

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
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Deputy Cabinet Secretary



HOBBS OCD
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FEBRUARY 17, 2016

CERTIFIED MAIL
RETURN RECEIPT NO: 7923 1312

Mr. Gary M. Schubert
H.R.C., Inc.
P.O. Box 5102
Hobbs, NM 88241

Re: Discharge Plan Permit (BW-036), H.R.C. Inc., UIC Class III Brine Well Schubert Farms Brine Well No. 1, API No. 30-025-37548, UL: B, Section 25, Township 19 South, Range 38 East, 330 FNL, 1650 FEL, Lat. 32.63759, Long. 103.09880, NMPM, Lea County, New Mexico

Dear Mr. Schubert,

The discharge permit (BW-036) for H.R.C. Inc. (HRC) Class III Brine Well "Schubert Farms Brine Well No. 1" located 330 FNL, 1650 FEL Unit Letter "B", Section 25, Township 19 South Range 38 East, Lea County, New Mexico, is hereby approved under the terms and conditions specified in the enclosed discharge permit.

The New Mexico Oil Conservation Division (OCD) hereby approves this discharge permit renewal pursuant to 20.6.2.3109A NMAC. Please note 20.6.2.31090 NMAC, which provides for possible future amendment of the permit. Please be advised that approval of this discharge permit does not relieve Llano of liability if operations result in pollution of surface water, groundwater, or the environment.

Please note that 20.6.2.3104 NMAC specifies "When a permit has been issued, discharges must be consistent with the terms and conditions of the permit." Pursuant to 20.6.2.3107C NMAC, Llano is required to notify the Director of any increase in the injection volume or injection pressure, or process modification that would result in any change in the water quality or volume of the discharge.

This discharge permit will expire on September 30, 2021, and HRC should submit a discharge permit renewal application in ample time before this date. Note that under 20.6.2.3106F NMAC, if a discharger submits a discharge permit renewal application at least 120 days before the discharge permit expires and is in compliance with the approved discharge permit, then the existing discharge permit will not expire until the application for renewal has been approved or disapproved.

The discharge permit renewal application for the Schubert Farms Class III Brine Well is subject to 20.6.2.3114 NMAC. Every billable facility submitting a discharge permit renewal application is assessed a non-refundable filing fee of \$100.00. OCD has already received the required \$100.00 filing fee and the \$1,700.00 permit fee for a Class III Brine Well is now required by check made payable by HRC to the "Water Quality Management Fund."

February 17, 2017

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If you have any questions, please contact Carl Chavez of my staff at (505-476-3490) or email: Car1J.Chavez@state.nm.us. On behalf of the staff of the OCD, I wish to thank you and your staff for your cooperation during this discharge permit review.

Sincerely,

A handwritten signature in black ink, appearing to read "David R. Catanach", with a stylized flourish extending to the right.

David R. Catanach
OCD Director

DRC/cc

Enclosure

cc: Hobbs District Office