

GW - 42

INSPECTIONS & DATA



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

May 21, 1997

CERTIFIED MAIL

RETURN RECEIPT NO. P-410-431-391

Mr. Scott Seeby
GPM Gas Corp.
4044 Penbrook
Odessa, Texas 79762

**RE: Renewal Inspection
Discharge Plan GW-042
GPM "Indian Hills" Gas Plant**

Dear Mr. Seeby:

The New Mexico Oil Conservation Division (OCD) has completed this inspection report as part of the permit renewal process for discharge plan GW-042. The following OCD staff members were present during the renewal inspection on Wednesday April 9, 1997 - Mr. Bryan Arrant and Mr. Patricio Sanchez. The purpose of this report is to provide GPM with the information that is needed to comply with the terms and conditions of GW-042 as this permit will expire on July 20, 1997. However, it will be GPM's responsibility to comply with the terms and conditions of GW-042.

1. GPM will submit a plan to pressure test all below grade lines (waste water) to 3 psig above normal working pressure of the line - see OCD "Discharge Plan Guidelines, Revised 12-95" page 9. **The testing plan must be approved by the Santa Fe OCD office.** Any below grade sump or tank that is found not to have integrity shall be reported to the Santa Fe OCD office with a proposed corrective action plan to repair the sump or below grade tank and identify possible contamination.
2. A work plan to investigate the hydrocarbon contamination at the facility burn pit/vent area (see photos number 3 and 4) needs to be proposed by GPM. The plan shall address the nature and vertical as well as horizontal extent of possible contamination so that WQCC Groundwater Standards 20 NMAC 6.2.3103 will not be exceeded.
3. Any non-exempt waste(s) that are generated at the facility such as the "lube oil" contaminated soil and wash down water need to be properly characterized per 40 CFR Part 261. If the wastes are non-hazardous OCD will be the approving agency, if the wastes are hazardous then GPM must notify the NMED, HRMB at (505)-827-1558 for proper guidance in the collection, storage, and disposal of hazardous waste.

Mr. Scott Seeby
GPM "GW-042"
Inspection Report
May 21, 1997
Page 2

4. Any tanks and sumps that contain wastes need to be cleaned and emptied and mechanical integrity for each confirmed. Any below grade sump or tank that is found not to have integrity shall be reported to the Santa Fe OCD office with a proposed corrective action plan to repair the sump or below grade tank and identify possible contamination.

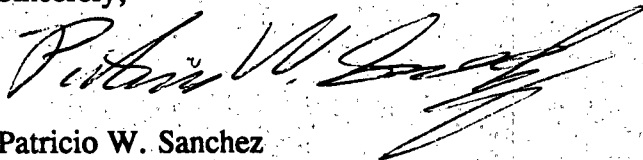
Note: Only Exploration and Production wastes that "Exempt from RCRA Subtitle C" may be disposed of in Class II UIC Salt Water Disposal wells.

Since this permit will expire in July of 1997 GPM may address the above mentioned issues as part of the renewal for GW-042.

Note: OCD has received the permit renewal application dated May 1, 1997. Consider the comments of this inspection report as part of OCD's review of the renewal application.

If GPM any questions with regards to this inspection report feel free to contact me at (505)-827-7156.

Sincerely,



Patricio W. Sanchez
Petroleum Engineering Specialist
Environmental Bureau - OCD

(Enclosure - Photographs taken on April 9, 1997 by the OCD of the "Indian Hills" facility.)

c: OCD Artesia District

P 410 431 391

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GPM "INDIAN HILLS" GW-042
(PHOTOS BY OCD)



PHOTO NO. 1

DATE: 4/09 /97



PHOTO NO. 2

DATE: 4/09 /97

GPM "INDIAN HILLS" GW-042
(PHOTOS BY OCD)

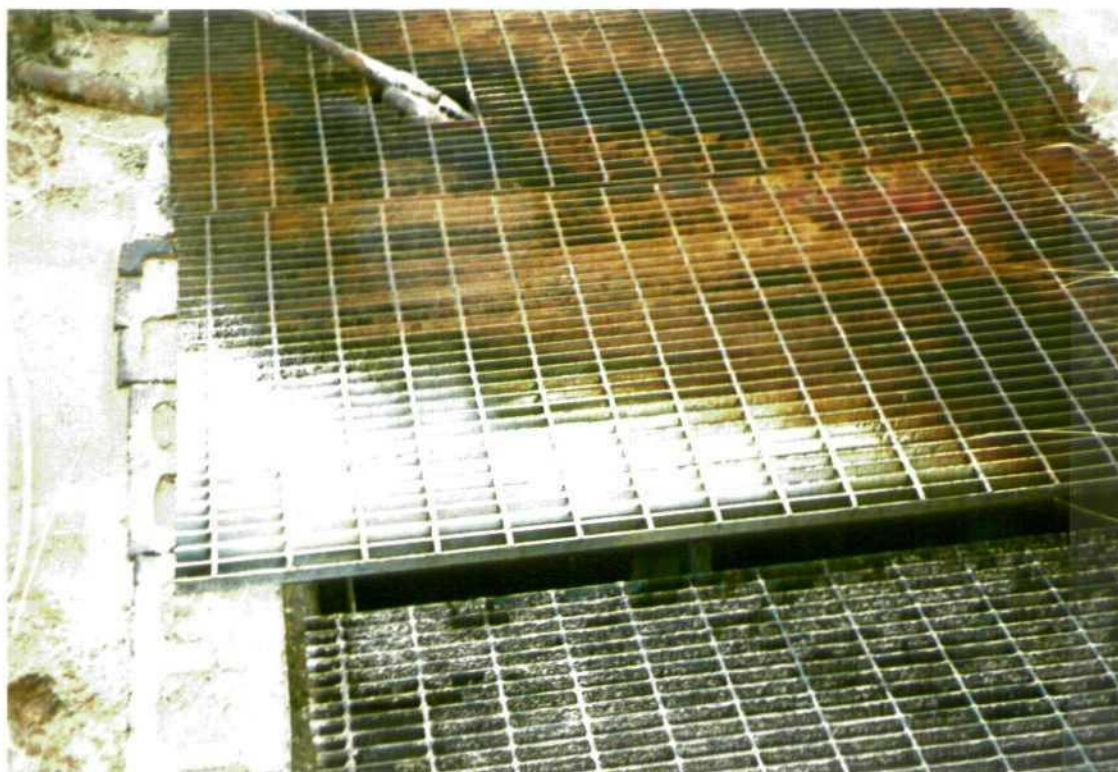


PHOTO NO. 3

DATE: 4/09 /97



PHOTO NO. 4

DATE: 4/09 /97

GPM "INDIAN HILLS" GW-042
(PHOTOS BY OCD)



PHOTO NO. 5

DATE: 4/09 /97