

GW – 107

**GENERAL
CORRESPONDENCE**

YEAR(S): 2008 - 2012

RECEIVED

2008 JUL 31 PM 2 47

Alberto A. Gutiérrez, C.P.G.

July 28, 2008

Mr. Leonard Lowe
Environmental Engineer
New Mexico Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

CERTIFIED MAIL-RECEIPT REQUESTED

RE: AFFIDAVIT OF PUBLICATION PLACED IN THE HOBBS NEWS-SUN FOR PUBLIC
NOTICES OF THE DISCHARGE PLAN RENEWAL FOR SUGS JAL SOUTH
COMPRESSOR STATION (GW-~~283~~) 1074.

Dear Mr. Lowe:

Enclosed are the affidavits of publication for the above-referenced discharge plan renewal
notices, published on July 19, 2008.

Please contact me at (505) 842-8000 if you have any questions or need additional information
concerning this submittal.

Sincerely,
Geolex, Inc.[®]


James C. Hunter, R.G.

Enclosures

cc w/ enclosures: Herb Harless, SUGS
cc w/ enclosures: Tony Savoie, SUGS
cc w/ enclosures: Dwight Bennett, SUGS

G:\06-012\Correspondence\Lowe003.doc

AFFIDAVIT OF PUBLICATION

State of New Mexico,
County of Lea.

I, KATHI BEARDEN

PUBLISHER

of the Hobbs News-Sun, a
newspaper published at
Hobbs, New Mexico, do solemnly
swear that the clipping attached
hereto was published once a
week in the regular and entire
issue of said paper, and not a
supplement thereof for a period.

of 1

weeks.

Beginning with the issue dated

July 19 2008

and ending with the issue dated

July 19 2008

Kathi Bearden

PUBLISHER

Sworn and subscribed to before

me this 21st day of

July

2008

Notary Public.

My Commission expires
February 07, 2009
(Seal)



OFFICIAL SEAL
DORA MONTZ
NOTARY PUBLIC
STATE OF NEW MEXICO

My Commission Expires: _____

This newspaper is duly qualified
to publish legal notices or adver-
tisements within the meaning of
Section 3, Chapter 167, Laws of
1937, and payment of fees for
said publication has been made.

LEGAL
July 19, 2008

Notice of Application by Southern Union Gas Services for Renewal to a Discharge Plan (GW-107) for Jal #4 Natural Gas Compressor Station: Southern Union Gas Services, whose offices are located at 301 N. Commerce St., Suite 700, Fort Worth, Texas (76102) seeks approval from the New Mexico Oil Conservation for renewal for a Discharge Plan for the Jal #4 (GW-107), located in Unit P (SE of the SE) of Section 31, Township 23 South, Range 37 East in Lea County, New Mexico (320' 15.352' North, 1030 11.761' West). The elevation of the facility is approximately 3310 feet. The facility compresses field gas, removes excess liquids, measures gas volume and transports the gas to pipelines. Materials generated or used at the facility include pipeline condensate liquid, new and used compressor lubrication oil, gear oil and oily waste water from engine or scrubber wash down. When operating, this facility handles approximately 1650 gallons/month of wash down water, 172 gallons/month of used oil, and 20-24 bbls/day of condensate/produced water is generated at the facility. All liquids utilized at the facility are stored in dedicated above ground storage tanks prior to offsite disposal or recycling at an OCD approved site. All storage tanks are within properly engineered and OCD approved secondary containments. The Jal #4 compressor station is designed to have no intentional liquid discharges. The shallowest groundwater potentially impacted by this facility is at a depth of approximately 100 feet and has a total dissolved solids content of approximately 500 milligrams per liter. Any interested person or persons may obtain information; submit comments or request to be placed on a facility-specific mailing list for future notices by contacting Leonard Lowe at the New Mexico OCD at 1220 South St. Francis Drive, Santa Fe, New Mexico 87505, Telephone (505) 476-3492. 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.

#24247

67101169000

02601703

GEOLEX, INC.

500 MARQUETTE AVE. NW, SUITE 1350
ALBUQUERQUE, NM 87102

AFFIDAVIT OF PUBLICATION

State of New Mexico,
County of Lea.

I, KATHI BEARDEN

PUBLISHER

of the Hobbs News-Sun, a newspaper published at Hobbs, New Mexico, do solemnly swear that the clipping attached hereto was published once a week in the regular and entire issue of said paper, and not a supplement thereof for a period.

of 1

 weeks.
Beginning with the issue dated

July 19 2008
and ending with the issue dated

July 19 2008

Kathi Bearden

PUBLISHER

Sworn and subscribed to before

me this 21st day of

July 2008
[Signature]

Notary Public.

My Commission expires
February 07, 2009
(Seal)



OFFICIAL SEAL
DORA MONTZ
NOTARY PUBLIC
STATE OF NEW MEXICO

My Commission Expires:

This newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Laws of 1937, and payment of fees for said publication has been made.

LEGAL
July 19, 2008

Aviso de Aplicación por parte de Southern Union Gas Services para renovar un plan de la descarga (GW-107) para la estación del compresor del gas natural de Jal #4:

Southern Union Gas Services, con oficinas que están situadas en 301 N. Commerce St., Suite 700, Fort Worth, Texas (76102) ha sometido una aplicación al New México Energy, Minerals and Natural Resources Department, Oil Conservation Division para renovar el plan de la descarga anteriormente aprobado para la estación del compresor de Jal #4 (GW-107), situada en la unidad P (cuarto sureste del cuarto sureste) de la sección 31, Township 23 South, Range 37 East en el condado de Lea, Nuevo México (32o' 15.352' North, 103o 11.761' West). Esta localización está a una elevación de 3310 pies, aproximadamente 10 millas al norte de Jal, Nuevo México. La facilidad proporciona la comprensión de gas del campo, quita exceso de líquidos, mide volumen del gas y transporta el gas a las tuberías. Los materiales generados o usados en la facilidad incluyen el líquido condensado de la tubería, el aceite de lubricación nuevo y usado del compresor, el aceite del engranaje y el agua inútil aceitosa del motor o de la colada del depurador. Aproximadamente 1650 galones/mes de agua de limpieza de equipo, 172 galones/mes de aceite usado, y 20-24 barriles/día de líquidos de petróleo y agua producida se generan en la facilidad. Todos los líquidos utilizados en la facilidad se almacenan en los tanques dedicados de almacenaje sobre la tierra antes de la disposición o el reciclaje en un sitio aprobado OCD. Todos los tanques de almacenaje están dentro de contenciones secundarias correctamente dirigidas y aprobadas por el OCD. Esta estación del compresor se diseña para no tener ninguna descarga líquida intencional. El agua subterránea menos profunda potencialmente afectada por esta facilidad está a una profundidad de aproximadamente 100 pies y tiene un contenido de sólidos disuelto total de aproximadamente 500 miligramos por litro. Cualquier persona interesada puede obtener la información, someter comentarios o declaración adicional o pedir de ser colocado en una lista que envía informes específicos de esta facilidad través de estar en contacto con a Leonard Lowe en el New México OCD 1220 South St. Francis Drive, Santa Fe, New México 87505, Teléfono (505) 476-3492. El OCD aceptará comentarios y declaraciones del interés con respecto a esta aplicación y creará una lista que envía informes específicos a esta facilidad a las personas que desean recibir los avisos futuros.

#24248

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GEOLEX, INC.

500 MARQUETTE AVE. NW, SUITE 1350
ALBUQUERQUE, NM 87102

Advertising Receipt

IVED
PM 3 26

Hobbs Daily News-Sun

201 N Thorp
P O Box 936
Hobbs, NM 88241-0850
Phone: (575) 393-2123
Fax: (575) 397-0610

EDWARD J HANSEN
NM OIL CONSERVATION DIVISION, EMNRD
1220 S. SAINT FRANCIS DR.
SANTA FE, NM 87505

Cust#: 01101546-000
Ad#: 02601729
Phone: (505)476-3492
Date: 07/17/08

Ad taker: C2

Salesperson: 08

Classification: 673

Description	Start	Stop	Ins.	Cost/Day	Surcharges	Total
07 07 Daily News-Sun	07/22/08	07/22/08	1	171.36		171.36
Bold						1.00
Affidavit for legals						3.00

Payment Reference:

LEGAL
July 22, 2008

NOTICE OF PUBLICATION

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

Notice is hereby given that pursuant to New Mexico Water Quality Control Commission Regulations (20.6.2.3106 NMAC), the following discharge permit application(s) has been submitted to the Director of the New Mexico Oil Conservation Division ("NMOCD"), 1220 S. Saint Francis Drive, Santa Fe, New Mexico 87505, Telephone (505) 476-3440:

(GW-243) Southern Union Gas Services, Ltd., 301 Commerce Street, Suite 700, Fort Worth TX, 76102, has submitted a modified discharge plan permit application for their House compressor

Total: 175.36
Tax: 0.00
Net: 175.36
Prepaid: 0.00

Total Due 175.36

okay to Pay

Howe 8/5/08

AFFIDAVIT OF PUBLICATION

July 22, 2008

State of New Mexico,
County of Lea.

NOTICE OF PUBLICATION

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

I, KATHI BEARDEN

PUBLISHER

of the Hobbs News-Sun, a newspaper published at Hobbs, New Mexico, do solemnly swear that the clipping attached hereto was published once a week in the regular and entire issue of said paper, and not a supplement thereof for a period.

of 1 weeks.

Beginning with the issue dated

July 22 2008

and ending with the issue dated

July 22 2008

Kathi Bearden

PUBLISHER

Sworn and subscribed to before

me this 22nd day of

July 2008

Notary Public.

My Commission expires
February 07, 2009
(Seal)



OFFICIAL SEAL
DORA MONTZ
NOTARY PUBLIC
STATE OF NEW MEXICO

My Commission Expires: _____

This newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Laws of 1937, and payment of fees for said publication has been made.

Notice is hereby given that pursuant to New Mexico Water Quality Control Commission Regulations (20.6.2.3106-NMAC), the following discharge permit application(s) has been submitted to the Director of the New Mexico Oil Conservation Division ("NMOCD"), 1220 S. Saint Francis Drive, Santa Fe, New Mexico 87505, Telephone (505) 476-3440:

(GW-243) Southern Union Gas Services, Ltd., 301 Commerce Street, Suite 700, Fort Worth TX, 76102, has submitted a modified discharge plan permit application for their House compressor station, located in Unit O of Section 11, Township 20 South, Range 38 East, NMPM, Lea County, New Mexico, 10 miles south of Hobbs, N.M. The modifications are: Installation and operation of a new, additional compressor with an additional horsepower of approximately 1200 bhp, closure of a subgrade waste oil sump, and installation of a new waste oil tank, enclosed in a double-wall fiber-glass subgrade vault. Replacement of the former tanks used for condensate and produced water with new tanks, protected by a permanent steel containment structure, and installation of several additional auxiliary tanks for engine oil, antifreeze, and pipeline additives. The facility compresses field gas, removes excess liquids, measures gas volume and transports the gas to pipelines. Approximately 100 - 200 gal/month of used oil and 75 - 100 gal/month of wash/storm water are generated and stored onsite in sufficiently bermed containers. Product and waste streams are to be properly designated and identified. Groundwater most likely to be affected by a spill, leak or accidental discharge is at a depth of approximately 50 feet, with a total dissolved solids concentration of approximately 400 - 600 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.

(GW-107) Southern Union Gas L.P., 301 Commerce Street, Suite 700, Fort Worth TX, 76102, has submitted an application for their previously approved discharge plan for their Jal # 4 compressor station, located in Unit P of Section 31, Township 23 South, Range 37 East, NMPM, Lea County, New Mexico, 10 miles north of Jal, N.M. The facility compresses field gas, removes excess liquids, measures gas volume and transports the gas to pipelines. Approximately 2800 gal/year of used oil and 1700 gal/month of wash/storm water are generated and stored onsite in sufficiently bermed containers. Product and waste streams are to be properly designated and identified. Groundwater most likely to be affected by a spill, leak or accidental discharge is at a depth of approximately 100 feet, with a total dissolved solids concentration of approximately 500 PPM. 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.

(GW-385) Southern Union Gas Services, Ltd., 301 Commerce Street, Suite 700, Fort Worth TX, 76102, has submitted a new discharge plan permit application for their AP-14 compressor station, located in Unit H of Section 6, Township 24 South, Range 35 East, NMPM, Lea County, New Mexico, 15 miles northwest of Jal, N.M. The facility compresses field gas, removes excess liquids, measures gas volume and transports the gas to pipelines. Approximately 100 - 200 gal/month of used oil and 75 - 100 gal/month of wash/storm water are generated and stored onsite in sufficiently bermed containers. Product and waste streams are to be properly designated and identified. Groundwater most likely to be affected by a spill, leak or accidental discharge is at a depth of approximately 200 feet, with a total dissolved solids concentration of approximately 2,800 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.

The NMOCD has determined that the application is administratively complete and has prepared a draft permit. The NMOCD will accept comments and statements of interest regarding this application and will create a facility-specific mailing list for persons who wish to receive future notices. Persons interested in obtaining further information, submitting comments or requesting to be on a facility-specific mailing list for future notices may contact the Environmental Bureau Chief of the Oil Conservation Division at the address given above. The administrative completeness determination and draft permit may be viewed at the above address between 8:00 a.m. and 4:00 p.m., Monday through Friday, or may also be viewed at the NMOCD web site <http://www.emnrd.state.nm.us/ocd/>. Persons interested in obtaining a copy of the application and draft permit may contact the NMOCD at the address given above. Prior to ruling on any proposed discharge permit or major modification, the Director shall allow a period of at least thirty (30) days after the date of publication of this notice, during which interested persons may submit comments or request that NMOCD hold a public hearing. Requests for a public hearing shall set forth the reasons why a hearing should be held. A hearing will be held if the Director determines that there is significant public interest.

If no public hearing is held, the Director will approve or disapprove the proposed permit.

THE SANTA FE
NEW MEXICAN
Founded 1849

2008 JUL 28 PM 3
RECEIVED

NMEMNRD Conserv Div.
Leonard Lowe
1220 S. St. Francis Drive
Santa Fe, NM 87505

ALTERNATE ACCOUNT: 56689
AD NUMBER: 00262056 ACCOUNT: 0000228
LEGAL NO: 85695 P.O. #: 52100-00000137
391 LINES 1 TIME(S) 340.48
AFFIDAVIT: 7.00
TAX: 27.58
TOTAL: 375.06

AFFIDAVIT OF PUBLICATION

STATE OF NEW MEXICO
COUNTY OF SANTA FE

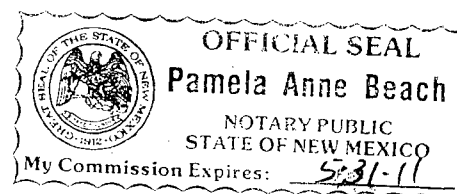
I, L. Paquin, being first duly sworn declare and say that I am Legal Advertising Representative of THE SANTA FE NEW MEXICAN, a daily newspaper published in the English language, and having a general circulation in the Counties of Santa Fe and Los Alamos, State of New Mexico and being a newspaper duly qualified to publish legal notices and advertisements under the provisions of Chapter 167 on Session Laws of 1937; that the publication # 85695 a copy of which is hereto attached was published in said newspaper 1 day(s) between 07/23/2008 and 07/23/2008 and that the notice was published in the newspaper proper and not in any supplement; the first date of publication being on the 23rd day of July, 2008 and that the undersigned has personal knowledge of the matter and things set forth in this affidavit.

/s/ L. Paquin
LEGAL ADVERTISEMENT REPRESENTATIVE

Subscribed and sworn to before me on this 23rd day of July, 2008

Notary Pamela Anne Beach

Commission Expires: May 31, 2011



NOTICE OF
PUBLICATION

STATE OF NEW MEX-
ICO. ENERGY, MINERALS
AND NATURAL RE-
SOURCE DEPART-
MENT
OIL CONSERVATION
DIVISION

Notice is hereby given
that pursuant to New
Mexico Water Quality
Control Commission
Regulations
(20.6.2.3106 NMAC),
the following dis-
charge permit appli-
cation(s) has been
submitted to the Di-
rector of the New
Mexico Oil Conserva-
tion Division
("NMOCD"), 1220 S.
Saint Francis Drive,
Santa Fe, New Mexico
87505, Telephone
(505) 476-3440:

(GW-243) Southern Union Gas Services, Ltd., 301 Commerce Street, Suite 700, Fort Worth TX, 76102, has submitted a modified discharge plan permit application for their House compressor station, located in Unit O of Section 11, Township 20 South, Range 38 East, NMPM, Lea County, New Mexico, 10 miles south of Hobbs, N.M. The modifications are: Installation and operation of a new, additional compressor with an additional horsepower of approximately 1200 bhp, closure of a subgrade waste oil sump, and installation of a new waste oil tank, enclosed in a double-wall fiberglass subgrade vault. Re-

placement of the former tanks used for condensate and produced water with new tanks, protected by a permanent steel containment structure, and installation of several additional auxiliary tanks for engine oil, antifreeze, and pipeline additives. The facility compresses field gas, removes excess liquids, measures gas volume and transports the gas to pipelines. Approximately 100 - 200 gal/month of used oil and 75 - 100 gal/month of wash/storm water are generated and stored onsite in sufficiently bermed containers. Product and waste streams are to be properly designated and identified.

Groundwater most likely to be affected by a spill, leak or accidental discharge is at a depth of approximately 50 feet, with a total dissolved solids concentration of approximately 400 - 600 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.

(GW-353) Williams Four Corners, Mr. David Bays, Senior Environmental Specialist, 188 County Road 4900, Bloomfield, N.M. 87413, has submitted a renewal application

for the previously approved discharge plan for their Culpeper compressor station, located in the NE/4 NE/4 of Section 1, Township 31 North, Range 13 West, NMPM, San Juan County, New Mexico, approximately 10.5 miles northwest of Aztec, New Mexico. The facility provides metering and compression services to various producers for the gathering of natural gas for treatment and delivery. Approximately 100-5000 gal/year/unit of waste/wash down water; 1000-4000 bbl/year of used glycol and 500-2000 gal/year/engine of used oil are generated and stored in onsite within a bermed

area prior to 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 50 - 200 feet, with a total dissolved solids concentration of approximately 200 - 2000 ppm. 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.

(GW-107) Southern Union Gas LP, 301 Commerce Street, Suite 700, Fort Worth

TX, 76102, has submitted an application for their previously approved discharge plan for their Jal #4 compressor station, located in Unit P of Section 31, Township 23 South, Range 37 East, NMPM, Lea County, New Mexico, 10 miles north of Jal, N.M. The facility compresses field gas, removes excess liquids, measures gas volume and transports the gas to pipelines. Approximately 2800 gal/year of used oil and 1700 gal/month of wash/storm water are generated and stored onsite in sufficiently bermed containers. Product and waste streams are to be properly designated and identified. Groundwater most likely to be affected by a spill, leak or accidental discharge is at a depth of approximately 100 feet, with a total dissolved solids concentration of approximately 500 PPM. 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.

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The NMOCD has determined that the application is administratively complete and has prepared a draft permit. The NMOCD will accept comments and statements of interest regarding this application and will create a facility-specific mailing list for persons who wish to receive future notices. Persons interested in obtaining further information, submitting comments or requesting to be on a facility-specific mailing list for future notices may contact the Environmental Bureau Chief of the Oil Conservation Division at the address given above. The administrative completeness determination and draft permit may be viewed at the above address between 8:00 a.m. and 4:00 p.m., Monday through Friday, or may also be viewed at the NMOCD web site <http://www.emnrd.state.nm.us/ocd/>. Persons interested in obtaining a copy of the application and draft permit may contact the NMOCD at the address given above. Prior to ruling on any proposed discharge permit or major modification, the Director shall allow a period of at least thirty (30) days after the date of publication of this notice, during which interested persons may submit comments or request that NMOCD hold a public hearing. Requests for a public hearing shall set forth the reasons why a hearing should be held. A hearing will be held if the Director determines that there is significant public interest.

If no public hearing is held, the Director will approve or disapprove the proposed permit based on information available, including all comments received. If a public hearing is held, the director will approve or disapprove the proposed permit based on information in the permit application and information submitted at the hearing.

Para obtener más información sobre esta solicitud en español, sírvase comunicarse por favor: New Mexico Energy, Minerals and Natural Resources Department (Depto. Del Energia, Minerales y Recursos Naturales de Nuevo México), Oil Conservation Division (Depto. Conservación Del Petróleo), 1220 South St. Francis Drive, Santa Fe, New Mexico, on this 17th day of July 2008. (Contacto: Dorothy Phillips, 505-476-3461)

GIVEN under the Seal of New Mexico Oil Conservation Commission at Santa Fe, New Mexico, on this 17th day of July 2008.

STATE OF NEW MEXICO
OIL CONSERVATION
DIVISION

SEAL
Mark Fesmire,
Director
Legal No. 85695
Pub. July 23, 2008

Rec'd 07.18.08

Alberto A. Gutiérrez, C.P.G.

July 17, 2008

Mr. Leonard Lowe
Environmental Engineer
New Mexico Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

VIA FEDERAL EXPRESS

RE: RESPONSE TO NMOCD QUESTIONS REGARDING SOUTHERN UNION GAS
SERVICES JAL #4 COMPRESSOR STATION (GW-107)

Dear Mr. Lowe:

This letter provides a response to the questions posed in your email of July 7, 2008 regarding the application for renewal of the Jal #4 Compressor Station Discharge Plan (GW-107). With respect to your first question regarding the Public Notice, please see the attached final public notice which is being published this week and has the sentence added regarding the facility description pursuant to our email communication.

In response to your second question, I have met with Mr. Dwight Bennett of SUGS and obtained the information which you requested. Please refer to Figure 1 and the charts included in Attachment A for the requested information on the sump and drain segments tested.

With respect to the volume of the sump(s) that collect wastewater form the open drains, only the "Open Drain Collection Point" with the suction collector pipe and level switch is now present. The original sump seen in Figure 1 (shown as "Removed Vessel") has been removed. The existing collection sump is a steel tank located aboveground on a concrete slab. This sump has a capacity of approximately 140 gallons.

The lines tested, along with all other process units, were idle since the facility's last operations. The line tests were conducted with fresh water, and no releases of products or wastes occurred during these tests. As we discussed on July 8, no additional drain testing will be necessary unless SUGS elects to resume operations. In this event, SUGS will notify NMOCD 30 days before any active operations.

Figure 1 in Attachment A shows the locations tested in January 2004, identified as Segments A through E. The pressure testing charts for these segments are attached and so identified. The segments tested were performed for the pressurized parts of the drain systems. The results of testing can be summarized as:

- Segment A revealed two minor leaks (at a joint on the 4" line and at a 2" valve stem) that were immediately repaired.
- Segment B showed no leaks.
- Segment C showed a minor leak at a 2" valve stem which was repaired.
- Segment D showed a minor leak at a valve stem at the top of the tank which was repaired.
- Segment E showed no leaks.

With respect to your third question, letters and questions should be addressed to Mr. Bruce Williams, with copies to me at Geolex. Mr. Williams may be contacted at:

Mr. Bruce Williams
Vice President, Operations
Southern Union Gas Services, Ltd.
301 Commerce St. Suite 700
Fort Worth, Texas 76102
Telephone: (817)-302-9421
Email: bruce.williams@sug.com

Please contact me at (505) 842-8000 if you have any questions or need additional information concerning this submittal.

Sincerely,
Geolex, Inc.®



James C. Hunter, R.G.

Attachment

cc w/ enclosures: Dwight Bennett, SUGS
cc w/ enclosures: Bruce Williams, SUGS
cc w/ enclosures: Tony Savoie, SUGS

NOTICE OF APPLICATION
& NEWSPAPER FOR PUBLICATION

Notice of Application by Southern Union Gas Services for Renewal to a Discharge Plan (GW-107) for Jal #4 Natural Gas Compressor Station: Southern Union Gas Services, whose offices are located at 301 N. Commerce St., Suite 700, Fort Worth, Texas (76102) seeks approval from the New Mexico Oil Conservation for renewal for a Discharge Plan for the Jal #4 (GW-107), located in Unit P (SE ¼ of the SE ¼) of Section 31, Township 23 South, Range 37 East in Lea County, New Mexico (32° 15.352' North, 103° 11.761' West). The elevation of the facility is approximately 3310 feet. The facility compresses field gas, removes excess liquids, measures gas volume and transports the gas to pipelines. Materials generated or used at the facility include pipeline condensate liquid, new and used compressor lubrication oil, gear oil and oily waste water from engine or scrubber wash down. When operating, this facility handles approximately 1650 gallons/month of wash down water, 172 gallons/month of used oil, and 20-24 bbls/day of condensate/produced water is generated at the facility. All liquids utilized at the facility are stored in dedicated above ground storage tanks prior to offsite disposal or recycling at an OCD approved site. All storage tanks are within properly engineered and OCD approved secondary containments. The Jal #4 compressor station is designed to have no intentional liquid discharges. The shallowest groundwater potentially impacted by this facility is at a depth of approximately 100 feet and has a total dissolved solids content of approximately 500 milligrams per liter. Any interested person or persons may obtain information; submit comments or request to be placed on a facility-specific mailing list for future notices by contacting Leonard Lowe at the New Mexico OCD at 1220 South St. Francis Drive, Santa Fe, New Mexico 87505, Telephone (505) 476-3492. 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.

Aviso de Aplicación por parte de Southern Union Gas Services para renovar un plan de la descarga (GW-107) para la estación del compresor del gas natural de Jal #4:

Southern Union Gas Services, con oficinas que están situadas en 301 N. Commerce St., Suite 700, Fort Worth, Texas (76102) ha sometido una aplicación al New México Energy, Minerals and Natural Resources Department, Oil Conservation Division para renovar el plan de la descarga anteriormente aprobado para la estación del compresor de Jal #4 (GW-107), situada en la unidad P (cuarto sureste del cuarto sureste) de la sección 31, Township 23 South, Range 37 East en el condado de Lea, Nuevo México (32° 15.352' North, 103° 11.761' West). Esta localización está a una elevación de 3310 pies, aproximadamente 10 millas al norte de Jal, Nuevo México. La facilidad proporciona la compresión de gas del campo, quita exceso de líquidos, mide volumen del gas y transporta el gas a las tuberías. Los materiales generados o usados en la facilidad incluyen el líquido condensado de la tubería, el aceite de lubricación nuevo y usado del compresor, el aceite del engranaje y el agua inútil aceitosa del motor o de la colada del depurador. Aproximadamente 1650 galones/mes de agua de limpieza de equipo, 172 galones/mes de aceite usado, y 20-24 barriles/día de líquidos de petróleo y agua producida se generan en la facilidad. Todos los líquidos utilizados en la facilidad se almacenan en los tanques dedicados de almacenaje sobre la tierra antes de la disposición o el reciclaje en un sitio aprobado OCD. Todos los tanques de almacenaje están dentro de contenciones secundarias correctamente dirigidas y aprobadas por el OCD. Esta estación del compresor se diseña para no tener ninguna descarga líquida intencional. El agua subterránea menos profunda potencialmente afectada por esta facilidad está a una profundidad de aproximadamente 100 pies y tiene un contenido de sólidos disuelto total de aproximadamente 500 miligramos por litro. Cualquier persona interesada puede obtener la información, someter comentarios o declaración adicional o pedir de ser colocado en una lista que envía informes específicos de esta facilidad través de estar en contacto con a Leonard Lowe en el New México OCD 1220 South St. Francis Drive, Santa Fe, New México 87505, Teléfono (505) 476-3492. El OCD aceptará comentarios y declaraciones del interés con respecto a esta aplicación y creará una lista que envía informes específicos a esta facilidad a las personas que desean recibir los avisos futuros.

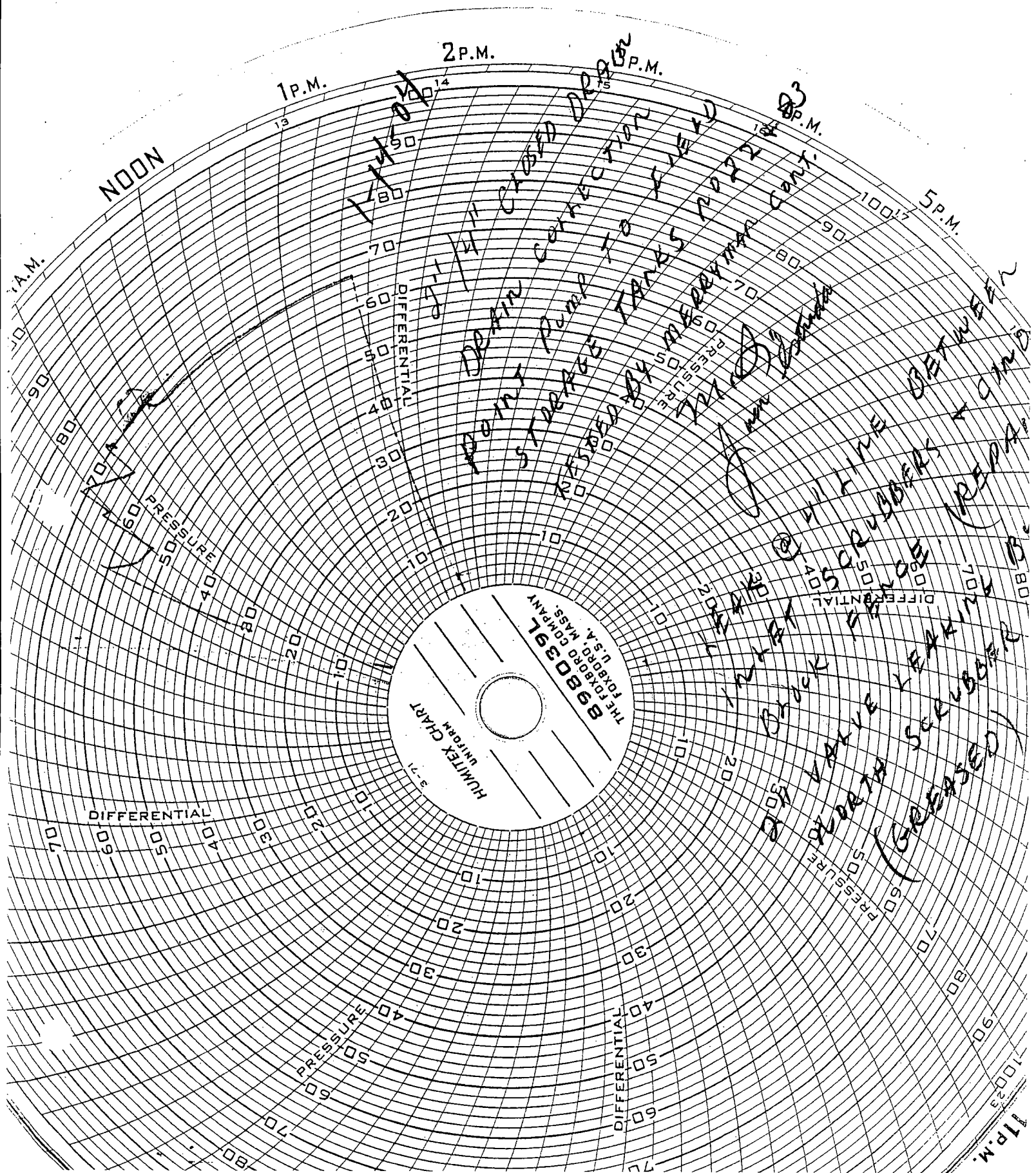
PROPOSED PUBLICATION

Following NMOCD review and acceptance, we propose publish this notice in English and Spanish, in a 3" by 4" display advertisement in the local newspaper, the Hobbs Sun. Since this is a renewal Discharge Plan Application, no further postings or notices are required.

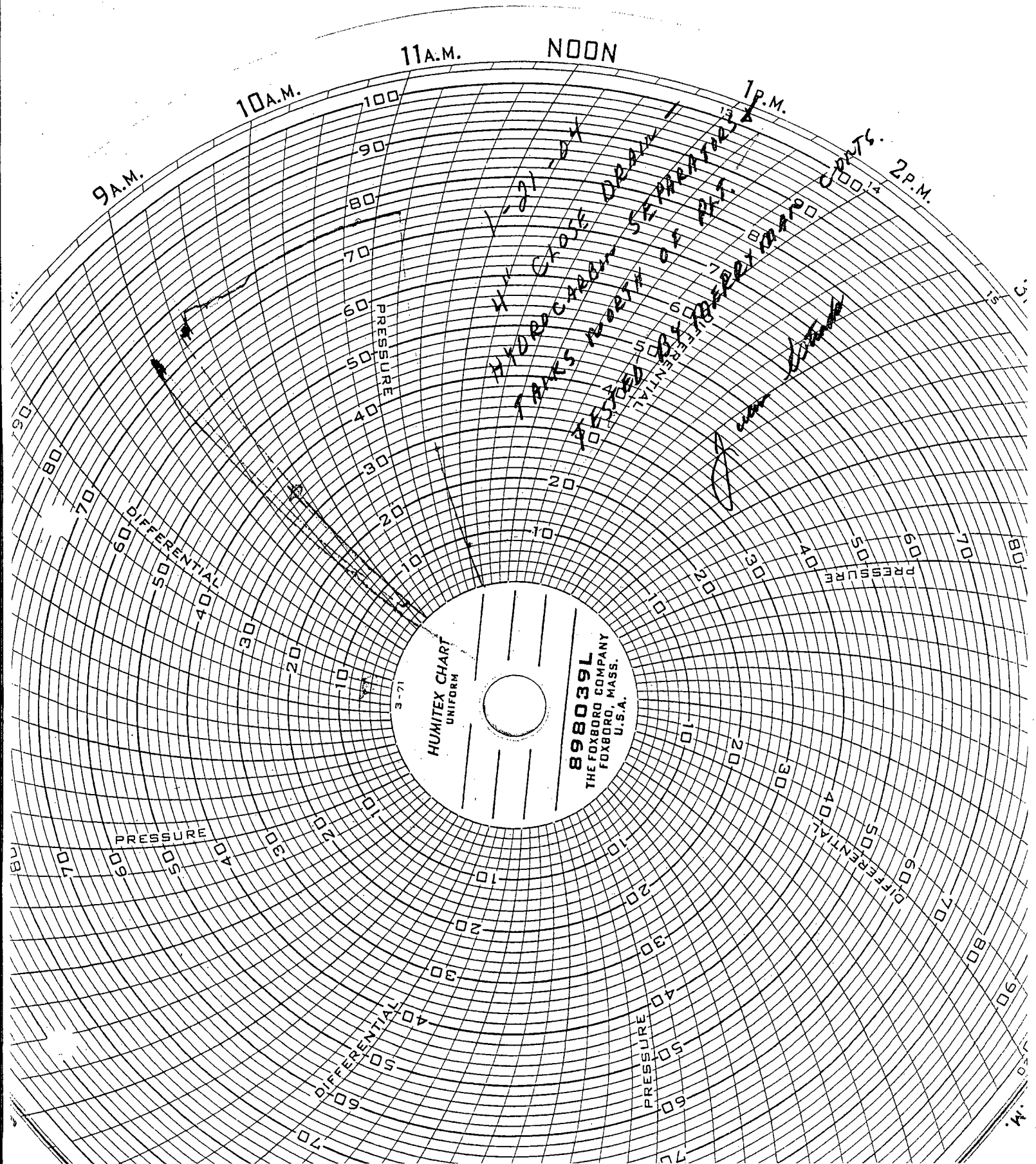
ATTACHMENT A

**LOCATIONS OF TESTED SEGMENTS AND TEST CHARTS, SOUTHERN
UNION GAS SERVICES JAL #4 COMPRESSOR STATION (GW-107)**

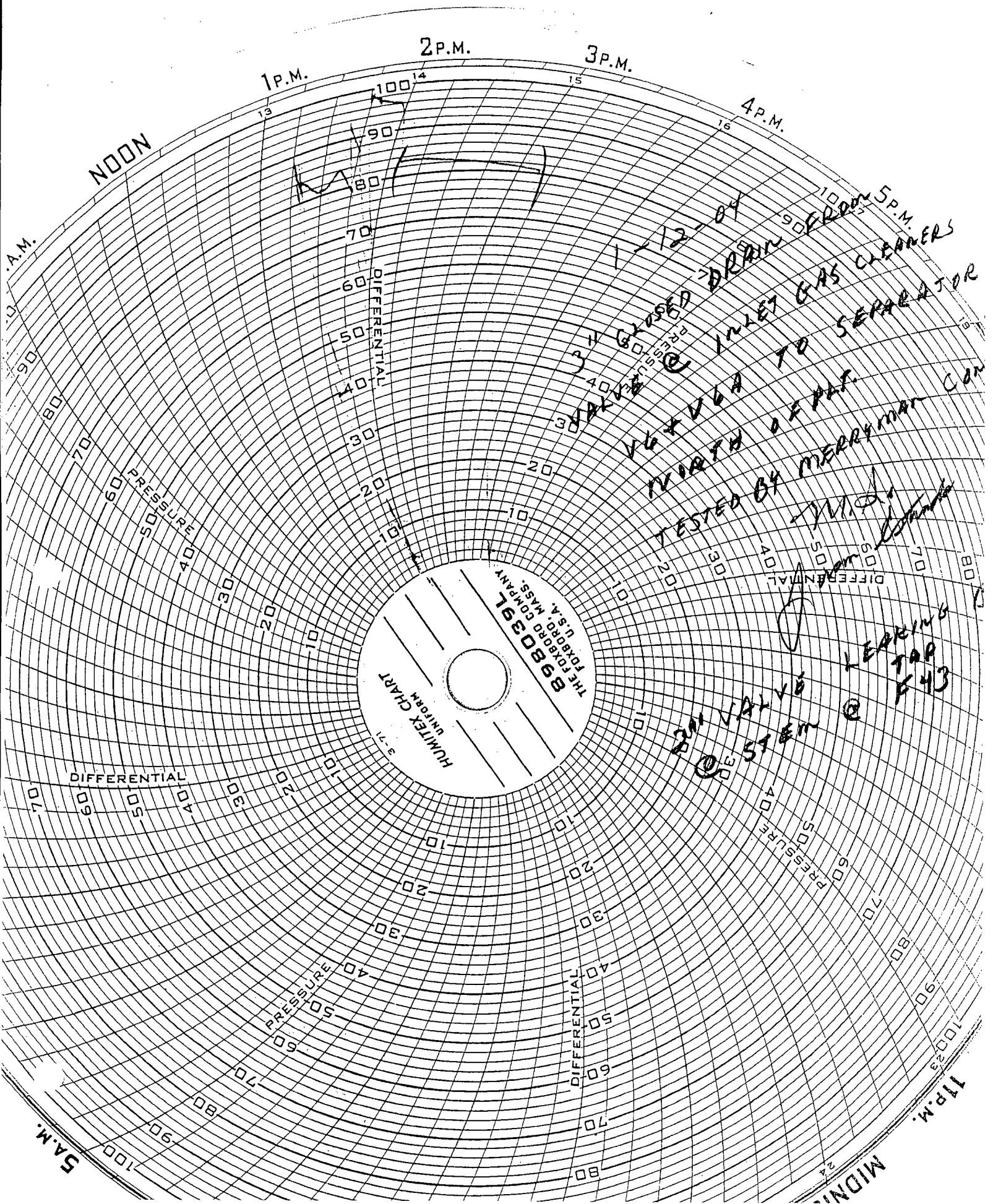
SEGMENT A



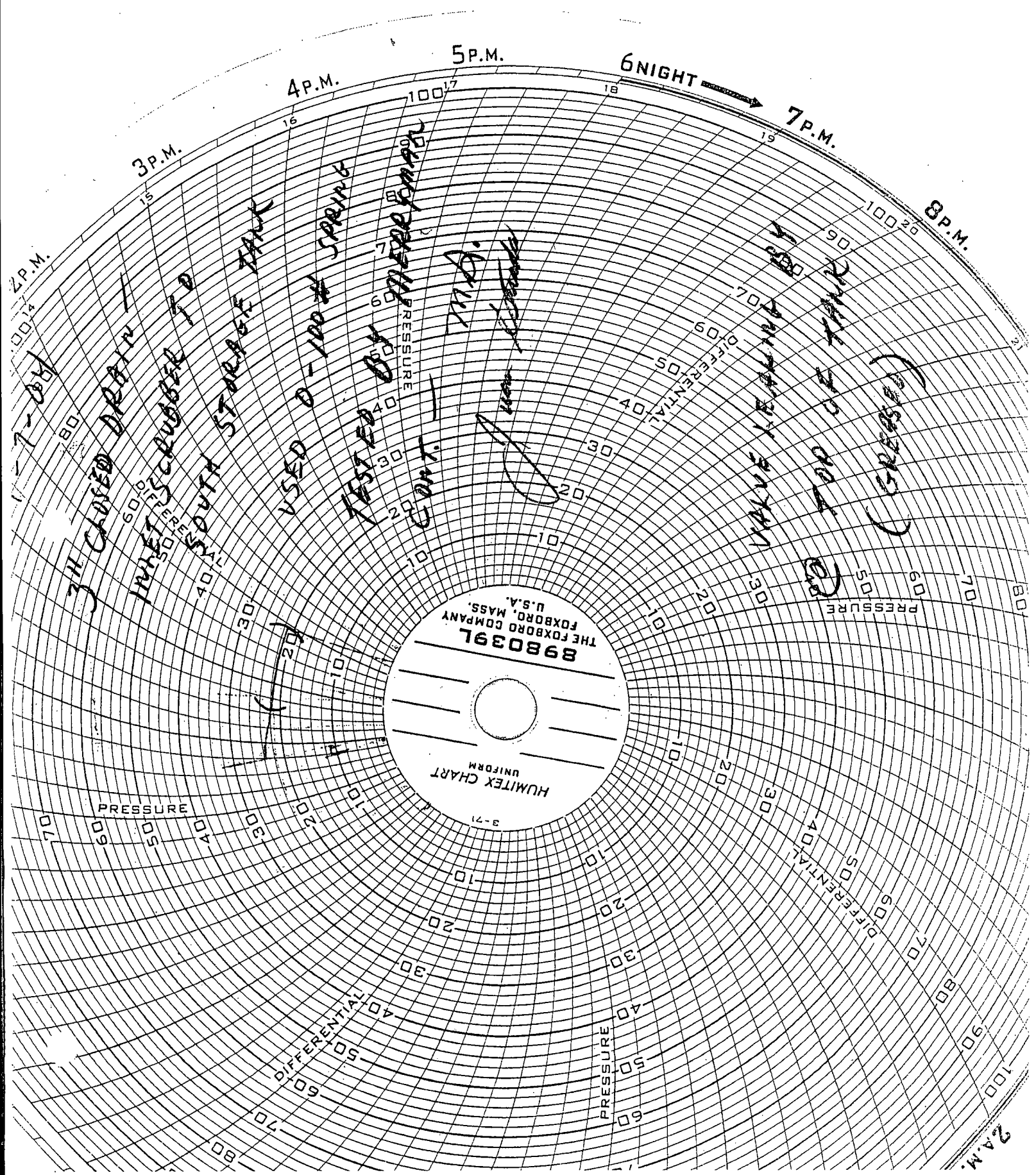
SEGMENT B



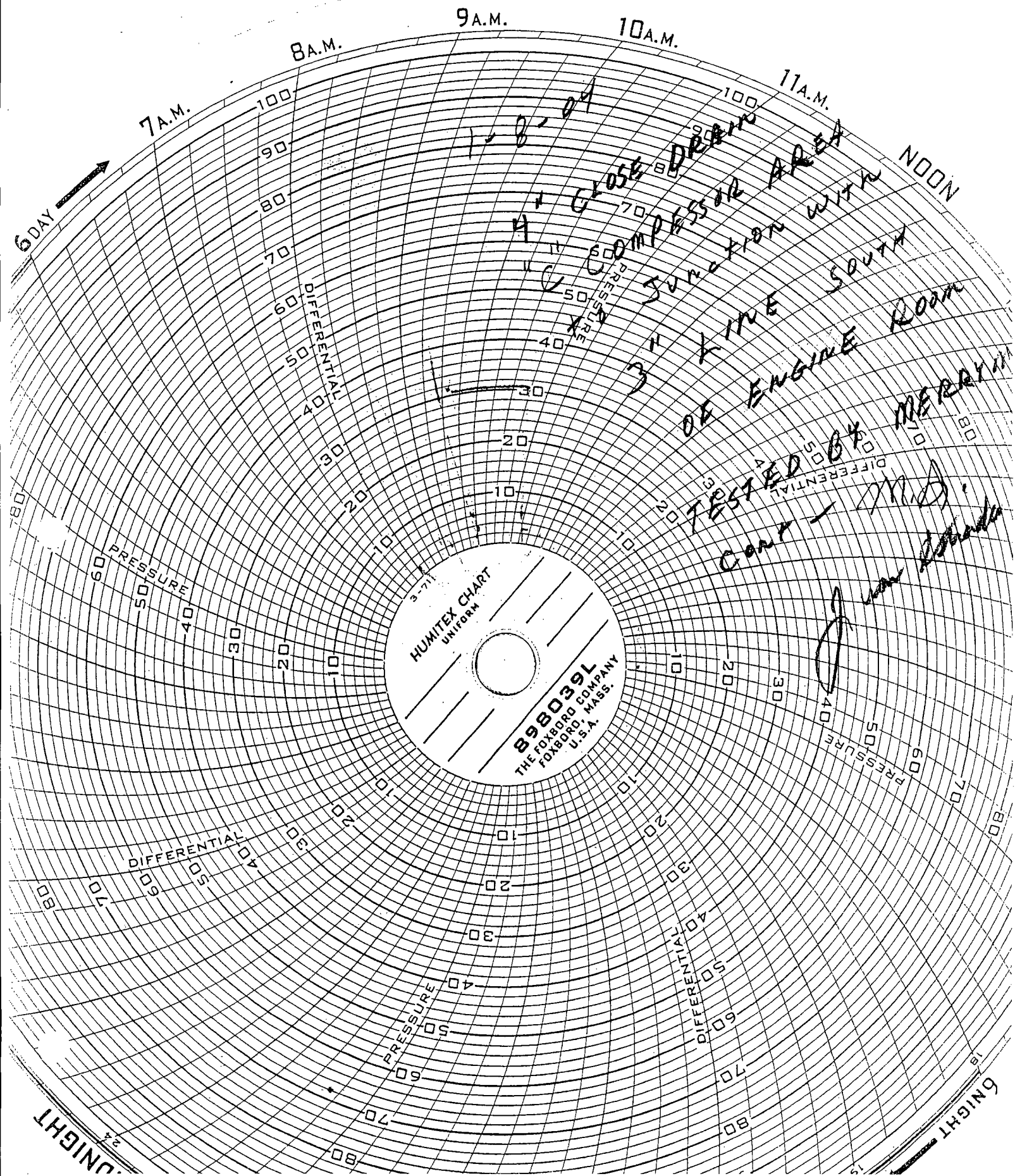
SEGMENT C



SEGMENT D



SEGMENT E



Lowe, Leonard, EMNRD

From: Lowe, Leonard, EMNRD
Sent: Monday, July 07, 2008 4:14 PM
To: 'James C. Hunter, RG'
Cc: Alberto A. Gutierrez, RG; Savoie, Tony
Subject: RE: GW-107 Questions

Mr. James,

- 1) RESPONSE: I have reviewed your submitted Public Notice. It abides to the WQCC requirements except that you're missing "*A brief description of the activities that produce the discharge described in the application*" in the notice. You have the information in your application; you just need to place it in the notice. Please add, and then publish.
- 2) RESPONSE: Please clarify the last hydrostatic testing results conducted in 2004. The OCD needs to ensure that no lines were breached and have been idle since the facility was operating. If SUG can not verify that the last results were in good standings then the OCD shall require that the lines be tested immediately.
- 3) RESPONSE: I need address all letters to someone within the responsible party, Southern Union Gas. The contractor is not the responsible party for this discharge permit. I understand questions may be conducted through the contractor but all responsibility is with the owner/operator, so it's either, Mr. Williams, or Mr. Savoie. Please clarify.

llowe

From: James C. Hunter, RG [mailto:jch@geolex.com]
Sent: Monday, July 07, 2008 3:47 PM
To: Lowe, Leonard, EMNRD
Cc: Alberto A. Gutierrez, RG; Savoie, Tony
Subject: Re: GW-107 Questions

Mr. Leonard:

I have received you comments and are reviewing the information in order to provide you with a complete response.

- 1) As we discussed today, the proper version of the notices in Appendix D is found in the end of the document. A prior draft of Appendix D was bound into the copy sent to you by a printing error. As you requested, a copy of the corrected Appendix D (with your name and telephone number as the NMOCD contact) is attached.
- 2) The drain testing information is, to my best knowledge, the only documentation available from SUGS's files. I will be in Jal this week to meet with SUGS's management, and will discuss you concerns with the personnel at the Jal #4 plant and try to find any additional information. I will review the charts with their engineers and develop a narrative to explain the charts. Due to the "standby" status of Jal #4, the current plan is to inspect and test all drains and other equipment prior to any re-start of the plant. Given the complexity of the plant, any re-start operations would take several weeks, and NMOCD will be notified well in advance of any testing or other operations. As we discussed, additional drain testing will only trigger the 5-year clock if the plant is returned to operation.
- 3) Mr. Williams is the Vice President of Operations and should also be cc'd on correspondence, but please contact me and/or Mr. Gutierrez regarding technical issues.

Thank you,

8/5/2008

James C. Hunter, R.G.

----- Original Message -----

From: Lowe, Leonard, EMNRD

To: Alberto A. Gutierrez, RG

Cc: James C. Hunter, RG ; Savoie, Tony

Sent: Monday, July 07, 2008 1:54 PM

Subject: GW-107 Questions

Mr. Gutierrez,

I am reviewing the application for GW-107, Jal #4 Compressor Station. I have a few questions.

1. I noticed that there are TWO APPENDIX D's, Public Notices sections. Which one do you want to "officially" submit to the OCD for review? They are both incorrect. Please send me a copy of the intended notice for review so that I may respond accordingly.
2. The submitted drain testing: are there additional information on the line testing conducted in 2004? A concise table of testing? The charts submitted are a bit unclear. When do you expect to conduct the 5 year test?
3. Whom do I address all letters and questions to? Bruce Williams?

llowe

Leonard Lowe

Environmental Engineer

Oil Conservation Division/EMNRD

1220 S. St. Francis Drive

Santa Fe, N.M. 87505

Office: 505-476-3492

Fax: 505-476-3462

E-mail: leonard.lowe@state.nm.us

Website: <http://www.emnrd.state.nm.us/ocd/>

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8/5/2008