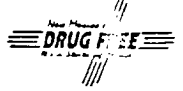




STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION



BRUCE KING
GOVERNOR

ANITA LOCKWOOD
CABINET SECRETARY

March 7, 1994

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

CERTIFIED MAIL
RETURN RECEIPT NO. P-111-334-182

Ms. Chris Brininstool
Salado Brine Sales
P.O. Drawer A
Jal, New Mexico 88252

**RE: APPROVAL TO CONSTRUCT WASHOUT PIT
SALADO BRINE FACILITY NO. 2 (BW-25)
LEA COUNTY, NEW MEXICO**

Dear Ms. Brininstool:

The New Mexico Oil Conservation Division (OCD) has received your February 11, 1994, request to construct a concrete washout facility at your Salado Brine Facility No. 2 located in Section 20, Township 25 South, Range 37 East, NMPM, Lea County, New Mexico. The request is to construct a washout pit which will collect water spilled at the loading rack and precipitation. The proposed washout pit will be double lined with leak detection as detailed in the February 11, 1994 drawing.

Based on the information supplied in the request, the OCD hereby approves the construction of the washout pit under the following conditions:

1. Leak Detection Schedule: The leak detection system will be checked at a minimum of weekly. The date of inspection, results, and inspectors initials will be recorded, kept at the facility and available for OCD inspection.
2. Freeboard: A minimum freeboard based upon an average size rainfall and spill will be maintained in the washout pit so that overflow does not occur. If overtopping is observed at the pit the freeboard will be increased to prevent reoccurrence of overflow.

Ms. Chris Brininstool
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3. Leak Notification: Any leaks or overflows will be reported to the OCD Hobbs Office within 24 hours of discovery.
4. Underground Lines: The underground lines will be tested for integrity prior to the discharge plan renewal (September 1, 1998).
5. Waste Classification: The washout pit will only receive oilfield fluids which are exempt from federal RCRA Subtitle C (hazardous waste) regulations. **Please note:** if the washout pit inadvertently receives any non-exempt fluids then the entire contents of the pit must be tested for hazardous constituents prior to disposal.

Please be advised OCD approval of this operation does not relieve you of liability should your operation result in actual pollution of surface or ground waters or the environment actionable under other laws and/or regulations. In addition, the OCD approval does not relieve you of liability for compliance with any other laws and/or regulations.

If you have any questions, please contact me at (505) 827-5884.

Sincerely,

A handwritten signature in cursive script that reads "Kathy M. Brown". The signature is written in dark ink and is positioned above the printed name and title.

Kathy M. Brown
Geologist

xc: Wayne Price, OCD Hobbs Office