GW-073

RENEWAL APPLICATION AND PERMIT

12/06

NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON
Governor
Joanna Prukop
Cabinet Secretary

Mark E. Fesmire, P.E.
Director
Oil Conservation Division

December 11, 2006

Mr. Darwin Thompson
Schlumberger Technology Corporation
1105 West Bender Avenue
Hobbs, New Mexico 88240

Re: Discharge Plan Renewal Permit GW-073
Hobbs Service Facility
Lea County, New Mexico

Dear Mr. Thompson:

Pursuant to Water Quality Control Commission (WQCC) Regulations 20.6.2.3104 - 20.6.2.3114 NMAC, the Oil Conservation Division (OCD) hereby approves the discharge permit for the Schlumberger Technology Corporation (owner/operator) Hobbs Service Facility located in Unit Letter "B" (NWNE) of Section 28, Township 18 South, Range 38 East, NMPM, Lea County, New Mexico, under the conditions specified in the enclosed **Attachment To The Discharge Permit**. Enclosed are two copies of the conditions of approval. **Please sign and return one copy to the New Mexico Oil Conservation Division (OCD) Santa Fe Office within 30 working days of receipt of this letter including permit fees.**

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

Please note that in the **Attachment to the Discharge Permit**, permit fees are due and payable upon receipt of this discharge permit renewal approval.

If you have any questions, please contact Ben Stone of my staff at (505-476-3474) or email ben.stone@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,

Wayne Price
Environmental Bureau Chief

LWP/BES
Attachments-1
xc: OCD District Office

ATTACHMENT TO THE DISCHARGE PERMIT
SCHLUMBERGER TECHNOLOGY CORPORATION
HOBBS SERVICE FACILITY (GW-073)
DISCHARGE PERMIT APPROVAL CONDITIONS
December 11, 2006

Please remit a check for $1700.00 made payable to Water Quality Management Fund:

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

1. **Payment of Discharge Plan Fees:** All discharge permits are subject to WQCC Regulations. Every billable facility that submits a discharge permit application will be assessed a filing fee of $100.00, plus a renewal flat fee (*see* WQCC Regulation 20.6.2.3114 NMAC). The Oil Conservation Division ("OCD") has received the required $100.00 filing fee. However, the owner/operator still owes the required $1700.00 renewal permit fee for an oil and gas service company.

2. **Permit Expiration and Renewal:** Pursuant to WQCC Regulation 20.6.2.3109.H.4 NMAC, this permit is valid for a period of five years. **The permit will expire on December 10, 2011** and an application for renewal should be submitted no later than 120 days before that expiration date. Pursuant to WQCC Regulation 20.6.2.3106.F NMAC, if a discharger submits a discharge permit renewal application at least 120 days before the discharge permit expires and is in compliance with the approved permit, then the existing discharge permit will not expire until the application for renewal has been approved or disapproved.

3. **Permit Terms and Conditions:** Pursuant to WQCC Regulation 20.6.2.3104 NMAC, when a permit has been issued, the owner/operator must ensure that all discharges shall be consistent with the terms and conditions of the permit. In addition, all facilities shall abide by the applicable rules and regulations administered by the OCD pursuant to the Oil and Gas Act, NMSA 1978, Sections 70-2-1 through 70-2-38.

4. **Owner/Operator Commitments:** The owner/operator shall abide by all commitments submitted in its May 30, 2006 discharge permit renewal application, including attachments and subsequent amendments and these conditions for approval. Permit applications that reference previously approved plans on file with the division shall be incorporated in this permit and the owner/operator shall abide by all previous commitments of such plans and these conditions for approval.

5. **Modifications:** WQCC Regulation 20.6.2.3109.G NMAC addresses possible future modifications of a permit. Pursuant WQCC Regulation 20.6.2.3107.C NMAC, the owner/operator (discharger) shall notify the OCD of any facility expansion, production increase or process modification that would result in any significant modification in the discharge of water contaminants. Pursuant to WQCC Regulation 20.6.2.3109.E NMAC, the Division Director may require a permit modification if any water quality standard specified at 20.6.2.3103 NMAC is being or will be exceeded, or if a toxic pollutant as defined in WQCC Regulation 20.6.2.7 NMAC is present in ground water at any place of withdrawal for present or reasonably foreseeable future use, or that the Water Quality Standards for Interstate and Intrastate streams as specified in 20.6.4 NMAC are being or may be violated in surface water in New Mexico.

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

A. **OCD Rule 712 Waste:** Pursuant to OCD Rule 712 (19.15.9.712 NMAC) disposal of certain non-domestic waste without notification to the OCD is allowed at NMED permitted solid waste facilities if the waste stream has been identified in the discharge permit and existing process knowledge of the waste stream does not change.

B. **Waste Storage:** The owner/operator shall store all waste in an impermeable bermed area, except waste generated during emergency response operations for up to 72 hours. All waste storage areas shall be identified in the discharge permit application. Any waste storage area not identified in the permit shall be approved on a case-by-case basis only. The owner/operator shall not store oil field waste on-site for more than 180 days unless approved by the OCD.

7. **Drum Storage:** The owner/operator must store all drums, including empty drums, containing materials other than fresh water on an impermeable pad with curbing. The owner/operator must store empty drums on their sides with the bungs in place and lined up on a horizontal plane. The owner/operator must store chemicals in other containers, such as tote tanks, sacks, or buckets on an impermeable pad with curbing.

8. **Process, Maintenance and Yard Areas:** The owner/operator shall either pave and curb or have some type of spill collection device incorporated into the design at all process, maintenance,

and yard areas which show evidence that water contaminants from releases, leaks and spills have reached the ground surface.

9. **Above Ground Tanks:** The owner/operator shall ensure that all above-ground tanks have impermeable secondary containment (e.g., liners and berms), which will contain a volume of at least one-third greater than the total volume of the largest tank or all interconnected tanks. The owner/operator shall retrofit all existing tanks before discharge permit renewal. Tanks that contain fresh water or fluids that are gases at atmospheric temperature and pressure are exempt from this condition.

10. **Labeling:** The owner/operator shall clearly label all tanks, drums, and containers to identify their contents and other emergency notification information. The owner/operator may use a tank code numbering system, which is incorporated into their emergency response plans.

11. **Below-Grade Tanks/Sumps and Pits/Ponds.**

A. All below-grade tanks and sumps must be approved by the OCD prior to installation and must incorporate secondary containment with leak detection into the design. The owner/operator shall retrofit all existing systems without secondary containment and leak detection before discharge permit renewal. All existing below-grade tanks and sumps without secondary containment and leak detection must be tested annually or as specified herein. Systems that have secondary containment with leak detection shall have a monthly inspection of the leak detection system to determine if the primary containment is leaking. Small sumps or depressions in secondary containment systems used to facilitate fluid removal are exempt from these requirements if fluids are removed within 72 hours.

B. All pits and ponds, including modifications and retrofits, shall be designed by a certified registered professional engineer and approved by the OCD prior to installation. In general, all pits or ponds shall have approved hydrologic and geologic reports, location, foundation, liners, secondary containment with leak detection, monitoring and closure plans. All pits or ponds shall be designed, constructed and operated so as to contain liquids and solids in a manner that will protect fresh water, public health, safety and the environment for the foreseeable future. The owner/operator shall retrofit all existing systems without secondary containment and leak detection before discharge permit renewal.

C. The owner/operator shall ensure that all exposed pits, including lined pits and open top tanks (8 feet in diameter or larger) shall be fenced, screened, netted, or otherwise rendered non-hazardous to wildlife, including migratory birds.

D. The owner/operator shall maintain the results of tests and inspections at the facility covered by this discharge permit and available for OCD inspection. The owner/operator shall

report the discovery of any system which is found to be leaking or has lost integrity to the OCD within 15 days. The owner/operator may propose various methods for testing such as pressure testing to 3 pounds per square inch greater than normal operating pressure and/or visual inspection of cleaned tanks and/or sumps, or other OCD-approved methods. The owner/operator shall notify the OCD at least 72 hours prior to all testing.

12. Underground Process/Wastewater Lines:

A. The owner/operator shall test all underground process/wastewater pipelines at least once every five (5) years to demonstrate their mechanical integrity, except lines containing fresh water or fluids that are gases at atmospheric temperature and pressure. Pressure rated pipe shall be tested by pressuring up to one and one-half times the normal operating pressure, if possible, or for atmospheric drain systems, to 3 pounds per square inch greater than normal operating pressure, and pressure held for a minimum of 30 minutes with no more than a 1% loss/gain in pressure. The owner/operator may use other methods for testing if approved by the OCD.

B. The owner/operator shall maintain underground process and wastewater pipeline schematic diagrams or plans showing all drains, vents, risers, valves, underground piping, pipe type, rating, size, and approximate location. All new underground piping must be approved by the OCD prior to installation. The owner/operator shall report any leaks or loss of integrity to the OCD within 15 days of discovery. The owner/operator shall maintain the results of all tests at the facility covered by this discharge permit and they shall be available for OCD inspection. The owner/operator shall notify the OCD at least 72 hours prior to all testing.

13. Class V Wells: The owner/operator shall close all Class V wells (e.g., septic systems, leach fields, dry wells, etc.) that inject non-hazardous industrial wastes or a mixture of industrial wastes and domestic wastes unless it can be demonstrated that ground water will not be impacted in the reasonably foreseeable future. Leach fields and other wastewater disposal systems at OCD-regulated facilities that inject non-hazardous fluid into or above an underground source of drinking water are considered Class V injection wells under the EPA UIC program. Class V wells that inject domestic waste only, must be permitted by the New Mexico Environment Department (NMED).

14. Housekeeping: The owner/operator shall inspect all systems designed for spill collection/prevention and leak detection at least monthly to ensure proper operation and to prevent over topping or system failure. All spill collection and/or secondary containment devices shall be emptied of fluids within 72 hours of discovery. The owner/operator shall maintain all records at the facility and available for OCD inspection.

15. Spill Reporting: The owner/operator shall report all unauthorized discharges, spills, leaks and releases and conduct corrective action pursuant to WQCC Regulation 20.5.12.1203 NMAC and OCD Rule 116 (19.15.3.116 NMAC). The owner/operator shall notify both the OCD District Office and the Santa Fe Office within 24 hours and file a written report within 15 days.

16. OCD Inspections: The OCD may place additional requirements on the facility and modify the permit conditions based on OCD inspections.

17. Storm Water: The owner/operator shall implement and maintain run-on and runoff plans and controls. The owner/operator shall not discharge any water contaminant that exceeds the WQCC standards specified in 20.6.2.3101 NMAC or 20.6.4 NMAC (Water Quality Standards for Interstate and Intrastate Streams) including any oil sheen in any stormwater run-off. The owner/operator shall notify the OCD within 24 hours of discovery of any releases and shall take immediate corrective action(s) to stop the discharge.

18. Unauthorized Discharges: The owner/operator shall not allow or cause water pollution, discharge or release of any water contaminant that exceeds the WQCC standards listed in 20.6.2.3101 NMAC or 20.6.4 NMAC (Water Quality Standards for Interstate and Intrastate Streams) unless specifically listed in the permit application and approved herein. ***An unauthorized discharge is a violation of this permit.***

19. Vadose Zone and Water Pollution: The owner/operator shall address any contamination through the discharge permit process or pursuant to WQCC 20.6.2.4000-.4116 NMAC (Prevention and Abatement of Water Pollution). The OCD may require the owner/operator to modify its permit for investigation, remediation, abatement, and monitoring requirements for any vadose zone or water pollution. Failure to perform any required investigation, remediation, abatement and submit subsequent reports will be a violation of the permit.

20. Additional Site Specific Conditions: N/A

21. Transfer of Discharge Permit: The owner/operator shall notify the OCD prior to any transfer of ownership, control or possession of a facility with an approved discharge permit. The purchaser shall submit a written commitment to comply with the terms and conditions of the previously approved discharge permit and shall seek OCD approval prior to transfer.

22. Closure: The owner/operator shall notify the OCD when operations of the facility are to be discontinued for a period in excess of six months. Prior to closure of the facility, the operator shall submit a closure plan for approval. Closure and waste disposal shall be in accordance with the statutes, rules and regulations in effect at the time of closure.

23. Certification: Schlumberger Technology Corporation, by the officer whose signature appears below, accepts this permit and agrees to comply with all submitted commitments, including these terms and conditions contained herein. **Schlumberger Technology Corporation** further acknowledges that the OCD may, for good cause shown, as necessary to protect fresh water, public health, safety, and the environment, change the conditions and requirements of this permit administratively.

Conditions accepted by:

Schlumberger Technology Corporation

_____
Company Representative- print name

_____
Company Representative- signature Date

Title_____

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Revised June 10, 2003

Submit Original
Plus 1 Copy
to Santa Fe
1 Copy to Appropriate
District Office

DISCHARGE PLAN APPLICATION FOR SERVICE COMPANIES, GAS PLANTS, REFINERIES, COMPRESSOR, GEOTHERMAL FACILITES AND CRUDE OIL PUMP STATIONS

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

☐ New x Renewal ☐ Modification

1. Type: Service Company
2. Operator: Schlumberger Technology Corporation

   Address: 1105 West Bender Ave., Hobbs, NM 88240

   Contact Person: Darwin Thompson Phone: 505 393 6186
3. Location: NW /4 NE /4 Section 28 Township 18S Range 38E
   Submit large-scale topographic map showing exact location.
4. Attach the name, telephone number and address of the landowner of the facility site.
5. Attach the description of the facility with a diagram indicating location of fences, pits, dikes and tanks on the facility.
6. Attach a description of all materials stored or used at the facility.
7. Attach a description of present sources of effluent and waste solids. Average quality and daily volume of wastewater must be included.
8. Attach a description of current liquid and solid waste collection/treatment/disposal procedures.
9. Attach a description of proposed modifications to existing collection/treatment/disposal systems.
10. Attach a routine inspection and maintenance plan to ensure permit compliance.
11. Attach a contingency plan for reporting and clean up of spills or releases.
12. Attach geological/hydrological information for the facility. Depth to and quality of ground water must be included.
13. Attach a facility closure plan, and other information as is necessary to demonstrate compliance with any other OCD rules, regulations and/or orders.
14. CERTIFICATION: I hereby certify that the information submitted with this application is true and correct to the best of my knowledge and belief.

Name: Darwin Thompson Title: Facility Manager

Signature: Darwin Thompson Date: 5-30-06

E-mail Address: thompson3@hobbs.oilfield.slb.com

DISCHARGE PLAN GW-073
SCHLUMBERGER WELL SERVICES
1105 WEST BENDER
HOBBS, NEW MEXICO
RENEWAL APPLICATION
5/30/06

4. Landowner: Schlumberger Technology Corporation
1105 West Bender
PO Box 640
Hobbs, New Mexico 88240
505 393 6186

5. A map showing the location of the facility and a plot plan showing the above ground facilities is included as Attachment 1
6. A list of all materials stored or used at the facility are included as Attachment 2
7. Copies of the most recent analytical results for wastewater are included as Attachment 3.
The sources of effluent and waste solids from this facility include:

A. Truck wash bay wastewater average daily volume is 3000 gallons.
B. Wastewater from cement testing facility average daily volume is 30 gallons.
C. Used engine oil is collected for recycling in the truck maintenance shop.
D. Sludge from truck wash bay consists of mud and soil that is removed from trucks and equipment during the washing process.
E. Cement residue is generated from washing of cups and other equipment used in the testing of cement samples in the cement testing area.
F. Used floor sweep is generated in the truck maintenance area in the process of covering and cleaning oil spills on the shop floor.
G. Domestic wastewater from facility restrooms.
H. Used tires and vehicle batteries from the truck maintenance shop activities.
I. Off-spec or contaminated chemicals from the chemical loading and blending process.
J. Reclaimed cement from the cement loading and blending facility.

8. Liquid and solid waste collection and treatment procedures are as follows:

A. Truck wash bay water is treated by transferring water through two mud-settling pits to remove silt and other solids. The water then passes through an oil separator to remove oil and other hydrocarbons before wastewater is sent to Hobbs municipal sewer treatment facility.
B. Mud and sludge for truck wash bay is collected in mud settling pits and then transferred to a 20-yard roll-off bin. It is then analyzed and disposed of at an OCD approved waste disposal facility.
C. Wastewater from cement testing facility passes through a solids settling trap to remove fines from cleaning equipment used in the testing of cement samples. The water then is sent to Hobbs municipal sewer treatment facility.
D. The cement residue from the settling trap for the cement testing facility is collected in a settling trap and sent to an OCD approved landfill disposal site.

E. Used engine oil is collected from the truck shop and stored in above ground steel tanks inside a steel secondary containment. The oil is then pumped into transport tanks for delivery to an approved treatment and recycling company.
F. Used floor sweep is collected in plastic containers in the truck maintenance shop and then transferred to a roll-off bin to be disposed of at an OCD approved landfill disposal facility.
G. Domestic wastewater is not collected or treated at this facility. It is discharged to the City of Hobbs wastewater treatment plant.
H. Used tires and batteries from the maintenance shop are collected and returned to the manufacturer for recycling.
I. Any off spec or contaminated chemicals are collected in steel or plastic drums and tote tanks, stored in a covered chemical storage area with secondary containment, and sent to an EPA approved disposal site to be recycled or disposed of in accordance with EPA regulations.
J. Reclaimed cement is stored in an above ground steel cement storage tank, and sent to an OCD approved disposal site and recycled as a soil stabilizing material in landfill operations.

9. No additions or modifications are currently being planned for the Hobbs facility relating to any collection/treatment/disposal systems.
10. A routine inspection form is included as Attachment 4.
11. A spill contingency and clean-up plan is included in the local SPCC plan, specifically in section 4.0. This section, including reporting instructions are included as Attachment 5.
12. Geological/hydrological characteristics of the facility are as follows:

The geologic formation present at ground surface is the Tertiary Ogallala Formation, which consists of unconsolidated sands, silts, clays, and gravel, capped by caliche (Barnes 1976). The caliche cap at the site is approximately 25 to 35 feet thick and quite variable in thickness and composition. Beneath the caliche cap is orange-brown or yellow-brown fine-grained sand and sandstone with minor amounts of gravel. The thickness of the Ogallala is approximately 100 feet in the area (Barnes 1976). The Ogallala is underlain by red siltstones and claystones of Mesozoic age, referred to locally as the "red beds" (Richey et al. 1985).

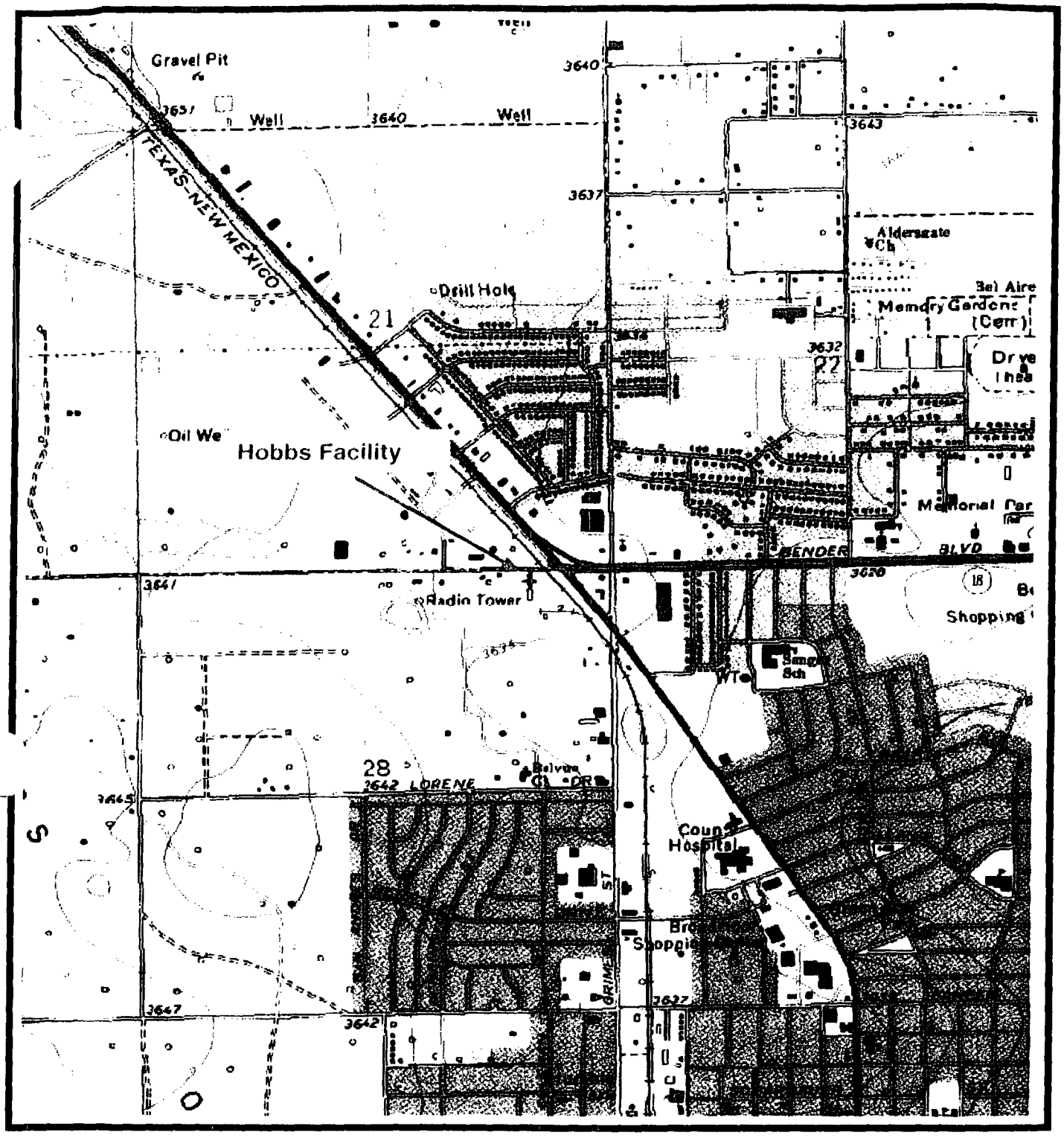
The Ogallala Formation is the major aquifer in the Southern High Plains region and is pumped extensively for municipal, industrial, and agricultural purposes. Recharge to the Ogallala is primarily from infiltration of precipitation. Infiltration rates are locally variable, with highs occurring in areas such as the sand dune fields east of Hobbs and lows occurring where thick, extensive caliche layers are present.

Depth-to-water in the region has gradually increased over the past years because of excessive pumping. The water table at the site is approximately 80 feet below ground surface. The hydraulic gradient in the Ogallala aquifer near the site is approximately 15 feet per mile in a southeasterly direction (Cronin, 1969).

Ground water from the Ogallala is generally suitable for all purposes. Historical records indicate that total dissolved solids typically range from approximately 300 to 700 milligrams per liter (mg/L), chloride from 30 to 170 mg/L, and sulfate from 60 to 160 mg/L (Ash 1963).

13. There are no current plans to close this facility. If it were to be closed it would be closed in accordance with the Environmental Exit Survey Checklist enclosed as Attachment 6.

Attachment 1

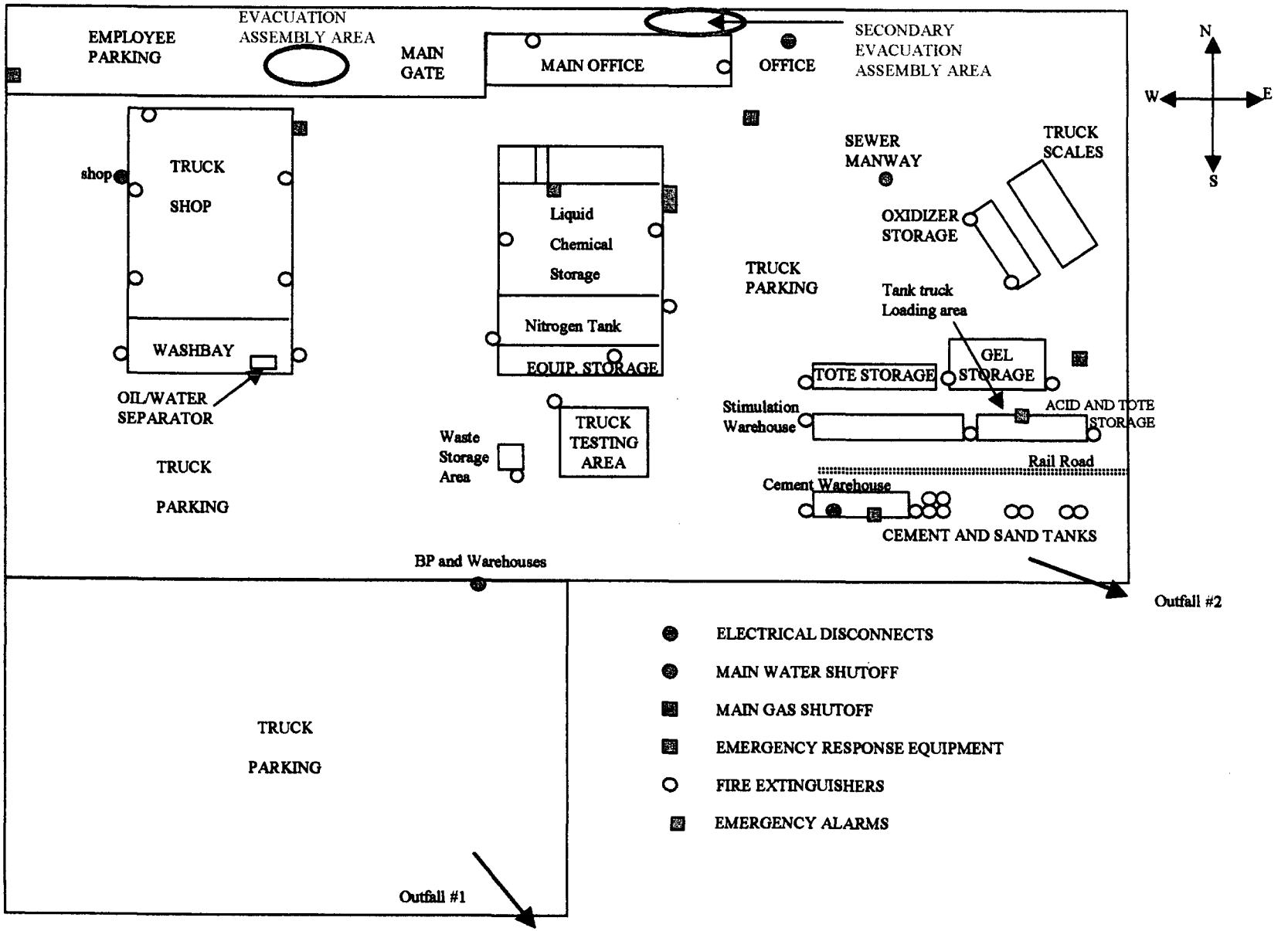


North

Figure 1			**Topographic Map**
Schlumberger			**Hobbs, New Mexico**
Scale: 1" ~ 1600 feet	Map Source: topozone		Project No: 05862-014

Copyright 1999-2003 Maps a la carte, Inc.

Schlumberger
Well Services
Hobbs, NM



Attachment 2

CHEMICAL INVENTORY-ARTESIA SHOP

CHEMICAL	PRODUCT NAME	MANUFACTURER
OIL	15/40 MOTOR OIL	SHELL
OIL	C3	SHELL
OIL	80/90	SHELL
OIL	HYDRAULIC 46	SHELL
OIL	ROCK DRILL	SHELL
PENETRATING OIL	45NC	ZEP
OXYGEN	OXYGEN	AIRGAS
ACETYLENE	ACETYLENE	AIRGAS
PARTS CLEANING SOLVENT	150	SAFETY KLEEN
AIR FRESHNER		BLAIN
DISINFECTANT CLEANER	COMET	BLAIN
FLOOR CLEANER	EMERALD	BLAIN
TOILET BOWL CLEANER	VIM	BLAIN
UPHOLSTERY CLEANER	ARMOR COAT	BLAIN
CLEANER	VINEGAR	BLAIN
GLASS CLEANER	SPRAYWAY	BLAIN
SOAP	DIAL ANTIBACTERIAL SOAP	BLAIN

Company: SRCD
Date: 05/31/2006
Currency in: USD

Material	Storage Location	Base UOM	Base QTY_on_Hand	Prior_Period Mov_Av_Price	Base_UOM Mov_Av_Price	Issue UOM	Issue_QTY on_hand	Issue_UOM Mov_Av_Price	Value	Material Description	Max Stock Quantity
										Inhibitor B034	0.000
										Antisludge Agent, [illegible] S-3000 B53	0.000
										Breaker, LT B58	0.000
										Solvent, Mutual B60	0.000
										Biocide B69	0.000
										Basis Activator B80	0.000
										Corrosion Inhibitor B094	0.000
										Ethanol B111	0.000
										Foaming Agent B124	0.000
										Slurry Gel B142	0.000
										Friction Reducer B145	0.000
										Retarder B155	0.000
										FLEX-S B159	0.000
										Low-Temperature Solid Fluid Loss Additiv	0.000
										High Pressure Extender B187	0.000
										High Yield Guar Slurry B221B	0.000
										IDCARB (tm) 150 Bridging Agent C129	0.000
										Retarder D13	0.000
										Bentonite Extender D20	0.000
										Gilsonite Extender D24	0.000
										Cellophane Flakes D29	0.000
										Barite D31	0.000

Schlumberger

Company: SPCD
Date: 05/31/2006
Currency in: USD

Date: 05/31/2006 - 09:32
Page: 0001

[illegible]	Value	Material Description	Max Stock Quantity
		Shoe, Guide Saw Tooth-Grnd 8 5/8	0.000
		Shoe, Guide Saw Tooth-Grnd 9 5/8	0.000
		Shoe, Guide Saw Tooth-Grnd 13 3/8	0.000
		Shoe, Float Sure-Seal Grd 4 1/2	0.000
		Shoe, Float Sure-Seal Grd 5 1/2	0.000
		Shoe, Float Sure-Seal Grd 8 5/8	0.000
		Collar, Float Sure Seal Grd	0.000
		Collar, Float Sure Seal Grd	0.000
		Collar, Float Sure Seal Grd	0.000
		Centralizer, Rigid 8-5/8 In	0.000
		Xylene	0.000
		Inhibitor, Corrosion A166	0.000
		Inhibitor Aid A179	0.000
		Inhibitor, Corrosion A186	0.000
		Inhibitor Aid A201	0.000
		Inhibitor, CORBAN 333, A205	0.000
		Scavenger, Hydrogen Sulfide A255	0.000
		Corrosion Inhibitor	0.000
		Inhibitor, Corrosion A262	0.000
		Corrosion Inhibitor A264	0.000
		Inhibitor, High Temp Corrosion A270	0.000
		Organic Acid Inhibitor A272	0.000
		Expanding Cement Additive B28	0.000

Schlumberger

Company: STCD
Date: 05/31/2006
Currency is: USD

Material	Storage Location	Base UOM	Base_UOM QTY_on_Hand	Prior_Period Mov_Av_Price	Base_UOM Mov_Av_Price	Issue UOM	Issue_QTY on_hand	Issue_UOM Mov_Av_Price	Value	Material Description	Max Stock Quantity
										Barite D31	0.000
										KOLITE Lost Circulation Additive D42	0.000
										Salt, Granulated D44	0.000
										Antifoam Agent, All Purpose D46	0.000
										Antifoam Agent, D47	0.000
										Cement, TXI LITEWEIGHT D49	0.000
										Cement Agent D53	0.000
										FLAC (tm), for Salt Cmt Systems D59	0.000
										FLAC (tm) Fluid Loss Additive D60	0.000
										Dispersant, TIC D65	0.000
										Silica Flour D66	0.000
										Silicate Additive D75	0.000
										Extender, Chemical D79	0.000
										Cement Liquid Dispersant D080	0.000
										FLAC (R), Fluid Loss Additive D112	0.000
										Chemical Wash Concentrate D122A	0.000
										Extender, LITEFIL (tm) D124	0.000
										FLAC (tm), Fluid Loss Additive D127	0.000
										Attapulgite D128	0.000
										Polyester Flake D130	0.000
										Extender, Cement D132	0.000
										GASBLOK (R) Stabilizer D135	0.000
										Stabilizer, Foamed Cement D139	0.000

Date: 05/31/2006 - 09:32
Page: 0001

Company: SWCD
Date: 05/31/2006
Currency in: USD

Note: (s)	Storage Location	Base UOM	Base_QTY on_Hand	Prior_Period Mov_Av_Price	Base_UOM Mov_Av_Price	Issue UOM	Issue_QTY on_hand	Issue_UOM Mov_Av_Price	Value	Material Description	Max Stock Quantity
										Hardener, Low Temperature D140	0.000
										Antifoam Agent D144	0.000
										Dispersant, Low Temp Liquid D145A	0.000
										[illegible] (R) HT Fresh Water D147	0.000
										[illegible] (R) HT Retarder D149	0.000
										Calcium Carbonate D151	0.000
										Anticettling Agent D153	0.000
										Extender, Low Temperature D154	0.000
										Extender, Liquid Low Temp D155	0.000
										Fluid Loss Additive, Low Temp D156	0.000
										Cement, Microfine D163	0.000
										CemPLUG (TM) Stabilizer D164	0.000
										CemHD (tm) Weighting Agent D165	0.000
										CemD* Weighting Agent	0.000
										UniFLAC-S D167	0.000
										SqueezeCRETE Additive D173	0.000
										Expanding Cement Additive D174	0.000
										Antifoam Agent D175	0.000
										CemPLUG Geo D178	0.000
										[illegible]* II Spacer D182	0.000
										Synthetic Solid Cement Retarder D198	0.000
										GASBLOK LF, D500	0.000

Date: 05/31/2006 - 09:32
Page: 0001

Company: STCD
Date: 05/31/2006
Currency in: USD

Material	Storage Location	Base UOM	Base_UOM QTY on Hand	Prior Period Mov_Av_Price	Base UOM Mov_Av_Price	Issue UOM	Issue_QTY on_hand	Issue_UOM Mov_Av_Price	Value	Material Description	Max Stock Quantity
										GASBLOK (tm) Additive D600	0.000
										GASBLOK® Gas Migration Control Add D600G	0.000
										SALTCHEK (tm) II D604AM	0.000
										Gel Suppressing Agent D606	0.000
										Retarder D800	0.000
										Retarder, MID Temp Liquid D801	0.000
										Cement, Class A D901	0.000
										Cement, Class C D903	0.000
										Cement, Class H D909	0.000
										Isopropyl Alcohol F3	0.000
										Foaming Agent F52	0.000
										Foaming Agent F52.1	0.000
										Surfactant, HOWFLO (tm) F75N	0.000
										Surfactant, HOWFLO (tm) F76	0.000
										Coupling Agent F99	0.000
										Surfactant, HOWFLO (tm) F103	0.000
										Foaming Agent F104	0.000
										Multifunctional Surfactant F105	0.000
										HOWFLO® Surfactant F108	0.000
										Acid, Hydrochloric 36% H36	0.000
										Diverting Agent, FIBAFRAC J66	0.000
										Salt, 100 Mesh J66S	0.000
										Fluid Loss Additive, J84	0.000

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Company: SPCD
Date: 05/31/2006
Currency in: USD

Material	Storage Location	Base UOM	Base QTY on Hand	Price Period Mov Av Price	Base UOM Mov Av Price	Issue UOM	Issue QTY on hand	Issue UOM Mov Av Price	Value	Material Description	Max Stock Quantity
										Friction Reducing Agent J120	0.000
										Breaker, Enzyme J134	0.000
										Breaker, Enzyme J134L	0.000
										Gelling Agent J164	0.000
										Plugging Agent, Low Temp J170	0.000
										Breaker J218	0.000
										Diverting Agent, FIXAFRAC J227	0.000
										Diverting Agent J237A	0.000
										Friction Reducer, Oil J257	0.000
										Breaker J285	0.000
										Breaker, Low Temp J297	0.000
										Friction Reducing Agent, Water J313	0.000
										Breaker Aid, Liquid J318	0.000
										Gelling Agent, Water J347	0.000
										Crosslinker J352	0.000
										Stabilizer, Hi Temp Gel J353	0.000
										Diverter J423	0.000
										Gelling Agent, Water J424	0.000
										Gelling Agent, Acid J429	0.000
										Fluid Loss Additive, Liquid J451	0.000
										Gelling Agent, Oil J452	0.000
										Gelling Agent,Slurriable HPG J456	0.000

Confidential

Plant Inventory Standard Cost Analysis

Company: STCD
Date: 05/31/2006
Currency in: USD

Material	Storage Location	Base UOM	Base UOM QTY on Hand	Prior Period Mov Av Price	Base_UOM Mov_Av_Price	Issue UOM	Issue_QTY on_hand	Issue_UOM Mov_Av_Price	Value	Material Description	Max Stock Quantity
										Gelling Agent,Slurriable Guar J457	0.000
										Buffering Agent, J464	0.000
										Activator, Slurriable Crosslink J465	0.000
										Breaker Aid J466	0.000
										Iron Control Agent, LCA J471A	0.000
										Fluid Loss Activator, LCA J472	0.000
										Coalbed Methane Additive J473	0.000
										Breaker, EB-CLEAN (tm) J475	0.000
										Fluid Loss Additive, Slurr/Degrad J478	0.000
										Breaker, EB-CLEAN (tm)LT Encap J479	0.000
										Breaker J481	0.000
										Gelling Agent, CMHPG J486	0.000
										Gelling Agent, CMHPG J486B	0.000
										Breaker, EB-CLEAN (tm) HT J490	0.000
										Gelling Agent, Water Control J491	0.000
										Crosslinker J492	0.000
										PROPNET (tm) II Additive J501	0.000
										Crosslinker J506	0.000
										ClearFRACWinterised J508W	0.000
										Stabiliser/Delay Agent J511	0.000
										Crosslinker J513	0.000
										OilSEEKER J529	0.000
										Borate Crosslinker J532	0.000

Schlumberger

Plant Inventory Standard Cost Analysis

Company: BTCD
Date: 05/31/2006
Currency is: USD

Material	Storage Location	Base UOM	Base_UOM QTY on_Hand	Prior Period Mov_Av_Price	Base_UOM Mov_Av_Price	Issue UOM	Issue_QTY on_hand	Issue_UOM Mov_Av_Price	Value	Material Description	Max Stock Quantity
										ClearFRAC-HP J533	0.000
										Breaker J550	0.000
										ClearFRAC LP J551	0.000
										ClearFRAC Encapsulated Breaker J556	0.000
										VDA J557	0.000
										J564 Environmental Guar Slurry	0.000
										ClearFRAC HP J566	0.000
										ClearFRAC CO2 J575	0.000
										Crosslinker J601	0.000
										PH Control Agent J602L	0.000
										Breaker J603	0.000
										Slurry PBO Polymer Preblended J877-PB	0.000
										Methenol K46	0.000
										Catalyst K187	0.000
										Basin Solution K230B	0.000
										Thread Locking Compound Kit K232	0.000
										Curing Agent K235B	0.000
										SANDLOCK V Service ,5SSL P K800P	0.000
										Iron Stabilizing Agent L1	0.000
										Crosslinker L10	0.000
										Acid, Hydroxyacetic L22L	0.000
										Inhibitor, CITYBAN Scale L47	0.000

Plant Inventory Standard Cost Analysis

Company: STCD
Date: 05/31/2006
Currency is: USD

Material	Storage Location	Base UOM	Base QTY on Hand	Price Period Mov Av Price	Base UOM Mov Av Price	Issue UOM	Issue QTY on hand	Issue UOM Mov Av Price	Value	Material Description	Max Stock Quantity
										Sand 12-20 Mesh S14	0.000
										Sand 16-30 Mesh S18	0.000
										Sand 16-30 Mesh S18, Out of Area	0.000
										Sand 20-40 Mesh S20	0.000
										Sand 20-40 Mesh S20, Sechsd	0.000
										Sand 20-40 Mesh S20, Out of Area	0.000
										Sand 8-16 Mesh S36	0.000
										Liquid Calcium Chloride 38% S53	0.000
										Proppant, 16/30 Resin Curable S74	0.000
										Proppant, 20/40 Resin Curable S74	0.000
										Proppant, OPTIPROP @ 1630 Mesh	0.000
										Proppant, OPTIPROP @ 2040 Mesh	0.000
										Proppant, Curable-Low Resin 12/20 S74L	0.000
										Proppant, Curable-Low Resin 16/30 S74L	0.000
										Proppant, Curable-Low Resin 20/40 S74L	0.000
										Proppant, Super LC @ 1220 Mesh	0.000
										Proppant, Super LC @ 1630 Mesh	0.000
										Proppant, Super LC @ 2040 Mesh	0.000
										Proppant, Super TF @ 1630 Mesh	0.000
										Proppant, CR4000 @ 1220 Mesh	0.000
										Proppant, CR4000 @ 1630 Mesh	0.000
										Proppant, CR4000 @ 2040 Mesh	0.000

Company: STCD
Date: 05/31/2006
Currency in: USD

Material	Storage Location	Base UOM	Base QTY	Base on Hand	Prior Period Mov_Av_Price	Base_UOM Mov_Av_Price	Issue UOM	Issue_QTY on_hand	Issue_UOM Mov_Av_Price	Value	Material Description	Max Stock Quantity
											Inhibitor, GYPSAN Scale L49	0.000
											Clay Stabiliser L55	0.000
											Iron Stabiliser L58	0.000
											Reducing Agent L63	0.000
											Clay Stabiliser L64	0.000
											Scale Inhibitor L065	0.000
											Stabilising Agent L401	0.000
											Soda Ash M3	0.000
											Activator M7	0.000
											Protectosome Additive M24	0.000
											Silicate Control Additive M38B	0.000
											Antifoam Agent M45	0.000
											Formation Cleaning Solution M91C	0.000
											Potassium Chloride M117	0.000
											Microbiocide M275	0.000
											Bactericide M290	0.000
											Hydrogen Sulfide Scavenger M295	0.000
											Nitrogen N2	0.000
											Solvent, PARAN (R) P121	0.000
											Inhibitor, Liquid Paraffin P124	0.000
											Calcium Chloride 77% S1	0.000
											Calcium Chloride 95% Spike S2	0.000
											Sand 12-20 Mesh S14	0.000

Schlumberger

Plant Inventory Standard Cost Analysis

Company: STCD
Date: 05/31/2006
Currency in: USD

Material	Storage Location	Base UOM	Base_UOM QTY_on_Hand	Prior_Period Mov_Av_Price	Base_UOM Mov_Av_Price	Issue UOM	Issue_QTY on_hand	Issue_UOM Mov_Av_Price	Value	Material Description	Max Stock Quantity
										Sand, 30-50 Mesh S79	0.000
										Proppant, Precured Resin 12/20 S93	0.000
										Proppant, Precured Resin 20/40 S93	0.000
										Proppant, Black Plus @ 2040 Mesh	0.000
										Proppant, Black Plus @ 4070 Mesh	0.000
										Proppant, Tempered DC @ 2040 Mesh	0.000
										Proppant, Med Density ISP 20/40 S95	0.000
										Proppant, Med Density ISP 30/60 S95	0.000
										Sand 100 Mesh S100	0.000
										Sand 100 Mesh S100, Sacked	0.000
										Proppant, Low Density ISP 16/20 S105	0.000
										Proppant, Low Density ISP 20/40 S105	0.000
										Proppant, High Strength Resin 16/30 S108	0.000
										Proppant, High Strength Resin 20/40 S108	0.000
										Proppant, Super DC @ 1630 Mesh	0.000
										Proppant, Super DC @ 2040 Mesh	0.000
										Liquid Curing Agent S123	0.000
										Proppant, Precured Low Resin 16/30 S128	0.000
										Proppant, Precured Low Resin 20/40 S128	0.000
										Proppant, PR6000 @ 1630 Mesh	0.000
										Proppant, PR6000 @ 2040 Mesh	0.000
										Proppant, Tempered LC @ 1630 Mesh	0.000
										Proppant, Tempered LC @ 2040 Mesh	0.000

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Plant Inventory Standard Cost Analysis

Company: SWCD
Date: 05/31/2006
Currency in: USD

Material	Storage Location	Base UOM	Base QTY on_Hand	Prior Period Mov_Av_Price	Base UOM Mov_Av_Price	Issue UOM	Issue QTY on_hand	Issue UOM Mov_Av_Price	Value	Material Description	Max Stock Quantity
										VersaProp® Low Density ISP 8129	0.000
										Tempered HSP 20/40 8134	0.000
										Proppant, Ceramic 20/40 8138	0.000
										Proppant, High Strength 20/40 8140	0.000
										Proppant, High Strength 30/50 8140	0.000
										Proppant, Precured Resin-Coat 16/30 8142	0.000
										NanoFlow®	0.000
										Proppant, SB Excel ® 1630 Mesh	0.000
										Proppant, SB Excel ® 2040 Mesh	0.000
										MagnaProp®	0.000
										Carbomer® I g	0.000
										Carbomer® E	0.000
										Liquid Wax Dressing T130	0.000
										Gelling Agent Activator U38	0.000
										Chelating Agent U42	0.000
										Chelating Agent U44	0.000
										Diesel Oil U51	0.000
										FRWFLO NE Miscible Solvent U66	0.000
										Dispersing Agent	0.000
										Emulsifier U78	0.000
										Emulsifying Agent U80	0.000
										Paraffin Dispersant U82	0.000

Date: 05/31/2006 - 09:32

Plant Inventory Standard Cost Analysis

Company: SRCD
Date: 05/31/2006
Currency in: USD

al	Storage Location	Base UOM	Base UOM QTY on Hand	Prior Period Mov Av Price	Base UOM Mov Av Price	Issue UOM	Issue QTY on hand	Issue UOM Mov Av Price	Value	Material Description	Max Stock Quantity
										Solvent, Mutual U100	0.000
										Chelating Agent U106	0.000
										Emulsion/Sludge Preventer W35	0.000
										Non-Emulsifying Agent W53	0.000
										Non-Emulsifying Agent W54	0.000
										Surfactant W59	0.000
										Sludge and Emulsion Preventer W60	0.000
										Cement Retarder XB114A	0.000
										Galling Agent, WC Dev XB67804	0.000
										XB852 Acid Diverting Agent For High Wate	0.000
										Dev Galling Agent XB905	0.000
										Developmental Breaker XB941	0.000
										Dev Galling Agent XB983	0.000
										Dev Cement Retarder XB987	0.000
										Intensifier Y1	0.000

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Attachment 3

ARDINAL LABORATORIES

PHONE (325) 673-7001 • 2111 BEECHWOOD • ABILENE, TX 79603
PHONE (505) 393-2326 • 101 E. MARLAND • HOBBS, NM 88240

ANALYTICAL RESULTS FOR
SCHLUMBERGER
ATTN: DARWIN THOMPSON
P.O. BOX 300
ARTESIA, NM 88210
FAX TO:

Receiving Date: 11/08/05
Reporting Date: 11/15/05
Project Number: NOT GIVEN
Project Name: Q4 WATER ANALYSIS
Project Location: HOBBS YARD

Sampling Date: 11/08/05
Sample Type: WASTEWATER
Sample Condition: COOL AND INTACT
Sample Received By: NF
Analyzed By: HM

RCRA METALS

LAB NUMBER SAMPLE ID	As ppm	Ag ppm	Ba ppm	Cd ppm	Cr ppm	Pb ppm	Hg ppm	Se ppm
ANALYSIS DATE:	11/11/05	11/14/05	11/14/05	11/14/05	11/14/05	11/14/05	11/15/05	11/11/05
H10393-1 WASTEWATER	<0.1	<0.1	<1	<0.1	<0.1	0.448	<0.02	<0.1
Quality Control	0.048	2.822	48.49	3.005	2.700	3.788	0.0052	0.051
True Value QC	0.050	3.000	50.00	3.000	3.000	4.000	0.0060	0.050
% Recovery	96	94.1	97.0	100	90.0	94.7	86.5	102
Relative Percent Difference	4.3	0.4	1.1	0.4	0.9	3.6	13.5	2.3
METHODS: EPA 600/4-79-020	206.2	272.1	208.1	213.1	218.1	239.1	245.1	270.2
METHODS: SW-846	7060A	7760A	7080A	7130	7190	7420	7470A	7740

Chemist

11-16-05
Date

H10393 4.3.-

PLEASE NOTE: **Liability and Damages.** **Cardinal's** liability and client's exclusive remedy for any claim arising, whether based in contract or tort, shall be limited to the amount paid by client for analyses. All claims, including those for negligence and any other cause whatsoever shall be deemed waived unless made in writing and received by **Cardinal** within thirty (30) days after completion of the applicable service. In no event shall **Cardinal** be liable for incidental or consequential damages, including, without limitation, business interruptions, loss of use, or loss of profits incurred by client, its subsidiaries, affiliates or successors arising out of or related to the performance of services hereunder by **Cardinal**, regardless of whether such claim is based upon any of the above-stated reasons or otherwise.

CARDINAL LABORATORIES

PHONE (325) 673-7001 • 2111 BEECHWOOD • ABILENE, TX 79603
PHONE (505) 393-2326 • 101 E. MARLAND • HOBBS, NM 88240

ANALYTICAL RESULTS FOR
SCHLUMBERGER
ATTN: DARWIN THOMPSON
P.O. BOX 300
ARTESIA, NM 88211
FAX TO:

Receiving Date: 11/08/05
Reporting Date: 11/16/05
Project Number: NOT GIVEN
Project Name: Q4 WATER ANALYSIS
Project Location: HOBBS YARD

Sampling Date: 11/08/05
Sample Type: WASTEWATER
Sample Condition: COOL & INTACT
Sample Received By: NF
Analyzed By: AH/BC

LAB NO.	SAMPLE ID	REACTIVITY Sulfide (ppm)	REACTIVITY Cyanide (ppm)	CORROSIVITY (pH)	IGNITABILITY (°F)
ANALYSIS DATE:		11/14/05	11/14/05	11/11/05	11/16/05
H10393-1	WASTEWATER	Not reactive	Not reactive	7.21	>140
Quality Control		NR	NR	6.98	NR
True Value QC		NR	NR	7.00	NR
% Recovery		NR	NR	99.7	NR
Relative Percent Difference		NR	NR	0.3	NR

METHOD: EPA SW-846 7.3, 7.2, 1010, 1311, *40 CFR 261*

Chemist

11/16/05
Date

PLEASE NOTE: **Liability and Damages**. **Cardinal's** liability and client's exclusive remedy for any claim arising, whether based in contract or tort, shall be limited to the amount paid by client for analyses. All claims including those for negligence and any other cause whatsoever shall be deemed waived unless made in writing and received by **Cardinal** within thirty (30) days after completion of the applicable service. In no event shall **Cardinal** be liable for incidental or consequential damages, including, without limitation, business interruptions, loss of use, or loss of profits incurred by client, its subsidiaries, affiliates or successors arising out of or related to the performance of services hereunder by **Cardinal**, regardless of whether such claim is based upon any of the above-stated reasons or otherwise.

H10393RXLS

CARDINAL LABORATORIES

PHONE (325) 673-7001 • 2111 BEECHWOOD • ABILENE, TX 79603
PHONE (505) 393-2326 • 101 E. MARLAND • HOBBS, NM 88240

ANALYTICAL RESULTS FOR
SCHLUMBERGER
ATTN: DARWIN THOMPSON
P.O. BOX 300
ARTESIA, NM 88211
FAX TO:

Receiving Date: 11/08/05
Reporting Date: 11/16/05
Project Number: NOT GIVEN
Project Name: Q4 WATER ANALYSIS
Project Location: HOBBS YARD

Sampling Date: 11/08/05
Sample Type: WASTEWATER
Sample Condition: COOL & INTACT
Sample Received By: NF
Analyzed By: AH

LAB NUMBER SAMPLE ID	COD (mg/L)	FOG (mg/L)	TSS (mg/L)
ANALYSIS DATE	11/14/05	11/11/05	11/11/05
H10393-1 WASTEWATER	317	118	7.00
Quality Control	22.09	99.7	NR
True Value QC	20.00	100	NR
% Recovery	110	99.7	NR
Relative Percent Difference	1.8	1.4	NR
METHODS: EPA 600/4-79-020	410.4	413.1	160.2

Amy Hill
Chemist

11/16/05
Date

PLEASE NOTE: **Liability and Damages**. **Cardinal's** liability and client's exclusive remedy for any claim arising, whether based in contract or tort, shall be limited to the amount paid by client for analyses. All claims, including those for negligence and any other cause whatsoever shall be deemed waived unless made in writing and received by **Cardinal** within thirty (30) days after completion of the applicable service. In no event shall **Cardinal** be liable for incidental or consequential damages, including, without limitation, business interruptions, loss of use, or loss of profits incurred by client, its subsidiaries, affiliates or successors arising out of or related to the performance of services hereunder by **Cardinal**, regardless of whether such claim is based upon any of the above-stated reasons or otherwise.

H10393

CARDINAL LABORATORIES, INC.

2111 Beechwood, Abilene, TX 79603 (325) 673-7001 Fax (325) 673-7020

101 East Marland, Hobbs, NM 88240 (505) 393-2326 Fax (505) 393-2476

CHAIN-OF-CUSTODY AND ANALYSIS REQUEST

Page 1 of 1

Company Name:	Schlumberger
Project Manager:	Dervin Thompson
Address:	PO Box 300
City:	Artesia
State:	Zip: 88210
Phone #:	Fax #:
Project #:	Project Owner:
Project Name:	Q4 water analysis
Project Location:	Hobbs yard
Sampler Name:	~~waste water~~

BILL TO

P.O. #:	4502490781
Company:	
Attn:	
Address:	
City:	
State:	Zip:
Phone #:	
Fax #:	

Lab I.D. (FOR LAB USE ONLY)	Sample I.D.	(G)RAB OR (C)OMP.	# CONTAINERS	MATRIX: GROUNDWATER	WASTEWATER	SOIL	OIL	SLUDGE	OTHER:	PRESERV.: ACID/BASE:	ICE / COOL	OTHER:	SAMPLING: DATE	TIME	ANALYSIS REQUEST: Total metals (RCRA)	RCI	~~TPH~~ F&G	COD	TSS
H10393-1	waste water	C	2		✓								11-8-05	1600	X	X	X	X	X

PLEASE NOTE: Liability and Damages. Cardinal's liability and client's exclusive remedy for any claim arising whether based in contract or tort, shall be limited to the amount paid by the client for the analyses. All claims including those for negligence and any other cause whatsoever shall be deemed waived unless made in writing and received by Cardinal within 30 days after completion of the applicable service. In no event shall Cardinal be liable for incidental or consequential damages, including without limitation, business interruptions, loss of use, or loss of profits incurred by client, its subsidiaries, affiliates or successors arising out of or related to the performance of services hereunder by Cardinal, regardless of whether such claim is based upon any of the above stated reasons or otherwise.

Terms and Conditions: Interest will be charged on all accounts more than 30 days past due at the rate of 24% per annum from the original date of invoice, and all costs of collections, including attorney's fees.

Sampler Relinquished: Dervin Thompson	Date: 11-8-05 Time: 1600	Received By:	Phone Result: ☐ Yes ☐ No
			Fax Result: ☐ Yes ☐ No
Relinquished By:	Date: Time:	Received By: (Lab Staff) [signature]	REMARKS:
Delivered By: (Circle One) Sampler - UPS - Bus - Other:		Sample Condition Temp, °C Intact? ☑ Yes ☐ No	Checked By: (Initials) [initials]

† Cardinal cannot accept verbal changes. Please fax written changes to (325) 673-7020.

Attachment 4

WEEKLY ENVIRONMENTAL INSPECTION FORM

		YES	NO	NA
1.	Yard and parking area free of spills?	☐	☐	☐
2.	Waste/product storage containers and tanks in good condition, free of deterioration, properly labeled, and dated?	☐	☐	☐
3.	Drum storage area free of spills or leaks and properly sealed?	☐	☐	☐
4.	Slurry gel plant free of spills or leaks?	☐	☐	☐
5.	Acid dock area free of spills and leaks?	☐	☐	☐
6.	Cement plant free of spills and dust collector working properly?	☐	☐	☐
7.	Stimulation warehouse free of spills?	☐	☐	☐
8.	Fuel island clean and free of spills?	☐	☐	☐
9.	Shop oil storage area free of spills and leaks?	☐	☐	☐
10.	Is Safety-Kleen confined to the station?	☐	☐	☐
11.	Paint and thinner properly stored?	☐	☐	☐
12.	Batteries in proper storage area?	☐	☐	☐
13.	Shop area free of spills?	☐	☐	☐
14.	Are all hazardous waste containers closed?	☐	☐	☐
15.	Are all hazardous waste containers in good condition with no signs of deterioration?	☐	☐	☐
16.	Are all hazardous waste containers appropriately labeled, including an indication of the start date for waste accumulation?	☐	☐	☐
17.	Are all hazardous waste containers under the generator status storage requirement for storage?	☐	☐	☐
18.	Are the hazardous waste containers free of spills and leaks?	☐	☐	☐
19.	Is Emergency Response Equipment in working order and properly stocked?	☐	☐	☐
20.	Aboveground valves, piping, and appurtenances in good condition? (check flange joints, expansion joints, valve glands and bodies, catch pans, pipeline supports, locking of valves, and metal surfaces)	☐	☐	☐
21.	Are all areas on site free of soil erosion indicators?	☐	☐	☐
22.	Does the integrity of all small bulk oil storage containers (i.e.: drums and totes) appear to be uncompromised?	☐	☐	☐
23.	Were all of the following small bulk oil storage containers (i.e.: drums and totes) elevated from the ground surface and inspected from all sides?			
	Approximately 50 300-gallon totes stored in area A7.	☐	☐	☐
	Approximately 50 300-gallon totes stored in area A8.	☐	☐	☐
24.	Liquid level sensing devices operating properly?	☐	☐	☐
25.	Facility drainage and effluent discharge points in good condition?	☐	☐	☐
26.	Treatment system operating properly?	☐	☐	☐
27.	Secondary containment and oil spill retention systems in good condition?	☐	☐	☐
28.	Adequate aisle space available? (must be at least 3')	☐	☐	☐

ANY "NO" ANSWERS REQUIRE CORRECTIVE ACTION. DESCRIBE PROPOSED ACTIONS BELOW AND FOLLOW-UP WITH AN INDICATION OF THE DATE WHEN IMPLEMENTED. (attach additional sheets as necessary):

_____

_____

_____

Inspector:_____ Date:_____

Retain completed forms in Attachment 14 of this Plan.

Attachment 5

4.0 EMERGENCY RESPONSE PROCEDURES (COUNTERMEASURES)

4.1 Objectives

There are three primary objectives during a spill event. They are:

(1) Stop the source of spill;

(2) Contain the spill; and

(3) Initiate remedial action.

The order of priority for the above objectives will vary depending on the events and at what stage the leak is detected. For oil tank spills, which have breached the containment system, containment activities should commence first. For spills associated with fires, remedial action should commence first. Consideration should be given to the fact that water used in fire fighting may cause an overflow of the spill containment systems. The general emergency response plan for spills of oil and/or hazardous substances consists of the following four steps:

(1) The spill must be reported immediately to the On Site Emergency Coordinator (refer to the On Site Emergency Call List in Attachment 5).

(2) The Emergency Coordinator will determine which outside assistance organizations to contact, if any, and make the necessary arrangements (refer to the Off Site Emergency Notification Phone List in Attachment 7) to stop the leak, to contain the leak, and initiate the form of remedial action necessary.

(3) The Emergency Coordinator in conjunction with a representative from the Schlumberger Emergency Response System (phone #: 281-595-3518) will determine which governmental agencies are required to be notified and ensure that these notifications are made in a timely manner.

(4) The Emergency Coordinator will ensure that all non-Schlumberger communications (i.e., news media) follow company policy.

The intent of this Plan is to provide the information necessary to respond properly to a spill event. Generally, this facility could have four types of spill events.

(1) Contained Spill – spill inside diked areas and all material is contained.

(2) Controlled Small Spill – spill outside diked areas that is small enough not to spread offsite.

(3) Uncontrolled Spill – a spill large enough to exceed diked capacity (due to weather or fire fighting water make-up) or the spill is outside of diked area, and the spill has significant potential to go offsite.

(4) Reportable Spill – the spill enters navigable waters or exceeds the reportable quantity for the material spilled. Refer to section 5.1.4 or the website www.regulations.com.

4.2 Spill Response Equipment

A list of available on site emergency response equipment and the location of each item is provided in Attachment 8. The location of this equipment is also shown on the facility Emergency Evacuation Diagram provided in Attachment 3. Other information that may be useful during an emergency event is provided below.

- There are several hand-held radios available at the facility, which would be useful for communications.
- Outside contractors are available to provide additional response personnel and equipment. A listing of local spill cleanup contractors is provided in Attachment 6.

4.3 Emergency Coordinator's Response

After receiving a report of a spill or other emergency, the Onsite Emergency Coordinator must proceed with the following:

Protect Personnel

(1) Determine the extent of personal injuries, if any.

(2) Identify the exact location of spill, leak or other emergency event utilizing appropriate personal protective equipment. If necessary, walk out all process lines, hoses, manifold, piping, and tanks involved in the operation. Identify the leaking appurtenance(s) (e.g., hose, flange, valve, tank, etc.).

(3) Determine if site evacuation is necessary. If an evacuation is required, it will be announced over the facility's public address (PA) system. The evacuation routes and assembly areas are shown on a map posted on the office bulletin board.

(4) Shut-off any potential ignition sources.

(5) Confirm if the event is still occurring and when it was first observed.

Contact Schlumberger/NAM

(6) Contact the Schlumberger/NAM HSE Emergency Response System and follow the steps presented in Section 5.1 Spill Notification (Attachment 7).

Control the Emergency Event

(7) Confirm the extent of spill, leak, or emergency and determine the potential for personnel hazard by utilizing product knowledge such as the product information sheet or material safety data sheets (MSDS).

(8) Determine methods to safely control the event. Minimize the potential discharge by isolating the source of the leak. If necessary, utilize any of the following steps to mitigate the leak:

- Empty transfer lines;
- Transfer product from a leaking tank to a sound tank;

- Isolate transfer lines by valve and/or blind flange;
- Isolate the ongoing operation in accordance with standard operating procedures to minimize both potential hazards to personnel and damage to equipment;
- Check for ignition sources (i.e., heaters, open flames, hot work); or
- Other appropriate actions.

(9) Verify that spill containment devices are working and/or install new ones as necessary.

Initiate Off-Site Notifications and/or Coordination

(10) Evaluate whether there are apparent on-site or off-site hazards associated with the event. Contact any off site entities that could be impacted by the spill.

(11) Contact appropriate outside emergency response contractors if their help is needed (see Attachment 6 for the contact phone numbers).

(12) Determine present and predicted weather conditions at the facility.

(13) Ensure that the applicable federal, state, and local emergency response agencies are notified in a timely manner. This will be performed in conjunction with a representative from the Schlumberger/NAM HSE Emergency Response System (see Attachment 7 for the notification phone numbers).

(14) Determine Schlumberger contact for non-Schlumberger communications, if necessary. Based on the above criteria, the Emergency Coordinator will implement the most appropriate response.

Monitor the Situation

(15) If facility operations have stopped in response to the emergency situation, monitor for leaks, pressure buildup, gas generation, or ruptures in valves, pipes, or other equipment, wherever appropriate.

Clean-up Spilled Material

(16) Initiate recovery, removal, decontamination, and reporting procedures, as appropriate.

4.4 Other Considerations

4.4.1 Container Leaks

As stated in Section 3.4.1 of this Plan, leaks and/or equipment malfunctions are promptly reported, repaired, and remediated. In addition, facility personnel must follow the procedures outlined below when a leaking drum or tote are identified:

Drum: If a leaking drum is detected, the contents remaining in the drum will be transferred to a new drum if this can be done safely by properly trained personnel. The empty drum will be put in the empty storage area for disposal or reclamation. If the contents cannot be safely transferred to another drum, then the leaking drum will be placed in a DOT-approved overpack drum for off-site disposal. Any spillage and clean up materials will also be placed into the overpack drum for disposal. A label will be placed on the overpack drum identifying the contents and the original date that it was placed in storage.

Tote: Leaking totes will be handled the same way as leaking drums except if the contents cannot be safely transferred to another drum or tote, then stop the leak, if possible, then contain the area with absorbent material.

4.4.2 Decontamination

Equipment that requires decontamination will be decontaminated by using a high-pressure wash or by another appropriate method such as, but not limited to, a detergent wash. Any wastes generated during decontamination procedures will be collected and disposed of offsite at an authorized facility.

Any equipment that cannot be decontaminated will be disposed of offsite at an authorized facility.

4.4.3 Disposal of Recovered Materials

Materials recovered due to oil and/or hazardous substance discharge cleanup efforts will be managed in an environmentally sound manner. Disposal or recycling of such materials will be conducted in accordance with federal and state requirements as applicable to management of solid waste. Efforts to recycle the recovered material will be made to the extent possible.

4.4.4 Arrangements with Local Authorities

This facility is a CESQG of hazardous waste. As such, this facility is not required to make prior arrangements with local authorities regarding coordination of potential emergency response actions. However, if the facility becomes a SQG or LQG of hazardous waste, the appropriate revisions will be made to this plan to include documentation of the arrangements. Copies of the transmittal letters sent to each of the appropriate local authorities will be included in Attachment 9. Information concerning hazardous substances and waste stored at the site is kept in the Emergency Coordinator's office. This information will be provided to police, firefighters, hospitals and other emergency response personnel as needed.

4.5 Oil Spill Contingency Planning

This section is not applicable to the Hobbs facility.

Attach 5

ON-SITE EMERGENCY CALL LIST

(In order of priority)

SCHLUMBERGER/NAM HSE EMERGENCY RESPONSE SYSTEM: 281-595-3518

(See Attachment 7 for additional off site emergency notification numbers)

Designated Emergency Response Role	Name & Title	Contact Numbers
Primary On Site Emergency Coordinator	Randy Cothren Operations Manager	Work: 505-393-6186 Home: 505-738-8077 Cell: 505-910-2460 Pager: N/A
Secondary On Site Emergency Coordinator	Luis Granados Field Service Manager	Work: 505-393-6186 Home: 505-392-4634 Cell: 505-910-2461 Pager: N/A
1st Alternate On Site Emergency Coordinator	Mike Martin Bulk Plant Supervisor	Work: 505-393-6186 Home: 505-392-2647 Cell: 505-910-2477 Pager: N/A
2nd Alternate Emergency Coordinator	Brad Bounds QHSE Coordinator	Work: 505-393-6186 Home: 505-393-7698 Cell: 505-910-2459 Pager: N/A
Corporate Emergency Coordinator / Media Communications Officer	Kirk Pepper USL QHSE Manager	Work: 281 285 8119 Home: N/A Cell: 504 913 0477 Pager: N/A
Corporate Emergency Coordinator (capable to commit manpower & financial resources)	Kirk Pepper USL QHSE Manager	Work: 281-285-8119 Home: N/A Cell: 504 913 0477 Pager: N/A

Attachment 6

Environmental
Exit Survey Checklist

This checklist shall be completed by Schlumberger personnel prior to the disposal, or release of any Schlumberger property (whether leased, owned, or otherwise occupied). It should be completed by persons knowledgeable of environmental aspects and impacts. Once complete, the checklist shall be reviewed by a Schlumberger environmental/legal professional, prior to disposal (sale or release) of the property, prior to contacting external environmental consultants, and prior to initiation of any remediation action.

Will the property be sold, returned to owner, leased to a third-party, or other?

_____

If the property is to be sold, has a buyer been identified? _____

Proposed date of sale/release of property _____

Estimated cost of property or monthly lease payments _____

Has all Schlumberger property (equipment, signs, chemicals, wastes, vehicles, etc.) that is not being sold with the property been removed from the site?

Describe any specific time frames or special needs with regard to the environmental exit survey:

_____

_____

_____

_____

_____

_____

_____

Facility Information

Date of Exit Survey: _____

A. Owner/Occupant of facility/property

Name _____

Address _____

_____

Occupant (if different from Owner):

Name _____

Address _____

_____

Date Current Occupant Took Possession _____

B. Current use of Facility/Property (describe)

_____

Zoning _____

Vacant/Open _____

Other_

C. Total Acreage of Property _____

No. of Buildings on Property _____

No. of Employees _____

D. Past Use of Facility/Property Prior to current Occupant (describe). Go as far back as possible; add additional pages as necessary.

Commercial _____

Industrial _____

Residential _____

Vacant/Open _____

Other

PART I - SITE INSPECTION

1. Grounds Inspection – Describe nature of inspection:

a) Distressed Vegetation _____ Yes _____ No
Describe:

b) Soil Staining _____ Yes _____ No
Describe:

c) Excavation/Filling
Describe: _____ Yes _____ No

2. Raw Materials Used or Stored on Site

a) Solvents _____ Yes _____ No

b) Plating Chemicals _____ Yes _____ No

c) Paints _____ Yes _____ No

d) Coolants, Lubricants _____ Yes _____ No

e) Polychlorinated biphenyls _____ Yes _____ No

f) Fuels and Hydrocarbon Products _____ Yes _____ No

g) Other (specify) _____ Yes _____ No

h) Any concerns regarding signs of
improper use or storage _____ Yes _____ No
Describe:

i) Are floor drains present in storage or use area? _____ Yes _____ No

PART I - (Continued)

3. Drum/Chemical Storage _____ Yes _____ No

Describe the Storage area (size, location on site, containment structures, capacity, etc.).

a) Is there a concrete storage pad for chemical containers? _____ Yes _____ No

b) Does the pad have a concrete containment wall or berm? _____ Yes _____ No

c) Does the pad have a sump? _____ Yes _____ No

d) Are there floor drains in the storage area? _____ Yes _____ No
If yes, where do they drain?

e) Is storage area covered with roof? _____ Yes _____ No

f) Is there any indication of past releases/spills from the storage area? _____ Yes _____ No

g) Have all chemicals been removed? _____ Yes _____ No

4. Waste Disposal

a) Is there any evidence/knowledge of on-site waste disposal? _____ Yes _____ No

If yes, describe:

1. Landfill? _____ Yes _____ No

2. Evidence of Filling? _____ Yes _____ No

3. Lagoon/Surface impoundment? _____ Yes _____ No

4. Ponds/Drainage ditches? _____ Yes _____ No

PART I - (Continued)

5. Waste piles? _____ Yes _____ No

6. Disposal wells? _____ Yes _____ No

7. Incineration? _____ Yes _____ No

8. Construction debris? _____ Yes _____ No

9. Road Oiling? _____ Yes _____ No

10. Other (describe):

5. Hazardous Waste Generation
Have hazardous wastes been generated on site? _____ Yes _____ No

If Yes, have all wastes been removed from site and properly disposed? _____ Yes _____ No

6. Air Emissions
Have sources of air emissions been present on site? _____ Yes _____ No

If Yes, have all air emissions sources been removed from the site or decommissioned? _____ Yes _____ No

a) No. of process stacks _____

b) Permits? _____ Yes _____ No

c) Permit Violations: _____ Yes _____ No
If Yes describe:

PART I - (Continued)

7. Wastewater Discharge

a) On-site Treatment Facility? _____ Yes _____ No
(i.e., zero-discharge system, treatment plant)

b) On-site Pretreatment Facility? _____ Yes _____ No
(i.e., sump, oil/water separator)

c) On-site Treatment or Pretreatment Facility?
If yes, describe type of system, configuration of separator, etc.
(i.e., capacity, number of compartments, where fluids enter and exit, etc.).

d) Wastewater discharge (if yes, describe)?

1. To sewer? _____ Yes _____ No
2. To storm sewer? _____ Yes _____ No
3. To stream, lake, etc.? _____ Yes _____ No
4. To on-site disposal well(s)? _____ Yes _____ No
5. To septic system or leach field? _____ Yes _____ No
6. To percolation pond? _____ Yes _____ No
7. Other? (describe) _____ Yes _____ No

e) Septic Tank ? _____ Yes _____ No
If yes, describe (age of tank, volume, secretion, etc.):

f) Stormwater Discharge (specify)

1. To stream, lake, etc.? _____ Yes _____ No
2. To stormwater sewer? _____ Yes _____ No
3. To retention/treatment pond? _____ Yes _____ No
4. Other? _____ Yes _____ No

g) Have all wastewater facilities (zero discharge, recycle units, sumps, trenches, oil/water separators, septic tanks, etc.), been cleaned and all wastes removed? _____ Yes _____ No

PART I - (Continued)

8. Underground Tanks (past and present) _____ Yes _____ No

Describe:

a) Number ____; age _____; volume_____
b) In Service? _____ Yes _____ No
c) Material of construction _____
d) Manufacturer (if known)_____
e) Leak detection devices (monitoring?) _____
f) Contents _____
g) Leak tested?_____; Test results? _____

h) Registered with Regulatory Agency? _____ Yes _____ No
i) Any spills? _____ Yes _____ No
j) Removed? _____ Yes _____ No
If yes, is there a tank removal report available? _____ Yes _____ No

If no, have all tanks been cleaned and tank contents either destined for use or properly disposed? _____ Yes _____ No

9. Above Ground Storage Tanks _____ Yes _____ No

Describe:

a) If yes, number ____age _____; volume _____
b) Material of construction _____
Manufacturer (if known) _____
In service? _____ Yes _____ No
c) Contents _____
d) Are/were the tanks properly contained? _____ Yes _____ No
Describe containment:

e) Are there drains in the containment structure? _____ Yes _____ No
If yes, describe their destinations:

f) Describe condition of tanks:

g) Any spills? _____ Yes _____ No
If yes, describe:

h) Have all tanks been cleaned and tank contents either destined for use or properly disposed ? _____ Yes _____ No
i) Have above ground tanks been removed from site? _____ Yes _____ No

PART I - (Continued)

10. Parts Cleaning/Degreasing Operation
    a) Type _____
    b) Location _____
    c) Volume _____
    d) Previous type _____
    e) Have all part washer/degreasing operations been decommissioned and wastes properly disposed? _____ Yes _____ No
    f) Have all tanks been cleaned and tank contents either destined for use or properly disposed? _____ Yes _____ No

11. Wells observed on site
    Does the facility obtain water from an on-site well? _____ Yes _____ No
    If yes, is it:
    a) Private? _____ Yes _____ No
    b) Municipal? _____ Yes _____ No
    c) Other? Describe: _____ _____ Yes _____ No

    Are there any groundwater monitoring wells on-site? _____ Yes _ No
    If yes, describe: _____

    Has well closure been considered? _____ Yes _____ No

12. Site drainage
    a) General direction of drainage:
    b) Proximity of drainage to:
       – Creeks:
       – Lakes/Ponds:

    Are there any concerns that site drainage has contributed to pollution of the site or any surrounding area? _____ _____ Yes _____ No
    If yes, describe:

13. Paved Areas
    a) Pavement type: _____
    b) Approximate % of site covered: _____

14. Soil/Geologic Conditions
    a) Describe surface soils
    b) Describe shallow subsurface conditions (i.e., clay layers, water level, etc.)

PART I - (Continued)

15. Asbestos

a) Were the facilities on the property constructed prior to 1979?

Yes No Unknown N/A

b) Has a formal, documented asbestos survey of the facilities been conducted?

Yes No Unknown N/A

If yes, did the survey report conclude that the buildings are free of asbestos-containing materials?

Yes No Unknown N/A

c) Does a walk-through of the property reveal any obvious evidence of insulation, fire proofing, or building materials that may contain asbestos that appear to be friable, flaking, damaged or broken?

See referenced report for the following information:

	Yes	No	Unknown	N/A
Pipe insulation				
Duct insulation				
Boiler insulation				
Floor/Ceiling tiles				
Sprayed-on ceiling				
Stucco, plaster, fiberboard/ wall finishes				
Roofing materials				

Comments _____

_____

16. Radon

a) Have any radon tests been performed at the property?

Yes No Unknown N/A

If yes, describe results:

_____

b) If elevated radon levels have been discovered at the property, have ventilation systems or similar remedial measures been implemented?

Yes No Unknown N/A

Describe: _____

_____

_____

PART I - (Continued)

17. Indoor Pollution

a) Does the facility appear to be free of any obvious sources of air emissions that have chemical odors, fumes, or mists?

Yes No Unknown N/A

18. Polychlorinated Biphenyls (PCBs)

a) Does the facility contain any equipment such as transformers or capacitors?

Yes No Unknown N/A

b) Has the equipment been checked for PCB content?
Yes No Unknown N/A

If yes, by whom, when? Are there documented results?

c) If PCB-containing electrical equipment is present at the property, is it marked with PCB identification labels?

Yes No Unknown N/A

d) If PCB-containing electrical equipment is present at the property, is there evidence of leaks or spills on the ground adjacent to the equipment?

Yes No Unknown N/A

Comments _____

_____

_____

_____

_____

_____

_____

PART II – SURROUNDING AREA

1. Surrounding Land Uses

   a) (North)

   b) (South)

   c) (East)

   d) (West)

2. Potential sources of concern (air emissions, site drainage, groundwater contamination, etc.)

   a) (North)

   b) (South)

   c) (East)

   d) (West)

3. Walk property boundaries looking for signs of possible source of contamination from surrounding property.

a) Past or present excavations.

b) Equipment cleaning stations:

c) Rubble piles:

d) Inhibited plant growth:

e) Waste or chemical storage areas:

f) Underground or above ground storage tanks:

PART I I - (Continued)

4. Describe general direction of surface drainage for area. (Sketch)

PART III - REGULATORY REVIEW

1. Are there any notices of violations or similar claims from any regulatory agencies?

2. Are there any pending legal actions related to environmental matters?

3. Are there any outstanding complaints (from citizens groups, residences, etc.)?

PART IV - ADDITIONAL DOCUMENTATION

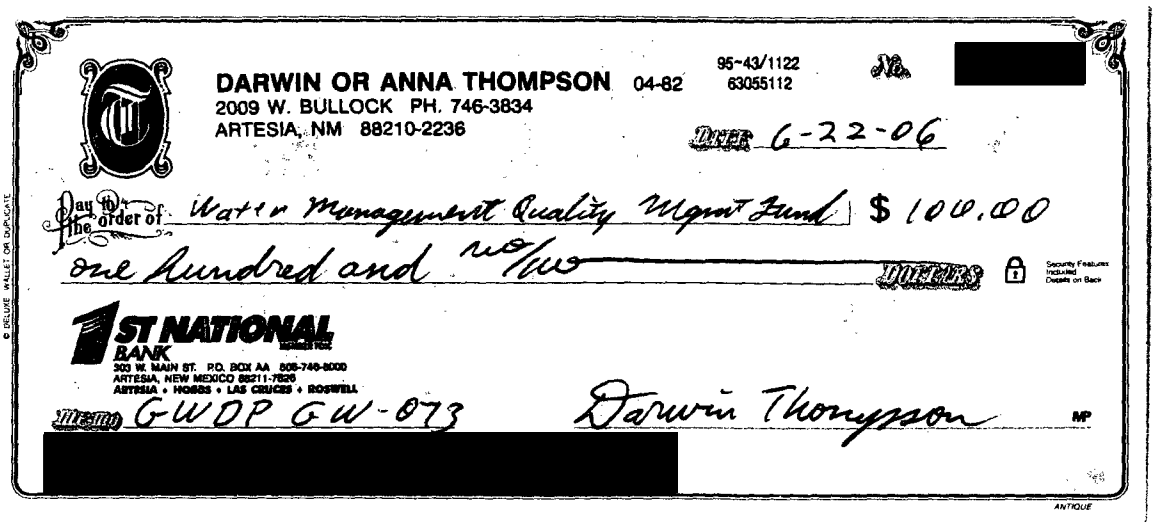
1. Attach site diagram. Include buildings, chemical storage, waste storage, process and disposal areas, outfalls, signs of contamination, etc.

2. Attach current and past aerial photographs (where available) documenting past uses.

3. Include photographs or video documenting present conditions of facility.

PART V - CONCLUDING REMARKS

(Please include any concluding remarks or additional information here)



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