

ATTACHMENT TO DISCHARGE PLAN BW-26 APPROVAL
SALADO BRINE SALES NO. 3 BRINE FACILITY
DISCHARGE PLAN REQUIREMENTS
(January 12, 1994)

1. Well Drilling & Construction: Upon completion of the brine well all drilling, log evaluation and completion information will be submitted to the OCD. This will include casing depths, cement volumes, casing integrity tests, formation descriptions and depths, and the depth and quality of all groundwater encountered while drilling.
2. Brine Transfer Lines: All below-grade brine transfer lines will be tested for integrity once every five years with the first test conducted prior to the discharge plan renewal (January 12, 1999). Prior to conducting the integrity test the OCD will be notified of the exact method and date.
3. Sump Construction: All sumps and below-grade tanks will be approved by the OCD prior to installation and will incorporate secondary synthetic containment and leak detection in their designs. All leak detection systems will be inspected weekly and the OCD Santa Fe Office will be notified immediately upon discovery of fluids in any leak detection system.
4. Drum Storage: All drums will be stored on pad and curb type containment.
5. Tank Berming: All tanks that contain materials other than fresh water will be bermed to contain one and one-third times the capacity of the tank.
6. Spill Containment: All brine storage and transfer will be managed in such a manner to keep brine off of the ground surface. Any brine spilled onto the ground surface will be cleaned-up upon discovery.
7. Spill Reporting: All spills and/or leaks will be reported to the OCD Hobbs District Office pursuant to WQCC Rule 1-203 and OCD Rule 116.
8. Production Method: Fresh water will be injected down the annulus and brine will be recovered up the tubing. Reverse flow will be allowed once a month for a maximum of 24 hours for clean out.
9. Maximum Injection Pressure: The maximum operating injection pressure at the well head will be such that the fracture pressure of the injection formation (Salado) will not be exceeded.
10. Mechanical Integrity Testing: A mechanical integrity test will be conducted on the well annually. A pressure equal to one and one-half of the normal operating pressure will be maintained for four hours. The OCD will be notified prior to the test so that they may witness the test.