

GW - 225

**PERMITS,
RENEWALS,
& MODS
Application**

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

John Bemis
Cabinet Secretary

Brett F. Woods, Ph.D.
Deputy Cabinet Secretary

Jami Bailey
Division Director
Oil Conservation Division



AUGUST 14, 2012

Mr. Rick Brazfield
Basic Energy
607 25 Road
Grand Junction, CO 81505

Dear Mr. Brazfield:

The Oil Conservation Division (OCD) received your "Oil & Gas Facilities Questionnaire for Determination of a WQCC Discharge Permit" for the former Energy Air Drilling Service Co. facility in Bloomfield, New Mexico on April 3, 2012. However, OCD had already received a Questionnaire for this site and sent a letter terminating this discharge permit to Mr. Bumgarner of Basic Energy on March 1, 2012. The WQCC Discharge Permit ~~GW-225~~ (former Energy Air Drilling Service Co. – Farmington Yard) has been rescinded and you are not required to proceed with the renewal of this expired or soon to expire WQCC Discharge Permit. OCD has closed this permit in its database.

Because this WQCC Discharge Permit is no longer valid, you may be required to obtain a separate permit(s) for other processes at your facility, such as: pits, ponds, impoundments, below-grade tanks; waste treatment, storage and disposal operations; and landfarms and landfills. OCD will make an inspection of your facility to determine if any of these existing processes may require a separate permit under OCD's Oil, Gas, and Geothermal regulations. If OCD determines that a separate permit(s) is required, then a letter will be sent to you indicating what type of permit is required.

Please keep in mind, if your facility has any discharges that would require a WQCC Discharge Permit now or in the future, then you will be required to renew or obtain a WQCC Discharge Permit. If you have any questions regarding this matter, please contact Glenn von Gonten at 505-476-3488.

Thank you for your cooperation.

A handwritten signature in black ink, appearing to read "Jami Bailey".

Jami Bailey
Director

JB/gvg



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

October 20, 2005

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

Mr. Jerry Tufly
Basic Energy Services
6121 US Highway 64
Bloomfield, New Mexico 87499

**RE: Discharge Permit Renewal GW-225
Basic Energy Services
Bloomfield Service Facility
San Juan County, New Mexico**

Dear Mr. Tufly:

The ground water discharge permit renewal application GW-225 for the Basic Energy Services Bloomfield Service Facility located in the NW/4 NE/4 of Section 30, Township 29 North, Range 11 West, San Juan 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 30 days of receipt of this letter.**

The original discharge permit application was submitted on September 8, 1995 and approved October 30, 1995. The discharge permit renewal application, dated October 7, 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 permit. Please be advised that approval of this plan does not relieve Basic Energy Services 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 permit has been approved, discharges must be consistent with the terms and conditions of the permit." Pursuant to 20 NMAC 3107.C., Basic Energy Services 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. Jerry Tuflly
GW-225 Bloomfield Service Facility
October 20, 2005
Page 2

Pursuant to 20 NMAC 3109.G.4., this renewal permit is for a period of five years. This renewal will expire on **October 30, 2010**, and Basic Energy Services 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 permit 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 Basic Energy Services Bloomfield Service 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", written in a cursive style.

Roger C. Anderson
Chief, Environmental Bureau
Oil Conservation Division

RCA/wjf
Attachment

xc: OCD Aztec District Office

ATTACHMENT TO THE DISCHARGE PERMIT RENEWAL GW-225
BASIC ENERGY SERVICES
BLOOMFIELD SERVICE FACILITY
DISCHARGE PERMIT APPROVAL CONDITIONS
(October 20, 2005)

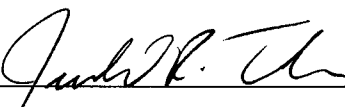
1. Payment of Discharge permit Fees: The \$100.00 filing fee has been received by the OCD. There is a required flat fee equal to \$1,700.00 for oil field service companies. The renewal flat fee required for this facility may be paid in a single payment due at the time of approval, or in equal annual installments over the duration of the discharge permit, with the first payment due upon receipt of this approval.
2. Basic Energy Services Commitments: Basic Energy Services will abide by all commitments submitted in the discharge permit renewal application dated October 7, 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.
10. Underground Process/Wastewater Lines: All underground process/wastewater pipelines must be tested to demonstrate their mechanical integrity every 5 years. 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.
11. Class V Wells: No 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. 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. Class V wells that inject domestic waste only must be permitted by the New Mexico Environment Department.
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 Aztec District Office.
14. Transfer of Discharge permit: The OCD will be notified prior to any transfer of ownership, control, or possession of a facility with an approved discharge permit. A written commitment to comply with the terms and conditions of the previously approved discharge permit must be submitted by the purchaser and approved by the OCD prior to transfer.
15. Storm Water Plan: Basic Energy Services shall maintain storm water runoff controls. As a result of Basic Energy Services'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 Basic Energy Services shall notify the OCD within 24 hours, modify the plan within 15 days and submit for OCD approval. Basic Energy Services shall also take immediate corrective actions pursuant to Item 12 of these conditions.

16. Closure: The OCD will be notified when operations of the Bloomfield Service Facility are discontinued for a period in excess of six months. Prior to closure of the Bloomfield Service 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: Basic Energy Services, by the officer whose signature appears below, accepts this permit and agrees to comply with all terms and conditions contained herein. Basic Energy Services 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:

BASIC ENERGY SERVICES

by 
V.P. SRM Division
Title

ACKNOWLEDGEMENT OF RECEIPT
OF CHECK/CASH

I hereby acknowledge receipt of check No. dated 1/23/06,
or cash received on in the amount of \$ 1,700.00
from Basic Energy Serv.
for Bloomfield Facility GW-225
Submitted by: [Signature] Date: 1/24/06
Submitted to ASD by: Date:
Received in ASD by: Date:
Filing Fee New Facility Renewal ✓
Modification Other
Organization Code 521.07 Applicable FY 2001
To be deposited in the Water Quality Management Fund.
Full Payment ✓ or Annual Increment

BASIC ENERGY SERVICES, L. P.
P O BOX 10460
MIDLAND, TX 79702-7460

37-65/1119 720
7706309122

DATE 1/23/06

PAY TO THE ORDER OF State of New Mexico Minerals & Natural Resources \$ 1700.00
One-thousand seven-hundred & no



Wells Fargo Bank, N.A.
Texas
wellsfargo.com

OR

[Signature]

ATTACHMENT TO THE DISCHARGE PLAN RENEWAL GW-225
ENERGY AIR DRILLING SERVICE COMPANY
FARMINGTON SERVICE FACILITY
DISCHARGE PLAN APPROVAL CONDITIONS
(September 18, 2000)

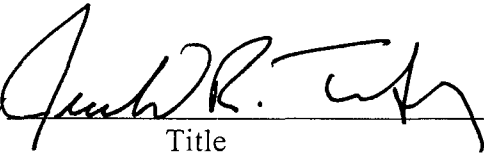
1. Payment of Discharge Plan Fees: The \$50.00 filing fee has been received by the OCD. There is a required flat fee equal to one-half of the original flat fee for oil field service companies. The renewal flat fee required for this facility is \$690.00 which can be paid in full at the time the discharge plan is approved or in equal annual installments with the first installment due at the time of approval of the discharge plan.
2. Energy Air Drilling Service Company Commitments: Energy Air Drilling Service Company will abide by all commitments submitted in the discharge plan renewal application letter dated May 2, 2000 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.
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.
10. Underground Process/Wastewater Lines: All underground process/wastewater pipelines must be tested to demonstrate their mechanical integrity every 5 years. 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.
11. Class V Wells: No 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. 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. Class V wells that inject domestic waste only must be permitted by the New Mexico Environment Department.
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.
14. Transfer of Discharge Plan: The OCD will be notified prior to any transfer of ownership, control, or possession of a facility with an approved discharge plan. A written commitment to comply with the terms and conditions of the previously approved discharge plan must be submitted by the purchaser and approved by the OCD prior to transfer.
15. Storm Water Plan: The facility will have an approved storm water run-off plan.

16. Closure: The OCD will be notified when operations of the Farmington Service Facility are discontinued for a period in excess of six months. Prior to closure of the Farmington Service 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: Energy Air Drilling Service Company, by the officer whose signature appears below, accepts this permit and agrees to comply with all terms and conditions contained herein. Energy Air Drilling Service Company 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:

ENERGY AIR DRILLING SERVICE COMPANY

by  _____
Title

President and CEO

ACKNOWLEDGEMENT OF RECEIPT
OF CHECK/CASH

I hereby acknowledge receipt of check No. [REDACTED] dated 10-2-00,

or cash received on _____ in the amount of \$ 690.00

from Energy Air Drilling

for Farmington Facility FW-225

Submitted by: [Signature] Date: 10-6-00

Submitted to ASD by: _____ Date: _____

Received in ASD by: _____ Date: _____

Filing Fee _____ New Facility _____ Renewal ☒

Modification _____ Other _____

Organization Code 521.07 Applicable FY 2001

To be deposited in the Water Quality Management Fund.

Full Payment ☒ or Annual Increment _____

ENERGY AIR DRILLING SERVICE CO.

P.O. BOX 1866 (970) 241-6029
GRAND JUNCTION, CO 81502

WELLS FARGO BANK
(970) 243-1611 • 359 MAIN ST.
GRAND JUNCTION, CO 81501

CHECK
NUMBER

23-7/1020

OCTOBER 2, 2000

SIX HUNDRED AND NINETY AND NO/100'S DOLLARS

DATE

\$

**\$690.00*

PAY

WATER MANAGEMENT QUALITY MANAGEMENT FUND
C/O OIL CONSERVATION DIVISION
2040 SOUTH PACHECO
SANTA FE NM 87505

TO THE
ORDER
OF

[Signature]
AUTHORIZED SIGNATURE

DISCHARGE PLAN RENEWAL	GL #695.5 \$690.00

ENERGY AIR DRILLING SERVICE CO.