400' to surface?

MITs: Original MIT performed 8/4/98, passed, witnessed. MIT required annually and any time a well workover is performed (does this include tracer or temperature survey?). Ra tracer survey performed 7/31/98 indicated no migration out of zone, confirmed by temperature surveys.

Requirements for sample analysis, volume and pressure reporting, and mechanical integrity testing look very good, and are clearly stated in the permit.

Closure plan adequate.

**25. P&S Brine Sales / Eunice Brine Station / Class III Well / BW-002**

**Permit Dates:**

Application Received	Notice Published	Permit Granted
orig.11/12/82	orig.12/01/82 3/10/94, 3/17/94	orig.12/18/82 renewed 1/6/89 renewed 5/16/94

??What is depth of the lowest USDW?

?? Maximum injection pressure specified in the discharge plan requirements (May 16, 1994) to be less than the fracture pressure of the injection formation (Salado). Is this pressure calculated and specified to the operator?

??Is it normal practice to allow a single string of casing in this type of well?

MITs: 3/2/88 70 psig, 2 hour test, passed.  
9/20/96 280 psig, passed.  
9/13/97 340 psig, 1 hour test, passed, witnessed.

\*\*An MIT is required on this well annually, to be performed at 1.5X the normal operating pressure of the well, and to be maintained for four hours. While these requirements are that of the State and OCD it does not appear they are being met.

Volume injected and volume sold monthly and submitted quarterly.

Site inspection (4/94, 11/95) resulted in installation of fiberglass tanks and closure of overflow pit (11/96).

\*\*Closure plan developed in 1988, appears plugging bond of \$6000 was required. Is this

adequate to plug this well?

Coleman shall immediately notify the Supervisor of the Aztec District Office and the Environmental Bureau of the Division of the failure of the tubing, casing, or packer in said well and shall take such steps as may be timely and necessary to correct such failure or leakage.

21. Transfer of Discharge Plan: The OCD will be notified prior to any transfer of ownership, control, or possession of the well. A written commitment to comply with the terms and conditions of the previously approved discharge plan and a bond must be submitted by the purchaser and approved by the OCD prior to transfer.
22. Closure: The OCD will be notified when operations of the well are discontinued for a period in excess of six months. Prior to closure of the well a closure plan will be submitted for approval by the Director. Closure and waste disposal will be in accordance with the statutes, rules and regulations in effect at the time of closure.
23. Plugging Bond and /or Letter of Credit: Coleman shall have in effect, for the life of the well, a Division approved plugging bond and/or letter of credit for the estimated amount required to plug the well according to the proposed closure plan and adjusted for inflation. The required plugging bond and/or letter of credit shall be adjusted at the time of discharge plan renewal.
24. Training: All personnel associated with operations at the Coleman Class I disposal well will have appropriate training in accepting, processing, and disposing of Class I non-exempt non-hazardous oil field waste to insure proper disposal. All training documentation shall be maintained at Coleman for the life of the well.
25. Certification: Coleman, by the officer whose signature appears below, accepts this permit and agrees to comply with all terms and conditions contained herein. Coleman further acknowledges that these conditions and requirements of this permit modification may be changed administratively by the Division for good cause shown as necessary to protect fresh water, human health and the environment.

Accepted:

COLEMAN OIL AND GAS, INC.

by George E. Calmes Pres.  
Title

TELEPHONE  
(505) 748-3311

EASYLINK  
62905278



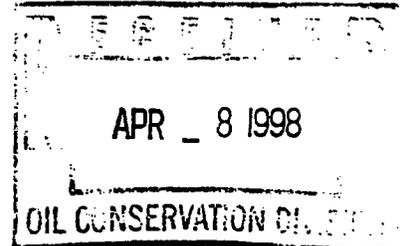
# REFINING COMPANY

501 EAST MAIN STREET • P. O. BOX 159  
ARTESIA, NEW MEXICO 88211-0159

FAX  
(505) 746-6410 ACCTG  
(505) 746-6155 EXEC  
(505) 748-9077 ENGR  
(505) 746-4438 P / L

April 3, 1998

Ben Stone  
Environmental Bureau  
Oil Conservation Division  
2040 S. Pacheco St.  
Santa Fe, NM 87505-5472



**RE: NAVAJO REFINING COMPANY'S CLASS II INJECTION PERMIT**

Dear Ben,

Enclosed is the affidavit of publication and a copy of the legal notice that Navajo had put into the Artesia Daily Press concerning our application for a Class II injection permit. This notice was published on March 29, 1998. This should satisfy the requirement of notification.

If there are any questions concerning this submittal, please call me at 505-748-3311. Thank you for your attention to this matter.

Regards,  
NAVAJO REFINING COMPANY

Darrell Moore  
Env. Mgr. for Water and Waste

Encl.

# Affidavit of Publication

NO. 16176

STATE OF NEW MEXICO

County of Eddy:

Gary D. Scott being duly

sworn, says: That he is the Publisher of The

Artesia Daily Press, a daily newspaper of general circulation, published in English at Artesia, said county and county and state, and that the here to attached

## Legal Notice

was published in a regular and entire issue of the said Artesia Daily Press, a daily newspaper duly qualified for that purpose within the meaning of Chapter 167 of the 1937 Session Laws of the state of New Mexico for 1 consecutive weeks/days on the same

as follows:

1st Publication	March 29 1998
2nd Publication	
3rd Publication	
4th Publication	

Subscribed and sworn to before me this    day of March 1998

Sharon Rose Brown  
Notary Public, Eddy County, New Mexico

Commission expires September 23, 1999

# Copy of Publication:

2310 FSL, Section 31, Township 17 South, Range 28 East, Eddy County, New Mexico (about 12 miles east-southeast of Artesia) known as the Waste Disposal Well #1 for disposal of process waste water from the refinery. This well will be tested under a Class II permit using fresh water to determine its usefulness. If the well is acceptable, a Class I non-hazardous permit will be applied for to dispose of refinery process water. Proposed injection is in the Wolfcamp, Cisco and Canyon formations through perforations between 6890 and 9016 feet depth. Proposed average injection rate 10,000 Bbls per day at 1378 psig. Interested parties must file objections or requests for hearing with the Oil Conservation Division, P.O. Box 2088, Santa Fe, N.M. 87501 within 15 days of this notice.

Published in the Artesia Daily Press, Artesia, N.M. March 1998.

## LEGAL NOTICE

**NOTICE OF APPLICATION FOR WASTE DISPOSAL WELL PERMIT**  
 Navajo Refining Co., P.O. Box 159, Artesia, NM 88211, Phone: 505-748-3311. Contact person for Navajo Refining Co.: Darrell Moore, is seeking administrative approval from the New Mexico Oil Conservation Division to utilize a well located 660' FSL &

Legal 161

TELEPHONE  
(505) 748-3311



# REFINING COMPANY

501 EAST MAIN STREET • P. O. DRAWER 159

EASYLINK  
62905278

FAX  
(505) 746-6411

ARTESIA, NEW MEXICO 88210

**FAX NUMBERS:**

ACCOUNTING OFFICES:	505/746-6410	MARKETING OFFICES:	505/746-61
REFINING/ENGINEERING:	505/748-9077	PIPELINE DIVISION:	505/746-44

PLEASE DELIVER 2 PAGES, INCLUDING THIS COVER SHEET

TO: Ben Stone PHONE: \_\_\_\_\_

COMPANY/DEPARTMENT: NMOCD

MESSAGE: Ben, here is the affidavit of publication for  
the legal notice of our intent to test the Class II  
injection well. It was in the paper March 29, 1998.  
If there are any questions, call me at 505-748-3311

FROM: D. Moore DATE: 4/3/98

If you do not receive all pages, please call \_\_\_\_\_ at 505/748-3311, ext. \_\_\_\_\_.

NOTE: Unless otherwise indicated or obvious from the nature of transmittal, the information contained in this facsimile message privileged and confidential information intended for the use of individual or entity named above. If the reader of this message is not intended recipient, you are hereby notified that any dissemination, distribution or copying of this communication is strictly prohibited. If have received this communication in error or are not sure whether it privileged, please immediately notify us by telephone, and return original message to us at the above address via the U. S. Postal Servi Thank you.



**THE REPRODUCTION OF**

**THE**

**FOLLOWING**

**DOCUMENT (S)**

**CANNOT BE IMPROVED**

**DUE TO**

**THE CONDITION OF**

**THE ORIGINAL**



# The Santa Fe New Mexican

Since 1849. We Read You.

MAY 27 1998

NM OCD  
ATTN: SALLY MARTINEZ CONSERVATION DIVISION  
2040 S. PACHECO  
SANTA FE, NM 87505

AD NUMBER: 25796

ACCOUNT: 56689

LEGAL NO: 63533

P.O. #: 98-199-000

205 LINES ONCE at \$ 82.00

Affidavits: 5.25

Tax: 5.45

Total: \$ 92.70

### AFFIDAVIT OF PUBLICATION

STATE OF NEW MEXICO  
COUNTY OF SANTA FE

I, BETSY PERNER being first duly sworn declare and say that I am Legal Advertising Representative of THE SANTA FE NEW MEXICAN, a daily news paper 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 News paper duly qualified to publish legal notices and advertisements under the provisions of Chapter 167 on Session Laws of 1937; that the publication # 63533 a copy of which is hereto attached was published in said newspaper once each WEEK for ONE consecutive week(s) and that the notice was published in the newspaper proper and not in any supplement; the first publication being on the 19 day of MAY 1998 and that the undersigned has personal knowledge of the matter and things set forth in this affidavit.

Betsy Perner  
LEGAL ADVERTISEMENT REPRESENTATIVE

Subscribed and sworn to before me on this 19 day of MAY A.D., 1998

Notary [Signature]  
Commission Expires 3-13-2001

dental discharge is at a depth of approximately 493 feet with a total dissolved solids concentration of approximately 1,535 mg/l. The discharge plan addresses how spills, leaks, and other accidental discharges to the surface will be managed.

Any interested person may obtain further information from the Oil Conservation Division and may submit written comments to the Director of the Oil Conservation Division at the address given above. The discharge plan application(s) may be viewed at the above address between 8:00 a.m. and 4:00 p.m., Monday through Friday. Prior to ruling on any proposed discharge plan application(s), the Director of the Oil Conservation Division shall allow at least thirty (30) days after the date of publication of this notice during which comments may be submitted and a public hearing may be requested by any interested person. Requests for public hearing shall set forth the reasons why a hearing should be held. A hearing will be held if the Director determines there is significant public interest.

If no public hearing is held, the Director will approve or disapprove the proposed plan(s) based on information available. If a public hearing is held, the Director will approve or disapprove the proposed plan(s) based on information in the discharge plan application(s) and information submitted at the hearing.

GIVEN under the Seal of New Mexico Oil Conservation Commission at Santa Fe, New Mexico, on this 12th day of May 1998.

STATE OF NEW MEXICO  
OIL CONSERVATION  
DIVISION  
LORI WROTENBERY,  
Director

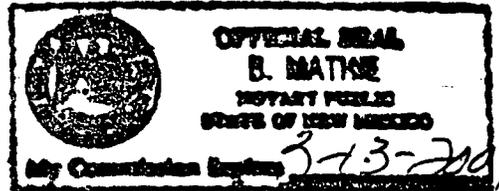
Legal #63533  
Pub. May 19, 1998

### 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, the following discharge plan application(s) have been submitted to the Director of the Oil Conservation Division, 2040 South Pacheco, Santa Fe, New Mexico 87505. Telephone (505) 827-7131.

UIC-CL1-008 - Navajo Refining company, Darrell Moore, (505) 748-3311, P.O. Box 157, Artesia, New Mexico, 88211, has submitted a discharge application to convert a plugged and abandoned exploration well to a Class I non-hazardous disposal well, and drill two new Class I non-hazardous disposal wells for disposal of non-hazardous fluids generated at the Artesia refinery. The proposed well to be re-entered (WDW-1) is the Mewbourne Oil Company, Chalk Bluff 31 State No. 1, located in the SW/4 SE/4 of Section 31, Township 17 South, Range 28 East, NMPM, Eddy County, New Mexico. The two new proposed wells (WDW-2 and WDW-3) will be located in the NW/4 of Section 6, Township 18 South, Range 28 East, NMPM, Eddy County, New Mexico. The proposed injection zone will be the lower Wolfcamp Formation and the Cisco and Canyon Formations between 7,450 feet and 9,016 feet. The Chloride concentration of the injection zone ranges from 67,098 to 119,909 mg/l. The proposed combined maximum injection volume for all three wells will be 34,286 gallons per day. The average Chloride concentration of the injection fluid is 1,100 mg/l. Ground water most likely to be affected in the event of an acci-



# Affidavit of Publication

State of New Mexico,  
County of Eddy, ss.

Amy McKay

being first duly sworn, on oath says:

That she is Business Manager of the Carlsbad Current-Argus, a newspaper published daily at the City of Carlsbad, in said county of Eddy, state of New Mexico and of general paid circulation in said county; that the same is a duly qualified newspaper under the laws of the state wherein legal notices and advertisements may be published; that the printed notice attached hereto was published in the regular and entire edition of said newspaper and not in supplement thereof on the date as follows, to wit:

May 20, 19 98  
 \_\_\_\_\_, 19 \_\_\_\_  
 \_\_\_\_\_, 19 \_\_\_\_  
 \_\_\_\_\_, 19 \_\_\_\_  
 \_\_\_\_\_, 19 \_\_\_\_  
 \_\_\_\_\_, 19 \_\_\_\_

That the cost of publication is \$ 60.95 and that payment thereof has been made and will be assessed as court costs.

*Amy McKay*

Subscribed and sworn to before me this

23rd day of May, 1998

*Donna Crump*

My commission expires 8/1/98  
Notary Public

## NOTICE OF PUBLICATION

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

No 18447

Notice is hereby given that pursuant to New Mexico Water Quality Control Commission Regulations, the following discharge plan application(s) have been submitted to the Director of the Oil Conservation Division, 2040 South Pacheco, Santa Fe, New Mexico 87505, Telephone (505) 827-7131:

(UIC-CL1-008) - Navajo Refining Company, Darrell Moore, (505) 748-3311, P.O. Box 159, Artesia, New Mexico, 88211, has submitted a discharge application to convert a plugged and abandoned exploration well to a Class I non-hazardous disposal well, and drill two new Class I non-hazardous disposal wells for disposal of non-hazardous fluids generated at the Artesia refinery. The proposed well to be re-entered (WDW-1) is the Mewbourne Oil Company, Chalk Bluff 31 State No. 1, located in the SW/4 SE/4 of Section 31, Township 17 South, Range 28 East, NMPM, Eddy County, New Mexico. The two new proposed wells (WDW-2 and WDW-3) will be located in the NW/4 of Section 6, Township 18 South, Range 28 East, NMPM, Eddy County, New Mexico. The proposed injection zone will be the lower Wolfcamp Formation and the Cisco and Canyon Formations between 7,450 feet and 9,016 feet. The Chloride concentration of the injection zone ranges from 67,088 to 119,909 mg/l. The proposed combined maximum injection volume for all three wells will be 34,286 gallons per day. The average Chloride concentration of the injection fluid is 1,100 mg/l. Ground water most likely to be affected in the event of an accidental discharge is at a depth of approximately 493 feet with a total dissolved solids concentration of approximately 1,535 mg/l. The discharge plan addresses how spills, leaks, and other accidental discharges to the surface will be managed.

Any interested person may obtain further information from the Oil Conservation Division and may submit written comments to the Director of the Oil Conservation Division at the address given above. The discharge plan application(s) may be viewed at the above address between 8:00 a.m. and 4:00 p.m. - Monday through Friday. Prior to ruling on any proposed discharge plan application(s), the Director of the Oil Conservation Division shall allow at least thirty (30) days after the date of publication of this notice during which comments may be submitted and a public hearing may be requested by any

*OK M  
5-8-98*

and may submit written comments to the Director of the Oil Conservation Division at the address given above. The discharge plan application(s) may be viewed at the above address between 8:00 a.m. and 4:00 p.m., Monday through Friday. Prior to ruling on any proposed discharge plan application(s), the Director of the Oil Conservation Division shall allow at least thirty (30) days after the date of publication of this notice during which comments may be submitted and a public hearing may be requested by any interested person. 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 there is significant public interest.

If no public hearing is held, the Director will approve or disapprove the proposed plan(s) based on the information in the discharge plan application(s) and information submitted at the hearing.

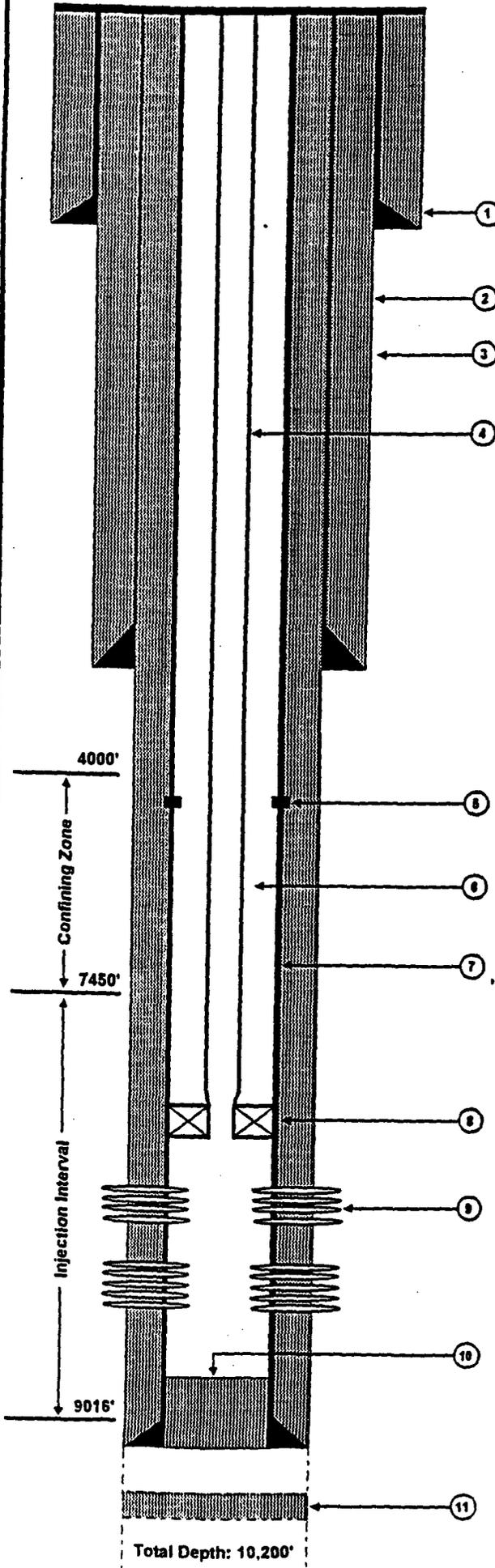
GIVEN under the Seal of New Mexico Oil Conservation Commission at Santa Fe, New Mexico, on this 12th day of May 1988.

STATE OF NEW MEXICO  
OIL CONSERVATION  
DIVISION

Roger Anderson  
for LORI WROTENBERY  
Director

**BELOW GROUND DETAIL**

All depths are referenced to the kelly bushing elevation of 12.5 feet. Surface elevation is 3678 feet.



**1. Surface Casing:** 13-3/8", 48 lb/ft, J-55, ST&C set at 390' in a 17-1/2" hole. Cemented with 150 sx Class C with 3% calcium chloride, 375 sx Class C Litewater w/ 3% calcium chloride and 1/2 lb/sx flocele. Circulated 86 sx to surface.

**2. Intermediate Casing:** 9-5/8", 36 lb/ft, J-55, ST&C set at 2555' in a 12-1/4" hole. Cemented w/ 800 sx of Class C Lite w/ 1/2 lb/sx flocele and 2 lb/sx Gilsonite and 12% salt. Followed by 200 sx of Class C w/ 2% calcium chloride. Circulated 133 sx to surface.

**3. Base of the USDW at 493'.**

**4. Injection Tubing:** 4-1/2", 11.6 lb/ft, N-80, SMLS, R3, LT&C set at 7879'.

**5. DV Tool:** at 5498'.

**6. Annulus Fluid:** 8.7 lb/gal brine water mixed w/ UniChem Techni-Hib 370 corrosion inhibitor.

**7. Protection Casing:** 7", 29 lb/ft, N-80, LT&C: 9094' to 7031'. 7", 29 lb/ft, P-110, LT&C: 7031' to 5845'. 7", 26 lb/ft, P-110, LT&C: 5845' to surface. Set in 8-3/4" hole. Casing cemented in two stages as follows:

**First Stage**

500 sx modified Class H w/ 0.4% CFR-3, 5 lb/sx Gilsonite, 0.5% Halad-344, and 1 lb/sx salt mixed at 13.0 ppg. Opened DV tool at 5498' and circulated 142 sx to surface.

**Second Stage**

Lead Slurry: 220 sx Interfill 'C' (35:65:6) mixed at 11.7 ppg. Tail Slurry: 550 sx modified Class H w/ 0.4% CFR-3, 5 lb/sx, Gilsonite, 0.5% Halad-344, 0.1% HR-7, and 1 lb/sx salt mixed at 13.0 ppg. Circulated 75 sx to surface. Top out w/ 20 sx premium plus 3% calcium chloride.

**8. Packer:** 7" x 3.5" EVI Oil Tools (Arrow), Model X-1 retrievable packer set at 7879'. Minimum I.D. is 3.0". Wireline reentry guide on bottom. To release: turn 1/4 turn to the right and pick up.

**9. Perforations (2 SPF):**

**Upper Zone:**

7924-7942', 7974-8030', 8050-8056', 8066-8080', 8118-8127', 8132-8140', 8160-8164', 8170-8188'.

**Lower Zone:**

8220-8254', 8260-8270', 8280-8302', 8360-8366', 8370-8378', 8400-8410', 8419-8423', 8430-8446', 8460-8464', 8470-8476'.

**10. PBD:** 9004'

**11. Cement Plug:** 45 sx Class H from 9624' to 9734'.

<b>ENVIROCORP</b>		HOUSTON, TX. SOUTH BEND, IN. BATON ROUGE, LA.
FIGURE 2.0-2 NAVAJO REFINING COMPANY WDW-1 ARTESIA, NEW MEXICO		
Date: 09/15/98   Checked By: B.R.   Job No.: 70A4614		



RECEIVED  
'94 APR 11 AM 8 19  
OIL CONSERVATION DIVISION UNITED STATES  
DEPARTMENT OF THE INTERIOR  
FISH AND WILDLIFE SERVICE  
Ecological Services  
Suite D, 3530 Pan American Highway, NE  
Albuquerque, New Mexico 87107

April 6, 1994

Permit #GW94021

Mr. William J. Lemay  
Director, State of New Mexico  
Oil Conservation Division  
P.O. Box 2088  
Santa Fe, New Mexico 87504-2088

Dear Mr. Lemay:

This responds to the notice of publication received by the U.S. Fish and Wildlife Service (Service) on March 8, 1994, regarding the Oil Conservation Division (OCD) discharge plan applications submitted by P&S Brine Sales (BW-02) and Four Corners Drilling Co. (GW-156) on fish, shellfish, and wildlife resources in New Mexico.

The Service has the following comments on the issuance of the following discharge permits.

~~BW-02 P&S Brine Sales~~ P&S Brine Sales, Eunice, New Mexico located in section 34, T. 21 S., R. 37 E., Lea County New Mexico. Fresh water is injected to an approximately depth of 1500 feet and brine is extracted and stored in closed top above ground storage tanks.

GW-156 Four Corners Drilling Co., Farmington Service Facility located in section 29, T. 29 N., R. 12 W., San Juan County. Approximately 200 gallons per day of wastewater is collected in a closed top fiberglass tank and recycled as drilling fluid.

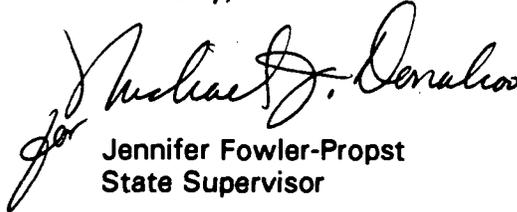
The above ground tank capacities should be able to contain all the water produced during periods of inclement weather when it is not possible to drain the tank on a regular schedule. The tanks should also exhibit strong corrosion resistance to those fluids the tank will store. The tanks should be exposed entirely to visually detect leaks. If leaks are detected surface soil monitoring and runoff prevention measures should be implemented. The tank described in GW-156 should not be located in the San Juan River floodplain. Accidental spillage or leaks could result in injury to the endangered Colorado squawfish and razorback sucker as well as other species of importance.

Mr. William J. Lemay

2

If you have any questions concerning our comments, please contact Mary Orms at (505) 883-7877.

Sincerely,

A handwritten signature in cursive script, appearing to read "Jennifer Fowler-Propst". The signature is written in black ink and is positioned above the printed name and title.

Jennifer Fowler-Propst  
State Supervisor

cc:  
Director, New Mexico Department of Game and Fish, Santa Fe, New Mexico  
Regional Administrator, U.S. Environmental Protection Agency, Dallas, Texas

# Affidavit of Publication

STATE OF NEW MEXICO )  
 ) ss.  
 COUNTY OF LEA )

**Joyce Clemens** being first duly sworn on oath deposes and says that he is **Adv. Director** of THE LOVINGTON DAILY LEADER, a daily newspaper of general paid circulation published in the English language at Lovington, Lea County, New Mexico; that said newspaper has been so published in such county continuously and uninterruptedly for a period in excess of Twenty-six (26) consecutive weeks next prior to the first publication of the notice hereto attached as hereinafter shown; and that said newspaper is in all things duly qualified to publish legal notices within the meaning of Chapter 167 of the 1937 Session Laws of the State of New Mexico.

That the notice which is hereto attached, entitled  
**Notice Of Publication**

and numbered ~~XXXXXXXXXXXX~~ in the

~~XXXXXXXXXXXX~~ Court of Lea

~~XXXXXXXXXXXX~~ was published in a regular and entire issue of THE LOVINGTON DAILY LEADER and not in any supplement thereof, ~~XXXXXXXXXXXX~~ once each week on the same day of the week, for **one (1) day**

~~XXXXXXXXXXXX~~ consecutive weeks, beginning with the issue of **March 10 1994**

and ending with the issue of **March 10 1994**

And that the cost of publishing said notice is the sum of \$ **48.24**

which sum has been (Paid) ~~XXXXXXXX~~ (Assessed) as Court Costs

*Joyce Clemens*  
 Subscribed and sworn to before me this **17th**

day of **March** 19 **94**

*Mrs. Jean Serier*  
 Notary Public, Lea County, New Mexico

My Commission Expires **Sept. 28 1994**

**LEGAL NOTICE  
 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, the following discharge plan applications have been submitted to the Director of the Oil Conservation Division, State Land Office Building, P.O. Box 2088, Santa Fe, New Mexico 87504-2088, Telephone (505)827-5800:

**(BW-02) - P&S Brine Sales, Paul Prather, P.O. Box 7169, Eunice, New Mexico, 88231, has submitted a renewal application for the previously approved discharge plan for their insitu extraction brine well facility located in the SW/4 SE/4, Section 34, Township 21 South, Range 37 East, NMPM, Lea County, New Mexico. Fresh water is injected to an approximate depth of 1500 feet and brine is extracted and stored in closed top above ground storage tanks. The brine has an approximate total dissolved solids (TDS) concentration of approximately 300,000 mg/l. Groundwater most likely to be affected by an accidental discharge is at a depth of approximately 45 feet with a TDS of 1400 mg/l. The discharge plan addresses injection well construction and operation, and how spills, leaks, and other accidental discharges to the surface will be managed.**

**(GW-156) - Four Corners Drilling Co., Earl Lang, 5651 U.S. Highway 64, Farmington, New Mexico, 87401, has submitted a discharge plan application for their Farmington Service Facility located in Section 29, Township 29 North,**

**Range 12 West, NMPM, San Juan County, New Mexico. Approximately 200 gallons per day of waste water is collected in a closed top**

**fiberglass tank and recycled as drilling fluid. Groundwater most likely to be affected by an accidental discharge is at a depth of approximately 45 feet with a total dissolved solids concentration of approximately 2200 mg/l. The discharge plan addresses how spills, leaks, and other accidental discharges to the surface will be managed.**

Any interested person may obtain further information from the Oil Conservation Division and may submit written comments to the Director of the Oil Conservation Division at the address given above. The discharge plan application may be viewed at the above address between 8:00 a.m. and 4:00 p.m., Monday through Friday. Prior to ruling on any proposed discharge plan or its modification, the Director of the Oil Conservation Division shall allow at least thirty (30) days after the date of publication of this notice during which comments may be submitted to him and public hearing may be requested by any interested person. Requests for public hearings shall set forth the reasons why a hearing should be held. A hearing will be held if the Director determines there is significant public interest.

If no public hearing is held, the Director will approve or disapprove the proposed plan based on information available. If a public hearing is held, the director will approve or disapprove the proposed plan based on information in the plan and information submitted at the hearing.

GIVEN under the Seal of New Mexico Oil Conservation Commission at Santa Fe, New Mexico, on this 4th day of March, 1994.

STATE OF NEW MEXICO  
 OIL CONSERVATION  
 DIVISION  
**WILLIAM J. LEMAY**  
 Director

(SEAL)  
 Published in the Lovington Daily Leader March 10, 1994.

**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, the following discharge plan applications have been submitted to the Director of the Oil Conservation Division, State Land Office Building, P.O. Box 2088, Santa Fe, New Mexico 87504-2088, Telephone (505) 827-5800:

(BW-02) - P & S Brine Sales, Paul Prather, P.O. Box 7169, Eunice, New Mexico, 88231, has submitted a renewal application for the previously approved discharge plan for their in situ extraction brine well facility located in the SW/4 SE/4, Section 34, Township 21 South, Range 37 East, NMPM, Lea County, New Mexico Fresh water is injected to an approximate depth of 1500 feet and brine is extracted and stored in closed top above ground storage tanks. The brine has an approximate total dissolved solids (TDS) concentration of approximately 300,000 mg/l. Groundwater most likely to be affected by an accidental discharge is at a depth of approximately 45 feet with a TDS of 1400 mg/l. The discharge plan addresses injection well construction and operation, and how spills, leaks, and other accidental discharges to the surface will be managed.

(GW-156) - Four Corners Drilling Co., Earl Lang, 5651 W.S. Highway 84, Farmington, New Mexico, 87401, has submitted a discharge plan applications for their Farmington Service Facility located in Section 29, Township 29 North, Range 12 West, NMPM, San Juan County, New Mexico. Approximately 200 gallons per day of waste water is collected in a closed top fiberglass tank and recycled as drilling fluids. Ground water most likely to be affected by an accidental discharge is at a depth of approximately 45 feet with a total dissolved solids concentration of approximately 2200 gm/l. The discharge plan addresses how spills, leaks, and other accidental discharges to the surface will be managed.

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If no public hearing is held, the Director will approve or disapprove the proposed plan based on information available. If a public hearing is held, the director will approve or disapprove the proposed plan based on information in the plan and information submitted at the hearing.

GIVEN under the Seal of New Mexico Oil Conservation Commission at Santa Fe, New Mexico, on this 4th day of March 1994.

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION  
s/WALLIAM J. LEMAY, Director  
Journal: March 17, 1994

STATE OF NEW MEXICO  
County of Bernalillo

SS

OIL CONSERVATION DIVISION  
RECEIVED

'94 MAR 24 AM 8 39

Bill Tafoya being duly sworn declares and says that he is Classified Advertising Manager of **The Albuquerque Journal**, and that this newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Session Laws of 1937, and that payment therefore has been made or assessed as court costs; that the notice, copy of which is hereto attached, was published in said paper in the regular daily edition, for 1 times, the first publication being on the 17 day of Mar., 1994 and the subsequent consecutive publications on \_\_\_\_\_

Bill Tafoya, 1994

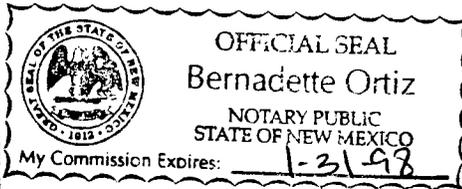
Sworn and subscribed to before me, a notary Public in and for the County of Bernalillo and State of New Mexico, this 17 day of Mar 1994.

PRICE \$38.47

Statement to come at end of month.

*KMB*

CLA-22-A (R-1/93) ACCOUNT NUMBER C81184



State of New Mexico  
Energy, Minerals and Natural Resources Department  
OIL CONSERVATION DIVISION  
P.O. Box 2088  
Santa Fe, NM 87501

DIVISION  
NO.

94 p. 0 39

**DISCHARGE PLAN APPLICATION FOR BRINE EXTRACTION FACILITIES**  
(Refer to OCD Guidelines for assistance in completing the application.)

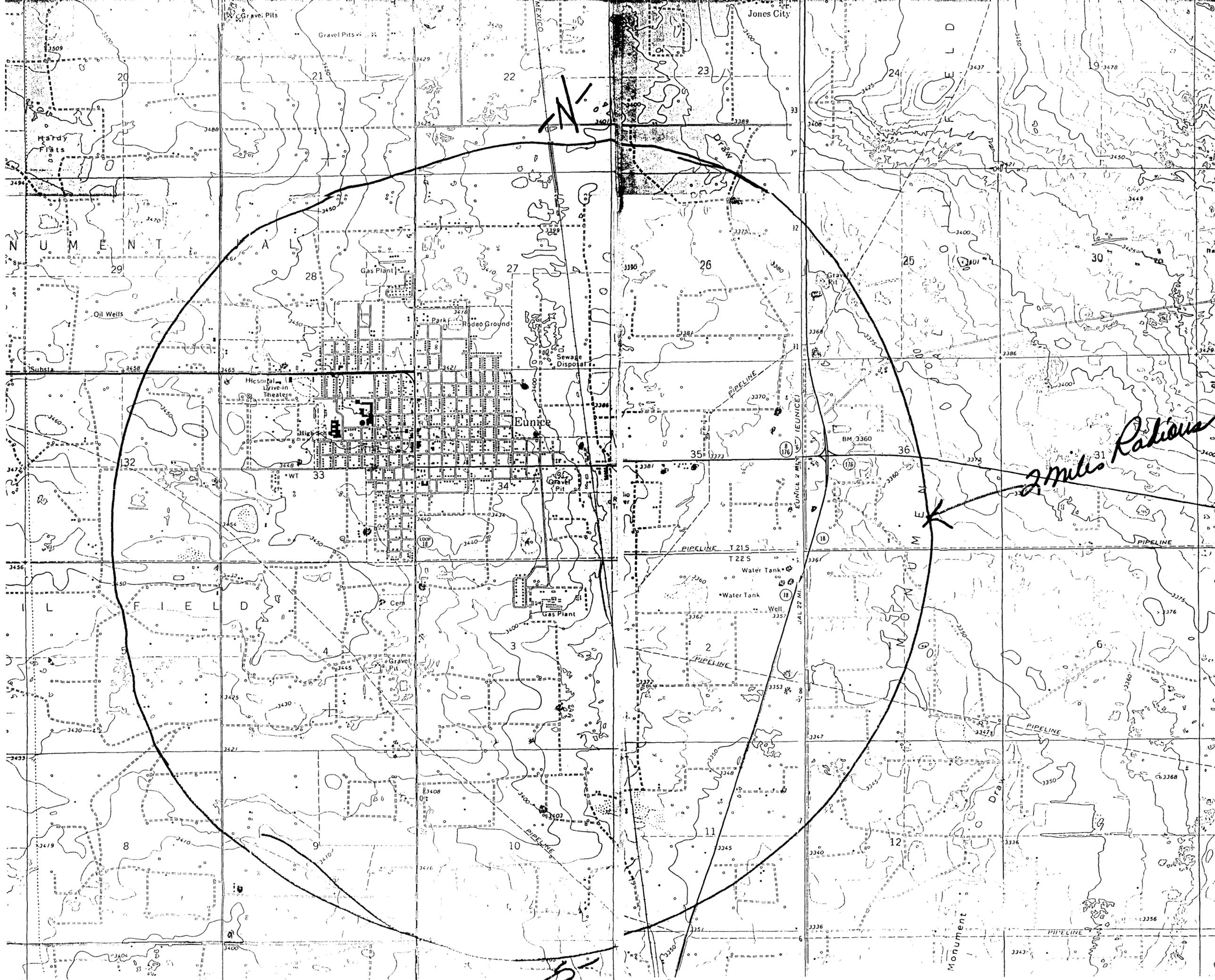
NEW  RENEWAL

- I. FACILITY NAME: P & S BRINE SALES, LIMITED PARTNERSHIP
- II. OPERATOR: P & S BRINE SALES (PAUL PRATHER)  
ADDRESS: P. O. BOX 7169 EUNICE, NM 88231  
CONTACT PERSON: PAUL PRATHER PHONE: 394 2545
- III. LOCATION:     /4     /4 Section 34 Township 21 Range 37  
*Submit large scale topographic map showing exact location.*
- IV. Attach the name and address of the landowner of the facility site.  
WILLIAM O. STEPHENS P. O. BOX 115 EUNICE, NM 88231
- V. Attach a description of the types and quantities of fluids at the facility.  
FRESH WATER & BRINE WATER - TOTAL OF 4,000 BBLs.
- VI. Attach a description of all fluid transfer and storage and fluid and solid disposal facilities.  
FRESH & BRINE WATER
- VII. ATTACHED  
Attach a description of underground facilities (i.e. brine extraction well).  
FLUIDS & SOLIDS DISPOSAL HAULED TO PARABO P. O. BOX 1737 EUNICE, NM 88231
- VIII. ATTACHED  
Attach a contingency plan for reporting and clean-up of spills or releases.
- IX. ATTACHED  
Attach geological/hydrological evidence demonstrating that brine extraction operations will not adversely impact fresh water.
- X. ATTACHED  
Attach such other information as is necessary to demonstrate compliance with any other OCD rules, regulations and/or orders.
- XI. ATTACHED  
CERTIFICATION

*I hereby certify under penalty of law that I have personally examined and am familiar with the information submitted in this document and all attachments and that, based on my inquiry of those individuals immediately responsible for obtaining the information, I believe that the information is true, accurate and complete. I am aware that there are significant penalties for submitting false information including the possibility of fine and imprisonment.*

Name: PAUL PRATHER Title: PARTNER

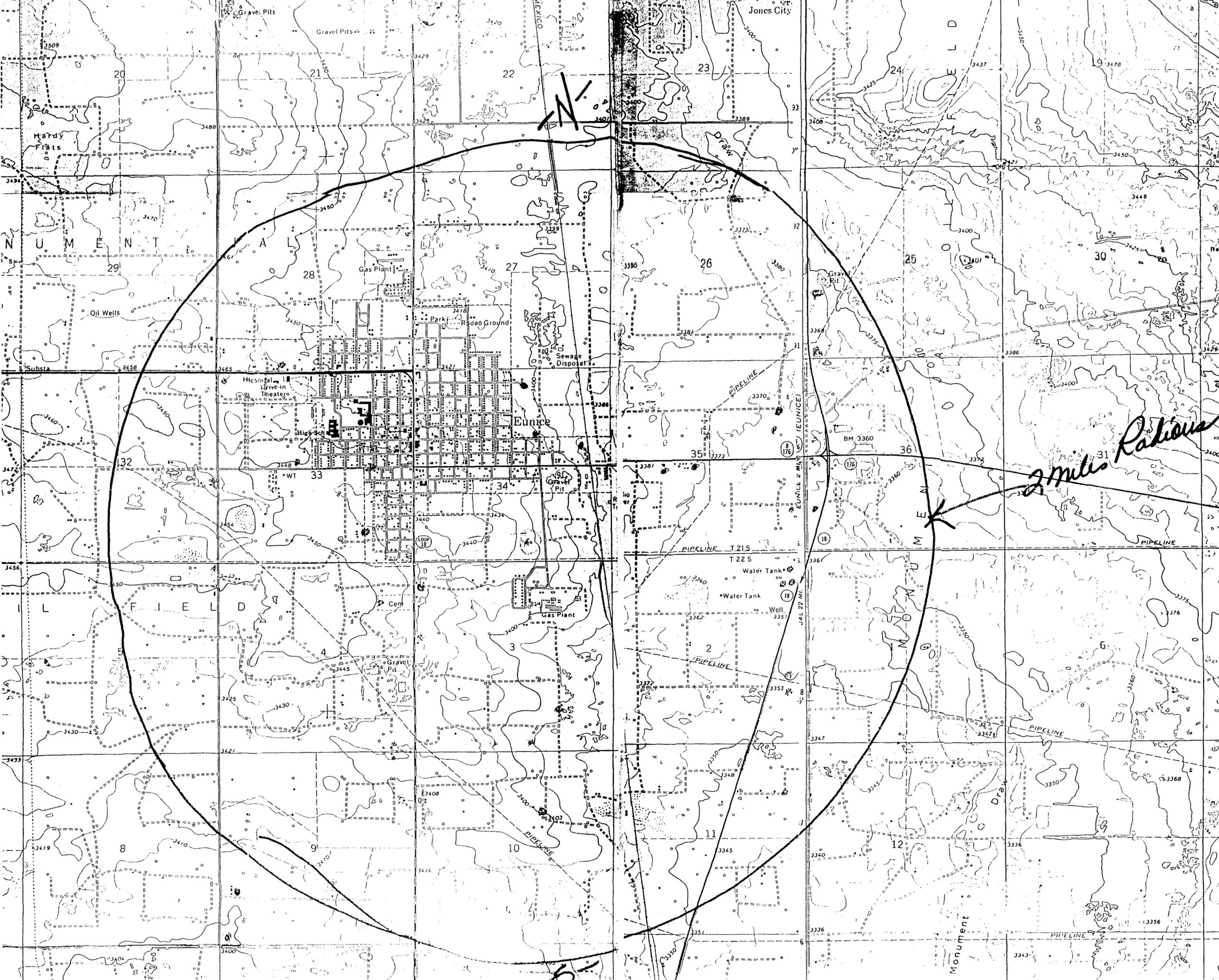
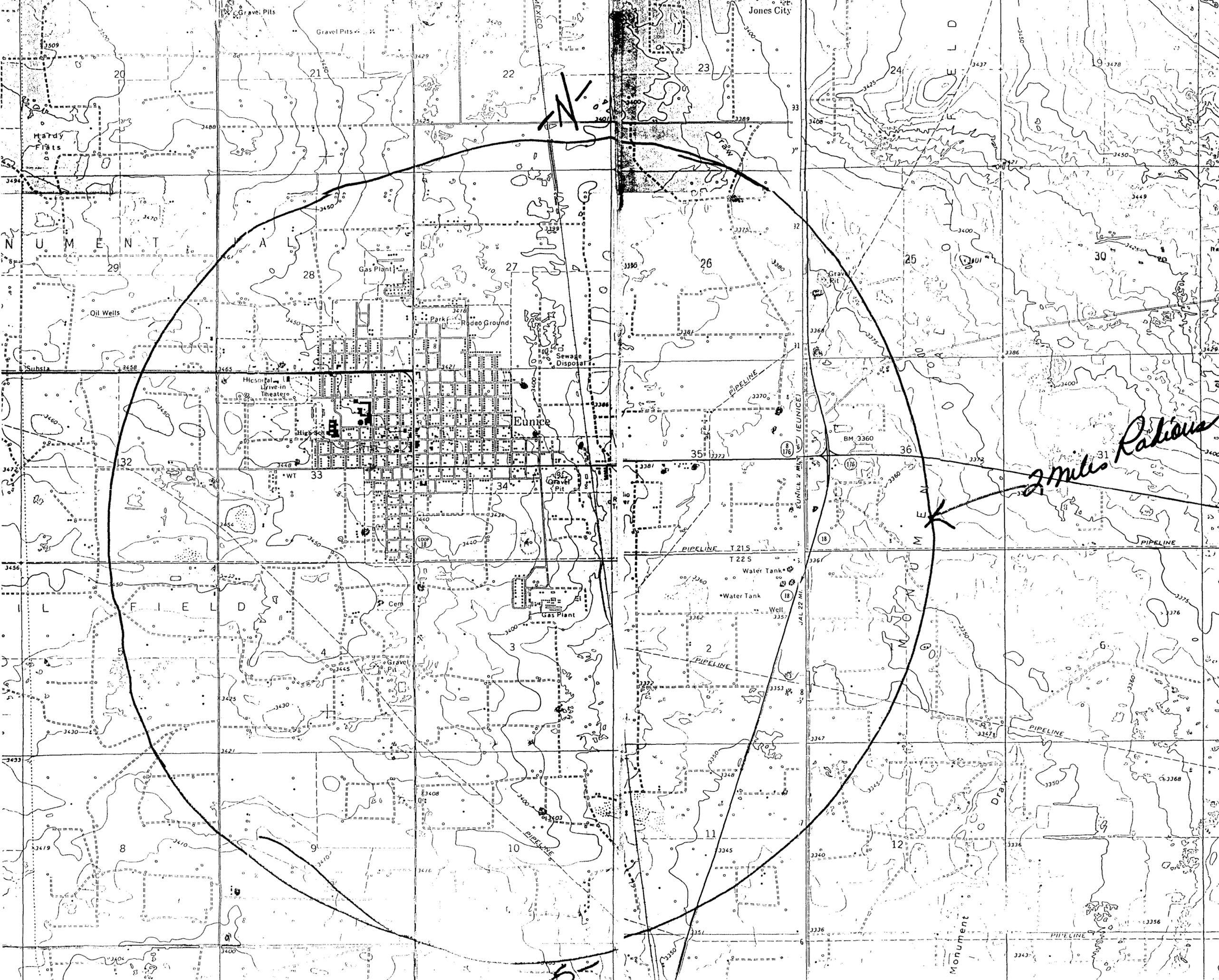
Signature:  Date: 2-28-94



N

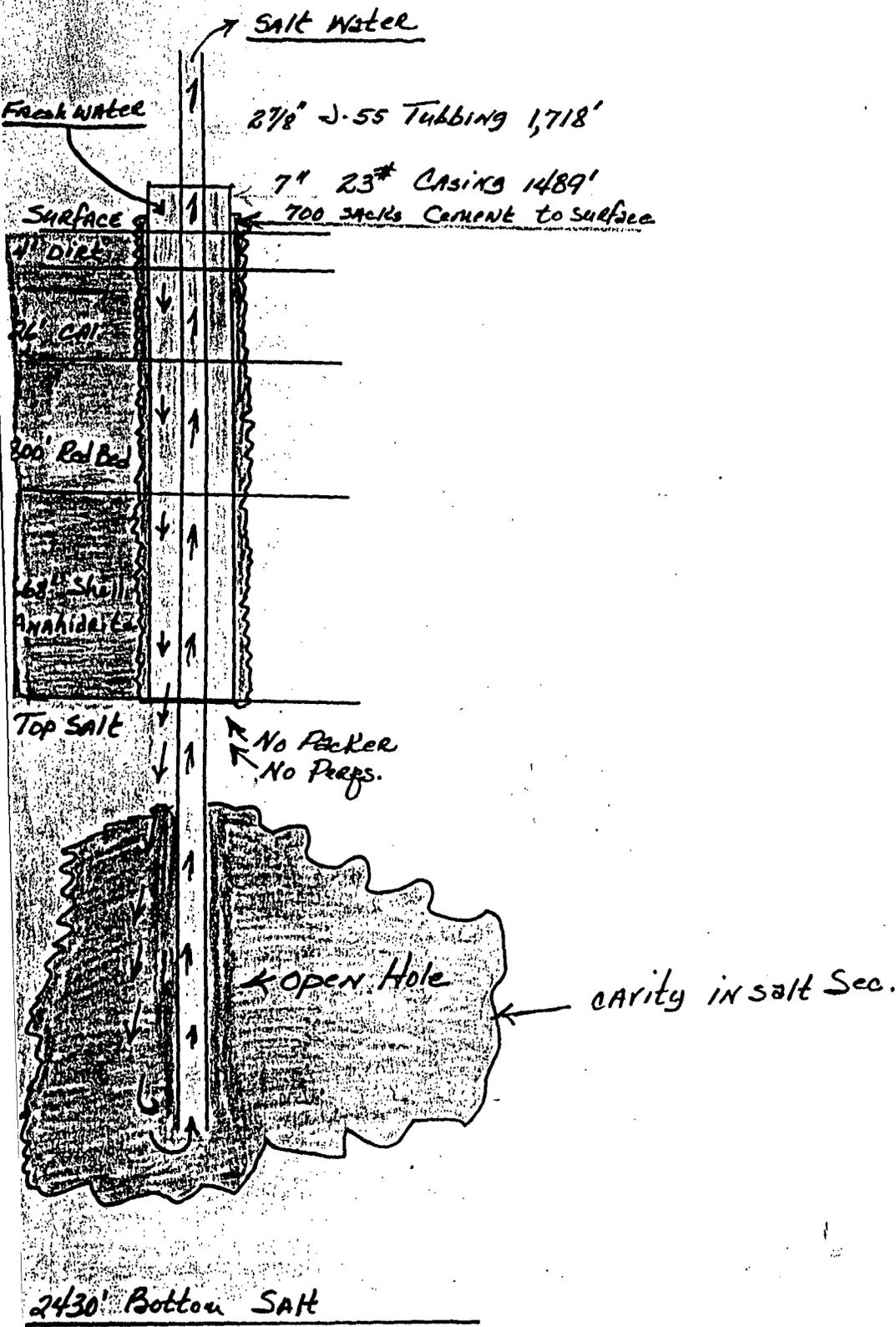
K

2 miles Radius



# P.S. Brine Well #1

#1



Fresh water is pumped down casing All Time to keep salt from eating up casing. salt water comes out tubing.

1,718' 2 7/8" J-55 Tubbing NONCOATED

1,489' 7" 23# casing

8. Spill containment and collecting system presently in use at the brine system is an underground steel vessel with a pump which has a water level shut off switch. When water runs into sump, the pump puts it back into the brine pit. This system was in use when P & S took operation. The driving area was contoured so spillage would drain to the sump and be pumped back into brine storage pit. P & S will clean out and inspect sump.
9. Loading areas were installed with poly tubs to contain leaks and spills from loading. Also a PVC line was run from each tub to the sump to prevent overflow at loading tubs. Area has been cleaned up and maintained and will be kept maintained.
10. See enclosed



STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

GARREY CARRUTHERS  
GOVERNOR

December 19, 1989

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

P & S Brine Sales  
P. O. Drawer 1769  
Eunice, New Mexico 88231

Attention: Paul D. Prather

Re: \$5,000 One-Well Plugging Bond  
**P&S Brine Sales dba Paul Prather**, Principal  
Underwriters Indemnity Co., Surety  
630' FSL and 2427' FEL of Sec. 34,  
T-21-S, R-37-E, Lea County  
Bond No. BO 2067

Dear Mr. Prather:

The Oil Conservation Division hereby approves the above-referenced one-well plugging bond effective this date.

Sincerely,

A handwritten signature in dark ink, appearing to read "William J. Lemay".

WILLIAM J. LEMAY,  
Director

dr/

cc: Oil Conservation Division  
Hobbs, New Mexico

Underwriters Indemnity Co.  
8 Greenway Plaza  
Suite 1450  
Houston, Texas 77046



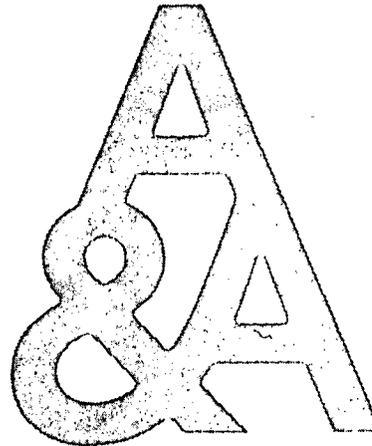
ALEXANDER & ALEXANDER INC.  
 SUITE 200  
 6000 UPTOWN BOULEVARD N.E.  
 P.O. BOX A  
 ALBUQUERQUE NM 87103-0020  
 TELEPHONE: 505-889-6700

TO P&S BRINE SALES DBA  
 PAUL PRATHER  
 PO BOX 769  
 EUNICE NM 88231

ACCOUNT NUMBER		
7H	56578	
INVOICE NUMBER		
238343		
INVOICE DATE		
12	9	93

TERMS: PAYMENT IS DUE UPON RECEIPT OF INVOICE  
 \*\*\*\*\*

POLICY NUMBER	DESCRIPTION	PREMIUM
01 B02067	UNDERWRITERS INDEMNITY CO SURETY RENEWAL POLICY EFFECTIVE 12-08-93 EXPIRES 12-08-94 OBLIGEE: STATE OF NEW MEXICO TYPE OF BOND: ONE WELL PLUGGING BOND BOND AMT: \$5,000 RENEWAL	250.00
	TOTAL	250.00



*Pd/Ck #1658 12/15/93*