GW-163

WORK PLANS

2000 - 2002



Mark Bishop **Environmental Specialist** SH&E Services Conoco Gas & Power

Conoco Inc. 921 W. Sanger Hobbs, NM 88240 Phone 505-391-1956 Cell (281) 380-0018 E-mail mark.a.bishop@conoco.com

August 16, 2002

Return Receipt Requested Certified Mail No. 7099 3220 0001 4997 2882

State of New Mexico Energy Minerals and Natural Resources Oil Conservation Division 1220 South St. Francis Dr. Santa Fe, NM 87505

RE:

GW-163 Discharge Plan Apex Compressor Station

Off Conservation Division Testing of, Underground process/ Wastewater Lines and Below Grade

Tanks and Sumps

Dear Mr. Price:

In accordance with our OCD discharge plan the following actions were performed. Mr. Larry Johnson of the Oil conservation Division in Hobbs was notified on July 12, 2002 of scheduled integrity tests to be performed at our Apex Compressor Station. On July 16 the required integrity tests were performed with no underground leaks or lack of integrity observed. A copy of the test notes and circle charts are included for your inspection.

If you have any questions or require more information please contact me at, 505-391-1956.

Sincerely,

Park Bishop Mark Bishop

CC: Joyce Miley

Jeff Driver

File: 2859 A2

Enclosed: Circle charts

Testing Procedure & results

Apex Compressor Station GW-163 Raptor Natural Gathering & Processing LLC. Operated by Conoco Gas & Power OCD Open Drain Test Record

July 12; notified local Hobbs OCD office of intent to perform required testing

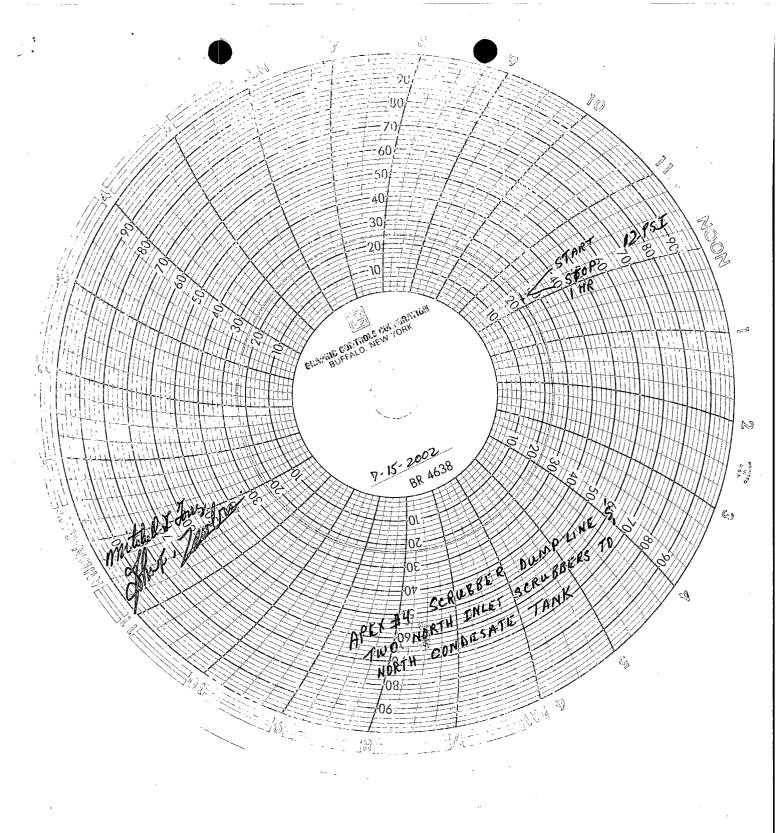
July 16; OCD representative did not arrive, continued with test; isolated drain lines and installed pressure chart recorder on the following open drain lines;

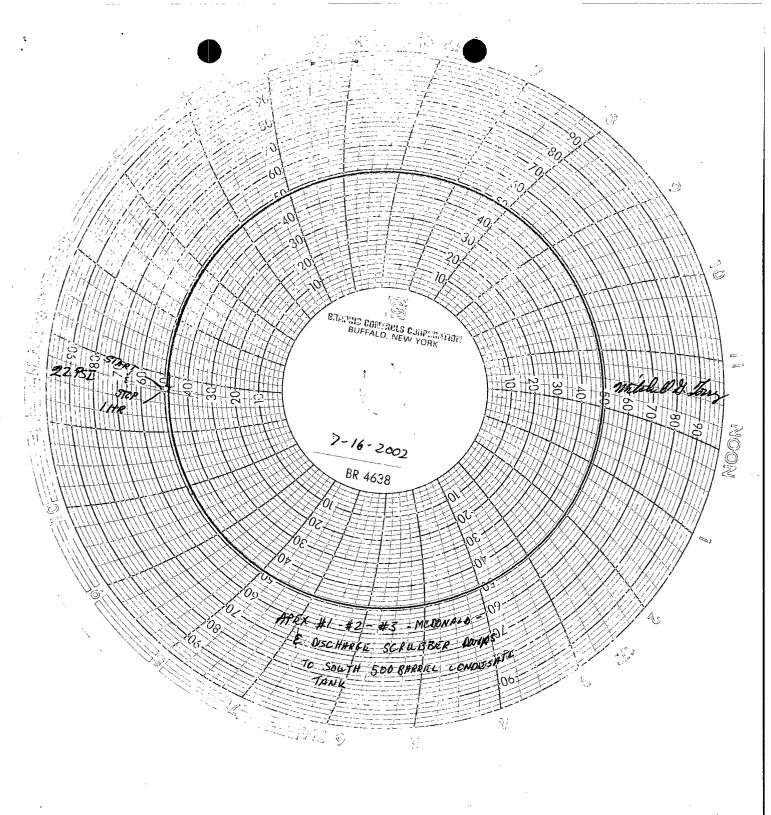
- #1, #2, & #3 discharge scrubber dumps to south 500 Bbl tank
- # 4 scrubber dump line to north inlet scrubbers to north condensate tank
- Apex sump lines

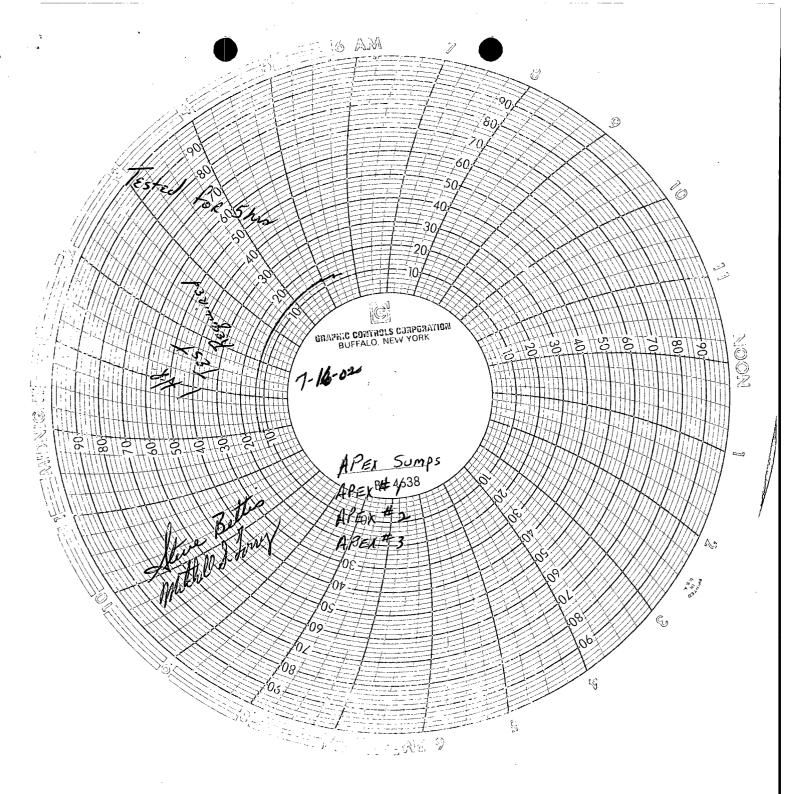
Pressurized drain line for 1 hour and observed no pressure drop off on chart indicating good line integrity.

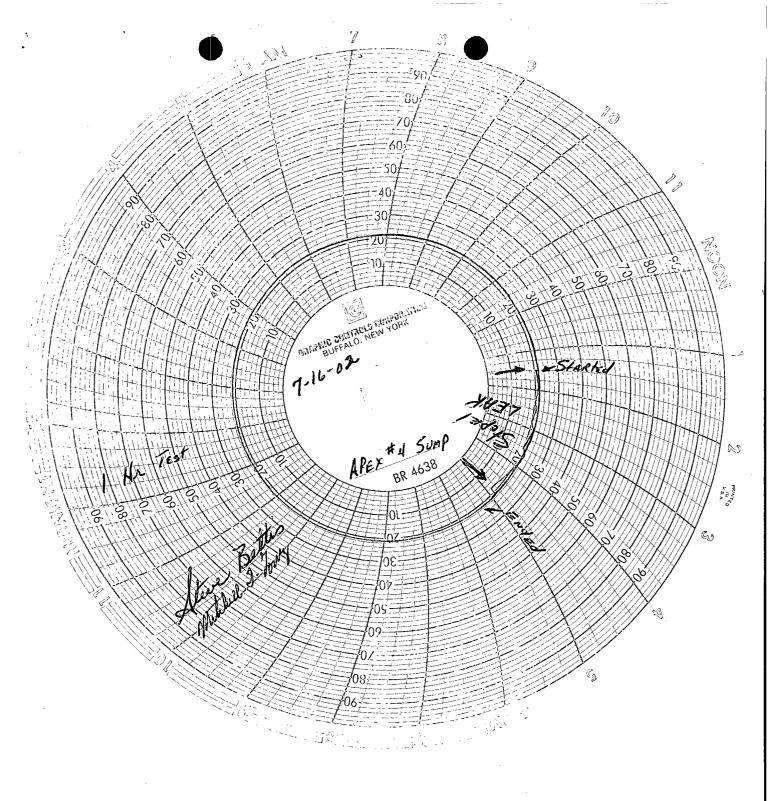
Conoco employees witnessing the test;

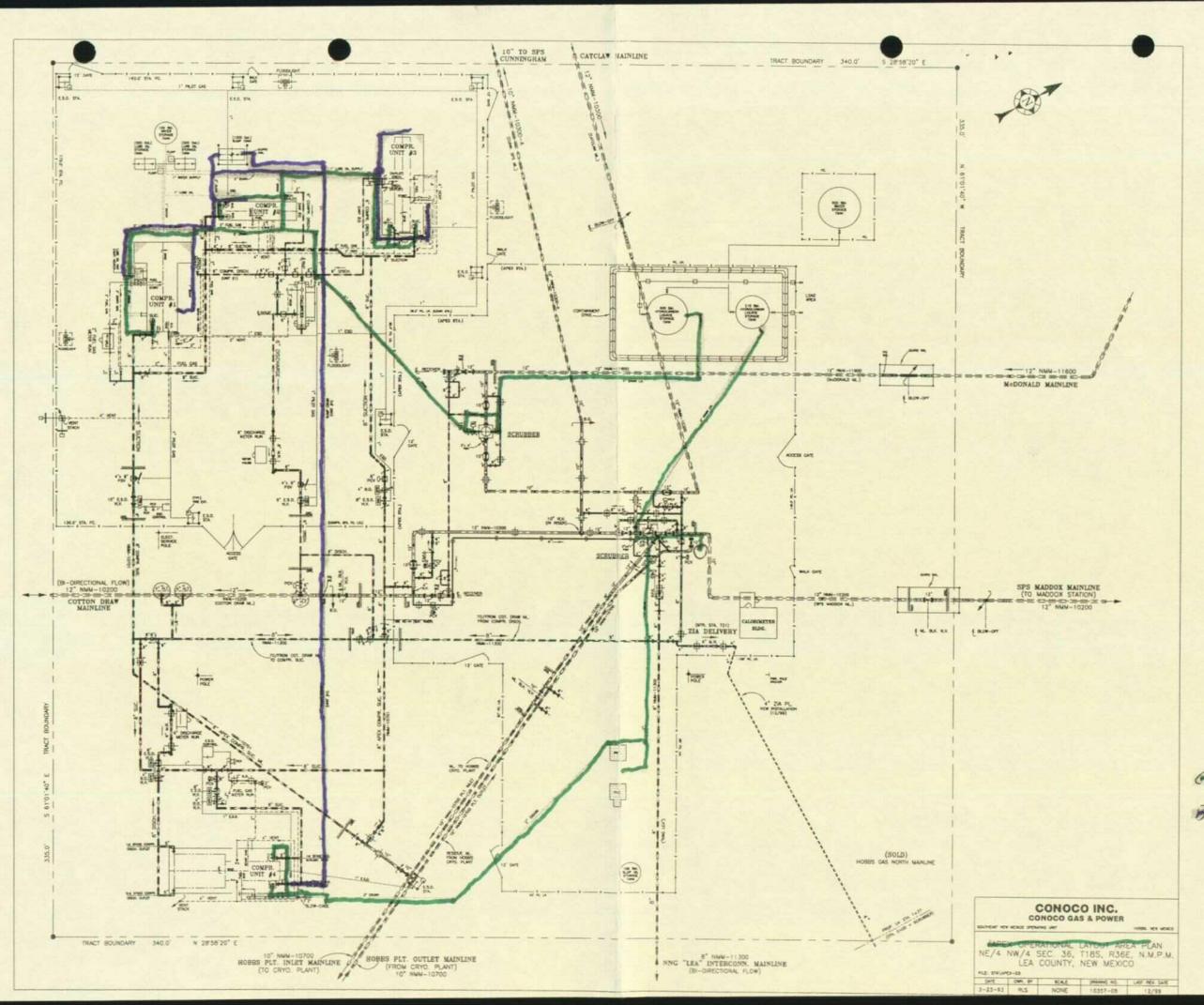
Mitchell Torrez Steve Bettis











BUTE SUMP DRAWS



OIL CONSERVATION DIV.

Environmental Specialist

Mark Bishop

SH&E Services 01 APR 16 PM 3: 20

Conoco Inc. P.O. Box 90 Maljamar NM 88264 Phone 505-676-3519 Cell (281) 380-0018

E-mail mark.a.bishop@usa.conoco.com

04/06/2001

Return Receipt Requested Certified Mail No. 7099 3220 0001 4997 4107

Mr. Wayne Price Environmental Bureau Chief New Mexico Energy, Minerals & Natural Resources Department Oil Conservation Division 2040 South Pacheco Street Santa Fe, NM 87505

Re: Discharge Plan GW – 163, Apex Compressor Station

Storm water Runoff Plan

Dear Mr. Price:

Please find the attached Precipitation/Storm water Runoff Control Plan as required in the above referenced OCD Groundwater Discharge Permit.

Conoco, Inc. also requests that the inspection frequency required in Discharge Plan Approval Condition 11 (Housekeeping) be changed to monthly. This will allow us to maintain consistency with other facility Discharge Plans.

If you have any questions or require more information please contact me at 505-676-3519.

Sincerely

Mark Bishop

CC:

Joyce Miley

File: Env xxxxx

Conoco, Inc. Apex Compressor Station, Discharge Plan GW – 163, Approval Condition 15 Storm Water Runoff Control Plan

The Apex Compressor Station will minimize precipitation/storm water runoff at the facility through exposure minimization practices. These practices lessen the potential for storm water to come in contact with process and waste streams. Precipitation that comes in contact with process equipment is contained in bermed or containment areas and allowed to evaporate. The facility process and waste stream containment structures are maintained to minimize erosion and prevent surface accumulations. Storage tanks are inspected periodically to monitor fluid levels.

A storm water plan at this facility is not a requirement of the EPA (40 CFR 122.26(b)(14). This regulation specifies that oil and gas operations that discharge contaminated storm water at any time between November 16, 1987 and October 1, 1992, and that are currently not authorized by an NPDES permit, must apply for a permit. Operators of oil and gas exploration, production, processing, or treatment operations or transmission facilities, that are not required to submit a permit application as of October1, 1992 in accordance with 40 CFR 122.26(c)(1)(iii), but that after October1, 1992 have a discharge of a reportable quantity of oil or a hazardous substance (in a storm water discharge) for which notification is required pursuant to either 40 CFR 110.6, 117.21, or 302.6, must apply for a permit.

Since Conoco, Inc. has not had a discharge at this facility of a reportable quantity of oil or a hazardous substance (in a storm water discharge) for which notification is required pursuant to either 40 CFR 110.6, 117.21, or 302.6, a storm water discharge permit is not required for the Apex Compressor Station.

505-237-8440

January 9, 2001

Mr. John E. Skopak, Senior Project Manager Conoco Inc. 600 North Dairy Ashford Houston, TX 77079-1175

RE: Apex Compressor Station

Work Plan for Monitor Well Installation

Hobbs, Lea County, New Mexico

Dear John:

Maxim Technologies Inc. (Maxim) is pleased to submit this work plan to install and sample three monitor wells at the Apex Compressor Station, west of Hobbs, New Mexico. The Apex facility is a recent acquisition of Conoco Inc. (Conoco) from LG&E. Based on environmental data generated by Maxim during the due diligence phase of the Conoco acquisition, groundwater impacts were noted at the above referenced facility. The Apex station is located immediately north of the Hobbs Gas Plant. A four-strand barbwire fence surrounds the station. The station is composed of four compressors, a tank farm, incoming and outgoing pipelines with associated metering houses, and scrubbers.

Previous Work

During the due diligence work (September 7 and 8, 2000), a total of six soil borings (B-1 through B-6) were advance to depths ranging from 35 to 75 feet below ground surface (bgs). Groundwater was encountered between 60 and 61 feet bgs.

Analysis of soil samples indicate no samples with hydrocarbon concentrations above the current New Mexico Oil Conservation Division (OCD) action levels.

Analysis of groundwater samples indicated one (B-6) of the three groundwater samples collected exhibited hydrocarbon concentrations in excess of OCD action levels (benzene @ 48.0 ug/L).

Groundwater impacts were identified near the condensate tanks. The OCD was notified of this impact on December 2, 2000 by letter.

Scope of Work

Maxim proposes the following scope of work:

- 1. Maxim will install three, 2-inch diameter PVC monitor wells around the existing condensate tank farm at the Apex station. The wells will be installed and developed per OCD guidelines. The purpose of the wells will be to ascertain the groundwater gradient and horizontal extent of groundwater impacts.
- 2. The monitor wells will be installed with a truck-mounted drill rig. The borings will be continuously sampled during drilling activities and logged according to the Unified Soil Classification System so that observations concerning soil types, lithologic changes, and the environmental condition of the encountered soils can be noted.
- 3. The soil samples will be field screened with a photo-ionization detector (PID) to detect the presence of volatile organic vapors.
- 4. Groundwater samples will be collected from the three monitor wells and analyzed for the "full suite" as defined in the OCD guidance (*Guidelines for Remediation of Leaks, Spills and Releases*, 8/13/93). The "full suite" includes BTEX, major cations/anions, RCRA metals, and polynuclear aromatic hydrocarbons.
- 5. Soil cuttings and purge water (if impacted) generated by the monitor well installation will be containerized and disposed of offsite. If PID readings indicate that soil cuttings are clean, that soil will be spread onsite. If analytical results indicate that purge water is clean, that water will be disposed of within onsite sumps.

Project Schedule

Maxim is prepared to commence work on this project immediately following receipt of your notification to proceed. Tentatively we are scheduled to initiate the work commencing on January 23, 2001 at the Apex station. Maxim will notify both the Santa Fe and Hobbs OCD offices of the schedule.

Mr. John E. Skopak January 9, 2001 Page 3

If this Scope of Work meets with your approval, please let me know as soon as possible. Please contact Clyde Yancey (505-237-8440) if you have any questions or require additional information.

Sincerely, MAXIM TECHNOLOGIES, INC.

Clyde L. Yancey, P.G. Senior Project Manager

Copy:

Mr. Mark Bishop, Conoco NG&GP, Maljamar, NM

Mr. Wayne Price, NM OCD, Santa Fe, NM



LG & E Natural Gathering and Processing Co. 921 W. Sanger Hobbs, NM 88240



Fax (505) 391-7954 Cell (505) 370-5924 June 01, 2000

Apex Compressor Station Stormwater Discharge Plan & SPCC Plan Determination

The following is the determination for the need of a *Stormwater Discharge Plan*, and the need for a *Spill Prevention Control and Countermeasure* (SPCC) plan for the Apex Compressor Station. It is prepared in accordance with federal, state, and local laws and regulations.

Storm Water Discharges Associate with Industrial Activity 40 C.F.R. 122.26(b)(14)

The term "Storm Water Discharges Associated with Industrial Activity" defined in federal regulations 40 CFR 122.26(b)(14)(i)-(xi), determined which industrial facilities are potentially subject to Phase I of the storm water program. Facilities subject to the program must apply for a permit. The definition uses either SIC (Standard Industrial Classification) codes or narrative descriptions to characterize the activities. Note that categories iii, viii, and xi have special conditions, or exceptions which may make a facility NOT subject to the program, and therefore not required to apply, even though the facility's activity matches one of the SIC codes category (i) Facilities subject to storm water effluent limitations guideline, new source performance standards, or toxic pollutant effluent standards under 40 CFR subchapter N (except facilities with toxic pollutant effluent standards which are exempted under category (xi)). These types of facilities include the following:

40 CFR Subchapter N

SIC Code

- 10 metal mining (metallic mineral/ores)
- 12 coal mining
- 13 oil and gas extraction
- 14 non-metallic minerals except fuels

Oil and gas operations that discharge contaminated storm water at any time between November 16, 1987 and October 1, 1992, and that are currently not authorized by an NPDES permit, must apply for a permit. Operators of oil and gas exploration, production, processing, or treatment operations or transmission facilities, that are not required to submit a permit application as of October 1, 1992 in accordance with 40 CFR 122.26(c)(1)(iii), but that after October 1, 1992 have a discharge of a reportable quantity of oil or a hazardous substance (in a storm water discharge) for which notification is required pursuant to either 40 CFR 110.6, 117.21, or 302.6, must apply for a permit.



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Storm Water Discharge Plan Determination

Since LG & E Natural has not had a discharge at this facility of a reportable quantity of oil or a hazardous substance (in a storm water discharge) for which notification is required pursuant to either 40 CFR 110.6, 117.21, or 302.6, a storm water discharge plan is not required for the Apex Compressor Station.

SPCC Regulations

An SPCC plan must be prepared by all facilities subject to regulation. This plan is to help prevent any discharge of oil into navigable waters or adjoining shorelines. The main thrust of the SPCC regulations is prevention as opposed to after-the-fact reactive measures commonly described in Spill Contingency Plans.

Facilities regulated by the SPCC regulations

There are three criteria a facility must meet to be regulated by the SPCC regulations. These criteria are

- 1. the facility must be non-transportation related,
- 2. the facility must have an aboveground storage capacity greater than 660 gallons in a single container or an aggregate storage capacity greater than 1,320 gallons or a total underground storage capacity greater than 42,000 gallons, and
- 3. there must be a reasonable expectation of a discharge to navigable waters or adjoining shorelines.

Non-transportation related facilities

These facilities (including all equipment and appurtenances) may include, but are not limited to:

- Fixed onshore and offshore oil well drilling facilities;
- Mobile onshore and offshore oil well drilling platforms, barges, trucks or other mobile facilities;
- Fixed onshore and offshore oil production structures, platforms, derricks and rigs;
- Mobile onshore and offshore oil production facilities;
- Oil refining or storage facilities;
- Industrial, commercial, agricultural, or public facilities that use, store, drill for, produce, gather, process, refine or consume oil or oil products;
- Waste treatment facilities;
- Loading areas/racks, transfer hoses, loading arms and other equipment that are appurtenant to a non-transportation related facility;
- Highway vehicles and railroad cars used to transport oil exclusively within the confines of a non-transportation related facility; and



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• Pipeline systems used to transport oil exclusively within the confines of a non-transportation related facility.

Oil storage capacity defined

Oil storage includes all containers storing oil at a facility. The **capacity** of the containers (maximum volume) must be considered and **not** the actual amount of product stored in the container (operational volume). Oil storage containers include, but are not limited to,

- tanks.
- containers.
- pails,
- drums,
- quart containers,
- transformers,
- · oil-filled equipment, and
- mobile or portable totes.

A facility may be subject to SPCC regulations if they have at least one of the following oil storage capacities:

- If a facility has one aboveground oil storage container greater than 660 gallons; or
- If a facility has a total aboveground oil storage capacity greater than 1,320 gallons; or
- If a facility has a total underground oil storage capacity of greater than 42,000 gallons.

Under the SPCC regulations, oil is defined as

"oil of any kind or in any form including, but not limited to, petroleum, fuel oil, sludge, oil refuse and oil mixed with wastes other than dredged spoil and oily mixtures."

This also includes non-petroleum oils, animal and vegetable oils.

Discharge of oil into or upon navigable waters or adjoining shorelines

This determination is based upon a consideration of the geographical and locational aspects of the facility. The location of the facility must be considered in relation to streams, ponds and ditches (perennial or intermittent), storm or sanitary sewers, wetlands, mudflats, sandflats or farm tile drains. The distance to navigable waters, volume of material stored, worst case weather conditions, drainage patters, land contours, soil conditions, etc., must also be taken into account. Further, according to the regulations, this determination shall not include consideration of man-made features such as dikes, equipment or other structures that may serve to restrain, hinder, contain or prevent an oil discharge.



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Determination of Need for SPCC

Under the above definitions (from the regulations) the possibility for the discharge of oil into or upon navigable waters or adjoining shorelines, the Apex Compressor Station does not require a SPCC plan. Considering the location of the facility in relation to streams, ponds and ditches (perennial or intermittent), storm or sanitary sewers, wetlands, mudflats, sandflats or farm tile drains, the distance to navigable waters, volume of material stored, worst case weather conditions, drainage patters, land contours, and soil conditions, a discharge of oil into or upon navigable waters or adjoining shorelines is virtually impossible.

Persons making this determination are:

Dyke Browning

Registered Environmental Manager #7771

Certified Environmental Inspector #12441

Lee Hinman

Registered Professional Engineer

Texas #75230