

GW - 114

**GENERAL
CORRESPONDENCE**

YEAR(S):
2008

Deuell Environmental, LLC RECEIVED

May 6, 2008

2008 MAY 8 PM 1 49

Mr. Robert Forrest
Director of Infrastructure
City of Artesia
P.O. 1310
Artesia, NM 88210

RE: Schlumberger Technology Corporation Facility – Artesia, New Mexico (GW-114)

Dear Mr. Forrest:

As we discussed by telephone, Schlumberger Technology Corporation is being required by the New Mexico Energy, Minerals and Natural Resources Department Oil Conservation Division to contain groundwater with low levels of chlorinated compounds from leaving their property on Richey Avenue. This containment is to be accomplished by groundwater extraction to create a cone of depression to intercept this water. A modeling exercise has determined that a well pumping at 7 GPM would provide the containment required. Disposal of this water pumping at 7 GPM, or about 10,000 GPD, is the purpose of contacting you. In evaluating options the most practicable solution for disposal is to the City wastewater system. A copy of the work plan submitted to NMOCD for this project is attached for your information.

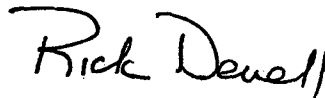
Schlumberger is seeking permission to dispose of 10,000 GPD to the City wastewater system. This water has very low concentration of chlorinated hydrocarbons. Water quality data are provided for you to review to help you in your evaluation. The extraction well is planned to be installed near MW-30. The highest concentrations found on the site are at MW-25. Laboratory analyses for these two wells, from samples collected in January 2008, are attached. Well MW-30 has a total concentration of chlorinated compounds at 0.084 mg/l. Since the pumping well will draw water from all directions, not just from the impacted area, it is expected that the pumped concentrations will be lower. For the absolute maximum concentration found at the site, data for MW-25 are also included. The highest concentrations found on the site are decreasing with time but the location is moving with MW-25 now being the highest. The total chlorinated compounds from the January 2008 sampling were 0.378 mg/l. Historical data for the site from 1990 are presented in the 2007 Annual Report which can be provided to you.

If there is concern about the concentration of chlorinated hydrocarbons Schlumberger will provide pretreatment as necessary to meet any required discharge limits. This can be accomplished with aeration or activated carbon. If there is a concern regarding hydraulic capacity Schlumberger will work to optimize the installed system to

minimize the pumping flow rate while providing adequate containment. The large number of monitoring wells installed on the site will facilitate this analysis.

Schlumberger appreciates your time in reviewing this request and looks forward to your response. If you have any questions or need more information, please call me at 307-760-3277 or Joe Ferguson at 281-285-3692.

Sincerely,

A handwritten signature in black ink that reads "Rick Deuell". The signature is written in a cursive, slightly slanted style.

Rick Deuell, P.E.
Project Manager

Enclosures

cc: Du'Bois Ferguson, Schlumberger Technology Corporation
Carey Brannan, Dow
Edward Hansen



New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson
Governor

Joanna Prukop
Cabinet Secretary
Reese Fullerton
Deputy Cabinet Secretary

Mark Fesmire
Division Director
Oil Conservation Division



April 18, 2008

Darwin Thompson
Schlumberger Oil Field Services
507 East Richey Ave.
Artesia, New Mexico 88210

Re: Discharge Permit Renewal (GW-114)
Schlumberger Oil Field Services – Artesia Facility
S/2 SW/4 Section 4, Township 17 South, Range 26 East, NMPM,
Eddy 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 Oil Field Services** (owner/operator) for the above referenced site contingent upon 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.

If you have any questions, please contact Edward J. Hansen of my staff at (505-476-3489) or E-mail edwardj.hansen@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,

W.P. signed EJ
Wayne Price
Environmental Bureau Chief

LWP/ejh
Attachments-1
xc: OCD District Office



ATTACHMENT- DISCHARGE PERMIT APPROVAL CONDITIONS

- 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 flat fee (*see* WQCC Regulation 20.6.2.3114 NMAC). The Oil Conservation Division ("OCD") has received the required \$100.00 filing fee. The flat fee for an oil and gas service company is \$1,700.00. Checks should be made out to the **New Mexico Water Quality Management Fund**.
- 2. Permit Expiration, Renewal Conditions and Penalties:** 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 2, 2012** 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. *Expired permits are a violation of the Water Quality Act {Chapter 74, Article 6, NMSA 1978} and civil penalties may be assessed accordingly.*
- 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 November 27, 2007, discharge plan 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 20.6.2.3107.C and 20.6.2.3109 NMAC addresses possible future modifications of a permit. 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. 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 aboveground 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, and 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: The owner/operator shall submit a plan for active groundwater contamination plume containment at the site to the OCD within 10 days of this discharge permit date for OCD review and approval. The plan must include proposed groundwater recovery well(s) location(s), and proposed method(s) of recovered groundwater treatment and / or disposal. Also, the plan must include a schedule for implementing the plume containment. The owner/operator shall remediate the groundwater contamination at the site in accordance with an OCD-approved plan.

21. Transfer of Discharge Permit (WQCC 20.6.2.3111) Prior to any transfer of ownership, control, or possession (whether by lease, conveyance or otherwise) of a facility with a discharge

permit, the transferor shall notify the transferee in writing of the existence of the discharge permit, and shall deliver or send by certified mail to the department a copy of such written notification, together with a certification or other proof that such notification has in fact been received by the transferee.

Upon receipt of such notification, the transferee shall have the duty to inquire into all of the provisions and requirements contained in such discharge permit, and the transferee shall be charged with notice of all such provisions and requirements as they appear of record in the department's file or files concerning such discharge permit. The transferee (new owner/operator) shall sign and return an original copy of these permit conditions and provide a written commitment to comply with the terms and conditions of the previously approved discharge permit.

22. Closure Plan and Financial Assurance: Pursuant to 20.6.2.3107 NMAC an owner/operator shall notify the OCD when any operations of the facility are to be discontinued for a period in excess of six months. Prior to closure, or as a condition of this permit, or request from the OCD, the operator will submit an approved closure plan, modified plan, and/or provide adequate financial assurance.

23. Certification: (Owner/Operator), by the officer whose signature appears below, accepts this permit and agrees to comply with all submitted commitments, including these terms and conditions contained here. **Owner/Operator** 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: "I 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."

Company Name-print name above

Company Representative- print name

Company Representative- Signature

Title

Date:

Hansen, Edward J., EMNRD

From: Hansen, Edward J., EMNRD
Sent: Wednesday, February 06, 2008 10:08 AM
To: 'thompson3@hobbs.oilfield.slb.com'
Subject: GW-114 (Artesia facility) Permit Renewal
Attachments: Public Notice Example for DP Renewal.doc

Darwin,

I am taking over the review (from Carl Chaves) of your application for the renewal of discharge permit (GW-114).

I need a couple of items before I can deem the application complete:

1) Attached is an example public notice. Please fill in the high-lighted portions as they pertain to your facility and return it to me for approval (prior to publication – I'll give you further publication details once the notice has been approved). The notice must include the depth to groundwater and the TDS concentration of the groundwater. The OCD notice of 2002 stated 1500 mg/L TDS; however, the data presented in the application suggests that the TDS concentration may be over 2000 mg/L.

2) Also, please submit the name of the newspaper that you propose to publish the public notice.

Please submit the above information to me within 10 days.

Thank you for your cooperation in this matter. Please let me know if you have any questions regarding this matter.

Edward J. Hansen
Hydrologist
Environmental Bureau
505-476-3489

2/6/2008

PUBLIC NOTICE

Enterprise Products Operating, L.P., Shiver J. Nolan, Senior Compliance Administrator, P.O. Box 4324, Houston, Texas 77210-4324, has submitted a renewal application for the previously approved discharge plan (GW-332) for their San Ysidro Pump Station, located in the SE/4 of the NW/4 of Section 19, Township 15 North, Range 2 East, NMPM, Sandoval County, New Mexico, approximately three miles south of San Ysidro, New Mexico. Approximately 1000 gallons of wash-down water, 100 gallons of used oil, 4 used oil filters, 75 used process filters, and 20 empty barrels are generated on site annually, which are collected and temporarily stored in containment vessels prior to transport and disposal at an NMOCD approved facility. Groundwater most likely to be affected by a spill, leak or accidental discharge is at a depth of approximately 30 to 50 feet, with a total dissolved solids concentration of approximately 200 to 2000 mg/l. The discharge plan addresses how oilfield products and waste will be properly handled, stored, and disposed of, including how spills, leaks, and other accidental discharges to the surface will be managed in order to protect fresh water. Any interested person may obtain information, submit comments or request to be placed on a facility specific mailing list for future notices by contacting Edward J. Hansen at the New Mexico OCD at 1220 South St. Francis Drive, Santa Fe, New Mexico 87505, Telephone (505) 476-3489. The OCD will accept comments and statements of interest regarding the renewal and will create a facility-specific mailing list for persons who wish to receive future notices.

EXAMPLE

{This public notice is proposed to be published in the *Artesia Daily News*.}