

GW - 5L

INSPECTIONS & DATA

OCD ENVIRONMENTAL BUREAU

SITE INSPECTION SHEET

DATE: 5/25/04 Time: 13:24

Type of Facility: Refinery ☐ Gas Plant ☒ Compressor St. ☐ Brine St. ☐ Oilfield Service Co. ☐
Surface Waste Mgt. Facility ☐ E&P Site ☐ Crude Oil Pump Station ☐
Other ☐ _____

Discharge Plan: No ☐ Yes ☒ DP# GW-051

FACILITY NAME: DUKE - VAL VERDE GAS PROCESSING PLANT 600 MCF/D

PHYSICAL LOCATION: _____

Legal: QTR _____ QTR _____ Sec _____ TS _____ R _____ County _____

OWNER/OPERATOR (NAME) DUKE ENERGY

Contact Person: BLAIR ARMSTRONG Tele:# 505-632-6462 x 962

MAILING

ADDRESS: _____ State _____ ZIP _____

Owner/Operator Rep's: _____

OCD INSPECTORS: 2 PRICE, 5 FORD

1. Drum Storage: All drums containing materials other than fresh water must be stored on an impermeable pad with curbing. All empty drums will be stored on their sides with the bungs in and lined up on a horizontal plane. Chemicals in other containers such as sacks or buckets will also be stored on an impermeable pad and curb type containment.

OK

2. Process Areas: All process and maintenance areas which show evidence that leaks and spills are reaching the ground surface must be either paved and curbed or have some type of spill collection device incorporated into the design.

OK - RECENT MAINTENANCE HAS CAUSED SOME CONCRETE
PAD & CURB HAS FLUID - SEE PICTURES

3. Above Ground Tanks: All above ground tanks which contain fluids other than fresh water must be bermed to contain a volume of one-third more than the total volume of the largest tank or of all interconnected tanks. All new tanks or existing tanks that undergo a major modification, as determined by the Division, must be placed within an impermeable bermed enclosure.

OK

4. Above Ground Saddle Tanks: Above ground saddle tanks must have impermeable pad and curb type containment unless they contain fresh water or fluids that are gases at atmospheric temperature and pressure.

OK

5. Labeling: All tanks, drums and containers will be clearly labeled to identify their contents and other emergency notification information.

OK

6. Below Grade Tanks/Sumps: All below grade tanks, sumps, and pits must be approved by the OCD prior to installation or upon modification and must incorporate secondary containment and leak-detection into the design. All pre-existing sumps and below-grade tanks must demonstrate integrity on an annual basis. Integrity tests include pressure testing to 3 pounds per square inch above normal operating pressure and/or visual inspection of cleaned out tanks and/or sumps, or other OCD approved methods. The OCD will be notified at least 72 hours prior to all testing.

2- YES - BOTH HAVE SECONDARY CONTAINMENT

NO POUNDS OR PITS

TRAIN #8 SOAP HAS FLUM IN SECONDARY CONTAINMENT

7. Underground Process/Wastewater Lines: All underground process/wastewater pipelines must be tested to demonstrate their mechanical integrity at present and then every 5 years thereafter, or prior to discharge plan renewal. The permittee may propose various methods for testing such as pressure testing to 3 pounds per square inch above normal operating pressure or other means acceptable to the OCD. The OCD will be notified at least 72 hours prior to all testing.

OK

8. Onsite/Offsite Waste Disposal and Storage Practices: Are all wastes properly characterized and disposed of correctly? Does the facility have an EPA hazardous waste number? Yes ☒ No ☐

ARE ALL WASTE CHARACTERIZED AND DISPOSED OF PROPERLY? YES ☒ NO ☐ IF NO DETAIL BELOW.

9. Class V Wells: Leach fields and other wastewater disposal systems at OCD regulated facilities which inject non-hazardous fluid into or above an underground source of drinking water are considered Class V injection wells under the EPA UIC program. All Class V wells that inject non-hazardous industrial wastes or a mixture of industrial wastes and domestic wastes will be closed unless it can be demonstrated that groundwater will not be impacted in the reasonably foreseeable future. Closure of Class V wells must be in accordance with a plan approved by the Division's Santa Fe Office. The OCD allows industry to submit closure plans which are protective of human health, the environment and groundwater as defined by the WQCC, and are cost effective. Class V wells that inject domestic waste only must be permitted by the New Mexico Environment Department.

ANY CLASS V WELLS NO ☒ YES ☐ IF YES DESCRIBE BELOW! Undetermined ☐

10. Housekeeping: All systems designed for spill collection/prevention will be inspected weekly and after each storm event to ensure proper operation and to prevent overtopping or system failure. A record of inspections will be retained on site for a period of five years.

EXCELLANT

11. Spill Reporting: All spills/releases will be reported pursuant to OCD Rule 116 and WQCC 1203 to the proper OCD District Office.

12. Does the facility have any other potential environmental concerns/issues?

NO MW'S

13. Does the facility have any other environmental permits - i.e. SPCC, Stormwater Plan, etc.?

(SPCC - YES)

(NO STORMWATER PLAN -) NOT REQUIRED

14. ANY WATER WELLS ON SITE? NO ☒ YES ☐ IF YES, HOW IS IT BEING USED?

Miscellaneous Comments:

PERMIT WILL BE REQUIRED AT THIS TIME

Number of Photos taken at this site: _____
attachments-



Main process area looking south.



One of two main below grade tanks with secondary containment.



Process units with Amine and water standing in the pad and curb area.



Steam and wash off pad with single line sump. Sump had standing fluids.



Tank Farm. Tanks have concrete pads under each tank. They are setting on a compacted area.



Another process unit. Process unit with Amine and water standing in the pad and curb area.



South of plant. Stormwater retaining area.



Looking north main plant area.



Main process area looking south.



One of two main below grade tanks with secondary containment.



Process units with Amine and water standing in the pad and curb area.



Steam and wash off pad with single line sump. Sump had standing fluids.



Tank Farm. Tanks have concrete pads under each tank. They are setting on a compacted area.



Another process unit. Process unit with Amine and water standing in the pad and curb area.



South of plant. Stormwater retaining area.



Looking north main plant area.



Main process area looking south.



One of two main below grade tanks with secondary containment.



Process units with Amine and water standing in the pad and curb area.



Steam and wash off pad with single line sump. Sump had standing fluids.



Tank Farm. Tanks have concrete pads under each tank. They are setting on a compacted area.



Another process unit. Process unit with Amine and water standing in the pad and curb area.



South of plant. Stormwater retaining area.



Looking north main plant area.

OIL CONSERVATION DIV.

02 JUL -5 PM 1:58

Duke Energy Field Services
P.O. Box 5493
Denver, Colorado 80217
370 17th Street, Suite 900
Denver, Colorado 80202
303/595-3331

July 1, 2002

CERTIFIED MAIL
RETURN RECEIPT

Electronic Delivery July 1, 2002

Mr. Wayne Price
New Mexico Energy, Minerals
& Natural Resources Department
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, NM 87505

Subject: Change in Ownership
Val Verde System

Dear Mr. Price:

On behalf of Val Verde Gas Gathering Company, LP, Duke Energy Field Services, LP (DEFS) is submitting notification of a change in ownership of 14 facilities in Rio Arriba and San Juan Counties, New Mexico. Effective July 1, 2002, Val Verde Gas Gathering Company, LP is the new owner of the facilities identified in the attached list. The attachment lists the facility name, discharge plan number and legal location.

DEFS will be operating the facilities identified in the attached lists. Therefore, DEFS requests the transfer of the discharge plans identified in the attached list to Duke Energy Field Services, LP.

DEFS will comply with the terms and conditions of the previously approved discharge plans submitted by Burlington Resources Gathering, Inc.

If you have any questions regarding this transfer of ownership and/or the discharge plans, please call me at (303) 605-1717.

Sincerely,
Duke Energy Field Services, LP



Karin Char
Environmental Specialist

Attachment

cc: NMOCD District 3 Office (hard copy)
1000 Rio Brazos Road
Aztec, NM 87410

Notification of Change in Ownership
Val Verde System
Effective July 1, 2002

Facility/Project	Plan Number	Location Sec-Township-Range	County/State
Arch Rock Compressor Station	GW-183	14 - T31N - R10W	San Juan / New Mexico
Buena Vista - Compressor Station	GW-255	13 - T30N - R9W	San Juan / New Mexico
Cedar Hill Compressor Station	GW-258	29 - T32N - R10W	San Juan / New Mexico
Frances Mesa Compressor Station	GW-194	27 - T30N - R7W	Rio Arriba / New Mexico
Gobernador Compressor Station	GW-056	31 - T30N - R7W	Rio Arriba / New Mexico
Manzanares Compressor Station	GW-059	4 - T29N - R8W	San Juan / New Mexico
Hart Canyon Compressor Station	GW-058	20 - T31N - R10W	San Juan / New Mexico
Middle Mesa Compressor Station	GW-077	10 - T31N - R7W	San Juan / New Mexico
Pump Canyon Compressor Station	GW-057	24 - T30N - R9W	San Juan / New Mexico
Pump Mesa Compressor Station	GW-148	14 - T31N - R8W	San Juan / New Mexico
Quinn Compressor Station	GW-239	16 - T31N - R8W	San Juan / New Mexico
Sandstone Compressor Station	GW-193	32 - T31N - R8W	San Juan / New Mexico
Sims Mesa Compressor Station	GW-146	22 - T30N - R7W	Rio Arriba / New Mexico
Val Verde Gas Handling Facility	GW-51	14 - T29N - R11W	San Juan / New Mexico



RECEIVED

OCT 02 2003

OIL CONSERVATION
DIVISION

DUKE ENERGY FIELD SERVICES
370 17th Street
Suite 900
Denver, CO 80202
303 595 3331

September 29, 2003

CERTIFIED MAIL

RETURN RECEIPT REQUESTED (Article No. 7002 2030 0006 2471 1650)

Mr. Roger Anderson
New Mexico Energy, Minerals
& Natural Resources Department
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, NM 87505

Subject: Val Verde Gas Processing Plant
Discharge Plan GW-51
San Juan County, New Mexico

Dear Mr. Anderson:

As you will recall from our previous discussions, Duke Energy Field Services, LP (DEFS) requests cancellation or termination of the discharge plan for the Val Verde Gas Processing Plant, located in San Juan County, on the grounds that the Water Quality Control Commission (WQCC) regulations do not require such a plan for this facility.

The purpose of the WQCC regulations at NMAC 20.6.2.3101 et seq. is to protect surface and ground water in the State of New Mexico by controlling discharges of water contaminants onto or below the surface of the ground. These regulations, at 20.6.2.3104, prohibit discharges of effluent or leachate unless such discharges are made pursuant to a permit and are consistent with the terms of that permit. In particular, a person intending to discharge any water contaminant or toxic pollutant so that it may move directly or indirectly into ground water must submit a discharge plan to the WQCC and obtain a permit allowing the proposed discharge. NMAC 20.6.2.3106B.

There are no discharges of effluent, leachate, water contaminants, or toxic pollutants at the Val Verde Gas Processing Plant, nor are any such discharges planned or intended. All wastes generated at this facility are disposed of offsite and in compliance with applicable regulations, either by DEFS or by third parties who have contracted with DEFS to perform such services. A Spill Prevention Control and Countermeasures Plan for the facility has been developed to ensure that accidental spills do not result in discharges to groundwater. Under these circumstances, the WQCC regulations do not require a discharge permit or plan. DEFS believes that the original discharge plan submitted for the Val Verde Plant was erroneously prepared on the basis of a misunderstanding of the regulations. DEFS desires to correct this error, rather than continuing to maintain a discharge plan for a facility where there are no discharges within the meaning of the regulations. Therefore, DEFS requests that the New Mexico Oil Conservation Division (NMOCD) cancel Discharge Plan GW-15.

DEFS would be happy to provide additional information about the Val Verde Gas Processing Plant, if such information would assist NMOCD in reviewing this matter. If you have any questions concerning DEFS' position or the request to cancel the discharge plan, please contact me at (303) 605-1717.

Sincerely,
Duke Energy Field Services, LP

Karin Kimura
Senior Environmental Specialist

720-635-9960

cc: NMOCD District 3 Office (Certified Mail Return Receipt Requested Article No. 7002 2030 0006 2471 1667)
1000 Rio Brazos Road
Aztec, New Mexico 87410

OCD ENVIRONMENTAL BUREAU

SITE INSPECTION SHEET

DATE: 5/25/04 Time: 13:24

Type of Facility: Refinery ☐ Gas Plant ☒ Compressor St. ☐ Brine St. ☐ Oilfield Service Co. ☐
Surface Waste Mgt. Facility ☐ E&P Site ☐ Crude Oil Pump Station ☐
Other ☐ _____

Discharge Plan: No ☐ Yes ☒ DP# GW-051

FACILITY NAME: DUKE - VAL VERDE GAS PROCESSING PLANT 600 MMSF/D

PHYSICAL LOCATION: _____

Legal: QTR _____ QTR _____ Sec _____ TS _____ R _____ County _____

OWNER/OPERATOR (NAME) DUKE ENERGY

Contact Person: BLAIR ARMSTRONG Tele:# 505-632-6462 x 962

MAILING

ADDRESS: _____ State _____ ZIP _____

Owner/Operator Rep's: _____

OCD INSPECTORS: 2 PRICE, J FORD

1. **Drum Storage:** All drums containing materials other than fresh water must be stored on an impermeable pad with curbing. All empty drums will be stored on their sides with the bungs in and lined up on a horizontal plane. Chemicals in other containers such as sacks or buckets will also be stored on an impermeable pad and curb type containment.

OK

2. **Process Areas:** All process and maintenance areas which show evidence that leaks and spills are reaching the ground surface must be either paved and curbed or have some type of spill collection device incorporated into the design.

OK - RECENT MAINTENANCE HAS CAUSED SOME CONCRETE
PAD & CURB HAS FLUID - SEE PICTURES

3. **Above Ground Tanks:** All above ground tanks which contain fluids other than fresh water must be bermed to contain a volume of one-third more than the total volume of the largest tank or of all interconnected tanks. All new tanks or existing tanks that undergo a major modification, as determined by the Division, must be placed within an impermeable bermed enclosure.

OK

4. Above Ground Saddle Tanks: Above ground saddle tanks must have impermeable pad and curb type containment unless they contain fresh water or fluids that are gases at atmospheric temperature and pressure.

OK

5. Labeling: All tanks, drums and containers will be clearly labeled to identify their contents and other emergency notification information.

OK

6. Below Grade Tanks/Sumps: All below grade tanks, sumps, and pits must be approved by the OCD prior to installation or upon modification and must incorporate secondary containment and leak-detection into the design. All pre-existing sumps and below-grade tanks must demonstrate integrity on an annual basis. Integrity tests include pressure testing to 3 pounds per square inch above normal operating pressure and/or visual inspection of cleaned out tanks and/or sumps, or other OCD approved methods. The OCD will be notified at least 72 hours prior to all testing.

2 - YES - BOTH HAVE SECONDARY CONTAINMENT

NO PONDS OR PITS

TRAIN #8 SOAP HAS FLUM IN SECONDARY CONTAINMENT

7. Underground Process/Wastewater Lines: All underground process/wastewater pipelines must be tested to demonstrate their mechanical integrity at present and then every 5 years thereafter, or prior to discharge plan renewal. The permittee may propose various methods for testing such as pressure testing to 3 pounds per square inch above normal operating pressure or other means acceptable to the OCD. The OCD will be notified at least 72 hours prior to all testing.

OK

8. Onsite/Offsite Waste Disposal and Storage Practices: Are all wastes properly characterized and disposed of correctly? Does the facility have an EPA hazardous waste number? Yes No

ARE ALL WASTE CHARACTERIZED AND DISPOSED OF PROPERLY? YES ☒ NO ☐ IF NO DETAIL BELOW.

9. Class V Wells: Leach fields and other wastewater disposal systems at OCD regulated facilities which inject non-hazardous fluid into or above an underground source of drinking water are considered Class V injection wells under the EPA UIC program. All Class V wells that inject non-hazardous industrial wastes or a mixture of industrial wastes and domestic wastes will be closed unless it can be demonstrated that groundwater will not be impacted in the reasonably foreseeable future. Closure of Class V wells must be in accordance with a plan approved by the Division's Santa Fe Office. The OCD allows industry to submit closure plans which are protective of human health, the environment and groundwater as defined by the WQCC, and are cost effective. Class V wells that inject domestic waste only must be permitted by the New Mexico Environment Department.

ANY CLASS V WELLS NO ☒ YES ☐ IF YES DESCRIBE BELOW! Undetermined ☐

10. Housekeeping: All systems designed for spill collection/prevention will be inspected weekly and after each storm event to ensure proper operation and to prevent overtopping or system failure. A record of inspections will be retained on site for a period of five years.

EXCELLANT

11. Spill Reporting: All spills/releases will be reported pursuant to OCD Rule 116 and WQCC 1203 to the proper OCD District Office.

N.A.

12. Does the facility have any other potential environmental concerns/issues?

NO MW'S

13. Does the facility have any other environmental permits - i.e. SPCC, Stormwater Plan, etc.?

(SPCC - YES)

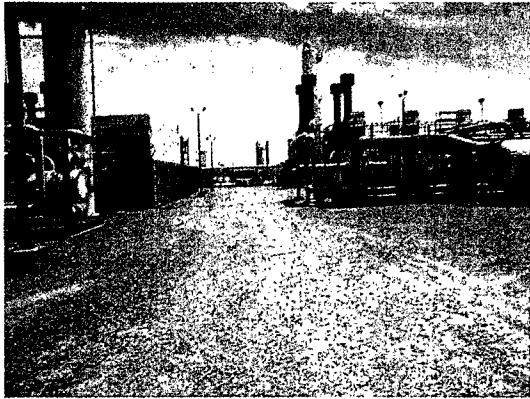
(NO STORMWATER PLAN -) NOT REQUIRED

14. ANY WATER WELLS ON SITE? NO ☒ YES ☐ IF YES, HOW IS IT BEING USED?

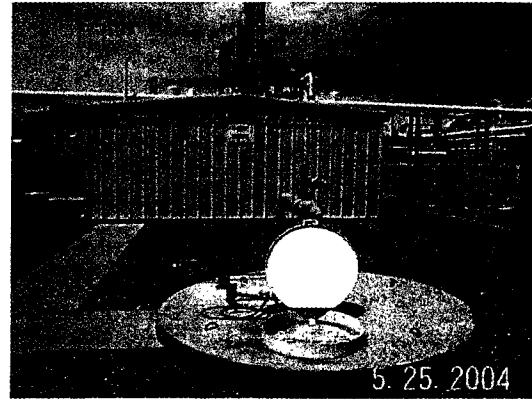
Miscellaneous Comments:

PERMIT WILL BE REQUIRED AT THIS TIME

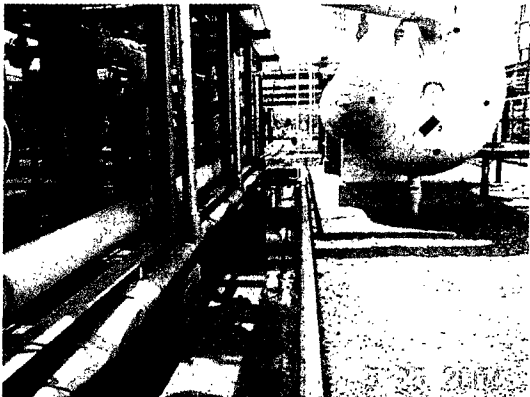
Number of Photos taken at this site: _____
attachments-



Main process area looking south.



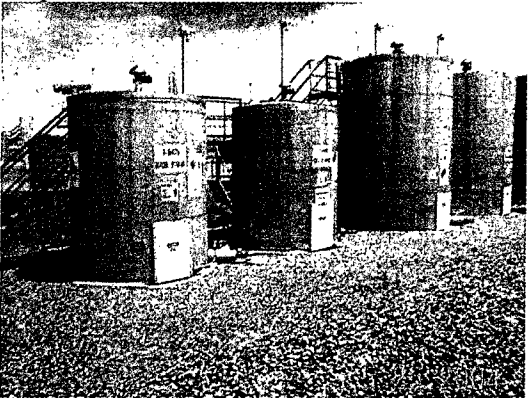
One of two main below grade tanks with secondary containment.



Process units with Amine and water standing in the pad and curb area.



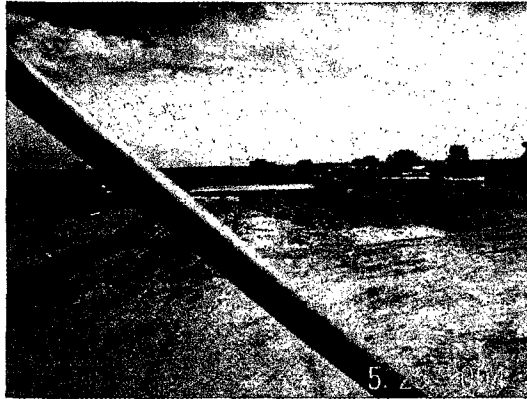
Steam and wash off pad with single line sump. Sump had standing fluids.



Tank Farm. Tanks have concrete pads under each tank. They are setting on a compacted area.



Another process unit. Process unit with Amine and water standing in the pad and curb area.



South of plant. Stormwater retaining area.



Looking north main plant area.

May 28, 2004

UPS Next Day Air (Tracking Number 1Z F46 915 22 1003 481 6)

Mr. Roger Anderson
New Mexico Energy, Minerals
& Natural Resources Department
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, NM 87505

Subject: Val Verde Gas Processing Plant
Discharge Plan GW-051
San Juan County, New Mexico

Dear Mr. Anderson:

As you will recall, Duke Energy Field Services, LP (DEFS) has requested cancellation or termination of the discharge plan GW-051 for the Val Verde Gas Processing Plant, located in San Juan County, on the grounds that the Water Quality Control Commission (WQCC) regulations do not require such a plan for this facility. DEFS submitted its written request on September 29, 2003, but has not yet received a response from the New Mexico Oil Conservation Division (NMOCD). Because the current discharge plan for the Val Verde Plant will expire on September 17, 2004, and the regulations require submittal of renewal applications at least 120 days in advance of expiration, DEFS is submitting a renewal application for this discharge plan even though DEFS continues to believe that it is not required to have such a plan for the Val Verde Gas Processing Plant.

NMOCD's representatives have advised DEFS to submit the renewal application pending the determination of NMOCD's legal counsel as to whether a discharge plan is required for the Val Verde Gas Processing Plant, and have stated that the NMOCD will place this renewal application on hold pending such a determination. DEFS will therefore wait for further instructions from NMOCD before fulfilling its public notice requirements for the Val Verde Gas Processing Plant Discharge Plan renewal.

The following enclosed items are hereby submitted for the Val Verde Gas Processing Plant:

- Discharge plan renewal application (original and a copy);
- Check in the amount of \$100 for the discharge plan renewal application filing fee.

Please note that DEFS' submittal of the renewal application and application filing fee does not constitute a withdrawal of DEFS' request for cancellation or termination of the discharge plan for this facility, nor does it signify that DEFS has conceded the applicability of the WQCC regulations.



Mr. Roger Anderson
Page 2 of 2.
May 28, 2004

DEFS would be happy to provide additional information about the Val Verde Gas Processing Plant, if such information would assist NMOCD in reviewing the request for cancellation or termination. If you have any questions concerning DEFS' position or the enclosed renewal application materials, please contact me at (303) 605-1717.

Sincerely,
Duke Energy Field Services, LP

A handwritten signature in black ink, appearing to read 'Karin Kimura'.

Karin Kimura
Senior Environmental Specialist

Enclosures

cc: NMOCD District 3 Office (*UPS Next Day Air Tracking Number 1Z F46 915 22 1003 480 7*)
1000 Rio Brazos Road
Aztec, New Mexico 87410



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

June 21, 2004

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

Karin Kimura
Senior Environmental Specialist
Duke Energy Field Services
370 17th Street Suite 900
Denver, Colorado 80202

Re: Val Verde Gas Processing Plant
Discharge Plan GW-051 Renewal Application
San Juan County, New Mexico

Dear Ms. Kimura:

The New Mexico Oil Conservation Division (OCD) is in receipt of Duke Energy Field Services' Discharge Plan renewal application dated May 26, 2004 and \$100 filing fee for the above referenced facility. After reviewing the submittal, OCD has determine the application is deficient in the following areas:

1. Item #5 Facility Description. The plan does not properly describe the on site activities. OCD understands that gas is actually treated on-site. Please provide a site map, process flow diagram and a brief description of each process unit.
2. Item #6 Material Stored or Used. The plan submitted did not list any materials stored on site or how they are stored. Please provide this information.
3. Item #7 Sources and Quantities of Effluent and Waste Solids. The plan listed a number of sources but failed to list quantities. Please provide this information.
4. Item #8 Liquids and Solid Waste Collection/Storage/Disposal. The plan failed to identify the liquid and solid waste collected and stored on-site before disposal. In addition, the plan failed to list where the waste is disposed of. Please provide this information.

In order to issue public notice the application must be administrately complete. OCD has determined the above information is required in order to properly evaluate the application and to issue public notice. Please provide the above information by July 23, 2004. If you have any questions please do not hesitate to contact me at 505-476-3487 or e-mail WPRICE@state.nm.us.

Sincerely;

Wayne Price-Pet. Engr. Spec.

cc: OCD Aztec Office

July 22, 2004

UPS Next Day Air (Tracking Number 1Z F46 915 23 1002 773 3)

Mr. Wayne Price
New Mexico Energy, Minerals
& Natural Resources Department
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, NM 87505

Subject: Val Verde Gas Processing Plant
Discharge Plan GW-051
San Juan County, New Mexico

Dear Mr. Price:

Duke Energy Field Services, LP (DEFS) received the New Mexico Oil Conservation Division's (OCD) letter dated June 21, 2004 requesting information for the Val Verde Plant's discharge plan renewal application dated May 26, 2004. DEFS submitted the renewal application with the understanding that the OCD would stay any proceedings until the application of the WQCC's groundwater regulations was resolved.

DEFS disagrees that the information requested in the letter is required to evaluate the application. As stated in the May 26, 2004 application, the facility does not intend or have a discharge or discharges that may move directly or indirectly into groundwater. DEFS' responses to OCD's specific requests are in *italic text* below.

1. **Item #5 Facility Description.** The plan does not properly describe the on site activities. OCD understands that gas is actually treated on-site. Please provide a site map, process flow diagram and a brief description of each process unit.

There are no activities that result in discharges that may move directly or indirectly into groundwater and DEFS does not intend to have a discharge that may move directly or indirectly into groundwater. A plot plan of the facility was submitted with the May 26, 2004 application. A description of the process units was provided in the previous discharge plan submitted by Burlington Resources on October 5, 2000; no significant changes have been made to the process.

2. **Item #6 Material Stored or Used.** The plan submitted did not list any materials store on site or how they are stored. Please provide this information.

As stated in the May 26, 2004 application, there are no materials stored on site or used that are discharged on site so that they may move directly or indirectly into groundwater.

3. **Item #7 Sources and Quantities of Effluent Waste Solids.** The plan listed a number of sources but failed to list quantities. Please provide this information.

As stated in the May 26, 2004 application, there are no effluents or waste solids that are discharge on site so that they may move directly or indirectly into groundwater. All effluents and waste solids generated at the facility are removed from the facility for off-site disposal in accordance with applicable regulations.



Field Services

Mr. Wayne Price

Page 2 of 2.

July 22, 2004

4. Item #8 Liquids and Solid Waste Collection/Storage/Disposal. The plan failed to identify the liquid and solid waste collected and stored on-site before disposal. In addition, the plan failed to list where the waste is disposed of. Please provide this information.

As stated in the May 26, 2004 application, all liquid and solid wastes are collected and stored in containers for off-site disposal; there are no on-site disposal activities. The facility does not collect and store any liquid or solid wastes on site that result in a discharge that may directly or indirectly move into groundwater. All effluents and waste solids generated at the facility are removed from the facility for off-site disposal in accordance with applicable regulations.

If you have any questions, please call me at (303) 605-1717.

Sincerely,

Duke Energy Field Services, LP

A handwritten signature in black ink, appearing to read 'K. Kimura'.

Karin Kimura

Senior Environmental Specialist

cc: NMOCD District 3 Office (UPS 2nd Day Air Tracking Number 1Z F46 915 37 1002 591 4)
1000 Rio Brazos Road
Aztec, New Mexico 87410



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

August 09, 2004

Ms Karin Kimura
Duke Energy Field Service
370 17th Street Suite 900
Denver, Co 80202

Reference: Val Verde Gas Processing Plant
Discharge Plan GW-051
San Juan County, New Mexico

Subject: Second request for information

Dear Ms Kimura:

The New Mexico Oil Conservation Division (OCD) is in receipt of your response letter dated July 22, 2004. You stated in your letter that "DEFS submitted the renewal application with the understanding that the OCD would stay any proceedings until the application of the WQCC's groundwater regulations was resolved".

Please note that section 20.6.2.3106.F (copy enclosed herein) allows the permit not to expire until the application for renewal has been approved or disapproved. It also states that the application for discharge permit renewal must include and adequately address all of the information necessary for evaluation of a new discharge permit. OCD informed you on June 21, 2004 the application was deficient and requested information so OCD may proceed with the review process.

Your July 22, 2004 letter does not satisfy our request. Therefore please provide the information requested in OCD's letter of June 21, 2004 by October 11, 2004. If you have any questions, please contact Wayne Price of my staff at (505-476-3487) or Email wprice@state.nm.us.

Sincerely,

Wayne Price
Environmental Bureau
Attachment-1

ATTACHMENT:

5.1 of the Water Quality Act.

F. If the holder of a discharge permit submits an application for discharge permit renewal at least 120 days before the discharge permit expires, and the discharger is not in violation of the discharge permit on the date of its expiration, then the existing discharge permit for the same activity shall not expire until the application for renewal has been approved or disapproved. A discharge permit continued under this provision remains fully effective and enforceable. An application for discharge permit renewal must include and adequately address all of the information necessary for evaluation of a new discharge permit. Previously submitted materials may be included by reference provided they are current, readily available to the secretary and sufficiently identified to be retrieved.

[2-18-77, 6-26-80, 7-2-81, 9-20-82, 8-17-91, 12-1-95; 20.6.2.3106 NMAC – Rn, 20 NMAC 6.2.III.3106, 1-15-01; A, 12-1-01; A, 9-15-02]