

GW - 234

**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. Kelly Maclaskey
Kelly Maclaskey Oilfield services
P.O. Box 580
Hobbs, NM 88241

Dear Mr. Maclaskey:

Based on your responses given in the "Oil & Gas Facilities Questionnaire for Determination of a WQCC Discharge Permit" and a file review, the Oil Conservation Division (OCD) has determined that one of your facilities with an expired or soon to be expired permit does not require a Water Quality Control Commission (WQCC) Discharge Permit. This means that the WQCC Discharge Permit ~~GW-234~~ (Kelly Maclaskey Oilfield Services Inc. - Hobbs) is hereby rescinded and you are not required to proceed with the renewal of this expired or soon to expire WQCC Discharge Permit. OCD will close 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Because this WQCC Discharge Permit is no longer valid, you may be required to obtain a separate permit(s) for other processes at your facility, such as: pits, ponds, impoundments, below-grade tanks; waste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

2007 APR 2 AM 11 46

ATTACHMENT TO THE DISCHARGE PERMIT
Kelly Maclaskey Oilfield Services Office and Truck Shop (GW234)
DISCHARGE PERMIT APPROVAL CONDITIONS
March 21, 2007

Please remit a check for \$1700.00 made payable to Water Quality Management Fund:

Water Quality Management Fund
c/o: Oil Conservation Division
1220 S. Saint Francis Drive
Santa Fe, New Mexico 87505

- 1. Payment of Discharge Plan Fees:** All discharge permits are subject to WQCC Regulations. Every billable facility that submits a discharge permit application will be assessed a filing fee of \$100.00, plus a renewal flat fee (*see* WQCC Regulation 20.6.2.3114 NMAC). The Oil Conservation Division ("OCD") has received the required \$100.00 filing fee. However, the owner/operator still owes the required \$1700.00 renewal permit fee for an oil and gas service company.
- 2. Permit Expiration and Renewal:** Pursuant to WQCC Regulation 20.6.2.3109.H.4 NMAC, this permit is valid for a period of five years. **The permit will expire on April 24, 2011** and an application for renewal should be submitted no later than 120 days before that expiration date. Pursuant to WQCC Regulation 20.6.2.3106.F NMAC, 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.
- 3. Permit Terms and Conditions:** Pursuant to WQCC Regulation 20.6.2.3104 NMAC, when a permit has been issued, the owner/operator must ensure that all discharges shall be consistent with the terms and conditions of the permit. In addition, all facilities shall abide by the applicable rules and regulations administered by the OCD pursuant to the Oil and Gas Act, NMSA 1978, Sections 70-2-1 through 70-2-38.
- 4. Owner/Operator Commitments:** The owner/operator shall abide by all commitments submitted in its December 22, 2006 discharge permit renewal application, including attachments and subsequent amendments and these conditions for approval. Permit applications that reference previously approved plans on file with the division shall be incorporated in this permit and the owner/operator shall abide by all previous commitments of such plans and these conditions for approval.

5. Modifications: WQCC Regulation 20.6.2.3107.C, and 20.6.2.3109 NMAC addresses possible future modifications of a permit. The owner/operator (discharger) shall notify the OCD of any facility expansion, production increase or process modification that would result in any significant modification in the discharge of water contaminants. The Division Director may require a permit modification if any water quality standard specified at 20.6.2.3103 NMAC is being or will be exceeded, or if a toxic pollutant as defined in WQCC Regulation 20.6.2.7 NMAC is present in ground water at any place of withdrawal for present or reasonably foreseeable future use, or that the Water Quality Standards for Interstate and Intrastate streams as specified in 20.6.4 NMAC are being or may be violated in surface water in New Mexico.

6. Waste Disposal and Storage: The owner/operator shall dispose of all wastes at an OCD-approved facility. Only oil field RCRA-exempt wastes may be disposed of by injection in a Class II well. RCRA non-hazardous, non-exempt oil field wastes may be disposed of at an OCD-approved facility upon proper waste determination pursuant to 40 CFR Part 261. Any waste stream that is not listed in the discharge permit application must be approved by the OCD on a case-by-case basis.

A. OCD Rule 712 Waste: Pursuant to OCD Rule 712 (19.15.9.712 NMAC) disposal of certain non-domestic waste without notification to the OCD is allowed at NMED permitted solid waste facilities if the waste stream has been identified in the discharge permit and existing process knowledge of the waste stream does not change.

B. Waste Storage: The owner/operator shall store all waste in an impermeable bermed area, except waste generated during emergency response operations for up to 72 hours. All waste storage areas shall be identified in the discharge permit application. Any waste storage area not identified in the permit shall be approved on a case-by-case basis only. The owner/operator shall not store oil field waste on-site for more than 180 days unless approved by the OCD.

7. Drum Storage: The owner/operator must store all drums, including empty drums, containing materials other than fresh water on an impermeable pad with curbing. The owner/operator must store empty drums on their sides with the bungs in place and lined up on a horizontal plane. The owner/operator must store chemicals in other containers, such as tote tanks, sacks, or buckets on an impermeable pad with curbing.

8. Process, Maintenance and Yard Areas: The owner/operator shall either pave and curb or have some type of spill collection device incorporated into the design at all process, maintenance, and yard areas which show evidence that water contaminants from releases, leaks and spills have reached the ground surface.

9. Above Ground Tanks: The owner/operator shall ensure that all aboveground tanks have impermeable secondary containment (e.g., liners and berms), which will contain a volume of at least one-third greater than the total volume of the largest tank or all interconnected tanks. The owner/operator shall retrofit all existing tanks before discharge permit renewal. Tanks that contain fresh water or fluids that are gases at atmospheric temperature and pressure are exempt from this condition.

10. Labeling: The owner/operator shall clearly label all tanks, drums, and containers to identify their contents and other emergency notification information. The owner/operator may use a tank code numbering system, which is incorporated into their emergency response plans.

11. Below-Grade Tanks/Sumps and Pits/Ponds.

A. All below-grade tanks and sumps must be approved by the OCD prior to installation and must incorporate secondary containment with leak detection into the design. The owner/operator shall retrofit all existing systems without secondary containment and leak detection before discharge permit renewal. All existing below-grade tanks and sumps without secondary containment and leak detection must be tested annually or as specified herein. Systems that have secondary containment with leak detection shall have a monthly inspection of the leak detection system to determine if the primary containment is leaking. Small sumps or depressions in secondary containment systems used to facilitate fluid removal are exempt from these requirements if fluids are removed within 72 hours.

B. All pits and ponds, including modifications and retrofits, shall be designed by a certified registered professional engineer and approved by the OCD prior to installation. In general, all pits or ponds shall have approved hydrologic and geologic reports, location, foundation, liners, and secondary containment with leak detection, monitoring and closure plans. All pits or ponds shall be designed, constructed and operated so as to contain liquids and solids in a manner that will protect fresh water, public health, safety and the environment for the foreseeable future. The owner/operator shall retrofit all existing systems without secondary containment and leak detection before discharge permit renewal.

C. The owner/operator shall ensure that all exposed pits, including lined pits and open top tanks (8 feet in diameter or larger) shall be fenced, screened, netted, or otherwise rendered non-hazardous to wildlife, including migratory birds.

D. The owner/operator shall maintain the results of tests and inspections at the facility covered by this discharge permit and available for OCD inspection. The owner/operator shall report the discovery of any system which is found to be leaking or has lost integrity to the OCD within 15 days. The owner/operator may propose various methods for testing such as pressure testing to 3 pounds per square inch greater than normal operating pressure and/or visual inspection of cleaned tanks and/or sumps, or other OCD-approved methods. The owner/operator shall notify the OCD at least 72 hours prior to all testing.

12. Underground Process/Wastewater Lines:

A. The owner/operator shall test all underground process/wastewater pipelines at least once every five (5) years to demonstrate their mechanical integrity, except lines containing fresh water or fluids that are gases at atmospheric temperature and pressure. Pressure rated pipe shall be tested by pressuring up to one and one-half times the normal operating pressure, if possible, or for atmospheric drain systems, to 3 pounds per square inch greater than normal operating pressure, and pressure held for a minimum of 30 minutes with no more than a 1% loss/gain in pressure. The owner/operator may use other methods for testing if approved by the OCD.

B. The owner/operator shall maintain underground process and wastewater pipeline schematic diagrams or plans showing all drains, vents, risers, valves, underground piping, pipe type, rating, size, and approximate location. All new underground piping must be approved by the OCD prior to installation. The owner/operator shall report any leaks or loss of integrity to the OCD within 15 days of discovery. The owner/operator shall maintain the results of all tests at the facility covered by this discharge permit and they shall be available for OCD inspection. The owner/operator shall notify the OCD at least 72 hours prior to all testing.

13. Class V Wells: The owner/operator shall close all Class V wells (e.g., septic systems, leach fields, dry wells, etc.) that inject non-hazardous industrial wastes or a mixture of industrial wastes and domestic wastes unless it can be demonstrated that ground water will not be impacted in the reasonably foreseeable future. Leach fields and other wastewater disposal systems at OCD-regulated facilities that 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 (NMED).

14. Housekeeping: The owner/operator shall inspect all systems designed for spill collection/prevention and leak detection at least monthly to ensure proper operation and to prevent over topping or system failure. All spill collection and/or secondary containment devices shall be emptied of fluids within 72 hours of discovery. The owner/operator shall maintain all records at the facility and available for OCD inspection.

15. Spill Reporting: The owner/operator shall report all unauthorized discharges, spills, leaks and releases and conduct corrective action pursuant to WQCC Regulation 20.5.12.1203 NMAC and OCD Rule 116 (19.15.3.116 NMAC). The owner/operator shall notify both the OCD District Office and the Santa Fe Office within 24 hours and file a written report within 15 days.

16. OCD Inspections: The OCD may place additional requirements on the facility and modify the permit conditions based on OCD inspections.

17. Storm Water: The owner/operator shall implement and maintain run-on and runoff plans and controls. The owner/operator shall not discharge any water contaminant that exceeds the WQCC standards specified in 20.6.2.3101 NMAC or 20.6.4 NMAC (Water Quality Standards for Interstate and Intrastate Streams) including any oil sheen in any stormwater run-off. The owner/operator shall notify the OCD within 24 hours of discovery of any releases and shall take immediate corrective action(s) to stop the discharge.

18. Unauthorized Discharges: The owner/operator shall not allow or cause water pollution, discharge or release of any water contaminant that exceeds the WQCC standards listed in 20.6.2.3101 NMAC or 20.6.4 NMAC (Water Quality Standards for Interstate and Intrastate Streams) unless specifically listed in the permit application and approved herein. *An unauthorized discharge is a violation of this permit.*

19. Vadose Zone and Water Pollution: The owner/operator shall address any contamination through the discharge permit process or pursuant to WQCC 20.6.2.4000-.4116 NMAC (Prevention and Abatement of Water Pollution). The OCD may require the owner/operator to modify its permit for investigation, remediation, abatement, and monitoring requirements for any vadose zone or water pollution. Failure to perform any required investigation, remediation, abatement and submit subsequent reports will be a violation of the permit.

20. Additional Site Specific Conditions: N/A

21. Transfer of Discharge Permit (WQCC 20.6.2.3111) Prior to any transfer of ownership, control, or possession (whether by lease, conveyance or otherwise) of a facility with a discharge permit, the transferror shall notify the transferee in writing of the existence of the discharge permit, and shall deliver or send by certified mail to the department a copy of such written notification, together with a certification or other proof that such notification has in fact been received by the transferee. Upon receipt of such notification, the transferee shall have the duty to inquire into all of the provisions and requirements contained in such discharge permit, and the transferee shall be charged with notice of all such provisions and requirements as they appear of record in the department's file or files concerning such discharge permit. The transferee (new owner/operator) shall sign and return an original copy of these permit conditions and provide a written commitment to comply with the terms and conditions of the previously approved discharge permit.

22. Closure: The owner/operator shall notify the OCD when operations of the facility are to be discontinued for a period in excess of six months. Prior to closure of the facility, the operator shall submit a closure plan for approval. Closure and waste disposal shall be in accordance with the statutes, rules and regulations in effect at the time of closure.

23. Certification: Kelly Maclaskey Oilfield Services, Inc. (Owner/Operator), by the officer whose signature appears below, accepts this permit and agrees to comply with all submitted commitments, including these terms and conditions contained here. **Owner/Operator** further acknowledges that the OCD may, for good cause shown, as necessary to protect fresh water, public health, safety, and the environment, change the conditions and requirements of this permit administratively.

Conditions accepted by: "I certify under penalty of law that I have personally examined and am familiar with the information submitted in this document and all attachments and that, based on my inquiry of those individuals immediately responsible for obtaining the information, I believe that the information is true, accurate, and complete. I am aware that there are significant penalties for submitting false information including the possibility of fine and imprisonment."

KELLY MACLASKEY OILFIELD SERVICES INC
Company Name-print name above

KELLY MACLASKEY
Company Representative- print name

Kelly Maclaskey
Company Representative- signature

Title President
Date: 3-29-07

ACKNOWLEDGEMENT OF RECEIPT
OF CHECK/CASH

I hereby acknowledge receipt of check No.

Dated 3/29/07

or cash received on in the amount of \$ 1700⁰⁰

from MALLASKY Self Field Services

for GW-234

Submitted by: Lawrence Romero Date: 4/3/07

Submitted to ASD by: Lawrence Romero Date: 4/3/07

Received in ASD by: Date:

Filing Fee New Facility Renewal ☒

Modification Other

Organization Code 521.07 Applicable FY 2004

To be deposited in the Water Quality Management Fund.

Full Payment ☒ or Annual Increment

RECEIVED

OCT 27 2004

OIL CONSERVATION
DIVISION

ADDITIONAL ATTACHMENT TO THE DISCHARGE PLAN GW-234
KELLY MACLASKEY OILFIELD SERVICES, INC.
HOBBS SERVICE FACILITY
DISCHARGE PLAN MAJOR MODIFICATION APPROVAL CONDITIONS
(April 20, 2004)

1. Payment of Discharge Plan Modification Fee: There is a flat fee assessed for oil and gas service companies equal to \$1,700.00 for major modifications to the facility. The required flat fee will be paid in a single payment due at the time of approval.
2. Kelly Maclaskey Oilfield Services, Inc. Commitments: Kelly Maclaskey Oilfield Services, Inc. will abide by all commitments submitted in the discharge plan major modification application dated January 6, 2004 and these conditions for approval.
3. Waste Disposal: Disposal may occur only when an attendant is on duty. The facility must be secured when no attendant is present. Liquid and solid waste generated at the treating plant must be disposed of at an OCD approved disposal facility.
4. Design: Any design changes to the treating plant must be submitted to the OCD Santa Fe office for approval and a copy must be sent to the OCD Hobbs District office.
5. Facility Maintenance: The OCD Santa Fe and Hobbs District office must be notified within 24 hours if any defect is discovered. Repairs must be made as soon as possible. If the defect will jeopardize the integrity of the tank(s), additional wastes may not be placed into the affected tank(s) until repairs have been completed.
- Objectionable Odors: Within 24 hours of receiving notification from the OCD that an objectionable odor has been detected or reported, the facility must implement the following response procedure:
- log date and approximate time of notice that an odor exists;
 - log investigative steps taken, including date and time, and conclusions reached;
 - log actions taken to alleviate the odor, which may include adjusting chemical treatment, air sparging, solidification, landfarming, or other similar responses.
- A copy of the log, signed and dated by the facility manager, must be maintained for OCD review.

H₂S PREVENTION & CONTINGENCY PLAN

1. Maclaskey has developed a prevention and contingency plan for ambient H₂S levels to protect public health. The plan addresses how Maclaskey will monitor for H₂S to ensure the following:

WHA
KLM
a. If H₂S of 1.0 ppm or greater leaves the property;

- i. the operator must notify the Hobbs office of the OCD immediately; and
- ii. the operator must begin operations or treatment that will mitigate the source.

b. If H₂S of 10.0 ppm or greater leaves the property:

- i. the operator must immediately notify the Hobbs office of the OCD and the following public safety agencies:

New Mexico State Police;
Lea County Sheriff; and
Lea County Fire Marshall; and

- ii. the operator must notify all persons residing within one-half (½) mile of the fence line and assist public safety officials with evacuation as requested; and
- iii. the operator must begin operations or treatment that will mitigate the source.

WASTE ACCEPTANCE CRITERIA

1. At no time may any OCD-permitted surface waste management facility accept wastes that are hazardous by either listing or characteristic testing.
2. No waste will be accepted at the treating plant unless it is accompanied by an approved Form C-117-A.
3. No produced water may be received at the facility unless the transporter has a valid Form C-133, Authorization to Move Produced Water, on file with the Division.
4. The transporter of any wastes to the facility must supply a certification that wastes delivered are those wastes received from the generator and that no additional materials have been added.

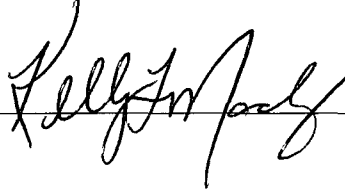
REPORTING

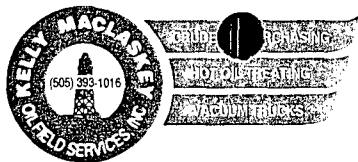
1. The Treating Plant Operator's Monthly Report (Form C-118 sheet 1 and 1-A), which details the oil recovered and sold during the preceding month, must be submitted to the OCD Hobbs office monthly.
2. The Tank Cleaning, Sediment Oil Removal, Transportation of Miscellaneous Hydrocarbons and Disposal Permit (Form C-117) must be submitted to the OCD Hobbs office according to form directions.
3. Records of treating plant inspections and maintenance must be kept and maintained for OCD review.
4. Maclaskey must notify the **OCD Santa Fe and Hobbs offices within 24 hours** of any fire, break, leak, spill, blow out or any other circumstance that could constitute a hazard or contamination in accordance with OCD Rule 116.
5. Comprehensive records of all material disposed of at the facility must be maintained. The records for each load must include: 1) generator; 2) origin; 3) date received; 4) quantity; 5) certification of waste status as exempt; 6) NORM status declaration; and 7) transporter.
6. Certification: Kelly Maclaskey Oilfield Services, Inc., by the officer whose signature appears below, accepts these additions to the permit and agrees to comply with all terms and conditions contained herein. Kelly Maclaskey Oilfield Services, 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:

KELLY MACLASKEY OILFIELD SERVICES, INC.

by


Title
10-25-04



Kelly Maclaskey Oilfield Services, Inc.

P.O. Box 580
Hobbs, N.M. 88241
(505) 393-1016

January 6, 2004

State of New Mexico
Oil Conservation Division
Attn: Mr. W. Jack Ford, C.P.G.
1220 South St. Francis Drive
Santa Fe, NM 87505

Re: Bandera Monument Oil Reclamation Plant
NW/4 NW/4 of Section 16, Township 20 South, Range 37 East, NMPM
Lea County, New Mexico

Mr. Ford:

Regarding our past meeting during the field audit and subsequent phone conversation. As instructed, we are forwarding this notice to the Oil Conservation Division of our request and intent to consolidate our Bandara Monument Oil Reclamation Plant located as referenced above, to our property in rural Lea County. It will be operated under our discharge plan and registration #GW-234.

The equipment will consist of two late model steel 500-barrel tanks that are epoxy lined on the bottom four feet and set on 60-mil PVC plastic liner with dike. This will create a cost saving for us, owning the ground and enable virtual line of sight monitoring and security. We will await further instructions.

Sincerely,

Kelly Maclaskey
President



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

April 20, 2004

Mr. Kelly Maclaskey
Kelly Maclaskey Oilfield Services, Inc.
P.O. Box 580
Hobbs, New Mexico 88241

**RE: Discharge Plan Major Modification Approval GW-234
Kelly Maclaskey Oilfield Services, Inc.
Hobbs Service Facility
Lea County, New Mexico**

Dear Mr. Maclaskey:

The ground water discharge plan major modification, GW-234, for the Kelly Maclaskey Oilfield Services, Inc. Hobbs Service Facility located in the SW/4 SW/4 of Section 36, Township 18 South, Range 37 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 30 days of receipt of this letter.**

The original discharge plan application was submitted on January 22, 1996 and approved April 24, 1996. The discharge plan renewal application, dated February 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 was approved on April 10, 2001. 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. Maclaskey Oilfield Services, Inc. requested a major modification to the discharge plan GW-234, dated January 6, 2004, for the purpose of installing an oil treatment plant within the boundaries of the site. Please be advised that approval of this plan does not relieve Kelly Maclaskey Oilfield Services, 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 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., Kelly Maclaskey Oilfield Services, 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.

Oil Conservation Division * 1220 South St. Francis Drive * Santa Fe, New Mexico 87505

Phone: (505) 476-3440 * Fax (505) 476-3462 * <http://www.emnrd.state.nm.us>

Mr. Kelly Maclaskey
GW-234 Hobbs Service Facility
April 20, 2004
Page 2

The OCD 711 Permit approval for Permit NM-01-0027 is being incorporated into the Discharge Permit GW-234 for this facility. This approval is subject incorporation of additional stipulations attached to the previously submitted stipulations for the discharge permit GW-234.

The discharge plan major modification for the Kelly Maclaskey Oilfield Services, Inc. Hobbs Service Facility is subject to WQCC Regulation 3114. Every billable facility submitting a discharge plan major modification application will be assessed a flat fee for oil and gas service companies equal to \$1,700.00 upon receipt of the approved modification.

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 major modification review.

Sincerely,



Roger C. Anderson
Chief, Environmental Bureau
Oil Conservation Division

RCA/wjf
Attachment

xc: OCD Hobbs Office

ADDITIONAL ATTACHMENT TO THE DISCHARGE PLAN GW-234
KELLY MACLASKEY OILFIELD SERVICES, INC.
HOBBS SERVICE FACILITY
DISCHARGE PLAN MAJOR MODIFICATION APPROVAL CONDITIONS
(April 20, 2004)

1. Payment of Discharge Plan Modification Fee: There is a flat fee assessed for oil and gas service companies equal to \$1,700.00 for major modifications to the facility. The required flat fee will be paid in a single payment due at the time of approval.
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 - a. If H₂S of 1.0 ppm or greater leaves the property;
 - i. the operator must notify the Hobbs office of the OCD immediately; and
 - ii. the operator must begin operations or treatment that will mitigate the source.
 - b. If H₂S of 10.0 ppm or greater leaves the property:
 - i. the operator must immediately notify the Hobbs office of the OCD and the following public safety agencies:

New Mexico State Police;
Lea County Sheriff; and
Lea County Fire Marshall; and
 - ii. the operator must notify all persons residing within one-half (½) mile of the fence line and assist public safety officials with evacuation as requested; and
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3. No produced water may be received at the facility unless the transporter has a valid Form C-133, Authorization to Move Produced Water, on file with the Division.
4. The transporter of any wastes to the facility must supply a certification that wastes delivered are those wastes received from the generator and that no additional materials have been added.

REPORTING

1. The Treating Plant Operator's Monthly Report (Form C-118 sheet 1 and 1-A), which details the oil recovered and sold during the preceding month, must be submitted to the OCD Hobbs office monthly.
2. The Tank Cleaning, Sediment Oil Removal, Transportation of Miscellaneous Hydrocarbons and Disposal Permit (Form C-117) must be submitted to the OCD Hobbs office according to form directions.
3. Records of treating plant inspections and maintenance must be kept and maintained for OCD review.
4. Maclaskey must notify the **OCD Santa Fe and Hobbs offices within 24 hours** of any fire, break, leak, spill, blow out or any other circumstance that could constitute a hazard or contamination in accordance with OCD Rule 116.
5. Comprehensive records of all material disposed of at the facility must be maintained. The records for each load must include: 1) generator; 2) origin; 3) date received; 4) quantity; 5) certification of waste status as exempt; 6) NORM status declaration; and 7) transporter.
6. Certification: Kelly Maclaskey Oilfield Services, Inc., by the officer whose signature appears below, accepts these additions to the permit and agrees to comply with all terms and conditions contained herein. Kelly Maclaskey Oilfield Services, 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:

KELLY MACLASKEY OILFIELD SERVICES, INC.

by _____

Title

ATTACHMENT TO THE DISCHARGE PLAN GW-234
KELLY MACLASKEY OILFIELD SERVICES, INC.
HOBBS SERVICE FACILITY
DISCHARGE PLAN APPROVAL CONDITIONS
(April 10, 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. Kelly Maclaskey Oilfield Services, Inc. Commitments: Kelly Maclaskey Oilfield Services, Inc. will abide by all commitments submitted in the discharge plan application dated February 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.
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.

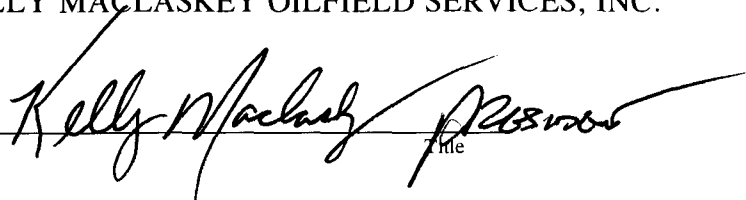
8. Labeling: All tanks, drums and containers will be clearly labeled to identify their contents and other emergency notification information.
9. Below Grade Tanks/Sumps: All below grade tanks, sumps, and pits must be approved by the OCD prior to installation or upon modification and must incorporate 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 Hobbs Service Facility are discontinued for a period in excess of six months. Prior to closure of the Hobbs 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: Kelly Maclaskey Oilfield Services, Inc., by the officer whose signature appears below, accepts this permit and agrees to comply with all terms and conditions contained herein. Kelly Maclaskey Oilfield Services, 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:

KELLY MACLASKEY OILFIELD SERVICES, INC.

by

The signature is a cursive script that reads "Kelly Maclaskey". To the right of the name, there is a date "12/18/2006" and a small, illegible word, possibly "file".



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Jennifer A. Salisbury
Cabinet Secretary

April 10, 2001

Lori Wrotenbery
Director
Oil Conservation Division

CERTIFIED MAIL
RETURN RECEIPT NO. 5051 0241

Mr. Kelly Maclaskey
Kelly Maclaskey Oilfield Services, Inc.
P.O. Box 580
Hobbs, New Mexico 88241

RE: Discharge Plan Approval GW-234
Kelly Maclaskey Oilfield Services, Inc.
Hobbs Service Facility
Lea County, New Mexico

Dear Mr. Maclaskey:

The ground water discharge plan renewal, GW-234, for the Kelly Maclaskey Oilfield Services, Inc. Hobbs Service Facility located in the SW/4 SW/4 of Section 36, Township 18 South, Range 37 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 January 22, 1996 and approved April 24, 1996. The discharge plan renewal application, dated February 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 Kelly Maclaskey Oilfield Services, 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 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., Kelly Maclaskey Oilfield Services, 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. Kelly Maclaskey
GW-234 Hobbs Service Facility
April 10, 2001
Page 2

Pursuant to Section 3109.H.4., this discharge plan is for a period of five years. This plan will expire on **April 24, 2006**, and Kelly Maclaskey Oilfield Services, 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 .

Kelly Maclaskey Oilfield Services, 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 Hobbs Service Facility.

The discharge plan application for the Kelly Maclaskey Oilfield Services, Inc. Hobbs Service 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	
Article Sent To:	
Postage	\$
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$
Postmark Here	
Name (Please Print Clearly) (To be completed by mailer)	
Street, Apt. No., or PO Box No.	
City, State, ZIP+ 4	
PS Form 3800, July 1999	

7099 3220 0000 5051 0241

K. Maclaskey
Maclaskey Oilfield Serv.
GW-234

See Reverse for Instructions

ATTACHMENT TO THE DISCHARGE PLAN GW-234
KELLY MACLASKEY OILFIELD SERVICES, INC.
HOBBS SERVICE FACILITY
DISCHARGE PLAN APPROVAL CONDITIONS
(April 10, 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. Kelly Maclaskey Oilfield Services, Inc. Commitments: Kelly Maclaskey Oilfield Services, Inc. will abide by all commitments submitted in the discharge plan application dated February 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.
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 Hobbs Service Facility are discontinued for a period in excess of six months. Prior to closure of the Hobbs 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: Kelly Maclaskey Oilfield Services, Inc., by the officer whose signature appears below, accepts this permit and agrees to comply with all terms and conditions contained herein. Kelly Maclaskey Oilfield Services, 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:

KELLY MACLASKEY OILFIELD SERVICES, INC.

by _____
Title

Mr. Kelly Maclaskey
Kelly Maclaskey Oilfield Services, Inc.
Page 3
April 24, 1996

ATTACHMENT TO DISCHARGE PLAN GW-234
Kelly Maclaskey Oilfield Services, Inc. - Hobbs Facility
DISCHARGE PLAN REQUIREMENTS
April 24, 1996

1. **Payment of Discharge Plan Fees:** The \$1,380 flat fee shall be submitted upon receipt of this approval. 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. **Kelly Maclaskey Oilfield Services, Inc. Commitments:** Kelly Maclaskey Oilfield Services, Inc. will abide by all commitments submitted in the Discharge Plan Application dated January 22, 1996 as well as the letter dated April 11, 1996 from Kelly Maclaskey Oilfield Services, Inc. and this Discharge Plan Approval from OCD dated April 24, 1996.
3. **Drum Storage:** All drums containing materials other than fresh water must be stored on an impermeable pad and curb type containment. All empty drums should be stored on their sides with the bungs in place and lined up on a horizontal plane. Chemicals in other containers such as sacks or buckets should also be stored on an impermeable pad and curb type containment.
4. **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.
5. **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 facilities or modifications to existing facilities must place the tank on an impermeable type pad.
6. **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.
7. **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 that do not have secondary containment and leak detection 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 /or sumps.

Mr. Kelly Maclaskey
Kelly Maclaskey Oilfield Services, Inc.
Page 4
April 24, 1996

8. **Tank Labeling**: All tanks should be clearly labeled to identify their contents and other emergency information necessary if the tank were to rupture, spill, or ignite.

9. **Underground Process/Wastewater Lines**: All underground process/wastewater pipelines must be tested to demonstrate their mechanical integrity at present and then every 5 years there after. Companies 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.

10. **Housekeeping**: All systems designed for spill collection/prevention should be inspected to ensure proper operation and to prevent overtopping or system failure.

Any contaminated soils that are collected at the facility will be tested for hazardous constituents, and after receiving OCD approval, will be disposed of at an OCD approved site.

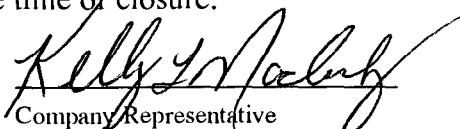
11. **Spill Reporting**: All spills/releases shall be reported pursuant to OCD Rule 116 and WQCC 1203 to the Aztec OCD District Office at (505)-334-6178.

12. **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.

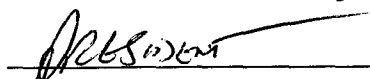
13. **Class V Wells**: Leach fields and other wastewater disposal systems at OCD regulated facilities which inject fluid other than sewage below the surface are considered Class V injection wells under the EPA UIC program. All class V wells will be closed unless, it can be demonstrated that protectable groundwater will not be impacted in the reasonably foreseeable future. Class V wells must be closed through the Santa Fe Office. The OCD allows industry to submit closure plans which are protective of human health, environment and groundwater as defined by the WQCC, and are cost effective.

14. **Closure**: The OCD will be notified when operations of the facility are discontinued for a period in excess of six months. Prior to closure of the 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.

15. **Conditions accepted by:**


Company Representative

5-6-96
Date


Title



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 S. PACHECO
SANTA FE, NEW MEXICO 87505
(505) 827-7131

April 24, 1996

CERTIFIED MAIL
RETURN RECEIPT NO. Z-765-963-140

Mr. Kelly L. Maclaskey
Kelly Maclaskey Oilfield Services, Inc.
P.O. BOX 580
Hobbs, NM 88241

**RE: Approval of Discharge Plan GW-234
Hobbs Facility
Lea County, New Mexico**

Dear Mr. Maclaskey:

The discharge plan GW-234 for the Kelly Maclaskey Oilfield Services, Inc. Hobbs Facility located in SW/4 SW/4, Section 36, Township 18 South, Range 37 East, NMPM, Lea County, New Mexico, is **hereby approved** under the conditions contained in the enclosed attachment. The discharge plan consists of the application dated January 22, 1996 from Kelly Maclaskey Oilfield Services, Inc. as well as the OCD letter dated February 15, 1996, and the letter submitted by Kelly Maclaskey Oilfield Services, Inc. dated April 11, 1996 and the attached permit conditions. 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 five working days of receipt of this letter.**

The discharge plan renewal application was submitted pursuant to Section 3106 of the New Mexico Water Quality Control Commission Regulations. Please note Sections 3109.E and 3109.F which provide for possible future amendments or modifications of the plan. Please be advised that the approval of this plan does not relieve **Kelly Maclaskey Oilfield Services, 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. Kelly Maclaskey
Kelly Maclaskey Oilfield Services, Inc.
Page 2
April 24, 1996

Please note that Section 3104 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 3107.C Kelly Maclaskey Oilfield Services, 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.

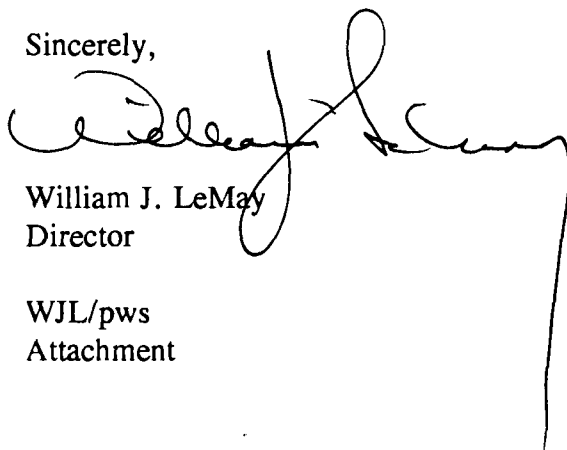
Pursuant to Section 3109.G.4, this plan is for a period of five (5) years. This approval will expire April 24, 2001, and an application for renewal should be submitted in ample time before that date. It should be noted that all discharge plan facilities will be required to submit plans for, or the results of, an underground drainage testing program as a requirement for discharge plan approval.

The discharge plan approval for the Kelly Maclaskey Oilfield Services, Inc. Facility GW-234 is subject to the WQCC Regulation 3114 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 (\$1,380) for Service Companies.

The \$50 filing fee has been received by the OCD. The flat fee for an approved discharge plan has not been received by the OCD. Make all checks payable to NMED - Water Quality Management, and mail to the OCD at the letterhead address.

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: Mr. Wayne Price

Z 765 963 140



**Receipt for
Certified Mail**

No Insurance Coverage Provided
Do not use for International Mail
(See Reverse) *GW-23*

Sent to <i>Kelly Maclaskey Oilfield Services, Inc.</i>	
Street and No. <i>P.O. Box 580</i>	
P.O., State and ZIP Code <i>Hobbs, NM 88241</i>	
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, and Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date	

PS Form 3800, March 1993

Mr. Kelly Maclaskey
Kelly Maclaskey Oilfield Services, Inc.
Page 3
April 24, 1996

ATTACHMENT TO DISCHARGE PLAN GW-234
Kelly Maclaskey Oilfield Services, Inc. - Hobbs Facility
DISCHARGE PLAN REQUIREMENTS
April 24, 1996

1. **Payment of Discharge Plan Fees:** The \$1,380 flat fee shall be submitted upon receipt of this approval. 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. **Kelly Maclaskey Oilfield Services, Inc. Commitments:** Kelly Maclaskey Oilfield Services, Inc. will abide by all commitments submitted in the Discharge Plan Application dated January 22, 1996 as well as the letter dated April 11, 1996 from Kelly Maclaskey Oilfield Services, Inc. and this Discharge Plan Approval from OCD dated April 24, 1996.
3. **Drum Storage:** All drums containing materials other than fresh water must be stored on an impermeable pad and curb type containment. All empty drums should be stored on their sides with the bungs in place and lined up on a horizontal plane. Chemicals in other containers such as sacks or buckets should also be stored on an impermeable pad and curb type containment.
4. **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.
5. **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 facilities or modifications to existing facilities must place the tank on an impermeable type pad.
6. **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.
7. **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 that do not have secondary containment and leak detection 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 /or sumps.

Mr. Kelly Maclaskey
Kelly Maclaskey Oilfield Services, Inc.
Page 4
April 24, 1996

8. **Tank Labeling:** All tanks should be clearly labeled to identify their contents and other emergency information necessary if the tank were to rupture, spill, or ignite.

9. **Underground Process/Wastewater Lines:** All underground process/wastewater pipelines must be tested to demonstrate their mechanical integrity at present and then every 5 years there after. Companies 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.

10. **Housekeeping:** All systems designed for spill collection/prevention should be inspected to ensure proper operation and to prevent overtopping or system failure.

Any contaminated soils that are collected at the facility will be tested for hazardous constituents, and after receiving OCD approval, will be disposed of at an OCD approved site.

11. **Spill Reporting:** All spills/releases shall be reported pursuant to OCD Rule 116 and WQCC 1203 to the Aztec OCD District Office at (505)-334-6178.

12. **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.

13. **Class V Wells:** Leach fields and other wastewater disposal systems at OCD regulated facilities which inject fluid other than sewage below the surface are considered Class V injection wells under the EPA UIC program. All class V wells will be closed unless, it can be demonstrated that protectable groundwater will not be impacted in the reasonably foreseeable future. Class V wells must be closed through the Santa Fe Office. The OCD allows industry to submit closure plans which are protective of human health, environment and groundwater as defined by the WQCC, and are cost effective.

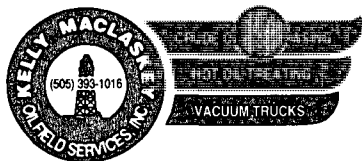
14. **Closure:** The OCD will be notified when operations of the facility are discontinued for a period in excess of six months. Prior to closure of the facility a closure plan will be submitted for approval by the director. Closure and waste disposal will be in accordance with the statutes, rules and regulations in effect at the time of closure.

15. **Conditions accepted by:**

Company Representative

Date

Title



Kelly Maclaskey Oilfield Services, Inc.

**P.O. Box 580
Hobbs, N.M. 88241
(505) 393-1016**

2007 MAR 1 PM 1 18

February 21, 2007

New Mexico Energy, Minerals &
Natural Resources Department
Attn: Mr. Edward J. Hansen
1220 S. St. Francis Drive
Santa Fe, NM 87505

Re: Discharge Plan Permit (GW-234) Renewal

Mr. Hansen:

Please find enclosed the affidavit of publication from the Hobbs News Sun concerning the above referenced Discharge Plan. We are the landowner of the property so it was not necessary to mail the notice.

We will await further instruction.

Sincerely,

Kelly Maclaskey

1AFFIDAVIT OF PUBLICATION

State of New Mexico,
County of Lea.

I, KATHI BEARDEN

PUBLISHER

of the Hobbs News-Sun, a news-
paper published at Hobbs, New
Mexico, do solemnly swear that
the clipping attached hereto was
published once a week in the reg-
ular and entire issue of said
paper, and not a supplement
thereof for a period

of 1

issue(s).

Beginning with the issue dated

February 15, 2007

and ending with the issue dated

February 15, 2007

Kathi Bearden

Publisher

Sworn and subscribed to before

this 15th day of

February 2007

Notary Public

My Commission expires

February 07, 2009

(Seal)



OFFICIAL SEAL
DORA MONTZ
NOTARY PUBLIC
STATE OF NEW MEXICO

My Commission Expires: _____

This newspaper is duly qualified to
publish legal notices or advertise-
ments within the meaning of
Section 3, Chapter 167, Laws of
1937, and payment of fees for said
publication has been made.

PUBLIC NOTICE

Kelly Maclaskey Oilfield Services, Inc., Kelly Maclaskey, President, P.O. Box 580, Hobbs, NM 88241 has submitted a renewal application for the previously approved discharge plan GW-234 for their office facilities and truck shop located SW 1/2, SW 1/2, Section 36 Township 18 South, Range 37 East, NM PM Lea County, New Mexico, or 2 miles West of Hobbs, NM. Approximately 125 gallons of used engine oil, 24 engine oil and fuel filters, reclaimable crude oil and BS&W, rinsate water, product drums, per month are collected and temporarily stored prior to transport and disposal at a NMOC approved facility, as well as domestic office sewage to a septic system. Ground water most likely affected in the event of an accidental discharge is at a depth of approximately 52' with a total dissolved solids concentration of approximately 450 MG/L. The discharge plan addresses how spills, leaks and other accidental discharges to the surface are managed in order to protect fresh water. Any interested person may obtain information, submit comments or request to be placed on a facility specific mailing list for future notices by contacting Edward J. Hansen at the New Mexico OCD at 1220 South St. Francis Drive, Santa Fe, New Mexico 87505, Telephone (505) 476-3489. The OCD will accept comments and statements of interest regarding the renewal and will create a facility-specific mailing list for persons who wish to receive future notices.

ANUNCIO AL PUBLICO

Kelly Maclaskey Oilfield Services, Inc., Kelly Maclaskey, Presidente, P.O. Box 580, Hobbs, NM 88241 ha entregado una solicitud de renovación con referencia al previo plan de GW-234 por su despacho y tienda que se encuentra al Sur Oeste, Sur Oeste, Sección 36, Township 18 Sur, Range 37 Este, NM PM Condado de Lea, Nuevo Mexico, o 2 millas al oeste de Hobbs, Nuevo Mexico.

Se coleccionan aproximadamente 125 galones de combustible usado, 24 filtros de aceite de motor y de filtros para combustible, aceite crudo recuperable y BS & W, agua combinado con cantidades de pesticidas, y tambos durante un mes y los almacenan a base temporal antes de descargarlos en una instalación aprobada por el NMOC; así como aguas cloacales de oficinas a un sistema septica. El agua que posiblemente se afacta en el evento de un derrame accidental se encuentra a una profundidad de aproximadamente 52 pies con una concentración de sólidos diluidos de 450 MG/L. El plan habla de cómo controlar y manejar derrames y goteras accidentales así para proteger al agua puro.

Cualquier persona interesada puede conseguir mas información, dejar comentarios o pedir que le pongamos a una lista de avisos del se or Edward J. Hansen en la OCD de Nuevo Mexico en la 1220 South St. Francis Drive, Santa Fe, Nuevo Mexico 87505. Teléfono: (505) 476-3489. La OCD se aceptara comentarios de interés con referencia al nuevo plan y se creara una lista de aviso para la gente que quiera anuncios futuras.

03100142000

49652235

MACLASKEY OILFIELD SERVICE
PO BOX 580
HOBBS, NM 88241

NOTICE OF
PUBLICATION

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

Notice is hereby given that pursuant to New Mexico Water Quality Control Commission Regulations (20.6.2.3106 NMAC), the following discharge permit renewal application has been submitted to the Director of the New Mexico Oil Conservation Division ("NMOCD"), 1220 S. Saint Francis Drive, Santa Fe, New Mexico 87505, Telephone (505) 476-3440:

(GW-234) - Kelly Mac-
claskey Oilfield Ser-
vices, Inc., Kelly Ma-
claskey, President,
P.O. Box 580, Hobbs,
New Mexico 88241,
has submitted a re-
newal application for
its discharge permit
(GW234) at their of-
fice facilities and
truck shop (oil and
gas service com-
pany), located SW/4,
SW/4 of Section 36,
Township 18 South,
Range 37 East, NMPM,
Lea County, New Mex-

ico (2 miles west of
Hobbs, New Mexico).
Approximately 125
gallons of used en-
gine oil, 24 engine oil
and fuel filters, re-
claimable crude oil
and BS&W, rinsate
water, product drums
per month are col-
lected and temporar-
ily stored prior to
transport and dis-
posal at NMOCD ap-
proved facility. Groundwater most
likely to be affected
by an accidental dis-
charge is at a depth
of approximately 52
feet below ground
surface with a total
dissolved solids con-
centration of approxi-
mately 450 mg/L. The
discharge plan ad-
dresses how oilfield
materials and waste
will be properly han-
dled, stored, and dis-
posed of, including
how spills, leaks, and
other accidental dis-
charges to the sur-
face will be managed
in order to protect
fresh water.

The NMOCD has de-
termined that the ap-
plication is adminis-
tratively complete
and has prepared a
draft permit. The
NMOCD will accept
comments and state-
ments of interest re-
garding this applica-
tion and will create a
facility-specific mail-
ing list for persons
who wish to receive
future notices. Per-
sons interested in ob-
taining further infor-
mation, submitting
comments or request-
ing to be on a
facility-specific mail-
ing list for future no-
tices may contact the
Environmental Bureau
Chief of the Oil Con-
servation Division at
the address given
above. The adminis-
trative completeness
determination and
draft permit may be
viewed at the above
address between 8:00
a.m. and 4:00 p.m.,
Monday through Fri-
day, or may also be
viewed at the NMOCD
web site

<http://www.emnrd.state.nm.us/ocd/>. Per-
sons interested in ob-
taining a copy of the
application and draft
permit may contact
the NMOCD at the ad-
dress given above.
Prior to ruling on any
proposed discharge
permit or major modi-
fication, the Director
shall allow a period of
at least thirty (30)
days after the date of
publication of this no-
tice, during which in-
terested persons may
submit comments or
request that NMOCD
hold a public hearing.
Requests for a public
hearing shall set forth
the reasons why a
hearing should be
held. A hearing will be
held if the Director
determines that there
is significant public
interest.

If no public hearing is
held, the Director will
approve or disap-
prove the proposed
permit based on in-
formation available,
including all com-
ments received. If a
public hearing is held,
the director will ap-
prove or disapprove
the proposed permit
based on information
in the permit applica-
tion and information
submitted at the
hearing.

Para obtener más in-
formación sobre esta
solicitud en español,
sírvase comunicarse
por favor: New Mex-
ico Energy, Minerals
and Natural Re-
sources Department
(Depto. Del Energia,
Minerals y Recursos
Naturales de Nuevo
México), Oil Conser-
vation Division
(Depto. Conserva-
ción Del Petróleo),
1220 South St. Francis
Drive, Santa Fe, New
México (Contacto:
Dorothy Phillips,
505-476-3461)

GIVEN under the Seal
of New Mexico Oil
Conservation Com-
mission at Santa Fe,
New Mexico, on this
16th day of February,

2007.

STATE OF
NEW MEXICO
OIL CONSERVATION
DIVISION

S E A L

Mark Fesmire,
Director

Legal #80389

Pub. Feb. 13, 2007

THE SANTA FE
NEW MEXICAN
Founded 1849

B 20 PM 12 14

NM EMNRD OIL CONSERVATION

ATTN: Edward Hansen
1220 S ST FRANCIS DR
SANTA FE NM 87505

ALTERNATE ACCOUNT: 56689
AD NUMBER: 00202614 ACCOUNT: 00002212
LEGAL NO: 80389 P.O. #: 52100-00044
314 LINES 1 TIME(S) 175.84
AFFIDAVIT: 6.00
TAX: 13.87
TOTAL: 195.71

AFFIDAVIT OF PUBLICATION

STATE OF NEW MEXICO
COUNTY OF SANTA FE

I, R. Lara, being first duly sworn declare and say that I am Legal Advertising Representative of THE SANTA FE NEW MEXICAN, a daily newspaper published in the English language, and having a general circulation in the Counties of Santa Fe and Los Alamos, State of New Mexico and being a newspaper duly qualified to publish legal notices and advertisements under the provisions of Chapter 167 on Session Laws of 1937; that the publication # 80389 a copy of which is hereto attached was published in said newspaper 1 day(s) between 02/13/2007 and 02/13/2007 and that the notice was published in the newspaper proper and not in any supplement; the first date of publication being on the 13rd day of February, 2007 and that the undersigned has personal knowledge of the matter and things set forth in this affidavit.

/S/ _____
LEGAL ADVERTISEMENT REPRESENTATIVE

Subscribed and sworn to before me on this 13rd day of February, 2007

Notary Laura E. Hardy

Commission Expires: 11/23/07

OK to go
Edward Hansen

11/23/07

ADAVIT OF PUBLICATION

State of New Mexico,
County of Lea.

I, KATHI BEARDEN

Publisher

of the Hobbs News-Sun, a
newspaper published at
Hobbs, New Mexico, do solemnly
swear that the clipping attached
hereto was published once a
week in the regular and entire
issue of said paper, and not a
supplement thereof for a period.

of _____
_____ weeks.

Beginning with the issue dated
February 14 2007
and ending with the issue dated

February 14 2007

Kathi Bearden

Publisher

Sworn and subscribed to before

me this 14th day of

February 2007

[Signature]

Notary Public.

My Commission expires
February 07, 2009

(Seal)

OFFICIAL SEAL
DORA MONTZ
NOTARY PUBLIC
STATE OF NEW MEXICO

My Commission Expires _____

This newspaper is duly qualified
to publish legal notices or adver-
tisements within the meaning of
Section 3, Chapter 167, Laws of
1937, and payment of fees for
said publication has been made.

LEGAL NOTICE

February 14, 2007

NOTICE OF PUBLICATION

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

Notice is hereby given that pursuant to New Mexico Water Quality Control Commission Regulations (20.6.2.3106 NMAC), the following discharge permit renewal application has been submitted to the Director of the New Mexico Oil Conservation Division ("NMOCD"), 1220 S. Saint Francis Drive, Santa Fe, New Mexico 87505, Telephone (505) 476-3440:

(GW234) Kelly MacLaskey Oilfield Services, Inc., Kelly MacLaskey, President, P.O. Box 580, Hobbs, New Mexico 88241, has submitted a renewal application for its discharge permit (GW234) at their office facilities and truck shop (oil and gas service company), located SW/4, SW/4 of Section 36, Township 18 South, Range 37 East, NMPM, Lea County, New Mexico (2 miles west of Hobbs, New Mexico). Approximately 125 gallons of used engine oil, 24 engine oil and fuel filters, reclaimable crude oil and BS&W, rinsate water, product drums per month are collected and temporarily stored prior to transport and disposal at NMOCD approved facility. Groundwater most likely to be affected by an accidental discharge is at a depth of approximately 52 feet below ground surface with a total dissolved solids concentration of approximately 450 mg/L. The discharge plan addresses how oilfield materials and waste will be properly handled, stored, and disposed of, including how spills, leaks, and other accidental discharges to the surface will be managed in order to protect fresh water.

(GW326) Plains Pipeline, L.P., Wayne Roberts, Southern Division Director of Environmental and Regulatory Compliance, P.O. Box 3119, Midland, Texas 79702, has submitted a renewal application for the previously approved discharge plan (GW-326) for the Plains Pipeline Jal Basin Station (crude oil pump station) located in the SE/4 of the SE/4 of Section 32, Township 25 South, Range 37 East, NMPM, Lea County, New Mexico, approximately two miles south of Jal, New Mexico. The Jal Basin Station has seven 120,000-barrel storage tanks that contain sweet and sour crude oil. Each storage tank is surrounded by an earthen berm that provides secondary containment for spill prevention and fire control. Approximately 100 gallons of used Varsol mixed with crude oil, 6 used oil filters, and 10 empty barrels are generated on site annually, which are collected and temporarily stored in containment vessels prior to transport and disposal at an NMOCD-approved facility. Groundwater most likely to be affected by a spill, leak or accidental discharge is at a depth of approximately 90 feet below ground surface, with a total dissolved solids concentration of approximately 500 to 2000 mg/l. The discharge plan addresses how oilfield products and waste will be properly handled, stored, and disposed of, including how spills, leaks, and other accidental discharges to the surface will be managed in order to protect fresh water.

The NMOCD has determined that the application is administratively complete and has prepared a draft permit. The NMOCD will accept comments and statements of interest regarding this application and will create a facility-specific mailing list for persons who wish to receive future notices. Persons interested in obtaining further information, submitting comments or requesting to be on a facility-specific mailing list for future notices may contact the Environmental Bureau Chief of the Oil Conservation Division at the address given above. The administrative completeness determination and draft permit may be viewed at the above address between 8:00 a.m. and 4:00 p.m., Monday through Friday, or may also be viewed at the NMOCD web site <http://www.emnrd.state.nm.us/ocd/>. Persons interested in obtaining a copy of the application and draft permit may contact the NMOCD at the address given above. Prior to ruling on any proposed discharge permit or major modification, the Director shall allow a period of at least thirty (30) days after the date of publication of this notice, during which interested persons may submit comments or request that NMOCD hold a public hearing. Requests for a public hearing shall set forth the reasons why a hearing should be held. A hearing will be held if the Director determines that there is significant public interest.

If no public hearing is held, the Director will approve or disapprove the proposed permit based on information available, including all comments received. If a public hearing is held, the director will approve or disapprove the proposed permit based on information in the permit application and information submitted at the hearing.

Para obtener más información sobre esta solicitud en español, sírvase comunicarse por favor: New Mexico Energy, Minerals and Natural Resources Department (Depto. Del Energía, Minerales y Recursos Naturales de Nuevo México), Oil Conservation Division (Depto. Conservación Del Petróleo), 1220 South St. Francis Drive, Santa Fe, New México (Contacto: Dorothy Phillips, 505-476-3461)

GIVEN under the Seal of New Mexico Oil Conservation Commission at Santa Fe, New Mexico, on this 16th day of February, 2007

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

SEAL

Mark Fesmire, Director

#23030

Advertising Receipt

Hobbs Daily News-Sun

201 N Thorp
P O Box 850
Hobbs, NM 88241-0850
Phone: (505) 393-2123
Fax: (505) 397-0610

EDWARD J. HANSEN
OIL CONSERVATION DIVISION *
EMNRD
1220 S. SAINT FRANCIS
SANTA FE NM 87505

Cust#: 01101546-000
Ad#: 02591408
Phone: (505) 476-3489
Date: 02/16/07

Ad taker: C2 Salesperson: 08 Classification: 673

Description	Start	Stop	Ins.	Cost/Day	Surcharges	Total
07 07 Daily News-Sun	02/14/07	02/14/07	1	152.88		152.88
Bold						1.00
Affidavit for legals						3.00

Payment Reference:

LEGAL NOTICE
February 14, 2007

NOTICE OF PUBLICATION

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

Total: 156.88

Tax: 0.00

Net: 156.88

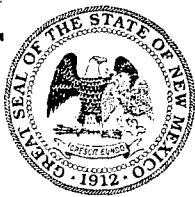
Prepaid: 0.00

Total Due 156.88

Notice is hereby given that pursuant to New Mexico Water Quality Control Commission Regulations (20.6.2.3106 NMAC), the following discharge permit renewal application has been submitted to the Director of the New Mexico Oil Conservation Division ("NMOCD"), 1220 S. Saint Francis Drive, Santa Fe, New Mexico 87505, Telephone (505) 476-3440:

(GW-234) -- Kelly Macclaskey Oilfield Services, Inc., Kelly Macclaskey, President, P.O. Box 580, Hobbs, New Mexico 88241, has submitted a renewal application for its discharge permit (GW234)

OK to pay
Edward J. Hansen



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

March 21, 2007.

Kelly Maclaskey
President
Kelly Maclaskey Oilfield Services, Inc.
P.O. Box 580
Hobbs, New Mexico 88241

Re: Discharge Permit GW234
Kelly Maclaskey Oilfield Services Office and Truck Shop

Dear Mr. Maclaskey:

Pursuant to Water Quality Control Commission (WQCC) Regulations 20.6.2.3000 - 20.6.2.3114 NMAC, the Oil Conservation Division (OCD) hereby approves the discharge permit for the Kelly Maclaskey Oilfield Services, Inc. (owner/operator) Kelly Maclaskey Oilfield Services Office and Truck Shop (GW234) located in the SW4, SW4 of Section 36 Township 18 South, Range 37 East, NMPM, Lea County, New Mexico, under the conditions specified in the enclosed **Attachment To The Discharge Permit**. 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 working days of receipt of this letter including permit fees.**

Please be advised that approval of this permit does not relieve the owner/operator of responsibility should operations result in pollution of surface water, ground water or the environment. Nor does approval of the permit relieve the owner/operator of its responsibility to comply with any other applicable governmental authority's rules and regulations.

If you have any questions, please contact Edward J. Hansen of my staff at (505-476-3489) or email edwardj.hansen@state.nm.us. 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,

W Wayne Price
Environmental Bureau Chief

LWP:ejh
Attachments-1
xc: OCD District Office

ATTACHMENT TO THE DISCHARGE PERMIT
Kelly Maclaskey Oilfield Services Office and Truck Shop (GW234)
DISCHARGE PERMIT APPROVAL CONDITIONS
March 21, 2007

Please remit a check for \$1700.00 made payable to Water Quality Management Fund:

Water Quality Management Fund
c/o: Oil Conservation Division
1220 S. Saint Francis Drive
Santa Fe, New Mexico 87505

- 1. Payment of Discharge Plan Fees:** All discharge permits are subject to WQCC Regulations. Every billable facility that submits a discharge permit application will be assessed a filing fee of \$100.00, plus a renewal flat fee (*see* WQCC Regulation 20.6.2.3114 NMAC). The Oil Conservation Division ("OCD") has received the required \$100.00 filing fee. However, the owner/operator still owes the required \$1700.00 renewal permit fee for an oil and gas service company.
- 2. Permit Expiration and Renewal:** Pursuant to WQCC Regulation 20.6.2.3109.H.4 NMAC, this permit is valid for a period of five years. **The permit will expire on April 24, 2011** and an application for renewal should be submitted no later than 120 days before that expiration date. Pursuant to WQCC Regulation 20.6.2.3106.F NMAC, 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.
- 3. Permit Terms and Conditions:** Pursuant to WQCC Regulation 20.6.2.3104 NMAC, when a permit has been issued, the owner/operator must ensure that all discharges shall be consistent with the terms and conditions of the permit. In addition, all facilities shall abide by the applicable rules and regulations administered by the OCD pursuant to the Oil and Gas Act, NMSA 1978, Sections 70-2-1 through 70-2-38.
- 4. Owner/Operator Commitments:** The owner/operator shall abide by all commitments submitted in its December 22, 2006 discharge permit renewal application, including attachments and subsequent amendments and these conditions for approval. Permit applications that reference previously approved plans on file with the division shall be incorporated in this permit and the owner/operator shall abide by all previous commitments of such plans and these conditions for approval.

5. Modifications: WQCC Regulation 20.6.2.3107.C, and 20.6.2.3109 NMAC addresses possible future modifications of a permit. The owner/operator (discharger) shall notify the OCD of any facility expansion, production increase or process modification that would result in any significant modification in the discharge of water contaminants. The Division Director may require a permit modification if any water quality standard specified at 20.6.2.3103 NMAC is being or will be exceeded, or if a toxic pollutant as defined in WQCC Regulation 20.6.2.7 NMAC is present in ground water at any place of withdrawal for present or reasonably foreseeable future use, or that the Water Quality Standards for Interstate and Intrastate streams as specified in 20.6.4 NMAC are being or may be violated in surface water in New Mexico.

6. Waste Disposal and Storage: The owner/operator shall dispose of all wastes at an OCD-approved facility. Only oil field RCRA-exempt wastes may be disposed of by injection in a Class II well. RCRA non-hazardous, non-exempt oil field wastes may be disposed of at an OCD-approved facility upon proper waste determination pursuant to 40 CFR Part 261. Any waste stream that is not listed in the discharge permit application must be approved by the OCD on a case-by-case basis.

A. OCD Rule 712 Waste: Pursuant to OCD Rule 712 (19.15.9.712 NMAC) disposal of certain non-domestic waste without notification to the OCD is allowed at NMED permitted solid waste facilities if the waste stream has been identified in the discharge permit and existing process knowledge of the waste stream does not change.

B. Waste Storage: The owner/operator shall store all waste in an impermeable bermed area, except waste generated during emergency response operations for up to 72 hours. All waste storage areas shall be identified in the discharge permit application. Any waste storage area not identified in the permit shall be approved on a case-by-case basis only. The owner/operator shall not store oil field waste on-site for more than 180 days unless approved by the OCD.

7. Drum Storage: The owner/operator must store all drums, including empty drums, containing materials other than fresh water on an impermeable pad with curbing. The owner/operator must store empty drums on their sides with the bungs in place and lined up on a horizontal plane. The owner/operator must store chemicals in other containers, such as tote tanks, sacks, or buckets on an impermeable pad with curbing.

8. Process, Maintenance and Yard Areas: The owner/operator shall either pave and curb or have some type of spill collection device incorporated into the design at all process, maintenance, and yard areas which show evidence that water contaminants from releases, leaks and spills have reached the ground surface.

9. Above Ground Tanks: The owner/operator shall ensure that all aboveground tanks have impermeable secondary containment (e.g., liners and berms), which will contain a volume of at least one-third greater than the total volume of the largest tank or all interconnected tanks. The owner/operator shall retrofit all existing tanks before discharge permit renewal. Tanks that contain fresh water or fluids that are gases at atmospheric temperature and pressure are exempt from this condition.

10. Labeling: The owner/operator shall clearly label all tanks, drums, and containers to identify their contents and other emergency notification information. The owner/operator may use a tank code numbering system, which is incorporated into their emergency response plans.

11. Below-Grade Tanks/Sumps and Pits/Ponds.

A. All below-grade tanks and sumps must be approved by the OCD prior to installation and must incorporate secondary containment with leak detection into the design. The owner/operator shall retrofit all existing systems without secondary containment and leak detection before discharge permit renewal. All existing below-grade tanks and sumps without secondary containment and leak detection must be tested annually or as specified herein. Systems that have secondary containment with leak detection shall have a monthly inspection of the leak detection system to determine if the primary containment is leaking. Small sumps or depressions in secondary containment systems used to facilitate fluid removal are exempt from these requirements if fluids are removed within 72 hours.

B. All pits and ponds, including modifications and retrofits, shall be designed by a certified registered professional engineer and approved by the OCD prior to installation. In general, all pits or ponds shall have approved hydrologic and geologic reports, location, foundation, liners, and secondary containment with leak detection, monitoring and closure plans. All pits or ponds shall be designed, constructed and operated so as to contain liquids and solids in a manner that will protect fresh water, public health, safety and the environment for the foreseeable future. The owner/operator shall retrofit all existing systems without secondary containment and leak detection before discharge permit renewal.

C. The owner/operator shall ensure that all exposed pits, including lined pits and open top tanks (8 feet in diameter or larger) shall be fenced, screened, netted, or otherwise rendered non-hazardous to wildlife, including migratory birds.

D. The owner/operator shall maintain the results of tests and inspections at the facility covered by this discharge permit and available for OCD inspection. The owner/operator shall report the discovery of any system which is found to be leaking or has lost integrity to the OCD within 15 days. The owner/operator may propose various methods for testing such as pressure testing to 3 pounds per square inch greater than normal operating pressure and/or visual inspection of cleaned tanks and/or sumps, or other OCD-approved methods. The owner/operator shall notify the OCD at least 72 hours prior to all testing.

12. Underground Process/Wastewater Lines:

A. The owner/operator shall test all underground process/wastewater pipelines at least once every five (5) years to demonstrate their mechanical integrity, except lines containing fresh water or fluids that are gases at atmospheric temperature and pressure. Pressure rated pipe shall be tested by pressuring up to one and one-half times the normal operating pressure, if possible, or for atmospheric drain systems, to 3 pounds per square inch greater than normal operating pressure, and pressure held for a minimum of 30 minutes with no more than a 1% loss/gain in pressure. The owner/operator may use other methods for testing if approved by the OCD.

B. The owner/operator shall maintain underground process and wastewater pipeline schematic diagrams or plans showing all drains, vents, risers, valves, underground piping, pipe type, rating, size, and approximate location. All new underground piping must be approved by the OCD prior to installation. The owner/operator shall report any leaks or loss of integrity to the OCD within 15 days of discovery. The owner/operator shall maintain the results of all tests at the facility covered by this discharge permit and they shall be available for OCD inspection. The owner/operator shall notify the OCD at least 72 hours prior to all testing.

13. Class V Wells: The owner/operator shall close all Class V wells (e.g., septic systems, leach fields, dry wells, etc.) that inject non-hazardous industrial wastes or a mixture of industrial wastes and domestic wastes unless it can be demonstrated that ground water will not be impacted in the reasonably foreseeable future. Leach fields and other wastewater disposal systems at OCD-regulated facilities that 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 (NMED).

14. Housekeeping: The owner/operator shall inspect all systems designed for spill collection/prevention and leak detection at least monthly to ensure proper operation and to prevent over topping or system failure. All spill collection and/or secondary containment devices shall be emptied of fluids within 72 hours of discovery. The owner/operator shall maintain all records at the facility and available for OCD inspection.

15. Spill Reporting: The owner/operator shall report all unauthorized discharges, spills, leaks and releases and conduct corrective action pursuant to WQCC Regulation 20.5.12.1203 NMAC and OCD Rule 116 (19.15.3.116 NMAC). The owner/operator shall notify both the OCD District Office and the Santa Fe Office within 24 hours and file a written report within 15 days.

16. OCD Inspections: The OCD may place additional requirements on the facility and modify the permit conditions based on OCD inspections.

17. Storm Water: The owner/operator shall implement and maintain run-on and runoff plans and controls. The owner/operator shall not discharge any water contaminant that exceeds the WQCC standards specified in 20.6.2.3101 NMAC or 20.6.4 NMAC (Water Quality Standards for Interstate and Intrastate Streams) including any oil sheen in any stormwater run-off. The owner/operator shall notify the OCD within 24 hours of discovery of any releases and shall take immediate corrective action(s) to stop the discharge.

18. Unauthorized Discharges: The owner/operator shall not allow or cause water pollution, discharge or release of any water contaminant that exceeds the WQCC standards listed in 20.6.2.3101 NMAC or 20.6.4 NMAC (Water Quality Standards for Interstate and Intrastate Streams) unless specifically listed in the permit application and approved herein. *An unauthorized discharge is a violation of this permit.*

19. Vadose Zone and Water Pollution: The owner/operator shall address any contamination through the discharge permit process or pursuant to WQCC 20.6.2.4000-.4116 NMAC (Prevention and Abatement of Water Pollution). The OCD may require the owner/operator to modify its permit for investigation, remediation, abatement, and monitoring requirements for any vadose zone or water pollution. Failure to perform any required investigation, remediation, abatement and submit subsequent reports will be a violation of the permit.

20. Additional Site Specific Conditions: N/A

21. Transfer of Discharge Permit (WQCC 20.6.2.3111) Prior to any transfer of ownership, control, or possession (whether by lease, conveyance or otherwise) of a facility with a discharge permit, the transferror shall notify the transferee in writing of the existence of the discharge permit, and shall deliver or send by certified mail to the department a copy of such written notification, together with a certification or other proof that such notification has in fact been received by the transferee. Upon receipt of such notification, the transferee shall have the duty to inquire into all of the provisions and requirements contained in such discharge permit, and the transferee shall be charged with notice of all such provisions and requirements as they appear of record in the department's file or files concerning such discharge permit. The transferee (new owner/operator) shall sign and return an original copy of these permit conditions and provide a written commitment to comply with the terms and conditions of the previously approved discharge permit.

22. Closure: The owner/operator shall notify the OCD when operations of the facility are to be discontinued for a period in excess of six months. Prior to closure of the facility, the operator shall submit a closure plan for approval. Closure and waste disposal shall be in accordance with the statutes, rules and regulations in effect at the time of closure.

23. Certification: Kelly Maclaskey Oilfield Services, Inc. (Owner/Operator), by the officer whose signature appears below, accepts this permit and agrees to comply with all submitted commitments, including these terms and conditions contained here. **Owner/Operator** further acknowledges that the OCD may, for good cause shown, as necessary to protect fresh water, public health, safety, and the environment, change the conditions and requirements of this permit administratively.

Conditions accepted by: "I certify under penalty of law that I have personally examined and am familiar with the information submitted in this document and all attachments and that, based on my inquiry of those individuals immediately responsible for obtaining the information, I believe that the information is true, accurate, and complete. I am aware that there are significant penalties for submitting false information including the possibility of fine and imprisonment."

Company Name-print name above

Company Representative- print name

Company Representative- signature

Title_____

Date:_____

Hansen, Edward J., EMNRD

From: Hansen, Edward J., EMNRD
Sent: Thursday, February 08, 2007 4:17 PM
To: 'classifieds@hobbsnews.com'
Subject: GW234 and GW326 Public Notice
Attachments: GW234GW326PermitNotice2_16_2007.DOC

Dear Lisa,

Please publish the attached notice(s) once in the classified-legal notice section of the newspaper. PO # is 52100-0000000040. Please mail an affidavit of proof of publication for the notice. Please contact me if you have questions. Thank you.

The Oil Conservation Division (OCD) appreciates the ad placement services that you provide to our agency. In order to streamline the review and approval process for newspaper ad invoices, the OCD requests that you send the original invoice with an original affidavit of proof of posting directly to the OCD requestor (contact info. usually at the bottom of e-mails or letters). This will help the proper OCD staff person responsible for the ad placement to promptly receive invoices from newspaper companies and quickly approve invoices for payment.

The OCD appreciates your cooperation and we look forward to working with you in the future. Please contact me if you have questions or need further assistance in this matter.

Edward J. Hansen
Oil Conservation Division
EMNRD
1220 S. St. Francis Dr.
Santa Fe, New Mexico 87505

505-476-3489

2/8/2007

NOTICE OF PUBLICATION

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

Notice is hereby given that pursuant to New Mexico Water Quality Control Commission Regulations (20.6.2.3106 NMAC), the following discharge permit renewal application has been submitted to the Director of the New Mexico Oil Conservation Division ("NMOCD"), 1220 S. Saint Francis Drive, Santa Fe, New Mexico 87505, Telephone (505) 476-3440:

(GW-234)— Kelly Maclaskey Oilfield Services, Inc., Kelly Maclaskey, President, P.O. Box 580, Hobbs, New Mexico 88241, has submitted a renewal application for its discharge permit (GW234) at their office facilities and truck shop (oil and gas service company), located SW/4, SW/4 of Section 36, Township 18 South, Range 37 East, NMPM, Lea County, New Mexico (2 miles west of Hobbs, New Mexico). Approximately 125 gallons of used engine oil, 24 engine oil and fuel filters, reclaimable crude oil and BS&W, rinsate water, product drums per month are collected and temporarily stored prior to transport and disposal at NMOCD approved facility. Groundwater most likely to be affected by an accidental discharge is at a depth of approximately 52 feet below ground surface with a total dissolved solids concentration of approximately 450 mg/L. The discharge plan addresses how oilfield materials and waste will be properly handled, stored, and disposed of, including how spills, leaks, and other accidental discharges to the surface will be managed in order to protect fresh water.

(GW326) Plains Pipeline, L.P., Wayne Roberts, Southern Division Director of Environmental and Regulatory Compliance, P.O. Box 3119, Midland, Texas 79702, has submitted a renewal application for the previously approved discharge plan (GW-326) for the Plains Pipeline Jal Basin Station (crude oil pump station) located in the SE/4 of the SE/4 of Section 32, Township 25 South, Range 37 East, NMPM, Lea County, New Mexico, approximately two miles south of Jal, New Mexico. The Jal Basin Station has seven 120,000-barrel storage tanks that contain sweet and sour crude oil. Each storage tank is surrounded by an earthen berm that provides secondary containment for spill prevention and fire control. Approximately 100 gallons of used Varsol mixed with crude oil, 6 used oil filters, and 10 empty barrels are generated on site annually, which are collected and temporarily stored in containment vessels prior to transport and disposal at an NMOCD-approved facility. Groundwater most likely to be affected by a spill, leak or accidental discharge is at a depth of approximately 90 feet below ground surface, with a total dissolved solids concentration of approximately 500 to 2000 mg/l. The discharge plan addresses how oilfield products and waste will be properly handled, stored, and disposed of, including how spills, leaks, and other accidental discharges to the surface will be managed in order to protect fresh water.

The NMOCD has determined that the application is administratively complete and has prepared a draft permit. The NMOCD will accept comments and statements of interest regarding this application and will create a facility-specific mailing list for persons who wish to receive future notices. Persons interested in obtaining further information, submitting comments or requesting to be on a facility-specific mailing list for future notices may contact the Environmental Bureau Chief of the Oil Conservation Division at the address given above. The administrative completeness determination and draft permit may be viewed at the above address between 8:00 a.m. and 4:00 p.m., Monday through Friday, or may also be viewed at the NMOCD web site <http://www.emnrd.state.nm.us/ocd/>. Persons interested in obtaining a copy of the application and draft permit may contact the NMOCD at the address given above. Prior to ruling on any proposed discharge permit or major modification, the Director shall allow a period of at least thirty (30) days after the date of publication of this notice, during which interested persons may submit comments or request that NMOCD hold a public hearing. Requests for a public hearing shall set forth the reasons why a hearing should be held. A hearing will be held if the Director determines that there is significant public interest.

If no public hearing is held, the Director will approve or disapprove the proposed permit based on information available, including all comments received. If a public hearing is held, the director will approve or disapprove the proposed permit based on information in the permit application and information submitted at the hearing.

Para obtener más información sobre esta solicitud en español, sirvase comunicarse por favor: New Mexico Energy, Minerals and Natural Resources Department (Depto. Del Energia, Minerals y Recursos Naturales de Nuevo México), Oil Conservation Division (Depto. Conservación Del Petróleo), 1220 South St. Francis Drive, Santa Fe, New México (Contacto: Dorothy Phillips, 505-476-3461)

GIVEN under the Seal of New Mexico Oil Conservation Commission at Santa Fe, New Mexico, on this 16th day of February, 2007.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

S E A L

Mark Fesmire, Director

Hansen, Edward J., EMNRD

From: Hansen, Edward J., EMNRD
Sent: Wednesday, February 07, 2007 11:46 AM
To: Stone, Ben, EMNRD
Subject: Draft GW234 posting on OCD webpage
Attachments: GW234 AdminCompLetter1_31_07.pdf; GW234PermitNotice2_16_2007.pdf; GW234Discharge Permit approval_02_16_07.pdf

Ben,
Please post the attached three documents on the OCD webpage.
Thanks.

2/7/2007

Hansen, Edward J., EMNRD

From: Hansen, Edward J., EMNRD
Sent: Wednesday, February 07, 2007 11:53 AM
To: 'legals@sfnewmexican.com'
Subject: GW234 Public Notice - Santa Fe New Mexican
Attachments: GW234PermitNotice2_16_2007.DOC

Dear Sir or Madam:

Please publish the attached notice(s) once in the classified-legal notice section of the newspaper. PO # is 52100-0000000044 Account # 56689 (account # included for Santa Fe paper only). Please mail an affidavit of proof of publication for the notice. Please contact me if you have questions. Thank you.

The Oil Conservation Division (OCD) appreciates the ad placement services that you provide to our agency. In order to streamline the review and approval process for newspaper ad invoices, the OCD requests that you send the original invoice with an original affidavit of proof of posting directly to the OCD requestor (contact info. usually at the bottom of e-mails or letters). This will help the proper OCD staff person responsible for the ad placement to promptly receive invoices from newspaper companies and quickly approve invoices for payment.

The OCD appreciates your cooperation and we look forward to working with you in the future. Please contact me if you have questions or need further assistance in this matter.

Edward J. Hansen
Oil Conservation Division
EMNRD
1220 S. St. Francis Dr.
Santa Fe, New Mexico 87505

505-476-3489

2/7/2007

Hansen, Edward J., EMNRD

From: Hansen, Edward J., EMNRD
Sent: Wednesday, February 07, 2007 11:54 AM
To: 'classifieds@leaco.net'
Subject: ~~GW234~~ Public Notice - Hobbs News-Sun
Attachments: GW234PermitNotice2_16_2007.DOC

Dear Ms. Trammell

Please publish the attached notice(s) once in the classified-legal notice section of the newspaper. PO # is 52100-0000000040. Please mail an affidavit of proof of publication for the notice. Please contact me if you have questions. Thank you.

The Oil Conservation Division (OCD) appreciates the ad placement services that you provide to our agency. In order to streamline the review and approval process for newspaper ad invoices, the OCD requests that you send the original invoice with an original affidavit of proof of posting directly to the OCD requestor (contact info. usually at the bottom of e-mails or letters). This will help the proper OCD staff person responsible for the ad placement to promptly receive invoices from newspaper companies and quickly approve invoices for payment.

The OCD appreciates your cooperation and we look forward to working with you in the future. Please contact me if you have questions or need further assistance in this matter.

Edward J. Hansen
Oil Conservation Division
EMNRD
1220 S. St. Francis Dr.
Santa Fe, New Mexico 87505

505-476-3489

2/7/2007

Hansen, Edward J., EMNRD

From: Hansen, Edward J., EMNRD
Sent: Wednesday, February 07, 2007 11:50 AM
To: Thompson, Bruce C., DGF; Shendo, Benny, DIA; 'ddapr@nmda.nmsu.edu'; 'Linda_Rundell@nm.blm.gov'; 'sthompson@ago.state.nm.us'; 'r@rthicksconsult.com'; 'sricdon@earthlink.net'; 'nmparks@state.nm.us'; Dantonio, John, OSE; 'seligman@nmoga.org'; Martinez, Elysia, NMENV; 'lwa@lwasf.com'; 'lazarus@glorietageo.com'; Stone, Marissa, NMENV; 'ron.dutton@xcelenergy.com'; 'cgarcia@fs.fed.us'; 'jbarnett@barnettwater.com'; Bearzi, James, NMENV; 'mschulz@theitgroup.com'; 'bsg@garbhall.com'; 'jcc_crb@pacbell.net'; Olson, Bill, NMENV; 'claudette.horn@pnm.com'; 'ekendrick@montand.com'; 'ken@carihobbs.com'
Subject: GW234: Public Notice for Renewal of Discharge Permit
Attachments: GW234PermitNotice2_16_2007.pdf

2/7/2007

STATE OF NEW MEXICO
ENERGY MINERALS AND
NATURAL RESOURCES DEPARTMENT
1220 SOUTH SAINT FRANCIS DRIVE
SANTA FE, NEW MEXICO 87505

Field Supervisor
US Fish & Wildlife Service
2105 Osuna Road, Northeast
Albuquerque, NM 87113-1001

STATE OF NEW MEXICO
ENERGY MINERALS AND
NATURAL RESOURCES DEPARTMENT
1220 SOUTH SAINT FRANCIS DRIVE
SANTA FE, NEW MEXICO 87505

sent RECEIVED *GW 234*
FFR - 7 2007
Environmental Bureau
Oil Conservation Division

Dr. Harry Bishara
P. O. Box 748
Cuba, NM 87013

STATE OF NEW MEXICO
ENERGY MINERALS AND
NATURAL RESOURCES DEPARTMENT
1220 SOUTH SAINT FRANCIS DRIVE
SANTA FE, NEW MEXICO 87505

Elmo Baca
State Historic Preservation Officer
228 East Palace Avenue
Villa Rivera Room 101
Santa Fe, NM 87503

NOTICE OF PUBLICATION

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

Notice is hereby given that pursuant to New Mexico Water Quality Control Commission Regulations (20.6.2.3106 NMAC), the following discharge permit renewal application has been submitted to the Director of the New Mexico Oil Conservation Division ("NMOCD"), 1220 S. Saint Francis Drive, Santa Fe, New Mexico 87505, Telephone (505) 476-3440:

(GW-234) – Kelly Maclaskey Oilfield Services, Inc., Kelly Maclaskey, President, P.O. Box 580, Hobbs, New Mexico 88241, has submitted a renewal application for its discharge permit (GW234) at their office facilities and truck shop (oil and gas service company), located SW/4, SW/4 of Section 36, Township 18 South, Range 37 East, NMPM, Lea County, New Mexico (2 miles west of Hobbs, New Mexico). Approximately 125 gallons of used engine oil, 24 engine oil and fuel filters, reclaimable crude oil and BS&W, rinsate water, product drums per month are collected and temporarily stored prior to transport and disposal at NMOCD approved facility. Groundwater most likely to be affected by an accidental discharge is at a depth of approximately 52 feet below ground surface with a total dissolved solids concentration of approximately 450 mg/L. The discharge plan addresses how oilfield materials and waste will be properly handled, stored, and disposed of, including how spills, leaks, and other accidental discharges to the surface will be managed in order to protect fresh water.

The NMOCD has determined that the application is administratively complete and has prepared a draft permit. The NMOCD will accept comments and statements of interest regarding this application and will create a facility-specific mailing list for persons who wish to receive future notices. Persons interested in obtaining further information, submitting comments or requesting to be on a facility-specific mailing list for future notices may contact the Environmental Bureau Chief of the Oil Conservation Division at the address given above. The administrative completeness determination and draft permit may be viewed at the above address between 8:00 a.m. and 4:00 p.m., Monday through Friday, or may also be viewed at the NMOCD web site <http://www.emnrd.state.nm.us/ocd/>. Persons interested in obtaining a copy of the application and draft permit may contact the NMOCD at the address given above. Prior to ruling on any proposed discharge permit or major modification, the Director shall allow a period of at least thirty (30) days after the date of publication of this notice, during which interested persons may submit comments or request that NMOCD hold a public hearing. Requests for a public hearing shall set forth the reasons why a hearing should be held. A hearing will be held if the Director determines that there is significant public interest.

If no public hearing is held, the Director will approve or disapprove the proposed permit based on information available, including all comments received. If a public hearing is held, the director will approve or disapprove the proposed permit based on information in the permit application and information submitted at the hearing.

Para obtener más información sobre esta solicitud en español, sirvase comunicarse por favor: New Mexico Energy, Minerals and Natural Resources Department (Depto. Del Energia, Minerals y Recursos Naturales de Nuevo México), Oil Conservation Division (Depto. Conservación Del Petróleo), 1220 South St. Francis Drive, Santa Fe, New México (Contacto: Dorothy Phillips, 505-476-3461)

GIVEN under the Seal of New Mexico Oil Conservation Commission at Santa Fe, New Mexico, on this 16th day of February, 2007.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

S E A L

Mark Fesmire, Director



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

February 16, 2007

Kelly Maclaskey
President
Kelly Maclaskey Oilfield Services, Inc.
P.O. Box 580
Hobbs, New Mexico 88241

Re: **Discharge Permit GW234 DRAFT**

Kelly Maclaskey Oilfield Services Office and Truck Shop

Dear Mr. Maclaskey:

Pursuant to Water Quality Control Commission (WQCC) Regulations 20.6.2.3000 - 20.6.2.3114 NMAC, the Oil Conservation Division (OCD) hereby approves the discharge permit for the Kelly Maclaskey Oilfield Services, Inc. (owner/operator) Kelly Maclaskey Oilfield Services Office and Truck Shop (GW234) located in the SW4, SW4 of Section 36 Township 18 South, Range 37 East, NMPM, San Juan County, New Mexico, under the conditions specified in the enclosed **Attachment To The Discharge Permit**. 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 working days of receipt of this letter including permit fees.**

Please be advised that approval of this permit does not relieve the owner/operator of responsibility should operations result in pollution of surface water, ground water or the environment. Nor does approval of the permit relieve the owner/operator of its responsibility to comply with any other applicable governmental authority's rules and regulations.

If you have any questions, please contact Edward J. Hansen of my staff at (505-476-3489) or email edwardj.hansen@state.nm.us. 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,

Wayne Price
Environmental Bureau Chief

LWP:ejh
Attachments-1
xc: OCD District Office

ATTACHMENT TO THE DISCHARGE PERMIT
Kelly Maclaskey Oilfield Services Office and Truck Shop (GW234)
DISCHARGE PERMIT APPROVAL CONDITIONS
February 16, 2007

Please remit a check for \$1700.00 made payable to Water Quality Management Fund:

Water Quality Management Fund
c/o: Oil Conservation Division
1220 S. Saint Francis Drive
Santa Fe, New Mexico 87505

- 1. Payment of Discharge Plan Fees:** All discharge permits are subject to WQCC Regulations. Every billable facility that submits a discharge permit application will be assessed a filing fee of \$100.00, plus a renewal flat fee (*see* WQCC Regulation 20.6.2.3114 NMAC). The Oil Conservation Division ("OCD") has received the required \$100.00 filing fee. However, the owner/operator still owes the required \$1700.00 renewal permit fee for an oil and gas service company.
- 2. Permit Expiration and Renewal:** Pursuant to WQCC Regulation 20.6.2.3109.H.4 NMAC, this permit is valid for a period of five years. **The permit will expire on April 24, 2011** and an application for renewal should be submitted no later than 120 days before that expiration date. Pursuant to WQCC Regulation 20.6.2.3106.F NMAC, 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.
- 3. Permit Terms and Conditions:** Pursuant to WQCC Regulation 20.6.2.3104 NMAC, when a permit has been issued, the owner/operator must ensure that all discharges shall be consistent with the terms and conditions of the permit. In addition, all facilities shall abide by the applicable rules and regulations administered by the OCD pursuant to the Oil and Gas Act, NMSA 1978, Sections 70-2-1 through 70-2-38.
- 4. Owner/Operator Commitments:** The owner/operator shall abide by all commitments submitted in its December 22, 2006 discharge permit renewal application, including attachments and subsequent amendments and these conditions for approval. Permit applications that reference previously approved plans on file with the division shall be incorporated in this permit and the owner/operator shall abide by all previous commitments of such plans and these conditions for approval.

5. Modifications: WQCC Regulation 20.6.2.3107.C, and 20.6.2.3109 NMAC addresses possible future modifications of a permit. The owner/operator (discharger) shall notify the OCD of any facility expansion, production increase or process modification that would result in any significant modification in the discharge of water contaminants. The Division Director may require a permit modification if any water quality standard specified at 20.6.2.3103 NMAC is being or will be exceeded, or if a toxic pollutant as defined in WQCC Regulation 20.6.2.7 NMAC is present in ground water at any place of withdrawal for present or reasonably foreseeable future use, or that the Water Quality Standards for Interstate and Intrastate streams as specified in 20.6.4 NMAC are being or may be violated in surface water in New Mexico.

6. Waste Disposal and Storage: The owner/operator shall dispose of all wastes at an OCD-approved facility. Only oil field RCRA-exempt wastes may be disposed of by injection in a Class II well. RCRA non-hazardous, non-exempt oil field wastes may be disposed of at an OCD-approved facility upon proper waste determination pursuant to 40 CFR Part 261. Any waste stream that is not listed in the discharge permit application must be approved by the OCD on a case-by-case basis.

A. OCD Rule 712 Waste: Pursuant to OCD Rule 712 (19.15.9.712 NMAC) disposal of certain non-domestic waste without notification to the OCD is allowed at NMED permitted solid waste facilities if the waste stream has been identified in the discharge permit and existing process knowledge of the waste stream does not change.

B. Waste Storage: The owner/operator shall store all waste in an impermeable bermed area, except waste generated during emergency response operations for up to 72 hours. All waste storage areas shall be identified in the discharge permit application. Any waste storage area not identified in the permit shall be approved on a case-by-case basis only. The owner/operator shall not store oil field waste on-site for more than 180 days unless approved by the OCD.

7. Drum Storage: The owner/operator must store all drums, including empty drums, containing materials other than fresh water on an impermeable pad with curbing. The owner/operator must store empty drums on their sides with the bungs in place and lined up on a horizontal plane. The owner/operator must store chemicals in other containers, such as tote tanks, sacks, or buckets on an impermeable pad with curbing.

8. Process, Maintenance and Yard Areas: The owner/operator shall either pave and curb or have some type of spill collection device incorporated into the design at all process, maintenance, and yard areas which show evidence that water contaminants from releases, leaks and spills have reached the ground surface.

9. Above Ground Tanks: The owner/operator shall ensure that all aboveground tanks have impermeable secondary containment (e.g., liners and berms), which will contain a volume of at least one-third greater than the total volume of the largest tank or all interconnected tanks. The owner/operator shall retrofit all existing tanks before discharge permit renewal. Tanks that contain fresh water or fluids that are gases at atmospheric temperature and pressure are exempt from this condition.

10. Labeling: The owner/operator shall clearly label all tanks, drums, and containers to identify their contents and other emergency notification information. The owner/operator may use a tank code numbering system, which is incorporated into their emergency response plans.

11. Below-Grade Tanks/Sumps and Pits/Ponds.

A. All below-grade tanks and sumps must be approved by the OCD prior to installation and must incorporate secondary containment with leak detection into the design. The owner/operator shall retrofit all existing systems without secondary containment and leak detection before discharge permit renewal. All existing below-grade tanks and sumps without secondary containment and leak detection must be tested annually or as specified herein. Systems that have secondary containment with leak detection shall have a monthly inspection of the leak detection system to determine if the primary containment is leaking. Small sumps or depressions in secondary containment systems used to facilitate fluid removal are exempt from these requirements if fluids are removed within 72 hours.

B. All pits and ponds, including modifications and retrofits, shall be designed by a certified registered professional engineer and approved by the OCD prior to installation. In general, all pits or ponds shall have approved hydrologic and geologic reports, location, foundation, liners, and secondary containment with leak detection, monitoring and closure plans. All pits or ponds shall be designed, constructed and operated so as to contain liquids and solids in a manner that will protect fresh water, public health, safety and the environment for the foreseeable future. The owner/operator shall retrofit all existing systems without secondary containment and leak detection before discharge permit renewal.

C. The owner/operator shall ensure that all exposed pits, including lined pits and open top tanks (8 feet in diameter or larger) shall be fenced, screened, netted, or otherwise rendered non-hazardous to wildlife, including migratory birds.

D. The owner/operator shall maintain the results of tests and inspections at the facility covered by this discharge permit and available for OCD inspection. The owner/operator shall report the discovery of any system which is found to be leaking or has lost integrity to the OCD within 15 days. The owner/operator may propose various methods for testing such as pressure testing to 3 pounds per square inch greater than normal operating pressure and/or visual inspection of cleaned tanks and/or sumps, or other OCD-approved methods. The owner/operator shall notify the OCD at least 72 hours prior to all testing.

12. Underground Process/Wastewater Lines:

A. The owner/operator shall test all underground process/wastewater pipelines at least once every five (5) years to demonstrate their mechanical integrity, except lines containing fresh water or fluids that are gases at atmospheric temperature and pressure. Pressure rated pipe shall be tested by pressuring up to one and one-half times the normal operating pressure, if possible, or for atmospheric drain systems, to 3 pounds per square inch greater than normal operating pressure, and pressure held for a minimum of 30 minutes with no more than a 1% loss/gain in pressure. The owner/operator may use other methods for testing if approved by the OCD.

B. The owner/operator shall maintain underground process and wastewater pipeline schematic diagrams or plans showing all drains, vents, risers, valves, underground piping, pipe type, rating, size, and approximate location. All new underground piping must be approved by the OCD prior to installation. The owner/operator shall report any leaks or loss of integrity to the OCD within 15 days of discovery. The owner/operator shall maintain the results of all tests at the facility covered by this discharge permit and they shall be available for OCD inspection. The owner/operator shall notify the OCD at least 72 hours prior to all testing.

13. Class V Wells: The owner/operator shall close all Class V wells (e.g., septic systems, leach fields, dry wells, etc.) that inject non-hazardous industrial wastes or a mixture of industrial wastes and domestic wastes unless it can be demonstrated that ground water will not be impacted in the reasonably foreseeable future. Leach fields and other wastewater disposal systems at OCD-regulated facilities that 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 (NMED).

14. Housekeeping: The owner/operator shall inspect all systems designed for spill collection/prevention and leak detection at least monthly to ensure proper operation and to prevent over topping or system failure. All spill collection and/or secondary containment devices shall be emptied of fluids within 72 hours of discovery. The owner/operator shall maintain all records at the facility and available for OCD inspection.

15. Spill Reporting: The owner/operator shall report all unauthorized discharges, spills, leaks and releases and conduct corrective action pursuant to WQCC Regulation 20.5.12.1203 NMAC and OCD Rule 116 (19.15.3.116 NMAC). The owner/operator shall notify both the OCD District Office and the Santa Fe Office within 24 hours and file a written report within 15 days.

16. OCD Inspections: The OCD may place additional requirements on the facility and modify the permit conditions based on OCD inspections.

17. Storm Water: The owner/operator shall implement and maintain run-on and runoff plans and controls. The owner/operator shall not discharge any water contaminant that exceeds the WQCC standards specified in 20.6.2.3101 NMAC or 20.6.4 NMAC (Water Quality Standards for Interstate and Intrastate Streams) including any oil sheen in any stormwater run-off. The owner/operator shall notify the OCD within 24 hours of discovery of any releases and shall take immediate corrective action(s) to stop the discharge.

18. Unauthorized Discharges: The owner/operator shall not allow or cause water pollution, discharge or release of any water contaminant that exceeds the WQCC standards listed in 20.6.2.3101 NMAC or 20.6.4 NMAC (Water Quality Standards for Interstate and Intrastate Streams) unless specifically listed in the permit application and approved herein. *An unauthorized discharge is a violation of this permit.*

19. Vadose Zone and Water Pollution: The owner/operator shall address any contamination through the discharge permit process or pursuant to WQCC 20.6.2.4000-.4116 NMAC (Prevention and Abatement of Water Pollution). The OCD may require the owner/operator to modify its permit for investigation, remediation, abatement, and monitoring requirements for any vadose zone or water pollution. Failure to perform any required investigation, remediation, abatement and submit subsequent reports will be a violation of the permit.

20. Additional Site Specific Conditions: N/A

21. Transfer of Discharge Permit (WQCC 20.6.2.3111) Prior to any transfer of ownership, control, or possession (whether by lease, conveyance or otherwise) of a facility with a discharge permit, the transferror shall notify the transferee in writing of the existence of the discharge permit, and shall deliver or send by certified mail to the department a copy of such written notification, together with a certification or other proof that such notification has in fact been received by the transferee. Upon receipt of such notification, the transferee shall have the duty to inquire into all of the provisions and requirements contained in such discharge permit, and the transferee shall be charged with notice of all such provisions and requirements as they appear of record in the department's file or files concerning such discharge permit. The transferee (new owner/operator) shall sign and return an original copy of these permit conditions and provide a written commitment to comply with the terms and conditions of the previously approved discharge permit.

22. Closure: The owner/operator shall notify the OCD when operations of the facility are to be discontinued for a period in excess of six months. Prior to closure of the facility, the operator shall submit a closure plan for approval. Closure and waste disposal shall be in accordance with the statutes, rules and regulations in effect at the time of closure.

23. Certification: Kelly Maclaskey Oilfield Services, Inc. (Owner/Operator), by the officer whose signature appears below, accepts this permit and agrees to comply with all submitted commitments, including these terms and conditions contained here. **Owner/Operator** further acknowledges that the OCD may, for good cause shown, as necessary to protect fresh water, public health, safety, and the environment, change the conditions and requirements of this permit administratively.

Conditions accepted by: "I certify under penalty of law that I have personally examined and am familiar with the information submitted in this document and all attachments and that, based on my inquiry of those individuals immediately responsible for obtaining the information, I believe that the information is true, accurate, and complete. I am aware that there are significant penalties for submitting false information including the possibility of fine and imprisonment."

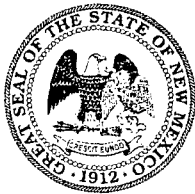
Company Name-print name above

Company Representative- print name

Company Representative- signature

Title_____

Date:_____



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E.

Di

Oil Conser

January 31, 2007

Kelly Maclaskey
President
Kelly Maclaskey Oilfield Services, Inc.
P.O. Box 580
Hobbs, New Mexico 88241

**RE: Discharge Plan Permit (GW-234) Renewal
Kelly Maclaskey Oilfield Services, Inc.
Lea County, New Mexico
Determination of Administratively Complete**

Dear Mr. Maclaskey:

The New Mexico Oil Conservation Division (OCD) has received the Kelly Maclaskey Oil Services, Inc. application, dated December 22, 2006, to renew the discharge permit, GW-234, for the Kelly Maclaskey Oilfield Services, Inc. Office and Truck Shop located in the SW/4 of the SW/4 of Section 36, Township 18 South, Range 37 East, NMPM, Lea County, New Mexico. The application and filing fee were received on December 26, 2006. The application and a follow-up correspondence, which proposed the newspaper to publish the public notice, provided the required information in order to deem the application "administratively" complete.

Now that the submittal is deemed "administratively" complete, the New Mexico Water Quality Control Commission regulations (WQCC) public notice requirements of 20.6.2.3108 NMAC must be satisfied and demonstrated to the OCD. The OCD hereby approves your submitted version of the public notice for translation into Spanish and publication in the specified newspaper in both English and Spanish.

The public notice must be given no later than March 2, 2007. Once the notice has been given please submit to the OCD within 15 days of public notice:

- 1) proof that the notice was published in the newspaper in both English and Spanish (affidavit of publication from the newspaper) and
- 2) proof that the notice was sent via certified mail to each landowner [signed certified receipt (green card) by each landowner – *this is not required if you are the landowner*]

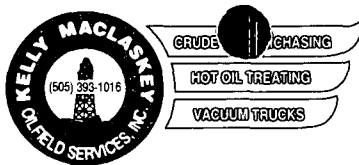
If you have any questions regarding this matter, please do not hesitate to contact me at (505) 476-3489 or edwardj.hansen@state.nm.us. On behalf of the staff of the OCD, I wish to thank you and your staff for your cooperation during this discharge permit renewal review.

Sincerely,



Edward J. Hansen
Hydrologist
Environmental Bureau

EJH:ejh



Kelly Maclaskey Oilfield Services, Inc.

**P.O. Box 580
Hobbs, N.M. 88241
(505) 393-1016**

January 22, 2007

Edward J. Hansen
Hydrologist
Environmental Bureau
New Mexico Energy, Minerals & Natural Resources Dept.
1220 South St. Francis Drive
Santa Fe, NM 87505

RE: Renewal of Discharge Permit, GW234

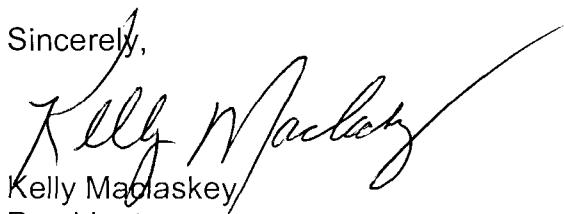
Mr. Hansen;

Enclosed is the draft copy of our public notice to be published notifying of our renewal application for the above mentioned Discharge permit. We are planning on publishing the notice in the local area paper, "The Hobbs News Sun". This paper represents the area in which the facility is located. We were advised by the Hobbs News Sun that their circulation was approximately 10,154.

The public notice will be done in accordance with subsection C of 20.6.2.3108 NMAC, including publishing the notice in both English and Spanish.

We will await further instruction.

Sincerely,


Kelly Maclaskey
President

PUBLIC NOTICE

Kelly Maclaskey Oilfield Services, Inc., Kelly Maclaskey, President, P.O. Box 580, Hobbs, NM 88241 has submitted a renewal application for the previously approved discharge plan GW-234 for their office facilities and truck shop located SW $\frac{1}{4}$, SW $\frac{1}{4}$, Section 36 Township 18 South, Range 37 East, NM PM Lea County, New Mexico, or 2 miles West of Hobbs, NM. Approximately 125 gallons of used engine oil, 24 engine oil and fuel filters, reclaimable crude oil and BS&W, rinsate water, product drums, per month are collected and temporarily stored prior to transport and disposal at NMOCD approved facility, as well as domestic office sewage to a septic system. Ground water most likely affected in the event of an accidental discharge is at a depth of approximately 52' with a total dissolved solids concentration of approximately 450 MG/L. The discharge plan addresses how spills, leaks and other accidental discharges to the surface are managed in order to protect fresh water. Any interested person may obtain information, submit comments or request to be placed on a facility specific mailing list for future notices by contacting Edward J. Hansen at the New Mexico OCD at 1220 South St. Francis Drive, Santa Fe, New Mexico 87505, Telephone (505)476-3489. The OCD will accept comments and statements of interest regarding the renewal and will create a facility-specific mailing list for persons who wish to receive future notices.

I hereby acknowledge receipt of check No. [REDACTED] dated 4/12/00
or cash received on _____ in the amount of \$ 276.00
from Kelly MacLuskey Oilfield Services
for Hobbs Service Facility GW-234
(Family Name)

NEW MEXICO WATER QUALITY MGT.
NMED-WATER QUALITY MGT.
2040 SOUTH PACHECO STREET
SANTA FE, NM 87505

KELLY MACLASKEY OILFIELD SERVICES, INC.

04/12/00

12807

012807

<u>Date</u>	<u>Reference</u>	<u>Invoice #</u>	<u>Net Amount</u>
04/10/00	5792	041000	276.00
		WATER QUALITY INSTALLMENT FEE	
		FINAL FEE	

VENDOR: NMWQM NEW MEXICO WATER QUALITY MGT.

TOTAL:

276.00



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

January 4, 2007

Kelly Maclaskey
Kelly Maclaskey Oilfield Services, Inc.
P.O. Box 580
Hobbs, New Mexico 88241

RE: Renewal of Discharge Permit, GW234

Dear Mr. Maclaskey:

Thank you for your timely submittal of the Renewal Application Form for the renewal of Discharge Permit, GW234. The New Mexico Oil Conservation Division (OCD) has reviewed the application for administrative completeness. The OCD has determined that the application is not complete; and therefore, is requesting additional information.

You must provide information regarding which newspaper will be used for your public notice for OCD approval. Please provide the name of the newspaper and the circulation of the newspaper (i.e., is the newspaper of general circulation in the location of the facility?) that you intend to use for your public notice regarding the renewal of your discharge permit.

The OCD strongly recommends that you submit a draft (see attached example) public notice to the OCD for review prior to publication; thereby, avoiding republication due to possible errors or omissions. The public notice must be given in accordance with Subsection C of 20.6.2.3108 NMAC, including publishing the notice in both English and Spanish. Therefore, please submit a draft notice in English for OCD review. Once the OCD has approved the draft public notice in English, then you must have it translated into Spanish and have it published in both English and Spanish in the OCD approved newspaper.

Below are excerpts from the Rules that indicate the specific information required to be included in the public notice. The required information [F(1) through F(5) below] must be updated to reflect the current operations (e.g., the operational information regarding the major modification in 2004 must be included in addition to any other current practices).

20.6.2.3108 PUBLIC NOTICE AND PARTICIPATION:

F. The notice provided under Subsection B, C and E of 20.6.2.3108 NMAC shall include:

- (1) the name and address of the proposed discharger (*as submitted with your Application Form*);
- (2) the location of the discharge, including a street address, if available, and sufficient information to locate the facility with respect to surrounding landmarks (*e.g., this could be the distance from a particular intersection*);
- (3) a brief description of the activities that produce the discharge described in the application (*please update this information if appropriate*);
- (4) a brief description of the expected quality and volume of the discharge (*please update this information if appropriate*);
- (5) the depth to and total dissolved solids concentration of the ground water most likely to be affected by the discharge (*please update this information if appropriate*);
- (6) the address and phone number within the department by which interested persons may obtain information, submit comments, and request to be placed on a facility-specific mailing list for future notices (*see attached example*); and
- (7) a statement that the department will accept comments and statements of interest regarding the application and will create a facility-specific mailing list for persons who wish to receive future notices (*see attached example*).

Please submit the required information within 30 days of receipt of this letter. If you have any questions regarding this matter, please call me at 505-476-3489.

Sincerely,



Edward J. Hansen
Hydrologist
Environmental Bureau

EJH:ejh

attachment

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

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

Revised June 10, 2003

Submit Original
Plus 1 Copy
to Santa Fe
1 Copy to Appropriate
District Office

**DISCHARGE PLAN APPLICATION FOR SERVICE COMPANIES, GAS PLANTS,
REFINERIES, COMPRESSOR, GEOTHERMAL FACILITIES
AND CRUDE OIL PUMP STATIONS**

(Refer to the OCD Guidelines for assistance in completing the application)

☐ New ☒ Renewal ☐ Modification

1. Type: Service Company Renewal GW-234
2. Operator: Kelly Maclaskey Oilfield Services, Inc.
Address: P.O. Box 580, Hobbs, NM 88241
Contact Person: Kelly Maclaskey Phone: 505-393-1016
3. Location: SW /4 SW /4 Section 36 Township 18S Range 37E
Submit large scale topographic map showing exact location.
4. Attach the name, telephone number and address of the landowner of the facility site. - SAME
5. Attach the description of the facility with a diagram indicating location of fences, pits, dikes and tanks on the facility. -FILE
6. Attach a description of all materials stored or used at the facility. -FILE
7. Attach a description of present sources of effluent and waste solids. Average quality and daily volume of waste water must be included. -FILE
8. Attach a description of current liquid and solid waste collection/treatment/disposal procedures. -FILE
9. Attach a description of proposed modifications to existing collection/treatment/disposal systems. ~~FILE~~ RENEWAL
10. Attach a routine inspection and maintenance plan to ensure permit compliance. -FILE
11. Attach a contingency plan for reporting and clean-up of spills or releases. -FILE
12. Attach geological/hydrological information for the facility. Depth to and quality of ground water must be included. FILE
13. Attach a facility closure plan, and other information as is necessary to demonstrate compliance with any other OCD rules, regulations and/or orders. -FILE

14. CERTIFICATION: I hereby certify that the information submitted with this application is true and correct to the best of my knowledge and belief.

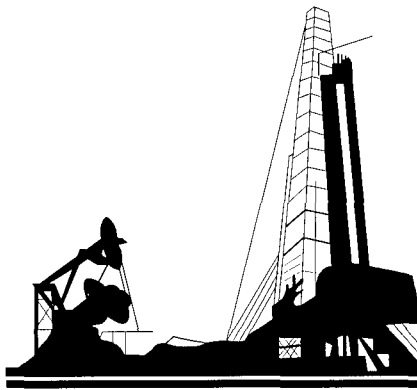
Name: KELLY MACLASKEY

Title: PRESIDENT

Signature: *Kelly Maclaskey*

Date: 12/22/06

E-mail Address: _____



TRANSMITTAL COVER SHEET

OIL CONSERVATION DIVISION
1220 S. ST. FRANCIS DRIVE
SANTA FE, NM 87505
(505) 476-3440
(505) 476-3462 (Fax)

Denny Faust

505-632-1865
FAX

PLEASE DELIVER THIS FAX:

TO:

April Pohl, Envirotech

Phone: 505-632-0615

FROM:

Edward J. Hansen

FAX: 505-632-1865

DATE:

12-28-06

PAGES:

21 (including cover sheet)

SUBJECT:

Discharge Permit Renewal

Application - Oct. 2000

GW221

IF YOU HAVE TROUBLE RECEIVING THIS FAX, PLEASE CALL THE OFFICE
NUMBER ABOVE.



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

January 4, 2007

Kelly Maclaskey
Kelly Maclaskey Oilfield Services, Inc.
P.O. Box 580
Hobbs, New Mexico 88241

RE: Renewal of Discharge Permit, GW234

Dear Mr. Maclaskey:

Thank you for your timely submittal of the Renewal Application Form for the renewal of Discharge Permit, GW234. The New Mexico Oil Conservation Division (OCD) has reviewed the application for administrative completeness. The OCD has determined that the application is not complete; and therefore, is requesting additional information.

You must provide information regarding which newspaper will be used for your public notice for OCD approval. Please provide the name of the newspaper and the circulation of the newspaper (i.e., is the newspaper of general circulation in the location of the facility?) that you intend to use for your public notice regarding the renewal of your discharge permit.

The OCD strongly recommends that you submit a draft (see attached example) public notice to the OCD for review prior to publication; thereby, avoiding republication due to possible errors or omissions. The public notice must be given in accordance with Subsection C of 20.6.2.3108 NMAC, including publishing the notice in both English and Spanish. Therefore, please submit a draft notice in English for OCD review. Once the OCD has approved the draft public notice in English, then you must have it translated into Spanish and have it published in both English and Spanish in the OCD approved newspaper.

Below are excerpts from the Rules that indicate the specific information required to be included in the public notice. The required information [F(1) through F(5) below] must be updated to reflect the current operations (e.g., the operational information regarding the major modification in 2004 must be included in addition to any other current practices).

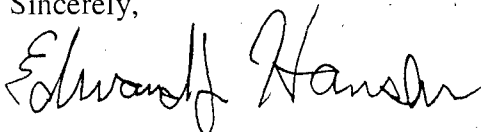
20.6.2.3108 PUBLIC NOTICE AND PARTICIPATION:

F. The notice provided under Subsection B, C and E of 20.6.2.3108 NMAC shall include:

- (1) the name and address of the proposed discharger (*as submitted with your Application Form*);
- (2) the location of the discharge, including a street address, if available, and sufficient information to locate the facility with respect to surrounding landmarks (*e.g., this could be the distance from a particular intersection*);
- (3) a brief description of the activities that produce the discharge described in the application (*please update this information if appropriate*);
- (4) a brief description of the expected quality and volume of the discharge (*please update this information if appropriate*);
- (5) the depth to and total dissolved solids concentration of the ground water most likely to be affected by the discharge (*please update this information if appropriate*);
- (6) the address and phone number within the department by which interested persons may obtain information, submit comments, and request to be placed on a facility-specific mailing list for future notices (*see attached example*); and
- (7) a statement that the department will accept comments and statements of interest regarding the application and will create a facility-specific mailing list for persons who wish to receive future notices (*see attached example*).

Please submit the required information within 30 days of receipt of this letter. If you have any questions regarding this matter, please call me at 505-476-3489.

Sincerely,



Edward J. Hansen
Hydrologist
Environmental Bureau

EJH:ejh

attachment

PUBLIC NOTICE

Enterprise Products Operating, L.P., Shiver J. Nolan, Senior Compliance Administrator, P.O. Box 4324, Houston, Texas 77210-4324, has submitted a renewal application for the previously approved discharge plan (GW-332) for their San Ysidro Pump Station, located in the SE/4 of the NW/4 of Section 19, Township 15 North, Range 2 East, NMPM, Sandoval County, New Mexico, approximately three miles south of San Ysidro, New Mexico. Approximately 1000 gallons of wash-down water, 100 gallons of used oil, 4 used oil filters, 75 used process filters, and 20 empty barrels are generated on site annually, which are collected and temporarily stored in containment vessels prior to transport and disposal at an NMOCD approved facility. Groundwater most likely to be affected by a spill, leak or accidental discharge is at a depth of approximately 30 to 50 feet, with a total dissolved solids concentration of approximately 200 to 2000 mg/l. The discharge plan addresses how oilfield products and waste will be properly handled, stored, and disposed of, including how spills, leaks, and other accidental discharges to the surface will be managed in order to protect fresh water. Any interested person may obtain information, submit comments or request to be placed on a facility specific mailing list for future notices by contacting Edward J. Hansen at the New Mexico OCD at 1220 South St. Francis Drive, Santa Fe, New Mexico 87505, Telephone (505) 476-3489. The OCD will accept comments and statements of interest regarding the renewal and will create a facility-specific mailing list for persons who wish to receive future notices.

EXAMPLE

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

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

Revised June 10, 2003

Submit Original
Plus 1 Copy
to Santa Fe
1 Copy to Appropriate
District Office

**DISCHARGE PLAN APPLICATION FOR SERVICE COMPANIES, GAS PLANTS,
REFINERIES, COMPRESSOR, GEOTHERMAL FACILITIES
AND CRUDE OIL PUMP STATIONS**

(Refer to the OCD Guidelines for assistance in completing the application)

☐ New ☒ Renewal ☐ Modification

1. Type: Service Company Renewal GW-234
2. Operator: Kelly Maclaskey Oilfield Services, Inc.
Address: P.O. Box 580, Hobbs, NM 88241
Contact Person: Kelly Maclaskey Phone: 505-393-1016
3. Location: SW /4 SW /4 Section 36 Township 18S Range 37E
Submit large scale topographic map showing exact location.
4. Attach the name, telephone number and address of the landowner of the facility site. - SAME
5. Attach the description of the facility with a diagram indicating location of fences, pits, dikes and tanks on the facility. -FILE
6. Attach a description of all materials stored or used at the facility. -FILE
7. Attach a description of present sources of effluent and waste solids. Average quality and daily volume of waste water must be included. -FILE
8. Attach a description of current liquid and solid waste collection/treatment/disposal procedures. -FILE
9. Attach a description of proposed modifications to existing collection/treatment/disposal systems. ~~FILE~~ RENEWAL
10. Attach a routine inspection and maintenance plan to ensure permit compliance. -FILE
11. Attach a contingency plan for reporting and clean-up of spills or releases. -FILE
12. Attach geological/hydrological information for the facility. Depth to and quality of ground water must be included. FILE
13. Attach a facility closure plan, and other information as is necessary to demonstrate compliance with any other OCD rules, regulations and/or orders. -FILE

14. CERTIFICATION: I hereby certify that the information submitted with this application is true and correct to the best of my knowledge and belief.

Name: KELLY MACLASKEY

Title: PRESIDENT

Signature: 

Date: 12/22/06

E-mail Address: _____

MACLASKEY OILFIELD SERVICES, INC.

P. O. BOX 580 • 505-393-1016
HOBBS, NM 88241-0580

1ST NATIONAL BANK
HOBBS, NM

95-43/1122
212377010

27531

NUMBER

PAY One hundred dollars and no cents

TO THE
ORDER OF

DATE

12/22/2006

AMOUNT

*****100.00*

NEW MEXICO WATER QUALITY MGT.
C/O OIL CONSERVATION DIVISION
1220 S. ST. FRANCIS DRIVE
SANTA FE, NM 87505

Kelly L. MacLachlan

MP
SAFEGUARD SECUR-
SAFEGUARD SECUR-

THIS DOCUMENT CONTAINS HEAT SENSITIVE INK. TOUGH TO PRESS HERE. RED IMAGE DISAPPEARS WITH HEAT.

⑈027531⑈ ⑆112200439⑆

⑈212377010⑈

MACLASKEY OILFIELD SERVICES, INC. Vendor Code

To: NEW MEXICO WATER QUALITY MGT.
C/O OIL CONSERVATION DIVISION
1220 S. ST. FRANCIS DRIVE
SANTA FE, NM 87505

NMWQM

Check Date
12/22/2006

Check Amount
\$100.00

27531

Invoice #	Invoice Amt
DISCHARGE PERMIT #GW234	100.00

Hansen, Edward J., EMNRD

From: Hansen, Edward J., EMNRD
Sent: Wednesday, December 13, 2006 10:46 AM
To: 'macoil@crosswind.net'
Subject: Renewal of Discharge Permit **GW234**
Attachments: Renewal WQCC Notice Regs.pdf; Discharge Plan App Form.pdf; Guidelines For Discharge Plans.pdf; PN Flow Chart.20.6.2renewal.pdf

Dear Discharge Permit (GW234) Holder:

The Oil Conservation Division's (OCD) records indicate that your discharge plan has expired. New Mexico Water Quality Control Commission regulations (WQCC) Section 3106.F (20.6.2.3106.F NMAC) specifies that 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. You may be operating without a permit. Please submit a permit renewal application with a filing fee (20.6.2.3114 NMAC) of \$100.00 by December 31, 2006. Please make all checks payable to the **Water Quality Management Fund** and addressed to the OCD Santa Fe Office. There is also a discharge plan permit fee, based on the type of facility, which OCD will assess after processing your application. An application form and guidance document is attached in order to assist in expediting this process.

In accordance with the public notice requirements (Subsection A of 20.6.2.3108 NMAC) of the newly revised (July 2006) WQCC regulations, "...to be deemed administratively complete, an application shall provide all of the information required by Paragraphs (1) through (5) of Subsection F of 20.6.2.3108 NMAC and shall indicate, for department approval, the proposed locations and newspaper for providing notice required by Paragraphs (1) through (4) of Subsection B or Paragraph (2) of Subsection C of 20.6.2.3108 NMAC." You are required to provide the information specified above in your permit renewal application submittal. Attached are a flow chart and the regulatory language pertaining to the new WQCC public notice requirements for your convenience. After the application is deemed administratively complete, the revised public notice requirements of 20.6.2.3108 NMAC must be satisfactory demonstrated to OCD. OCD will provide public notice pursuant to the revised WQCC notice requirements of 20.6.2.3108 NMAC to determine if there is any public interest.

Please contact me by phone 505-476-3489 or email <mailto:edwardj.hansen@state.nm.us> if you have any questions regarding this matter.

Sincerely,

Edward J. Hansen
Hydrologist
Environmental Bureau

12/13/2006

AFFIDAVIT OF PUBLICATION

State of New Mexico,
County of Lea.

I, KATHI BEARDEN

Publisher

of the Hobbs News-Sun, a
newspaper published at
Hobbs, New Mexico, do solemnly
swear that the clipping attached
hereto was published once a
week in the regular and entire
issue of said paper, and not a
supplement thereof for a period.

of 1
_____ weeks.

Beginning with the issue dated
June 9 2004
and ending with the issue dated
June 9 2004

Kathi Bearden

Publisher

Sworn and subscribed to before

me this 9th day of

June 2004

Joanna M. Prukop

Notary Public.

My Commission expires
November 27, 2004
(Seal)

LEGAL NOTICE
June 9, 2004

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-234) - Kelly Maclaskey Oilfield Services, Inc., Mr. Kelly Maclaskey, P.O. Box 580, Hobbs, New Mexico 88241, has submitted a discharge plan major modification application for their Hobbs Service Facility located in the SW/4 SW/4, Section 36, Township 18 South, Range 37 East, NMPM, Lea County, New Mexico. An oil treatment installation will be constructed on site. All materials treated at the facility will be collected by Maclaskey Oilfield Services, Inc. owned and operated equipment and delivered to the site. Effluents generated on site are collected in containment vessels 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 52 feet with a total dissolved solids concentrations of 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 20th day of April, 2004.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION
JOANNA PRUKOP, Acting Director
(SEAL)
#20715

01100060000 02570441
State of New Mexico Oil &
1220 S. St. Francis
Santa Fe, NM 87505

This newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Laws of 1937, and payment of fees for said publication has been made.

**NOTICE OF
PUBLICATION**

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

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

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GIVEN under the Seal of New Mexico Conservation Commission at Santa Fe, New Mexico, on this 20th day of April, 2004.

**STATE OF
NEW MEXICO
OIL CONSERVATION
DIVISION**

JOANNA PRUKOP,
Acting Director
Legal #74434
Pub. June 9, 2004