

GW - 202

**PERMITS,
RENEWALS,
& MODS
Application**



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

May 23, 2005

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

Mr. Gerald Phillips
Pro-Kem, Inc.
P.O. Box 1506
Lovington, New Mexico 88260

RECEIVED

JUL 22 2005

**OIL CONSERVATION
DIVISION**

RE: Discharge Permit Renewal GW-202
Pro-Kem, Inc.
Lovington Facility
Lea County, New Mexico

Dear Mr. Phillips:

The ground water discharge permit renewal application GW-202 for the Pro-Kem, Inc. Lovington Facility located in the SE/4 NW/4 of Section 15, Township 16 South, Range 36 East, Lea County, New Mexico, **is hereby approved** under the conditions contained in the enclosed attachment. 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 10 working days of receipt of this letter.**

The original discharge permit application was submitted on May 24, 1995 and approved August 23, 1995. The discharge permit renewal application, dated April 19, 2005, submitted pursuant to 20 NMAC 3106 of the New Mexico Water Quality Control Commission (WQCC) Regulations also includes all earlier applications and all conditions later placed on those approvals. The discharge permit is approved pursuant to 20 NMAC 3109.A. and 3109.C. Please note 20 NMAC 3109.E. and 20 NMAC 3109.F, provides for possible future amendment of the plan. Please be advised that approval of this plan does not relieve Pro-Kem, Inc. of liability should operations result in pollution of surface water, ground water, or the environment.

Please be advised that all exposed pits, including lined pits and open tanks (tanks exceeding 16 feet in diameter), shall be screened, netted, or otherwise rendered nonhazardous to wildlife including migratory birds.

Please note that 20 NMAC 3104 of the regulations provides: "When a plan has been approved, discharges must be consistent with the terms and conditions of the plan." Pursuant to 20 NMAC 3107.C., Pro-Kem, Inc. is required to notify the Director of any facility expansion, production increase, or process modification that would result in any change in the discharge of water quality or volume.

Mr. Gerald Phillips
GW-202 Lovington Facility
May 23, 2005
Page 2

Pursuant to 20 NMAC 3109.G.4., this renewal plan is for a period of five years. This renewal will expire on **August 23, 2010**, and Pro-Kem, Inc. should submit an application in ample time before this date. Note that under 20 NMAC 3106.F. of the regulations, 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 plan, then the existing discharge permit will not expire until the application for renewal has been approved or disapproved. It should be noted that all discharge permit facilities will be required to submit the results of an underground drainage testing program as a requirement for discharge permit .

The discharge permit renewal application for the Pro-Kem, Inc. Lovington Facility is subject to WQCC Regulation 3114. Every billable facility submitting a discharge permit application will be assessed a fee equal to the filing fee of \$100.00. There is a renewal flat fee assessed for oil field service company facilities equal to \$1,700.00. The OCD has received the filing fee.

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,

A handwritten signature in black ink, appearing to read "Roger C. Anderson", with a long horizontal flourish extending to the right.

Roger C. Anderson
Chief, Environmental Bureau
Oil Conservation Division

RCA/wjf
Attachment

xc: OCD Hobbs Office

ATTACHMENT TO THE DISCHARGE PERMIT RENEWAL GW-202
PRO-KEM, INC.
LOVINGTON FACILITY
DISCHARGE PERMIT APPROVAL CONDITIONS
(May 23, 2005)

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OIL CONSERVATION
DIVISION

1. Payment of Discharge permit Fees: The \$100.00 filing fee has been received by the OCD. There is a required flat fee equal to \$1,700.00 for oil field service companies. The renewal flat fee required for this facility may be paid in a single payment due at the time of approval, or in equal annual installments over the duration of the discharge permit, with the first payment due upon receipt of this approval.
2. Pro-Kem, Inc. Commitments: Pro-Kem, Inc. will abide by all commitments submitted in the discharge permit renewal application letter dated April 19, 2005 and these conditions for approval.
3. Waste Disposal: All wastes will be disposed of at an OCD approved facility. Only oilfield exempt wastes shall be disposed of down Class II injection wells. Non-exempt oilfield wastes that are non-hazardous may be disposed of at an OCD approved facility upon proper waste determination per 40 CFR Part 261.
4. 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.
5. 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.
6. 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.
7. 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.
8. Labeling: All tanks, drums and containers will be clearly labeled to identify their contents and other emergency notification information.

9. 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.
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12. 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.
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15. Storm Water Plan: Pro-Kem, Inc. shall maintain storm water runoff controls. As a result of Pro-Kem, Inc.'s operations any water contaminant that exceeds the WQCC standards listed in 20 NMAC 6.2.3101 is discharged in any storm water runoff then Pro-Kem, Inc. shall notify the OCD within 24 hours, modify the plan within 15 days and submit for OCD approval. Pro-Kem, Inc. shall also take immediate corrective actions pursuant to Item 12 of these conditions.

16. Closure: The OCD will be notified when operations of the Lovington Facility are discontinued for a period in excess of six months. Prior to closure of the Lovington Facility a closure plan will be submitted for approval by the Director. Closure and waste disposal will be in accordance with the statutes, rules and regulations in effect at the time of closure.
17. Certification: Pro-Kem, Inc., by the officer whose signature appears below, accepts this permit and agrees to comply with all terms and conditions contained herein. Pro-Kem, Inc. further acknowledges that these conditions and requirements of this permit may be changed administratively by the Division for good cause shown as necessary to protect fresh water, human health and the environment.

Accepted:

PRO-KEM, INC.

by Gerald Phillips

Gerald Phillips, President

Title



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

May 23, 2005

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

Mr. Gerald Phillips
Pro-Kem, Inc.
P.O. Box 1506
Lovington, New Mexico 88260

**RE: Discharge Permit Renewal GW-202
Pro-Kem, Inc.
Lovington Facility
Lea County, New Mexico**

Dear Mr. Phillips:

The ground water discharge permit renewal application GW-202 for the Pro-Kem, Inc. Lovington Facility located in the SE/4 NW/4 of Section 15, Township 16 South, Range 36 East, Lea County, New Mexico, is **hereby approved** under the conditions contained in the enclosed attachment. 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 10 working days of receipt of this letter.**

The original discharge permit application was submitted on May 24, 1995 and approved August 23, 1995. The discharge permit renewal application, dated April 19, 2005, submitted pursuant to 20 NMAC 3106 of the New Mexico Water Quality Control Commission (WQCC) Regulations also includes all earlier applications and all conditions later placed on those approvals. The discharge permit is approved pursuant to 20 NMAC 3109.A. and 3109.C. Please note 20 NMAC 3109.E. and 20 NMAC 3109.F, provides for possible future amendment of the plan. Please be advised that approval of this plan does not relieve Pro-Kem, Inc. of liability should operations result in pollution of surface water, ground water, or the environment.

Please be advised that all exposed pits, including lined pits and open tanks (tanks exceeding 16 feet in diameter), shall be screened, netted, or otherwise rendered nonhazardous to wildlife including migratory birds.

Please note that 20 NMAC 3104 of the regulations provides: "When a plan has been approved, discharges must be consistent with the terms and conditions of the plan." Pursuant to 20 NMAC 3107.C., Pro-Kem, Inc. is required to notify the Director of any facility expansion, production increase, or process modification that would result in any change in the discharge of water quality or volume.

Mr. Gerald Phillips
GW-202 Lovington Facility
May 23, 2005
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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,



Roger C. Anderson
Chief, Environmental Bureau
Oil Conservation Division

RCA/wjf
Attachment

xc: OCD Hobbs Office

ATTACHMENT TO THE DISCHARGE PERMIT RENEWAL GW-202
PRO-KEM, INC.
LOVINGTON FACILITY
DISCHARGE PERMIT APPROVAL CONDITIONS
(May 23, 2005)

1. Payment of Discharge permit Fees: The \$100.00 filing fee has been received by the OCD. There is a required flat fee equal to \$1,700.00 for oil field service companies. The renewal flat fee required for this facility may be paid in a single payment due at the time of approval, or in equal annual installments over the duration of the discharge permit, with the first payment due upon receipt of this approval.
2. Pro-Kem, Inc. Commitments: Pro-Kem, Inc. will abide by all commitments submitted in the discharge permit renewal application letter dated April 19, 2005 and these conditions for approval.
3. Waste Disposal: All wastes will be disposed of at an OCD approved facility. Only oilfield exempt wastes shall be disposed of down Class II injection wells. Non-exempt oilfield wastes that are non-hazardous may be disposed of at an OCD approved facility upon proper waste determination per 40 CFR Part 261.
4. 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.
5. 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.
6. 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.
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12. 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.
13. Spill Reporting: All spills/releases will be reported pursuant to OCD Rule 116 and WQCC 1203 to the OCD Hobbs District Office.
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17. Certification: Pro-Kem, Inc., by the officer whose signature appears below, accepts this permit and agrees to comply with all terms and conditions contained herein. Pro-Kem, Inc. further acknowledges that these conditions and requirements of this permit may be changed administratively by the Division for good cause shown as necessary to protect fresh water, human health and the environment.

Accepted:

PRO-KEM, INC.

by _____

Title

ATTACHMENT TO THE DISCHARGE PLAN GW-202
PRO-KEM, INC.
LOVINGTON FACILITY
DISCHARGE PLAN APPROVAL CONDITIONS
(July 25, 2001)

1. Payment of Discharge Plan Fees: The \$100.00 filing fee has been received by the OCD. There is a flat fee assessed for oil and gas service companies equal to \$1,700.00. The required flat fee may be paid in a single payment due at the time of approval, or in equal annual installments over the duration of the plan, with the first payment due upon receipt of this approval.
2. Pro-Kem, Inc. Commitments: Pro-Kem, Inc. will abide by all commitments submitted in the discharge plan renewal application dated March 27, 2001 and these conditions for approval.
3. Waste Disposal: All wastes will be disposed of at an OCD approved facility. Only oilfield exempt wastes shall be disposed of down Class II injection wells. Non-exempt oilfield wastes that are non-hazardous may be disposed of at an OCD approved facility upon proper waste determination per 40 CFR Part 261. Any waste stream that is not listed in the discharge plan will be approved by OCD on a case-by-case basis.
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15. Storm Water Plan: The facility will have an approved storm water run-off plan.

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17. Certification: Pro-Kem, Inc., by the officer whose signature appears below, accepts this permit and agrees to comply with all terms and conditions contained herein. Pro-Kem, Inc. further acknowledges that these conditions and requirements of this permit may be changed administratively by the Division for good cause shown as necessary to protect fresh water, human health and the environment.

Accepted:

PRO-KEM, INC.

by Derald Philby
Title
President

7/27/01



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Jennifer A. Salisbury
Cabinet Secretary

Lori Wrotenbery
Director
Oil Conservation Division

July 25, 2001

CERTIFIED MAIL
RETURN RECEIPT NO. 5051 0579

Mr. Gerald Phillips
Pro-Kem, Inc.
P.O. Box 1506
Lovington, New Mexico 88260

RE: Discharge Plan Renewal Approval GW-202
Pro-Kem, Inc.
Lovington Facility
Lea County, New Mexico

Dear Mr. Phillips:

The ground water discharge plan renewal, GW-202, for the Pro-Kem, Inc. Lovington Facility located in the SE/4 NW/4 of Section 15, Township 16 South, Range 36 East, NMPM, Lea County, New Mexico, **is hereby approved** under the conditions contained in the enclosed attachment. 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 10 working days of receipt of this letter.**

The original discharge plan application was submitted on May 24, 1995 and approved August 23, 1995. The discharge plan renewal application, dated March 27, 2001, submitted pursuant to Sections 5101.B.3. of the New Mexico Water Quality Control Commission (WQCC) Regulations also includes all earlier applications and all conditions later placed on those approvals. The discharge plan is renewed pursuant to Sections 5101.A. and 3109.C. Please note Section 3109.G., which provides for possible future amendment of the plan. Please be advised that approval of this plan does not relieve Pro-Kem, Inc. of liability should operations result in pollution of surface water, ground water, or the environment.

Please be advised that all exposed pits, including lined pits and open tanks (tanks exceeding 16 feet in diameter), shall be screened, netted, or otherwise rendered nonhazardous to wildlife including migratory birds.

Mr. Gerald Phillips
GW-202 Hobbs Facility
July 25, 2001
Page 2

Please note that Section 3104 of the regulations provides: "When a plan has been approved, discharges must be consistent with the terms and conditions of the plan." Pursuant to Section 3107.C., Pro-Kem, Inc. is required to notify the Director of any facility expansion, production increase, or process modification that would result in any change in the discharge of water quality or volume.

Pursuant to Section 3109.H.4., this discharge plan is for a period of five years. This plan will expire on **August 23, 2005**, and Pro-Kem, Inc. should submit an application in ample time before this date. Note that under Section 3106.F. of the regulations, if a discharger submits a discharge plan renewal application at least 120 days before the discharge plan expires and is in compliance with the approved plan, then the existing discharge plan will not expire until the application for renewal has been approved or disapproved. It should be noted that all discharge plan facilities will be required to submit the results of an underground drainage testing program as a requirement for discharge plan .

Pro-Kem, Inc. will submit a storm water run-off plan for approval by the OCD within six (6) months of the date of this approval letter for the Lovington Facility.

The discharge plan application for the Pro-Kem, Inc. Lovington Facility is subject to WQCC Regulation 3114. Every billable facility submitting a discharge plan application will be assessed a non-refundable fee equal to the filing fee of \$100. There is a flat fee assessed for oil and gas service companies equal to \$1,700.00. The OCD has received the filing fee.

**Please make all checks payable to: Water Management Quality Management Fund
C/o: Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505.**

If you have any questions please contact Mr. W. Jack Ford at (505) 476-3489. On behalf of the staff of the OCD, I wish to thank you and your staff for your cooperation during this discharge plan review.

Sincerely,



Roger C. Anderson
Chief, Environmental Bureau
Oil Conservation Division

RCA/wjf
Attachment
xc: OCD Hobbs Office

U.S. Postal Service
CERTIFIED MAIL RECEIPT - *FORD*
(Domestic Mail Only, No Insurance Coverage Provided)

Article Sent To:

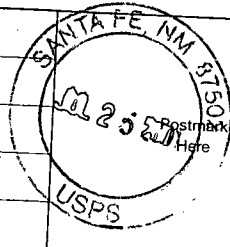
Postage \$

Certified Fee

Return Receipt Fee
(Endorsement Required)

Restricted Delivery Fee
(Endorsement Required)

Total Postage & Fees \$



Name (Please Print Clearly) (To be completed by mailer)
G. Phillips

Street, Apt. No.; or PO Box No.
Pro-Kem

City, State, ZIP+ 4
GW-202

PS Form 3800, July 1999

See Reverse for Instructions

7099 3220 0000 5051 0579

ATTACHMENT TO THE DISCHARGE PLAN GW-202
PRO-KEM, INC.
LOVINGTON FACILITY
DISCHARGE PLAN APPROVAL CONDITIONS
(July 25, 2001)

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Accepted:

PRO-KEM, INC.

by _____
Title

NOTICE OF PUBLICATION

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

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

(GW-202) – Pro-Kem, Inc., Mr. Gerald Phillips, P.O. Box 1506, Lovington, New Mexico 88260, has submitted a discharge plan renewal application for their Lovington facility located in the SE/4 NW/4, Section 15, Township 16 South, Range 36 East, NMPM, Lea County, New Mexico. All effluents that may be generated at the facility will be collected in a closed top tank prior to transport to an OCD approved off-site disposal facility. Groundwater most likely to be affected by an accidental discharge is at a depth of 60 feet with a total dissolved solids concentrations ranging from 200 to 100 mg/l. The discharge plan addresses how spill, leaks, and other accidental discharges to the surface will be managed.

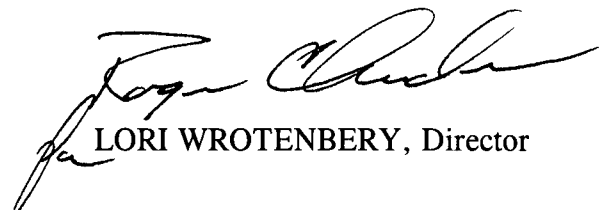
Any interested person may obtain further information from the Oil Conservation Division and may submit written comments to the Director of the Oil Conservation Division at the address given above. The discharge plan application may be viewed at the above address between 8:00 a.m. and 4:00 p.m., Monday thru Friday. Prior to ruling on any proposed discharge plan or its modification, the Director of the Oil Conservation Division shall allow at least thirty (30) days after the date of publication of this notice during which comments may be submitted to him and public hearing may be requested by any interested person. Request for public hearing shall set forth the reasons why a hearing shall be held.

A hearing will be held if the director determines that there is significant public interest.

If no hearing is held, the Director will approve or disapprove the plan based on the information available. If a public hearing is held, the Director will approve the plan based on the information in the plan and information presented at the hearing.

GIVEN under the Seal of New Mexico Conservation Commission at Santa Fe, New Mexico, on this 4th day of April, 2001.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



LORI WROTENBERY, Director

SEAL

OIL CONSERVATION DIVISION

August 23, 1995

CERTIFIED MAIL

RETURN RECEIPT NO. Z-765-963-114

Mr. Gerald Phillips
President
Pro-Kem, Inc.
P.O. Box 1506
Lovington, NM 88260

**RE: Approval of Discharge Plan GW-202
Pro-Kem, Inc., Lovington Facility
Lea County, New Mexico**

Dear Mr. Phillips:

The discharge plan GW-202 for the Pro-Kem Chemicals, Inc. Facility located in SE/4 NW/4 Section 15, Township 16 South, Range 36 East, NMPM, Lea County, New Mexico, is hereby approved subject to the conditions contained in the enclosed attachment. The discharge plan consists of the application and its contents dated May 24, 1995, and the additional information received from Pro-Kem, Inc. dated August 16, 1995 signed by Mr. Gerald Phillips.

The discharge plan application was submitted pursuant to Section 3-106 of the New Mexico Water Quality Control Commission Regulations. Please note Sections 3-109.E and 3-109.F which provide for possible future amendments or modifications of the plan. Please be advised that the approval of this plan does not relieve Pro-Kem, Inc. of liability should the operations associated with this facility result in pollution of surface water, ground water, or the environment.

Please be advised that all exposed pits, including lined pits and open top tanks (tanks exceeding 16 feet in diameter), shall be screened, netted, or otherwise rendered nonhazardous to wildlife including migratory birds.

Mr. Gerald Phillips
August 23, 1995
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Please note that Section 3-104 of the regulations requires that "When a plan has been approved, discharges must be consistent with the terms and conditions of the plan." Pursuant to Section 3-107.C you are required to notify the Director of any facility expansion, production increase, or process modification that would result in any change in the discharge of water quality or volume.

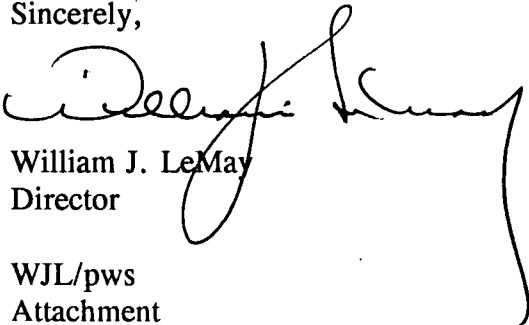
Pursuant to Section 3-109.G.4, this plan is for a period of five (5) years. This approval will expire August 23, 2000, and you should submit an application for renewal in six (6) months before this date.

The discharge plan application for the Pro-Kem, Inc. Facility is subject to the WQCC Regulation 3-114 discharge plan fee. Every billable facility submitting a discharge plan will be assessed a fee equal to the filing fee of fifty dollars (\$50) plus the flat fee of one thousand three-hundred and eighty dollars (\$1380.00) for Service company facilities.

The \$50 filing fee has been received by the OCD. The flat fee for an approved discharge plan in the amount of \$1380 has been received by the OCD. Both fees were submitted as one check made out to **NMED - Water Quality Management** through the NMOCD office in Santa Fe, New Mexico.

On behalf of the staff of the Oil Conservation Division, I wish to thank you and your staff for your cooperation during this discharge plan review.

Sincerely,



William J. LeMay
Director

WJL/pws
Attachment

xc: Wayne Price , Jerry Sexton

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ATTACHMENT TO DISCHARGE PLAN GW-202 APPROVAL
Pro-Kem, Inc. - Lovington
DISCHARGE PLAN REQUIREMENTS
August 23, 1995

1. **Tank Berming:** All tanks that contain materials other than fresh water that, if released, could contaminate surface or ground water or the environment will be bermed to contain 1 1/3 times the capacity of the tank or 1 1/3 times the volume of all interconnected tanks.
2. **Drum Storage:** All drums will be stored on pad and curb type containment.
3. **Spills:** All spills and/or leaks will be reported to the OCD district office pursuant to WQCC Rule 1-203 and OCD Rule 116.
4. **Modifications:** All proposed modifications that include the construction of any below grade facilities or the excavation and disposal of wastes or contaminated soils will have OCD approval prior to excavation, construction or disposal.
5. **Waste Disposal:**
 - A. All wastes shall be disposed of at an NMOCD approved facility.
 - B. Only oilfield exempt wastes can be disposed of down Class II injection wells. Non-exempt oilfield wastes that are non-hazardous by characteristics may be disposed of at an NMOCD approved facility.
6. **Pit Closure:** A closure plan shall be submitted to the Santa Fe OCD office for approval - with a copy sent to Mr. Wayne Price at the OCD Hobbs district office **within 60 days of receipt of this permit.** A copy of the pit closure guidelines maybe obtained from Mr. Price at the Hobbs district.